



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**CITY OF LANCASTER
FAIRFIELD COUNTY, OHIO**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Members of Council
City of Lancaster
104 East Main Street
Lancaster, Ohio 43130

We have reviewed the *Independent Auditors' Report* of the City of Lancaster, Fairfield County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 16, 2021

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council
City of Lancaster
104 East Main Street
Lancaster, Ohio 43130

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, Ohio (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 27, 2021. Our report includes a reference to other auditors who audited the financial statements of the Lancaster Port Authority, a component unit of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
August 27, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

City Council
City of Lancaster
104 East Main Street
Lancaster, Ohio 43130

Report on Compliance for Each Major Federal Program

We have audited the City of Lancaster, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 as of and for the year ended December 31, 2020, and have issued our report thereon dated August 27, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
August 27, 2021

CITY OF LANCASTER
FAIRFIELD COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Assistance Listing Number	Final Federal Schedule Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>CDBG - Entitlement Grants Cluster</u>			
Community Development Block Grants/Entitlement Grants	B-19-MC-39-0027	14.218	\$ 604,422
Total CDBG - Entitlement Grants Cluster			604,422
<i>Passed Through Ohio Development Services Agency</i>			
Home Investment Partnership Program	A-C-18-2CE-2	14.239	57,713
Total U.S. Department of Housing and Urban Development			662,135
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Bulletproof Vest Partnership Program	N/A	16.607	4,350
<i>Passed Through Ohio Office of Criminal Justice</i>			
COVID-19 - Coronavirus Emergency Supplemental Funding Program	2020-CE-CTF-2022	16.034	12,159
Violence Against Women Formula Grants	2019-WF-VA5-8422 2020-WF-VA5-8422	16.588 16.588	20,000 20,569
			40,569
Drug Court Discretionary Grant Program	2019-MU-BX-0002	16.585	169,515
Edward Byrne Memorial Justice Assistance Grant Program	2019-DJ-BX-0458 2019-JG-D02-6589	16.738 16.738	12,201 22,760
			34,961
Total U.S. Department of Justice			261,554
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation</i>			
<u>Highway Planning and Construction Cluster</u>			
Highway Planning and Construction	PID 109850 PID 106437	20.205 20.205	498,072 9,237
Total Highway Planning and Construction Cluster			507,309
COVID-19 Formula Grants for Rural Areas	107-CARE-20-0100	20.509	891,942
Formula Grants for Rural Areas	107-RPTF-20-0100	20.509	177,022
			1,068,964
<u>Federal Transit Cluster</u>			
Bus and Bus Facilities Formula Program	107-BABF-20-0100	20.526	125,992
Total Federal Transit Cluster			125,992
<i>Passed Through Ohio Department of Commerce</i>			
E-911 Grant Program	N/A	20.615	15,646
Total U.S. Department of Transportation			1,717,911
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>			
Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	45,984
Total U.S. Department of Health and Human Services			45,984
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed Through Fairfield County</i>			
COVID-19 - Coronavirus Relief Fund	N/A	21.019	3,130,990
Total U.S. Department of the Treasury			3,130,990
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Assistance to Firefighters Grant	EMW-2018-FO-04655	97.044	171,818
Total U.S. Department of Homeland Security			171,818
Total Expenditures of Federal Awards			\$ 5,990,392

The accompanying notes are an integral part of this schedule.

**CITY OF LANCASTER
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2020**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the City of Lancaster, Fairfield County, Ohio, (the City's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, activities and cash flows of the City for the year ended December 31, 2020.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE B - SUBRECIPIENTS

The City did not pass any federal awards received to subrecipients during the year ended December 31, 2020.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has a revolving loan fund (RLF) program to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2020 is as follows:

Beginning loans receivable balance as of January 1, 2020	\$ 841,284
Loans made	90,245
Loan principal repaid	<u>(75,344)</u>
Ending loans receivable balance as of December 31, 2020	\$ 856,185
Cash balance on hand in the revolving loan fund as of December 31, 2020	\$ 25,220

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None noted
Identification of major programs:	
Coronavirus Relief Fund - #21.019	
Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

2020-001: Significant Deficiency – Financial Reporting

While the City contracts with an outside firm to complete the compilation of its annual financial statements, responsibility for those statements and related note disclosures remain with the City's management. Thus, it is important to develop appropriate control procedures related to drafting financial statements and disclosures which enables errors to be prevented, or detected and corrected, on a timely basis.

As the result of audit procedures performed, it was determined that the City did not properly report the amount for the net position for net investment in capital assets or unrestricted net position(deficit) for the Sanitation Fund. Due to a calculation error, the amount of net position reported for net investment in capital assets was overstated while the unrestricted net deficit was overstated by the same amount. It should be noted total fund balance was appropriately reported.

The City should ensure financial reporting procedures are implemented to detect errors and omissions in the financial statements prior to presenting them for audit.

City's Response: The City acknowledges the error noted above. We will continue to improve financial reporting procedures to ensure this issue is not repeated in the future.

Section III – Federal Awards Findings and Questioned Costs

None noted



CITY OF LANCASTER, OHIO

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

Patricia Nettles, Auditor

City of Lancaster, Ohio
 Corrective Action Plan
 December 31, 2020

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	The City Auditor and staff will implement an additional review process and develop procedures, in consultation with the 3 rd party contactor who prepares the financial statements, to ensure financial statements amounts are accurate and presented properly.	Immediately	Tricia Nettles, City Auditor t Nettles@ci.lancaster.oh.us



CITY OF LANCASTER, OHIO

Fairfield County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

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

August 27, 2021

To the Citizens and
Elected Officials of
Lancaster, Ohio:

I am pleased to present to you the Comprehensive Annual Financial Report, of the City of Lancaster, Ohio, for the year ended December 31, 2020.

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.

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

The Reporting Entity

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

Lancaster is a full-service City, and in order to provide necessary services to its citizens, the City of Lancaster is divided into departments. Services provided include full time police and fire protection, health services and clinic, 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, 2020***

The City participates in the following Jointly Governed Organizations: Fairfield Metropolitan Housing Authority, Lancaster-Fairfield Community Action Agency, Fairfield 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, 2020***

ECONOMIC CONDITION AND OUTLOOK

Lancaster is leading Ohio with three Ohio Onesite certified industrial parks and the efforts are being recognized in projects and leads. Magna Seating of America completed its new manufacturing operation of seat structures for the automotive industry and as of first quarter 2021 has employed over three hundred persons. South Central Power commenced excavation in June 2020 for its new headquarters and operations center. The operations center will consolidate regional facilities to report out of the new Lancaster thirty-million-dollar combined facility. South Central is expected to move into its new facility fourth quarter 2021 and bring with it over two hundred new employees into the city. Chiyoda Integre of Japan has chosen Lancaster as its first U.S. manufacturing facility and will create an expected fifty jobs. Chiyoda did a five year lease to purchase agreement with the Lancaster Port Authority and is utilizing its fifty thousand square foot “spec” building. Existing Lancaster industries including Anchor Hocking Glass, Blue Label Digital, Max Container Solutions, and CFM Global are investing and expanding as well creating jobs for the region.

The majority of Lancaster’s industrial and manufacturing operations are “essential” and while a few companies were temporarily impacted by the Covid-19 virus, most continued operations and those that were impacted are back in production. Prior to the virus, The City’s unemployment rate was under five percent. With the onslaught of the pandemic, the unemployment spiked to approximately eighteen percent but as of July 2021, unemployment is back to pre-Covid status even though hundreds of positions are open. The need for employees has driven wages higher. The City had been lagging behind the state average household income and the City is moving closer to that state average.

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

Long-term Financial Planning:

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

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

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 2020 calendar year there were several major projects that were completed or are in the design, utility relocation, or ROW acquisition process. Following is a list of those projects:

- 2020 Street Improvement Program (SIP) - \$1,612,000
- PID 108470–Ety Road Improvements–Estimated Construction Cost = \$1,344,223.79
- PID 111072 Signalize Intersection Upgrade – Total Cost - \$183,000
- PID 109825 – Fair Ave Resurfacing (High Street to Sheridan Drive) – Total Cost – \$552,706.02
- Rock Mill Corporate Park Improvements (Phase 2.3) – \$903,285.00
- Rock Mill Corporate Park Improvements (Phase 2.4) – \$911,155.65

***Letter of Transmittal
For the Year Ended December 31, 2020***

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

- 5th Avenue/6th Avenue/Forest Rose Sewer separation project
- Additionally, catch basins were added at the intersection of Broad Street and Mulberry Street
- Union/Mulberry Drainage Improvement Project (Final Phase)
- Box Culvert Rehab under North Memorial Drive (near Whittier)
- Lawrence Street Water Pollution Control Facility – multi-million, multi-year project (+\$20 million)

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

- Lateral D Trunk Sewer Phase 1 to serve the properties between Campground Road and Wilson Road
- Rock Mill Corporate Park-Ruble Industrial Park Water Line Connection for water service reliability
- South Water Plant Concentrate Line Improvements to increase water production
- New North Water Plant to replace the existing Miller Park Water Plant
- Phase 2 Expansion of the Upper Hocking Water Pollution Control Facility to increase flow capacity.

***Letter of Transmittal
For the Year Ended December 31, 2020***

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.

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, 2020***

OTHER INFORMATION

Independent Audit

This report includes an unmodified audit report regarding the City's financial statements. The audit was conducted by Clark Schaefer Hackett, 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 Comprehensive Annual Financial Report for the fiscal year ending December 31, 2019. This was the thirty-third year the City has won this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current Comprehensive Annual 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 Comprehensive Annual 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.

Acknowledgments

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

Sincerely,



Patricia Nettles
City Auditor

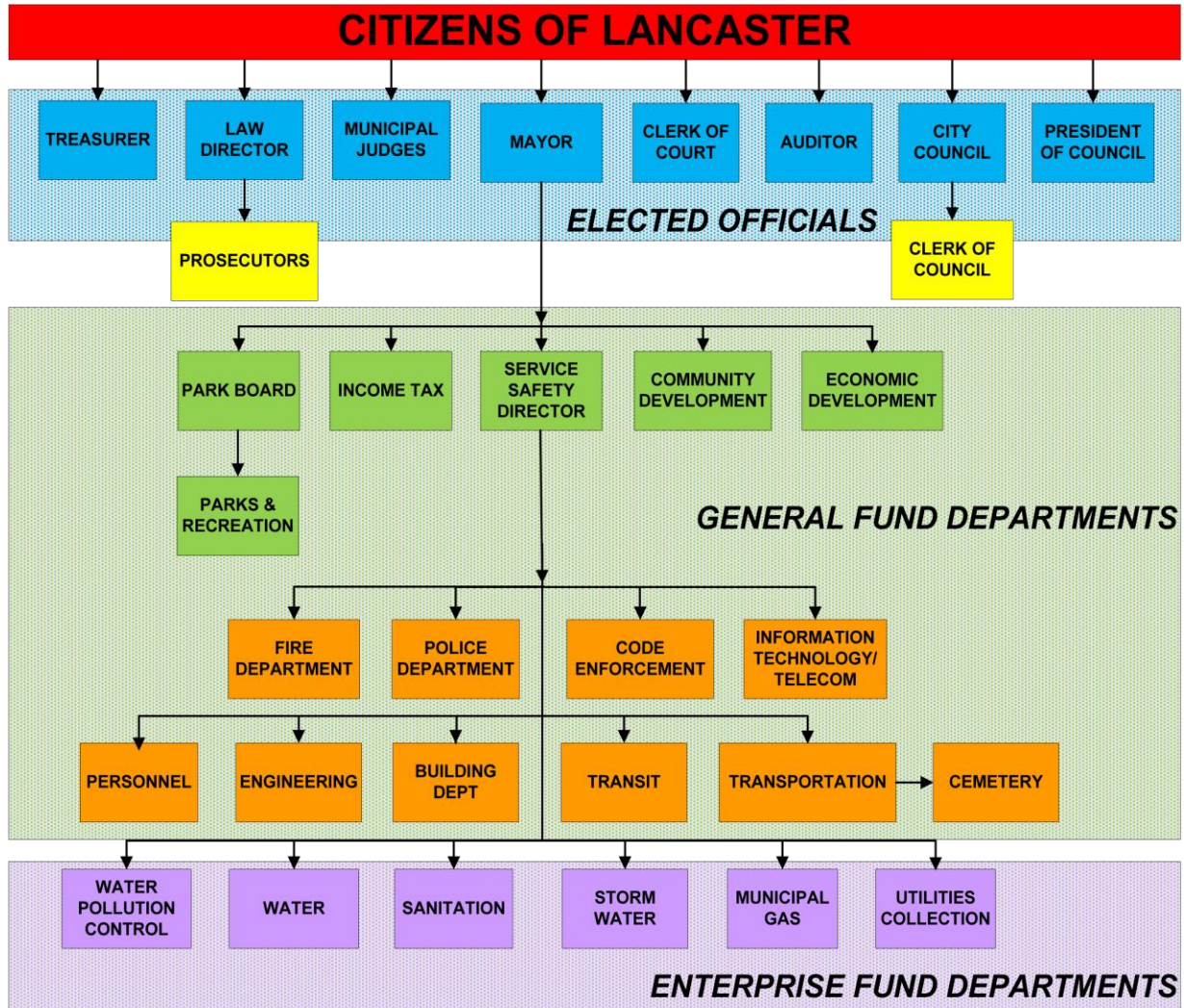
CITY OF LANCASTER, OHIO

***List of Principal Officials
For the Year Ended December 31, 2020***

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

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

**City Organizational Chart
For the Year Ended December 31, 2020**



***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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Council
City of Lancaster
104 East Main Street
Lancaster, Ohio 43130

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lancaster, Ohio (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lancaster Port Authority (the "Port Authority"), which is both a major fund and represents 70% and 13% of the assets and revenues of the business-type activities, respectively. The Port Authority reports a deficit net position of \$101,285,489 compared to the \$8,398,081 total net position reported 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 the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lancaster, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the .45 Police and Fire Levy Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and required pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are 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. Such 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2021 on our consideration of the City's internal control over financial reporting and on 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
August 27, 2021



***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

The discussion and analysis of the City of Lancaster's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2020. 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 2020 are as follows:

- ❑ In total, net position increased \$1,131,473. Net position of governmental activities increased \$4,551,880 which represents a 20.4% increase from 2019. Net position of business-type activities decreased \$3,380,407 which represents a 28.7% decrease from 2019.
- ❑ General revenues accounted for \$31,770,790 in revenue or 33.6% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$62,868,112 in revenues or 66.4% of total revenues of \$94,638,902.
- ❑ The City had \$44,430,237 in expenses related to governmental activities; only \$17,519,384 of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$22,170,341 in revenues and \$18,027,205 in expenditures and other financing uses. The general fund's fund balance increased from \$7,814,267 to \$11,969,991.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The City's major funds are the General Fund and the .45 Police and Fire Levy Fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

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 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$39,461,142	\$33,418,741	\$483,862,314	\$498,401,137	\$523,323,456	\$531,819,878
Capital assets, Net	65,152,630	64,273,071	128,317,597	122,692,722	193,470,227	186,965,793
Total assets	104,613,772	97,691,812	612,179,911	621,093,859	716,793,683	718,785,671
Deferred outflows of resources	11,039,342	17,835,158	3,977,178	6,164,021	15,016,520	23,999,179
Long-term debt outstanding	15,359,117	16,606,933	393,126,799	397,482,448	408,485,916	414,089,381
Net Pension Liability	42,038,010	53,276,476	9,087,193	13,282,770	51,125,203	66,559,246
Net OPEB Liability	12,714,167	11,699,128	6,308,724	6,276,553	19,022,891	17,975,681
Other liabilities	4,962,166	5,287,406	9,567,923	11,420,439	14,530,089	16,707,845
Total liabilities	75,073,460	86,869,943	418,090,639	428,462,210	493,164,099	515,332,153
Deferred inflows of resources	13,948,251	6,537,504	189,668,369	187,017,182	203,616,620	193,554,686
Net position:						
Net investment in capital assets	54,184,923	52,330,007	78,086,549	71,050,827	132,271,472	123,380,834
Restricted	11,217,660	11,332,790	2,345,297	2,379,486	13,562,957	13,712,276
Unrestricted (Deficit)	(38,771,180)	(41,543,274)	(72,033,765)	(61,651,825)	(110,804,945)	(103,195,099)
Total net position	\$26,631,403	\$22,119,523	\$8,398,081	\$11,778,488	\$35,029,484	\$33,898,011

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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

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

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

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

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

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

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

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

CITY OF LANCASTER, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

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

Changes in Net Position –The following table shows the changes in net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services and Sales	\$6,490,959	\$7,773,135	\$44,821,772	\$46,764,160	\$51,312,731	\$54,537,295
Operating Grants, Contributions and Interest	10,536,359	5,736,348	486,293	899,748	11,022,652	6,636,096
Capital Grants and Contributions	492,066	324,419	40,663	127,606	532,729	452,025
Total Program Revenues	17,519,384	13,833,902	45,348,728	47,791,514	62,868,112	61,625,416
General Revenues:						
Property Taxes	4,808,856	4,359,315	0	0	4,808,856	4,359,315
Income Taxes	20,733,365	20,977,070	0	0	20,733,365	20,977,070
Other Local Taxes	622,615	664,742	0	0	622,615	664,742
Intergovernmental Revenues, Contributions not Restricted to Specific Programs	1,587,080	2,757,540	0	0	1,587,080	2,757,540
Investment Earnings	679,766	1,067,622	0	0	679,766	1,067,622
Miscellaneous	3,339,108	898,092	0	0	3,339,108	898,092
Total General Revenues	31,770,790	30,724,381	0	0	31,770,790	30,724,381
Total Revenues	49,290,174	44,558,283	45,348,728	47,791,514	94,638,902	92,349,797
Program Expenses						
Security of Persons and Property	20,807,024	1,799,062	0	0	20,807,024	1,799,062
Public Health and Welfare Services	908,121	955,434	0	0	908,121	955,434
Leisure Time Activities	2,246,039	2,879,347	0	0	2,246,039	2,879,347
Community Environment	929,581	1,055,812	0	0	929,581	1,055,812
Transportation	8,335,716	7,809,758	0	0	8,335,716	7,809,758
General Government	10,736,341	10,973,019	0	0	10,736,341	10,973,019
Interest and Fiscal Charges	467,415	483,957	0	0	467,415	483,957
Gas	0	0	10,832,957	13,986,387	10,832,957	13,986,387
Water	0	0	8,338,909	9,448,889	8,338,909	9,448,889
Water Pollution	0	0	9,454,081	9,117,280	9,454,081	9,117,280
Sanitation	0	0	4,121,258	4,640,674	4,121,258	4,640,674
Storm Water	0	0	2,366,316	2,500,991	2,366,316	2,500,991
Port Authority	0	0	16,295,697	15,048,563	16,295,697	15,048,563
Total Expenses	44,430,237	25,956,389	51,409,218	54,742,784	95,839,455	80,699,173
Change in Net Position before Transfers and Special item	4,859,937	18,601,894	(6,060,490)	(6,951,270)	(1,200,553)	11,650,624
Special Item	0	0	2,332,026	2,106,846	2,332,026	2,106,846
Transfers	(348,057)	0	348,057	0	0	0
Total Change in Net Position	4,511,880	18,601,894	(3,380,407)	(4,844,424)	1,131,473	13,757,470
Beginning Net Position,	22,119,523	3,517,629	11,778,488	16,622,912	33,898,011	20,140,541
Ending Net Position	\$26,631,403	\$22,119,523	\$8,398,081	\$11,778,488	\$35,029,484	\$33,898,011

***Management’s Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

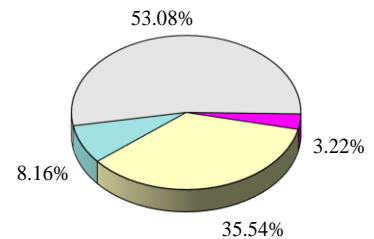
Governmental Activities

Net position of the City’s governmental activities increased by \$4,511,880. Various factors contributed to the increase in revenues, including an increase in Property Taxes, the receipt of Coronavirus Relief Funds, and Bureau of Workers Compensation COVID Rebate. The increase in Security of Persons and Property is because 2019 expenses were significantly lowered due to a change in the Net OPEB Liability for OP&F which had reduced expenses by over \$20 million. Without that adjustment in 2019, the expenses for 2019 and 2020 would be comparable.

The City receives an income tax, which is based on 1.75% 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 42.1% and 9.8% respectively of revenues for governmental activities for the City in 2020. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 53.08% of total revenues from general tax revenues:

Revenue Sources	2020	Percent of Total
General Tax Revenues	\$26,164,836	53.08%
Unrestricted		
Intergovernmental/Contributions	1,587,080	3.22%
Program Revenues	17,519,384	35.54%
General Other	4,018,874	8.16%
Total Revenue	<u>\$49,290,174</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business type activities decreased by \$3,380,407. The decrease in the net position of the business-type funds was due to multiple issues going on in 2020. Natural gas sales were down due to a mild winter, interest income was down due to lower investment interest rates. COVID also impacted the ability for utility rate payers to pay their utility payments.

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$23,529,978, which is an increase from last year's balance of \$17,999,374. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2020 and 2019:

	Fund Balance December 31, 2020	Fund Balance December 31, 2019	Increase (Decrease)
General	\$11,969,991	\$7,814,267	\$4,155,724
.45 Police and Fire Levy	1,802,070	701,160	1,100,910
Other Governmental	9,757,917	9,483,947	273,970
Total	<u>\$23,529,978</u>	<u>\$17,999,374</u>	<u>\$5,530,604</u>

General Fund – The City's General Fund balance increase is due to several factors. The City received COVID Federal Grant monies as well as receiving a Bureau of Workers Compensation COVID Rebate. The tables that follow assist in illustrating the financial activities of the General Fund:

	2020 Revenues	2019 Revenues	Increase (Decrease)
Taxes	\$13,810,040	\$13,559,431	\$250,609
Intergovernmental Revenue	1,317,927	1,213,322	104,605
Charges for Services	2,928,908	3,259,950	(331,042)
Licenses, Permits, and Fees	18,045	20,255	(2,210)
Investment Earnings	659,458	984,792	(325,334)
Fines and Forfeitures	611,560	833,391	(221,831)
All Other Revenue	2,824,403	340,472	2,483,931
Total	<u>\$22,170,341</u>	<u>\$20,211,613</u>	<u>\$1,958,728</u>

General Fund revenues in 2020 increased approximately 9.7% compared to revenues in 2019. The increase was mostly due to a rebate of premiums from the Bureau of Workers' Compensation of \$2,440,870. This increase was partly offset by lower interest rates and a decrease in Charges for Services. Many services such as recreational activities were not offered because of the COVID-19 pandemic.

	2020 Expenditures	2019 Expenditures	Increase (Decrease)
Security of Persons and Property	\$9,229,970	\$338,008	\$8,891,962
Public Health and Welfare Services	319,675	318,703	972
Community Environment	127,529	217,319	(89,790)
General Government	7,150,836	6,773,976	376,860
Debt Service:			
Principal Retirement	36,354	38,531	(2,177)
Interest and Fiscal Charges	3,514	7,572	(4,058)
Total	<u>\$16,867,878</u>	<u>\$7,694,109</u>	<u>\$9,173,769</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

General Fund expenditures increased by \$9,173,769 or 119.2% compared to the prior year. The increase was the result of the General Fund no longer making transfers out to the .45 Police and Fire Levy Fund (special revenue fund) in 2020. This procedural change resulted in the majority of Police and Fire expenditures being paid from the General Fund instead of the .45 Police and Fire Levy Fund (special revenue), as it had been in prior years. The Police and Fire Departments have multiple funding sources to pay for their expenses. They receive a shared .45 Police and Fire Income Tax Levy (special revenue) and a .15 Fire Income Tax Levy (special revenue- fire only) neither of which is enough to support the Police and Fire Departments' annual expenditures. The General Fund supports the difference that these Income Tax Levies do not cover. Prior to 2020, the .45 Police and Fire Levy Fund and the .15 Fire Levy Fund paid all expenditures with the General Fund transferring money into the .45 Police and Fire Levy Fund to cover their approved expense budget. Beginning in 2020, these expenditures are paid out of multiple funds with no transfers between the General Fund and the Special Revenue Funds.

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the course of 2020, the City amended its General Fund budget several times. The final budget basis expenditures and other financing uses of \$22,651,720, increased \$334,291 from the original budget. The increase was due to an increase in General Government for intrafund reimbursements within the General fund not budgeted in the original budget. The positive variance with the final budget of \$3.4 million for Security of Persons and Property was a result of Coronavirus Relief funds being used to pay for Police and Fire Department First Responder personnel during the COVID-19 pandemic, which were accounted for in a Special Revenue Fund. The General Government's positive variance was partly the result of the offsetting of intrafund reimbursement in the General Government function and for contract labor expenditures that did not occur.

For the General Fund, final budget basis revenue and other financing sources of did not significantly change from the original budget estimates. Actual budgetary revenue of \$22,507,647 was \$1.5 million higher due to a large refund of previous years' Workers' compensation premiums. The increase was offset by reductions in tax revenues, charges for services and fines and forfeitures as a result of COVID pandemic shut-downs of services.

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020 the City had \$193,470,227 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$65,152,630 was related to governmental activities and \$128,317,597 to the business-type activities. The following table shows 2020 and 2019 balances:

	Governmental Activities		Increase (Decrease)
	2020	2019	
Land	\$18,516,691	\$18,454,481	\$62,210
Construction In Progress	163,106	1,544,641	(1,381,535)
Buildings	18,037,591	18,053,846	(16,255)
Improvements Other than Buildings	8,680,886	7,842,350	838,536
Machinery and Equipment	6,484,612	6,619,675	(135,063)
Vehicles	8,739,760	8,651,477	88,283
Infrastructure	42,926,654	40,277,993	2,648,661
Less: Accumulated Depreciation	(38,396,670)	(37,171,392)	(1,225,278)
Totals	<u>\$65,152,630</u>	<u>\$64,273,071</u>	<u>\$879,559</u>

The primary increases occurred as a result of major street improvements, which were completed in 2020. Improvements Other than Buildings increased due to playground improvements, the majority of which was donated and new software for the Auditor and Income Tax offices. Machinery and Equipment decreased as a result of increasing the capitalization threshold.

	Business-Type Activities		Increase (Decrease)
	2020	2019	
Land	\$3,832,495	\$3,729,588	\$102,907
Construction in Progress	9,323,629	1,226,002	8,097,627
Buildings	83,602,223	83,560,194	42,029
Improvements	34,736,406	34,822,388	(85,982)
Machinery and Equipment	10,834,200	11,449,799	(615,599)
Vehicles	7,367,795	6,977,117	390,678
Infrastructure	109,792,735	107,718,409	2,074,326
Less: Accumulated Depreciation	(131,171,886)	(126,790,775)	(4,381,111)
Totals	<u>\$128,317,597</u>	<u>\$122,692,722</u>	<u>\$5,624,875</u>

Business type capital assets increased by \$5,624,875. Two large storm water projects resulted in the increase in Construction in Progress. The additions to infrastructure include completed water pollution, and storm water projects and the construction of gas lines. Machinery and Equipment decreased as a result of increasing the capitalization threshold. Additional information on the City's capital assets can be found in Note 10.

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

Debt

At December 31, 2020, the City had \$8,703,949 in general obligation bonds outstanding, \$675,000 due within one year; \$359,498,946 in revenue bonds outstanding, \$2,625,000 due within one year; and \$30,320,532 in Ohio Water Development Authority Loans outstanding, \$3,645,933 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
General Obligation Bond Payable	\$8,703,949	\$9,382,008
Ohio Public Works Commission Loan	72,257	96,343
State Infrastructure Bank Loan	224,115	217,587
Ohio Water Development Authority Loans	240,912	259,884
Installment Loan Payable	157,374	206,487
Compensated Absences	4,969,223	5,096,429
Capital Leases	991,287	1,348,195
Total Governmental Activities	<u>\$15,359,117</u>	<u>\$16,606,933</u>
Business-Type Activities:		
Ohio Water Development Authority Loans	\$30,079,620	\$30,055,009
Revenue Bonds Payable	359,498,900	363,624,346
Ohio Public Works Commission Loan	328,912	346,223
Landfill Postclosure Care Liability	862,688	896,757
Capital Leases	151,844	222,068
Compensated Absences	2,204,835	2,338,045
Total Business-Type Activities	<u>\$393,126,799</u>	<u>\$397,482,448</u>
Totals	<u><u>\$408,485,916</u></u>	<u><u>\$414,089,381</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, 2020, 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. The Lancaster City Schools completed a new junior high school in 2020. The Lancaster City Taxpayers voted for a 3.7 mill levy in May 2019 to construct a new high school which is anticipated to be open in 2024. Magna International Lancaster plant at the Rockmill Industrial Park began production in 2020. This new plant will bring an estimated 330 jobs into the City of Lancaster. South Central Power began construction on a new \$38 million dollar plant in 2020 which will bring 200 additional jobs to the City of Lancaster. The estimated completion date will be Fall of 2021.

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, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 13,913,855	\$ 14,533,483	\$ 28,447,338
Investments	11,045,701	35,613,696	46,659,397
Receivables:			
Taxes	9,230,763	0	9,230,763
Accounts	246,376	4,903,004	5,149,380
Intergovernmental	2,937,519	0	2,937,519
Interest	96,841	73,686	170,527
Special Assessments	27,833	0	27,833
Loans	1,558,443	0	1,558,443
Internal Balances	(155,870)	155,870	0
Inventory of Supplies	480,310	2,399,243	2,879,553
Prepaid Items	74,635	70,409	145,044
Prepaid Gas Supply - Current	0	15,414,635	15,414,635
Prepaid Gas Supply	0	212,545,453	212,545,453
Land Held for Resale	0	1,845,511	1,845,511
Fair Value of Derivative Instruments	0	186,323,268	186,323,268
Restricted Assets:			
Cash and Cash Equivalents	0	9,446,631	9,446,631
Cash and Cash Equivalents with Fiscal Agent	4,736	0	4,736
Investments	0	537,425	537,425
Capital Assets Not Being Depreciated	18,679,797	13,156,124	31,835,921
Capital Assets Being Depreciated, Net	46,472,833	115,161,473	161,634,306
Total Assets	104,613,772	612,179,911	716,793,683
Deferred Outflows of Resources:			
Deferred Loss on Early Retirement of Debt	53,957	1,502,065	1,556,022
Pension	6,614,897	1,476,340	8,091,237
OPEB	4,370,488	998,773	5,369,261
Total Deferred Outflows of Resources	11,039,342	3,977,178	15,016,520
Liabilities:			
Accounts Payable	861,664	1,345,137	2,206,801
Accrued Wages and Benefits	1,097,501	1,242,727	2,340,228
Intergovernmental Payable	228,512	1,821	230,333
Claims Payable	361,245	0	361,245
Retainage Payable	0	95,118	95,118
Due to Others, Payable from Restricted Assets	34,865	190,443	225,308
Unearned Revenue	0	7,812	7,812
Accrued Interest Payable	30,070	6,684,865	6,714,935
General Obligation Notes Payable	2,348,309	0	2,348,309
Long Term Liabilities:			
Due within one year	1,660,723	6,677,163	8,337,886
Due in More than One Year:			
Net Pension Liability	42,038,010	9,087,193	51,125,203
Net OPEB Liability	12,714,167	6,308,724	19,022,891
Other Amounts Due in More than One Year	13,698,394	386,449,636	400,148,030
Total Liabilities	75,073,460	418,090,639	493,164,099

CITY OF LANCASTER, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Taxes	4,636,069	0	4,636,069
Pension	6,436,537	2,260,113	8,696,650
OPEB	2,875,645	1,084,988	3,960,633
Deferred Inflow from Derivative Instruments	0	186,323,268	186,323,268
Total Deferred Inflows of Resources	13,948,251	189,668,369	203,616,620
Net Position:			
Net Investment in Capital Assets	54,184,923	78,086,549	132,271,472
Restricted For:			
Streets and Highways	3,231,435	0	3,231,435
Community Development	2,511,461	0	2,511,461
Security of Persons and Property	3,336,145	0	3,336,145
Public Health and Welfare	1,702,733	0	1,702,733
Capital Projects	360,935	0	360,935
Debt Service	74,951	2,345,297	2,420,248
Unrestricted (Deficit)	(38,771,180)	(72,033,765)	(110,804,945)
Total Net Position	\$ 26,631,403	\$ 8,398,081	\$ 35,029,484

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Activities
For the Year Ended December 31, 2020**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 20,807,024	\$ 2,361,458	\$ 3,305,157	\$ 0
Public Health and Welfare Services	908,121	232,990	0	0
Leisure Time Activities	2,246,039	227,714	61,375	421,000
Community Environment	929,581	77,264	649,743	0
Transportation	8,335,716	981,977	5,551,371	71,066
General Government	10,736,341	2,609,556	968,713	0
Interest and Fiscal Charges	467,415	0	0	0
Total Governmental Activities	44,430,237	6,490,959	10,536,359	492,066
Business-Type Activities:				
Gas	10,832,957	11,744,347	0	0
Water	8,338,909	9,351,767	90,059	0
Water Pollution	9,454,081	12,611,471	355,075	0
Sanitation	4,121,258	4,377,576	8,262	0
Storm Water	2,366,316	3,091,294	0	40,663
Port Authority	16,295,697	3,645,317	32,897	0
Total Business-Type Activities	51,409,218	44,821,772	486,293	40,663
Totals	\$ 95,839,455	\$ 51,312,731	\$ 11,022,652	\$ 532,729

General Revenues:

- Property Taxes Levied for:
 - General Purposes
 - Special Purposes
 - Debt Service
 - Capital Outlay
- Income Taxes
- Other Local Taxes
- Intergovernmental Revenues not Restricted to Specific Programs
- Investment Earnings
- Miscellaneous
- Special Item - Transfer of Assets and Liabilities
- Transfers
- Total General Revenues, Special Item and Transfers
- Change in Net Position
- Net Position Beginning of Year
- Net Position End of Year**

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (15,140,409)	\$ 0	\$ (15,140,409)
(675,131)	0	(675,131)
(1,535,950)	0	(1,535,950)
(202,574)	0	(202,574)
(1,731,302)	0	(1,731,302)
(7,158,072)	0	(7,158,072)
(467,415)	0	(467,415)
<u>(26,910,853)</u>	<u>0</u>	<u>(26,910,853)</u>
0	911,390	911,390
0	1,102,917	1,102,917
0	3,512,465	3,512,465
0	264,580	264,580
0	765,641	765,641
0	(12,617,483)	(12,617,483)
<u>0</u>	<u>(6,060,490)</u>	<u>(6,060,490)</u>
<u>(26,910,853)</u>	<u>(6,060,490)</u>	<u>(32,971,343)</u>
2,106,171	0	2,106,171
2,459,283	0	2,459,283
120,331	0	120,331
123,071	0	123,071
20,733,365	0	20,733,365
622,615	0	622,615
1,587,080	0	1,587,080
679,766	0	679,766
3,339,108	0	3,339,108
0	2,332,026	2,332,026
<u>(348,057)</u>	<u>348,057</u>	<u>0</u>
<u>31,422,733</u>	<u>2,680,083</u>	<u>34,102,816</u>
4,511,880	(3,380,407)	1,131,473
<u>22,119,523</u>	<u>11,778,488</u>	<u>33,898,011</u>
<u>\$ 26,631,403</u>	<u>\$ 8,398,081</u>	<u>\$ 35,029,484</u>

CITY OF LANCASTER, OHIO

**Balance Sheet
Governmental Funds
December 31, 2020**

	General	.45 Police and Fire Levy	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 2,743,985	\$ 1,479,755	\$ 7,919,052	\$ 12,142,792
Investments	8,790,482	0	2,255,219	11,045,701
Receivables:				
Taxes	4,540,650	1,149,211	3,540,902	9,230,763
Accounts	211,649	0	25,583	237,232
Intergovernmental	570,998	3,687	2,362,834	2,937,519
Interest	89,150	0	7,691	96,841
Special Assessments	0	0	27,833	27,833
Loans	0	0	1,558,443	1,558,443
Inventory of Supplies	123,997	0	317,960	441,957
Prepaid Items	29,197	30,745	14,693	74,635
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	4,736	0	0	4,736
Total Assets	\$ 17,104,844	\$ 2,663,398	\$ 18,030,210	\$ 37,798,452
Liabilities:				
Accounts Payable	\$ 247,215	\$ 47,509	\$ 517,780	\$ 812,504
Accrued Wages and Benefits Payable	644,722	156,233	280,106	1,081,061
Intergovernmental Payable	228,512	0	0	228,512
Due to Others	0	0	34,865	34,865
Accrued Interest Payable	0	0	133	133
General Obligation Notes Payable	0	0	2,348,309	2,348,309
Advances from Other Funds	0	0	147,000	147,000
Total Liabilities	1,120,449	203,742	3,328,193	4,652,384
Deferred Inflows of Resources:				
Property Taxes	2,030,000	0	2,606,069	4,636,069
Unavailable Revenue	1,984,404	657,586	2,338,031	4,980,021
Total Deferred Inflows of Resources	4,014,404	657,586	4,944,100	9,616,090
Fund Balances:				
Nonspendable	153,194	30,745	332,653	516,592
Restricted	0	1,771,325	9,323,904	11,095,229
Committed	0	0	2,585,119	2,585,119
Assigned	171,498	0	0	171,498
Unassigned	11,645,299	0	(2,483,759)	9,161,540
Total Fund Balances	11,969,991	1,802,070	9,757,917	23,529,978
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,104,844	\$ 2,663,398	\$ 18,030,210	\$ 37,798,452

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2020***

Total Governmental Fund Balances		\$ 23,529,978
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		64,764,870
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		4,980,021
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.		820,698
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	6,539,115	
Deferred Inflows - Pension	(6,316,192)	
Net Pension Liability	<u>(41,568,629)</u>	(41,345,706)
The net OBEP 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 - OPEB	4,318,898	
Deferred Inflows - OPEB	(2,817,547)	
Net OPEB Liability	<u>(12,388,302)</u>	(10,886,951)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Ohio Public Works Commission Loans Payable	(72,257)	
General Obligation Bonds Payable	(8,703,949)	
Less: Deferred Charge on Refunding	53,957	
State Infrastructure Bank Loan Payable	(224,115)	
Ohio Water Development Authority Loan Payable	(240,912)	
Installment Loan	(157,374)	
Capital Leases Payable	(991,287)	
Compensated Absences Payable	(4,865,633)	
Accrued Interest Payable	<u>(29,937)</u>	
		<u>(15,231,507)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 26,631,403</u>

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, 2020**

	General	.45 Police and Fire Levy	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 13,810,040	\$ 5,226,326	\$ 6,672,177	\$ 25,708,543
Intergovernmental Revenues	1,317,927	144,364	10,719,673	12,181,964
Charges for Services	2,928,908	1,733	1,980,874	4,911,515
Licenses, Permits and Fees	18,045	0	17,760	35,805
Investment Earnings	659,458	0	41,705	701,163
Special Assessments	0	0	115,648	115,648
Fines and Forfeitures	611,560	0	1,289,059	1,900,619
All Other Revenue	2,824,403	27,150	540,144	3,391,697
Total Revenue	22,170,341	5,399,573	21,377,040	48,946,954
Expenditures:				
Current:				
Security of Persons and Property	9,229,970	4,298,663	5,324,211	18,852,844
Public Health and Welfare Services	319,675	0	572,712	892,387
Leisure Time Activities	0	0	1,987,952	1,987,952
Community Environment	127,529	0	751,123	878,652
Transportation	0	0	7,921,027	7,921,027
General Government	7,150,836	0	1,832,432	8,983,268
Capital Outlay	0	0	2,017,312	2,017,312
Debt Service:				
Principal Retirement	36,354	0	1,081,603	1,117,957
Interest and Fiscal Charges	3,514	0	459,856	463,370
Total Expenditures	16,867,878	4,298,663	21,948,228	43,114,769
Excess (Deficiency) of Revenues Over Expenditures	5,302,463	1,100,910	(571,188)	5,832,185
Other Financing Sources (Uses):				
State Infrastructure Bank Loan	0	0	6,528	6,528
Transfers In	0	0	2,554,327	2,554,327
Transfers Out	(1,159,327)	0	(1,743,057)	(2,902,384)
Total Other Financing Sources (Uses)	(1,159,327)	0	817,798	(341,529)
Net Change in Fund Balances	4,143,136	1,100,910	246,610	5,490,656
Fund Balances at Beginning of Year	7,814,267	701,160	9,483,947	17,999,374
Increase in Inventory	12,588	0	27,360	39,948
Fund Balances End of Year	\$ 11,969,991	\$ 1,802,070	\$ 9,757,917	\$ 23,529,978

See accompanying notes to the basic financial statements

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2020***

Net Change in Fund Balances - Total Governmental Funds \$ 5,490,656

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

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

Capital Outlay	3,576,282	
Depreciation Expense	(2,783,045)	793,237

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

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	421,000
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The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(238,377)
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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.	(77,780)
--	----------

Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	3,501,396
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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.	(5,872,155)
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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.	(1,487,171)
--	-------------

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.

State Infrastructure Bank Loan Payable	(6,528)
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(Continued)

CITY OF LANCASTER, OHIO

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

Ohio Public Works Commission Loans Payable	24,086	
General Obligation Bonds Payable	670,000	
Ohio Water Development Authority Loan Payable	18,972	
Installment Loan Payable	49,113	
Capital Leases Payable	356,908	1,119,079

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,385

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	129,715	
Change in Inventory	39,948	
Amortization of Deferred Charge on Refunding	(13,489)	
Amortization of Bond Premium	8,059	164,233

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. 702,905

Change in Net Position of Governmental Activities \$ 4,511,880

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,164,437	\$ 14,164,437	\$ 13,774,654	\$ (389,783)
Intergovernmental Revenue	1,347,176	1,347,176	1,300,035	(47,141)
Charges for Services	3,758,572	3,758,572	3,502,158	(256,414)
Licenses, Permits and Fees	20,300	20,300	18,045	(2,255)
Investment Earnings	581,300	581,300	455,741	(125,559)
Special Assessments	74,111	74,111	0	(74,111)
Fines and Forfeitures	801,000	801,000	628,737	(172,263)
All Other Revenues	102,094	210,956	2,828,277	2,617,321
Total Revenues	<u>20,848,990</u>	<u>20,957,852</u>	<u>22,507,647</u>	<u>1,549,795</u>
Expenditures:				
Current:				
Security of Persons and Property	12,376,270	12,378,212	8,937,248	3,440,964
Public Health and Welfare Services	330,955	330,955	327,195	3,760
Community Environment	159,174	161,325	140,415	20,910
General Government	8,258,591	8,563,789	7,824,161	739,628
Debt Service:				
Principal Retirement	39,398	39,398	36,354	3,044
Interest and Fiscal Charges	8,714	8,714	4,114	4,600
Total Expenditures	<u>21,173,102</u>	<u>21,482,393</u>	<u>17,269,487</u>	<u>4,212,906</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(324,112)	(524,541)	5,238,160	5,762,701
Other Financing Sources (Uses):				
Transfers Out	(1,144,327)	(1,169,327)	(1,159,327)	10,000
Total Other Financing Sources (Uses):	<u>(1,144,327)</u>	<u>(1,169,327)</u>	<u>(1,159,327)</u>	<u>10,000</u>
Net Change in Fund Balance	(1,468,439)	(1,693,868)	4,078,833	5,772,701
Fund Balance at Beginning of Year	6,310,811	6,310,811	6,310,811	0
Prior Year Encumbrances	304,832	304,832	304,832	0
Fund Balance at End of Year	<u>\$ 5,147,204</u>	<u>\$ 4,921,775</u>	<u>\$ 10,694,476</u>	<u>\$ 5,772,701</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,209,726	\$ 5,209,726	\$ 5,209,726	\$ 0
Intergovernmental Revenue	0	137,719	141,246	3,527
Charges for Services	0	0	1,733	1,733
All Other Revenues	0	0	31,236	31,236
Total Revenues	<u>5,209,726</u>	<u>5,347,445</u>	<u>5,383,941</u>	<u>36,496</u>
Expenditures:				
Current:				
Security of Persons and Property	5,468,257	5,604,033	4,760,945	843,088
Total Expenditures	<u>5,468,257</u>	<u>5,604,033</u>	<u>4,760,945</u>	<u>843,088</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(258,531)	(256,588)	622,996	879,584
Fund Balance at Beginning of Year	481,095	481,095	481,095	0
Prior Year Encumbrances	258,088	258,088	258,088	0
Fund Balance at End of Year	<u>\$ 480,652</u>	<u>\$ 482,595</u>	<u>\$ 1,362,179</u>	<u>\$ 879,584</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Assets:				
Current assets:				
Cash and Cash Equivalents	\$ 2,281,214	\$ 1,645,744	\$ 5,340,002	\$ 355,742
Investments	8,333,945	5,573,723	18,372,287	1,133,251
Accounts receivable	1,961,003	902,321	1,321,362	418,013
Interest receivable	0	10,593	37,644	25,449
Due from Other Funds	0	0	0	0
Inventory	1,402,868	891,786	47,745	38,428
Prepaid Items	32,238	13,850	20,912	2,745
Prepaid Gas Supply - current	0	0	0	0
Total current assets	14,011,268	9,038,017	25,139,952	1,973,628
Noncurrent assets:				
Restricted Assets:				
Cash and Cash Equivalents	139,017	586,695	1,810,028	0
Investments	0	0	0	537,425
Total restricted assets	139,017	586,695	1,810,028	537,425
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	147,000
Capital assets:				
Capital Assets Not Being Depreciated	290,273	687,011	4,543,229	265,622
Capital Assets Being Depreciated	15,529,046	21,268,681	52,374,435	2,022,474
Total capital assets (net of accumulated depreciation)	15,819,319	21,955,692	56,917,664	2,288,096
Total noncurrent assets	15,958,336	22,542,387	58,727,692	2,972,521
Total Assets	29,969,604	31,580,404	83,867,644	4,946,149
Deferred Outflows of Resources:				
Deferred Loss on Early Retirement of Debt	0	300,254	1,201,811	0
Pension	307,853	427,968	270,370	225,209
OPEB	209,417	291,567	184,131	153,316
Total Deferred Outflows of Resources	517,270	1,019,789	1,656,312	378,525

CITY OF LANCASTER, OHIO

<u>Storm Water</u>	<u>Port Authority</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 666,708	\$ 3,504,790	\$ 13,794,200	\$ 2,510,346
2,200,490	0	35,613,696	0
300,305	0	4,903,004	9,144
0	0	73,686	0
0	352,385	352,385	0
0	0	2,380,827	56,769
0	0	69,745	664
0	15,414,635	15,414,635	0
<u>3,167,503</u>	<u>19,271,810</u>	<u>72,602,178</u>	<u>2,576,923</u>
0	6,910,891	9,446,631	0
0	0	537,425	0
<u>0</u>	<u>6,910,891</u>	<u>9,984,056</u>	<u>0</u>
0	212,545,453	212,545,453	0
0	1,845,511	1,845,511	0
0	186,323,268	186,323,268	0
0	0	147,000	0
7,311,374	58,615	13,156,124	0
<u>21,276,952</u>	<u>2,638,920</u>	<u>115,110,508</u>	<u>438,725</u>
<u>28,588,326</u>	<u>2,697,535</u>	<u>128,266,632</u>	<u>438,725</u>
<u>28,588,326</u>	<u>410,322,658</u>	<u>539,111,920</u>	<u>438,725</u>
<u>31,755,829</u>	<u>429,594,468</u>	<u>611,714,098</u>	<u>3,015,648</u>
0	0	1,502,065	0
65,452	9,560	1,306,412	245,710
44,578	0	883,009	167,354
<u>110,030</u>	<u>9,560</u>	<u>3,691,486</u>	<u>413,064</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Liabilities:				
Current liabilities:				
Accounts Payable	304,684	210,596	538,342	217,064
Accrued Wages and Benefits	76,465	110,899	73,051	58,162
Intergovernmental Payable	0	0	0	0
Claims Payable	0	0	0	0
Retainage Payable	0	0	0	0
Due to Others, Payable from Restricted Assets	139,017	25,713	25,713	0
Due to Other Funds	352,385	0	0	0
Unearned Revenue	0	0	0	0
Accrued Interest Payable	0	78,736	375,676	0
Capital Leases Payable - Current	0	0	0	0
Revenue Bond Payable - Current	0	370,000	1,030,000	0
OWDA Loans Payable - Current	0	1,783,110	1,662,945	0
OPWC Loans Payable - Current	0	0	0	0
Landfill Postclosure Care Liability - Current	0	0	0	78,600
Compensated Absences Payable - Current	43,129	73,422	46,488	33,297
Total Current Liabilities	915,680	2,652,476	3,752,215	387,123
Noncurrent Liabilities:				
Capital Leases Payable	0	0	0	0
Revenue Bonds Payable	0	3,616,245	16,156,492	0
OWDA Loans Payable	0	2,682,732	19,963,515	0
OPWC Loans Payable	0	0	0	0
Landfill Postclosure Care Liability	0	0	0	784,088
Compensated Absences Payable	379,623	529,081	469,477	275,506
Net Pension Liability	1,905,350	2,652,781	1,675,290	1,394,924
Net OPEB Liability	1,322,776	1,841,676	1,163,059	968,417
Total noncurrent liabilities	3,607,749	11,322,515	39,427,833	3,422,935
Total Liabilities	4,523,429	13,974,991	43,180,048	3,810,058
Deferred Inflows of Resources:				
Pension	535,101	615,486	408,604	357,259
OPEB	262,398	291,476	195,428	172,437
Deferred Inflow from Derivative Instruments	0	0	0	0
Total Deferred Inflow of Resources	797,499	906,962	604,032	529,696
Net Position:				
Net Investment in Capital Assets	15,819,319	13,803,859	19,306,523	2,288,096
Restricted for Debt Service	0	560,982	1,784,315	0
Unrestricted	9,346,627	3,353,399	20,649,038	(1,303,176)
Total Net Position	\$ 25,165,946	\$ 17,718,240	\$ 41,739,876	\$ 984,920

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>
915,124	0	2,185,810	73,562
16,724	0	335,301	58,791
0	1,821	1,821	0
0	0	0	361,245
95,118	0	95,118	0
0	0	190,443	0
0	0	352,385	0
0	7,812	7,812	0
0	6,230,453	6,684,865	0
69,742	0	69,742	1,653
0	1,225,000	2,625,000	0
183,285	0	3,629,340	0
34,622	0	34,622	0
0	0	78,600	0
15,596	0	211,932	32,539
<u>1,330,211</u>	<u>7,465,086</u>	<u>16,502,791</u>	<u>527,790</u>
80,449	0	80,449	0
0	337,101,163	356,873,900	0
3,804,033	0	26,450,280	0
294,290	0	294,290	0
0	0	784,088	0
99,349	0	1,753,036	310,918
405,583	0	8,033,928	1,522,646
281,573	0	5,577,501	1,057,088
<u>4,965,277</u>	<u>337,101,163</u>	<u>399,847,472</u>	<u>2,890,652</u>
<u>6,295,488</u>	<u>344,566,249</u>	<u>416,350,263</u>	<u>3,418,442</u>
97,937	0	2,014,387	366,071
46,750	0	968,489	174,597
0	186,323,268	186,323,268	0
<u>144,687</u>	<u>186,323,268</u>	<u>189,306,144</u>	<u>540,668</u>
24,121,905	2,697,535	78,037,237	437,072
0	0	2,345,297	0
<u>1,303,779</u>	<u>(103,983,024)</u>	<u>(70,633,357)</u>	<u>(967,470)</u>
<u>\$ 25,425,684</u>	<u>\$ (101,285,489)</u>	<u>\$ 9,749,177</u>	<u>\$ (530,398)</u>
		<u>(1,351,096)</u>	
		<u>\$ 8,398,081</u>	

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Operating Revenues:				
Charges for Services	\$ 11,448,952	\$ 9,261,007	\$ 12,548,829	\$ 4,244,476
Other Operating Revenues	295,395	90,760	59,045	133,100
Total Operating Revenues	11,744,347	9,351,767	12,607,874	4,377,576
Operating Expenses:				
Personal Services	2,185,163	3,580,329	2,194,415	1,782,066
Contractual Services	890,110	1,455,866	1,764,590	1,694,162
Cost of Gas Sold	6,217,386	0	0	0
Materials and Supplies	609,107	1,568,973	1,220,937	290,477
Depreciation	942,007	1,421,860	2,575,392	384,203
Health Insurance Claims	0	0	0	0
Total Operating Expenses	10,843,773	8,027,028	7,755,334	4,150,908
Operating Income	900,574	1,324,739	4,852,540	226,668
Non-Operating Revenue (Expenses):				
Interest Income	0	90,059	355,075	8,262
Interest and Fiscal Charges	0	(335,883)	(1,691,337)	0
Loss on Disposal of Capital Assets	(35,180)	(60,646)	(46,557)	(3,143)
Other Nonoperating Revenue	0	0	3,597	0
Total Non-Operating Revenues (Expenses)	(35,180)	(306,470)	(1,379,222)	5,119
Income (Loss) Before Contributions, Special Item, and Transfers	865,394	1,018,269	3,473,318	231,787
Capital Contributions	0	0	0	0
Special Item - Transfer of Assets and Liabilities	0	0	0	0
Transfers In	0	340,662	7,395	0
Change in Net Position	865,394	1,358,931	3,480,713	231,787
Net Position Beginning of Year	24,300,552	16,359,309	38,259,163	753,133
Net Position End of Year	\$ 25,165,946	\$ 17,718,240	\$ 41,739,876	\$ 984,920

Change in Net Position of Enterprise Funds

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in Net Position of Business Type Activities

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

<u>Storm Water</u>	<u>Port Authority</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 3,062,918	\$ 3,445,424	\$ 44,011,606	\$ 11,489,651
28,376	139,129	745,805	96,350
<u>3,091,294</u>	<u>3,584,553</u>	<u>44,757,411</u>	<u>11,586,001</u>
518,394	67,407	10,327,774	1,956,616
1,511,100	303,669	7,619,497	466,024
0	2,382,655	8,600,041	0
7,329	0	3,696,823	783,228
315,944	75,001	5,714,407	84,090
0	0	0	7,348,497
<u>2,352,767</u>	<u>2,828,732</u>	<u>35,958,542</u>	<u>10,638,455</u>
738,527	755,821	8,798,869	947,546
0	32,897	486,293	0
(13,308)	(13,442,916)	(15,483,444)	0
(2,416)	(24,049)	(171,991)	(39,882)
0	60,764	64,361	0
<u>(15,724)</u>	<u>(13,373,304)</u>	<u>(15,104,781)</u>	<u>(39,882)</u>
722,803	(12,617,483)	(6,305,912)	907,664
40,663	0	40,663	0
0	2,332,026	2,332,026	0
0	0	348,057	0
763,466	(10,285,457)	(3,585,166)	907,664
<u>24,662,218</u>	<u>(91,000,032)</u>	<u>13,334,343</u>	<u>(1,438,062)</u>
<u>\$ 25,425,684</u>	<u>\$ (101,285,489)</u>	<u>\$ 9,749,177</u>	<u>\$ (530,398)</u>
		\$ (3,585,166)	
		<u>204,759</u>	
		<u>\$ (3,380,407)</u>	

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Water	Water Pollution
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$11,741,550	\$9,442,389	\$12,665,643
Cash Received from Swap Providers	0	0	0
Cash Received from Interfund Services	0	0	0
Cash Payments for Goods and Services	(6,614,478)	(2,682,227)	(2,626,103)
Cash Payments to and on behalf of Employees	(1,646,271)	(2,533,576)	(1,612,931)
Cash Payments for Claims	0	0	0
Cash Payments for Interfund Services	(1,030,033)	(1,230,508)	(774,402)
Customer Deposits Received	83,920	15,520	15,520
Customer Deposits Returned	(101,175)	(18,711)	(18,711)
Net Cash Provided by Operating Activities	2,433,513	2,992,887	7,649,016
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfer of Funds from Community Improvement Corporation	0	0	0
Receipt of Interfund Advance Repayment	0	0	0
Proceeds from Sale of Land	0	0	0
Principal Paid on Revenue Bond Payable	0	0	0
Interest Paid on Debt	0	0	0
Transfers In from Other Funds	0	340,662	7,395
Repayment of Advances to Other Funds	0	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	0	340,662	7,395
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants Received	0	0	0
Proceeds from Ohio Water Development Authority Loan	0	0	0
Proceeds from Sales of Capital Assets	68,721	0	0
Acquisition and Construction of Assets	(1,880,523)	(281,859)	(2,256,470)
Capital Lease Payments	0	0	0
Principal Paid on Revenue Bonds Payable	0	(350,000)	(985,000)
Principal Paid on Ohio Water Development Authority Loans	0	(1,714,826)	(1,609,871)
Principal Paid on Ohio Public Works Commission Loan	0	0	0
Interest Paid on All Debt	0	(333,573)	(1,342,364)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,811,802)	(2,680,258)	(6,193,705)
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	471,449	95,652	753,709
Purchase of Investments	0	0	0
Receipt of Investment Earnings	0	66,614	263,816
Net Cash Provided (Used) for Investing Activities	471,449	162,266	1,017,525
Net Increase (Decrease) in Cash and Cash Equivalents	1,093,160	815,557	2,480,231
Cash and Cash Equivalents at Beginning of Year	1,327,071	1,416,882	4,669,799
Cash and Cash Equivalents at End of Year	\$2,420,231	\$2,232,439	\$7,150,030

CITY OF LANCASTER, OHIO

Sanitation	Storm Water	Port Authority	Totals	Internal Service Funds
\$4,390,503	\$3,112,210	\$3,659,042	\$45,011,337	\$0
0	0	13,914,368	13,914,368	0
0	0	0	0	11,602,476
(1,682,850)	(1,236,393)	(303,669)	(15,145,720)	(1,235,495)
(1,344,705)	(378,888)	(75,146)	(7,591,517)	(1,418,859)
0	0	0	0	(8,012,435)
(677,511)	(344,377)	0	(4,056,831)	(392,864)
0	0	0	114,960	0
0	0	0	(138,597)	0
685,437	1,152,552	17,194,595	32,108,000	542,823
0	0	494,353	494,353	0
10,500	0	0	10,500	0
0	0	72,135	72,135	0
0	0	(1,205,000)	(1,205,000)	0
0	0	(17,811,715)	(17,811,715)	0
0	0	0	348,057	0
0	0	350,000	350,000	0
10,500	0	(18,100,227)	(17,741,670)	0
0	58,663	0	58,663	0
0	3,427,265	0	3,427,265	0
0	0	88,608	157,329	0
(354,529)	(5,955,919)	0	(10,729,300)	0
0	(67,470)	0	(67,470)	(2,754)
0	0	0	(1,335,000)	0
0	(77,957)	0	(3,402,654)	0
0	(17,311)	0	(17,311)	0
0	(13,308)	0	(1,689,245)	0
(354,529)	(2,646,037)	88,608	(13,597,723)	(2,754)
0	1,589,065	0	2,909,875	0
(135,968)	0	0	(135,968)	0
0	0	32,897	363,327	0
(135,968)	1,589,065	32,897	3,137,234	0
205,440	95,580	(784,127)	3,905,841	540,069
150,302	571,128	11,199,808	19,334,990	1,970,277
\$355,742	\$666,708	\$10,415,681	\$23,240,831	\$2,510,346

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	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	\$2,281,214	\$1,645,744	\$5,340,002
Restricted Cash and Cash Equivalents	139,017	586,695	1,810,028
Cash and Cash Equivalents at End of Year	<u>\$2,420,231</u>	<u>\$2,232,439</u>	<u>\$7,150,030</u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$900,574	\$1,324,739	\$4,852,540
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	942,007	1,421,860	2,575,392
Miscellaneous Nonoperating Revenue	0	0	3,597
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	(2,797)	90,622	54,172
Decrease in Due to Other Funds	0	0	0
(Increase) Decrease in Inventory	601,382	(58,982)	(2,174)
(Increase) Decrease in Prepaid Items	(1,873)	1,170	70
Decrease in Prepaid Gas Supply	0	0	0
(Increase) Decrease in Deferred Outflows of Resources - Pension	577,309	722,641	469,051
Increase in Deferred Outflows of Resources - OPEB	(101,493)	(151,285)	(94,006)
Increase (Decrease) in Accounts Payable	(66,034)	(108,536)	(33,509)
Increase in Accrued Wages and Benefits	8,651	21,854	13,868
Decrease in Due to Other Funds	(13,751)	0	0
Increase (Decrease) in Intergovernmental Payable	0	0	0
Decrease in Customer Deposits	(17,255)	(3,191)	(3,191)
Decrease in Unearned Revenue	0	0	0
Decrease in Landfill Postclosure Care Liability	0	0	0
Increase (Decrease) in Compensated Absences	(87,158)	(38,870)	(11,783)
Decrease in Net Pension Liability	(1,006,953)	(1,132,709)	(756,724)
Increase (Decrease) in Net OPEB Liability	(53,384)	52,905	13,851
Increase in Deferred Inflows of Resources - Pension	495,624	564,047	375,552
Increase in Deferred Inflows of Resources - OPEB	258,664	286,622	192,310
Decrease in Claims Payable	0	0	0
Total Adjustments	<u>1,532,939</u>	<u>1,668,148</u>	<u>2,796,476</u>
Net Cash Provided by Operating Activities	<u>\$2,433,513</u>	<u>\$2,992,887</u>	<u>\$7,649,016</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2020 the Water Pollution and Storm Water Funds had outstanding liabilities of \$348,909 and \$891,365 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
\$355,742	\$666,708	\$3,504,790	\$13,794,200	\$2,510,346
0	0	6,910,891	9,446,631	0
<u>\$355,742</u>	<u>\$666,708</u>	<u>\$10,415,681</u>	<u>\$23,240,831</u>	<u>\$2,510,346</u>
\$226,668	\$738,527	\$755,821	\$8,798,869	\$947,546
384,203	315,944	75,001	5,714,407	84,090
0	0	60,764	64,361	0
12,927	20,916	0	175,840	16,475
0	0	13,751	13,751	0
(12,168)	0	0	528,058	10,945
119	0	0	(514)	45
0	0	16,297,023	16,297,023	0
401,086	112,869	(9,560)	2,273,396	422,920
(76,961)	(22,835)	0	(446,580)	(85,849)
(22,310)	11,687	0	(218,702)	(55,632)
6,959	3,423	0	54,755	7,965
0	0	0	(13,751)	0
(11,798)	(2,659)	1,821	(12,636)	0
0	0	0	(23,637)	0
0	0	(26)	(26)	0
(34,069)	0	0	(34,069)	0
(17,667)	15,533	0	(139,945)	9,244
(665,497)	(181,151)	0	(3,743,034)	(676,750)
(5,201)	4,322	0	12,493	17,800
329,351	89,978	0	1,854,552	336,185
169,795	45,998	0	953,389	171,777
0	0	0	0	(663,938)
<u>458,769</u>	<u>414,025</u>	<u>16,438,774</u>	<u>23,309,131</u>	<u>(404,723)</u>
<u>\$685,437</u>	<u>\$1,152,552</u>	<u>\$17,194,595</u>	<u>\$32,108,000</u>	<u>\$542,823</u>

CITY OF LANCASTER, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2020***

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 143,120
Due from Other Funds	<u>2,924</u>
Total Assets	<u>146,044</u>
Liabilities:	
Due to Other Funds	2,924
Intergovernmental Payable	2,924
Due to Others	<u>140,196</u>
Total Liabilities	<u>146,044</u>
Restricted for Individuals, Organizations and Other Governments	<u>0</u>
Total Net Position	<u><u>\$ 0</u></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, 2020***

	<u>Custodial</u>
Additions:	
Fines and Forfeitures Collections for Others	\$ 2,537,395
Total Additions	<u>2,537,395</u>
Deductions:	
Distribution of Fines and Forfeitures to Others	<u>2,537,395</u>
Total Deductions	<u>2,537,395</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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, 2020 and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (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 and participated in an Insurance Pool that are further described in Notes 20 and 21.

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, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

The following fund types are used by the City:

Governmental Funds

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

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Proprietary Funds

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

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Fiduciary Funds

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

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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, 2020***

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.

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2020.

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 2020, 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, 2020**

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 generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

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

	Net Change in Fund Balance	
	General Fund	.45 Police and Fire Levy Fund
GAAP Basis (as reported)	\$4,143,136	\$1,100,910
Increase (Decrease):		
Accrued Revenues at December 31, 2020 received during 2021	(1,673,190)	(495,312)
Accrued Revenues at December 31, 2019 received during 2020	1,445,876	479,680
Accrued Expenditures at December 31, 2020 paid during 2021	1,120,449	203,742
Accrued Expenditures at December 31, 2019 paid during 2020	(419,151)	(547,375)
2019 Prepays for 2020	30,410	29,672
2020 Prepays for 2021	(29,197)	(30,745)
Adjustment to Fair Value	(236,094)	0
Outstanding Encumbrances	(303,406)	(117,576)
Budget Basis	<u>\$4,078,833</u>	<u>\$622,996</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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 2020, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes. See Note 5, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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, 2020, 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, 2020, 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, 2020***

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, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

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

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

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

O. Net Position

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pensions/Other Postemployment Benefits (OPEB)

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

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, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balances (Continued)

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

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

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

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

S. Restricted Assets

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

T. Operating Revenues and Expenses

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

U. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans, long-term interfund loans or interfund services provided and used are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualifies for reporting in this category. One is the deferred charge on refunding reported in the government-wide and proprietary statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

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

W. Contributions of Capital

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

X. Estimates

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 84, “Fiduciary Activities,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

These changes were incorporated in the City’s 2020 financial statements; however, there was no effect on beginning net position/fund balance.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	.45 Police and Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$29,197	\$30,745	\$14,693	\$74,635
Supplies Inventory	123,997	0	317,960	441,957
Total Nonspendable	<u>153,194</u>	<u>30,745</u>	<u>332,653</u>	<u>516,592</u>
Restricted:				
Transportation Projects	0	0	1,867,271	1,867,271
Cemetery	0	0	1,704,905	1,704,905
Court Projects	0	0	1,780,912	1,780,912
Public Transportation	0	0	488,374	488,374
911 Services	0	0	250,251	250,251
Police and Fire Operations	0	1,771,325	1,047,433	2,818,758
Pension for Public Safety	0	0	138	138
Community Development	0	0	1,746,630	1,746,630
Debt Retirement	0	0	77,055	77,055
Capital Improvements	0	0	360,935	360,935
Total Restricted	<u>0</u>	<u>1,771,325</u>	<u>9,323,904</u>	<u>11,095,229</u>
Committed:				
Parks and Recreation	0	0	885,244	885,244
Capital Improvements	0	0	1,699,875	1,699,875
Total Committed	<u>0</u>	<u>0</u>	<u>2,585,119</u>	<u>2,585,119</u>
Assigned:				
Services and Supplies	171,498	0	0	171,498
Total Assigned	<u>171,498</u>	<u>0</u>	<u>0</u>	<u>171,498</u>
Unassigned:				
	11,645,299	0	(2,483,759)	9,161,540
Total Fund Balances	<u>\$11,969,991</u>	<u>\$1,802,070</u>	<u>\$9,757,917</u>	<u>\$23,529,978</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

The fund deficits at December 31, 2020 of \$1,403,626 in the Ety Road TIF Project Fund and \$1,080,133 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 \$101,285,489 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 \$1,359,966 in the Utilities Collection Fund (internal service fund) is the result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers, upon City Council's approval when cash is required not when accruals occur.

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

A. Deposits

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

At year end the carrying amount of the City's deposits was \$40,207,297 and the bank balance was \$40,436,131. Federal depository insurance covered \$1,170,014 of the bank balance and \$39,266,117 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held in the Ohio Pooled Collateral System	<u>\$39,266,117</u>
Total Balance	<u><u>\$39,266,117</u></u>

Investment earnings of \$456,193 earned by other funds was credited to the General Fund as required by state statute.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

B. Investments

The City's investments at December 31, 2020 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)			
			less than 1	1-3	3-5	more than 5
STAR Ohio	\$60,139	AAAm ¹	\$60,139	\$0	\$0	\$0
Negotiable CD's ^a	9,871,449	N/A ³	245,142	4,287,003	5,339,304	0
Municipal Bonds	6,342,409	*	1,024,040	2,863,880	920,364	1,534,125
Municipal BANs	2,006,080	N/A	2,006,080	0	0	0
FNMA ^b	2,999,701	AA+ ¹ , Aaa ²	0	0	2,999,701	0
FHLB ^b	2,669,650	AA+ ¹ , Aaa ²	0	0	2,669,650	0
FFCB ^b	14,501,665	AA+ ¹ , Aaa ²	0	10,500,435	4,001,230	0
FHLMC ^b	6,580,257	AA+ ¹ , Aaa ²	0	2,000,280	4,579,977	0
Total Investments	\$45,031,350		\$3,335,401	\$19,651,598	\$20,510,226	\$1,534,125

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

^a \$742,275 of the negotiable CDs were called in 2021 and \$797,985 of the CDs are callable through May 2025.

^b \$8,501,116 of the securities were called in 2021 and \$15,580,507 of the securities are callable through October 2025.

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

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 0.1% are in STAROhio, 21.9% are in negotiable CDs, 14.1% are in Municipal Bonds, 4.5% are in Bond Anticipation Notes, 6.7% are FNMA, 5.9% are FHLB, 32.2% are FFCB, and 14.6% are FHLMC.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

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

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Financial Statements	\$38,041,825	\$47,196,822
Certificates of Deposit (with maturities of more than 3 months)	2,225,611	(2,225,611)
Investments:		
STAR Ohio	(60,139)	60,139
Per GASB Statements No. 3 and 40	<u>\$40,207,297</u>	<u>\$45,031,350</u>

* Includes Cash with Fiscal Agent

NOTE 6 - TAXES

A. Property Taxes

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 6 - TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for the City's operations for the year ended December 31, 2020 was \$6.40 per \$1,000 of assessed value. The assessed value upon which the 2020 property tax receipts were based was \$843,415,140. This amount constitutes \$817,871,560 in real property assessed value and \$25,543,580 in public utility property. Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .64% (6.40 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.75%, .75% of which is voter approved, on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. The City allows a credit of 100% of the first 1.0% unvoted tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 7 - RECEIVABLES

Receivables at December 31, 2020 consisted of taxes, accounts, special assessments, interest, loans and intergovernmental receivables arising from shared revenues. These amounts are shown separately on the face of the financial statements with the exception of property and income taxes receivable in the amount of \$4,761,607 and \$4,469,156 respectively. Delinquents are included in the amounts presented.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 8 – INTERFUND ACCOUNTS

Interfund balances at December 31, 2020 consist of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Enterprise Funds:		
Gas	\$0	\$352,385
Port Authority	352,385	0
Total Enterprise Funds	<u>352,385</u>	<u>352,385</u>
Custodial Funds:		
Municipal Court	0	2,924
Law Library	2,924	0
Total Custodial Funds	<u>2,924</u>	<u>2,924</u>
Totals	<u>\$355,309</u>	<u>\$355,309</u>
	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Nonmajor Governmental Funds	\$0	\$147,000
Enterprise Fund:		
Sanitation Fund	147,000	0
Totals	<u>\$147,000</u>	<u>\$147,000</u>

The Due to Other Funds is 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 2020:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$1,159,327
Nonmajor Governmental Funds	2,554,327	1,743,057
Enterprise Funds:		
Water Fund	340,662	0
Water Pollution Fund	7,395	0
Total Transfers	<u>\$2,902,384</u>	<u>\$2,902,384</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, 2020**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2020:

Historical Cost:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
<i>Capital assets not being depreciated:</i>				
Land	\$18,454,481	\$70,000	(\$7,790)	\$18,516,691
Construction in Progress	1,544,641	32,730	(1,414,265)	163,106
Subtotal	19,999,122	102,730	(1,422,055)	18,679,797
<i>Capital assets being depreciated:</i>				
Buildings	18,053,846	0	(16,255)	18,037,591
Improvements Other than Buildings	7,842,350	993,205	(154,669)	8,680,886
Machinery and Equipment	6,619,675	481,038	(616,101)	6,484,612
Vehicles	8,651,477	909,973	(821,690)	8,739,760
Infrastructure	40,277,993	2,924,601	(275,940)	42,926,654
Subtotal	81,445,341	5,308,817	(1,884,655)	84,869,503
Total Cost	\$101,444,463	\$5,411,547	(\$3,306,710)	\$103,549,300

Accumulated Depreciation:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Buildings	(\$5,506,004)	(\$460,250)	\$9,192	(\$5,957,062)
Improvements Other than Buildings	(5,675,397)	(172,729)	117,876	(5,730,250)
Machinery and Equipment	(4,502,340)	(488,541)	505,968	(4,484,913)
Vehicles	(6,562,921)	(807,990)	771,631	(6,599,280)
Infrastructure	(14,924,730)	(919,640)	219,205	(15,625,165)
Total Depreciation	(\$37,171,392)	(\$2,849,150) *	\$1,623,872	(\$38,396,670)
<i>Net Value:</i>	\$64,273,071			\$65,152,630

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	(\$470,453)
Leisure Time Activities	(168,089)
Public Health & Welfare	(20,114)
Transportation	(1,577,385)
General Government	(547,004)
Internal Service Fund Capital Assets	(66,105)
Total Depreciation Expense	(\$2,849,150)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2020:

Historical Cost:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
<i>Capital assets not being depreciated:</i>				
Land	\$3,729,588	\$157,121	(\$54,214)	\$3,832,495
Construction in Progress	1,226,002	8,339,797	(242,170)	9,323,629
Subtotal	4,955,590	8,496,918	(296,384)	13,156,124
<i>Capital assets being depreciated:</i>				
Buildings	83,560,194	42,029	0	83,602,223
Improvements	34,822,388	0	(85,982)	34,736,406
Machinery and Equipment	11,449,799	532,733	(1,148,332)	10,834,200
Vehicles	6,977,117	422,545	(31,867)	7,367,795
Infrastructure	107,718,409	2,375,953	(301,627)	109,792,735
Subtotal	244,527,907	3,373,260	(1,567,808)	246,333,359
Total Cost	\$249,483,497	\$11,870,178	(\$1,864,192)	\$259,489,483

Accumulated Depreciation:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Buildings	(\$28,496,942)	(\$2,098,995)	\$0	(\$30,595,937)
Improvements	(32,475,067)	(214,424)	76,490	(32,613,001)
Machinery and Equipment	(9,758,555)	(325,732)	1,024,126	(9,060,161)
Vehicles	(4,838,051)	(644,633)	31,867	(5,450,817)
Infrastructure	(51,222,160)	(2,448,608)	218,798	(53,451,970)
Total Depreciation	(\$126,790,775)	(\$5,732,392)	\$1,351,281	(\$131,171,886)
<i>Net Value:</i>	\$122,692,722			\$128,317,597

Internal service funds serve both governmental and business-type funds. Accordingly, capital assets for them are included as part of the above totals for governmental and business-type funds. At year-end, \$387,760 and \$50,965 of internal service funds capital assets, net of depreciation are included in the respective above amounts. Also, \$66,105 and \$17,985 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, 2020***

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS Comprehensive Annual Financial Report.

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

	<u>State and Local</u>
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2020 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 \$2,208,517 for 2020. Of this amount, \$180,285 is reported as an accrued wages and benefits payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$2,248,177 for 2020. Of this amount, \$174,173 is reported as an accrued wages and benefits payable.

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

The net pension liability for OPERS was measured as of December 31, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$21,048,471	\$30,076,732	\$51,125,203
Proportion of the Net Pension Liability-2020	0.106490%	0.4464719%	
Proportion of the Net Pension Liability-2019	0.106715%	0.4573540%	
Percentage Change	<u>(0.000225%)</u>	<u>(0.0108821%)</u>	
Pension Expense	\$3,629,584	\$3,738,636	\$7,368,220

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, 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	\$1,124,235	\$738,306	\$1,862,541
Differences between expected and actual experience	0	1,138,502	1,138,502
Change in proportionate share	394,228	239,272	633,500
City contributions subsequent to the measurement date	<u>2,208,517</u>	<u>2,248,177</u>	<u>4,456,694</u>
Total Deferred Outflows of Resources	<u>\$3,726,980</u>	<u>\$4,364,257</u>	<u>\$8,091,237</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$4,198,697	\$1,452,947	\$5,651,644
Differences between expected and actual experience	266,128	1,551,181	1,817,309
Change in proportionate share	<u>353,307</u>	<u>874,390</u>	<u>1,227,697</u>
Total Deferred Inflows of Resources	<u>\$4,818,132</u>	<u>\$3,878,518</u>	<u>\$8,696,650</u>

\$4,456,694 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2021	(\$439,786)	(\$434,401)	(\$874,187)
2022	(1,366,600)	(248,363)	(1,614,963)
2023	173,871	536,930	710,801
2024	(1,667,154)	(1,432,800)	(3,099,954)
2025	<u>0</u>	<u>(183,804)</u>	<u>(183,804)</u>
Total	<u>(\$3,299,669)</u>	<u>(\$1,762,438)</u>	<u>(\$5,062,107)</u>

Actuarial Assumptions - OPERS

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019 and December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$34,715,740	\$21,048,471	\$8,761,997

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, 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, 2019, compared with January 1, 2018, are presented below.

	January 1, 2019	January 1, 2018
Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2019 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2019 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2019 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2019, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2018 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$41,685,305	\$30,076,732	\$20,367,312

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability 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 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 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. Resulting adjustments to the net OPEB liability 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* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accrued wages and benefits payable on both the accrual and modified accrual bases of accounting.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F maintains funds for health care in two separate accounts. There is 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. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$52,648 for 2020. Of this amount, \$4,064 is reported as an accrued wages and benefits payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$14,612,762	\$4,410,129	\$19,022,891
Proportion of the Net OPEB Liability-2020	0.105793%	0.4464719%	
Proportion of the Net OPEB Liability-2019	<u>0.105930%</u>	<u>0.4573540%</u>	
Percentage Change	<u>(0.000137%)</u>	<u>(0.0108821%)</u>	
OPEB Expense	\$1,654,469	\$485,176	\$2,139,645

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$2,313,042	\$2,578,332	\$4,891,374
Differences between expected and actual experience	395	0	395
Change in proportionate share	188,124	236,720	424,844
City contributions subsequent to the measurement date	0	52,648	52,648
Total Deferred Outflows of Resources	<u>\$2,501,561</u>	<u>\$2,867,700</u>	<u>\$5,369,261</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$744,076	\$202,939	\$947,015
Changes in assumptions	0	939,865	939,865
Differences between expected and actual experience	1,336,406	474,266	1,810,672
Change in proportionate share	198,491	64,590	263,081
Total Deferred Inflows of Resources	<u>\$2,278,973</u>	<u>\$1,681,660</u>	<u>\$3,960,633</u>

\$52,648 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 2021. 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:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2021	\$368,657	\$208,440	\$577,097
2022	171,297	208,439	379,736
2023	589	250,067	250,656
2024	(317,955)	184,437	(133,518)
2025	0	202,435	202,435
2026	0	47,945	47,945
2027	0	31,629	31,629
Total	<u>\$222,588</u>	<u>\$1,133,392</u>	<u>\$1,355,980</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$19,123,143	\$14,612,762	\$11,001,414

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$14,181,552	\$14,612,762	\$15,038,475

Changes between Measurement Date and Reporting Date

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 12- DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	3.56 percent	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 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 (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$5,468,275	\$4,410,129	\$3,530,883

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

NOTE 13 - NOTES PAYABLE

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

	Maturity Date	Balance January 1, 2020	Additions	(Reductions)	Balance December 31, 2020
Capital Projects Notes Payable:					
2.825% Street Improvement 2019	12/31/2020	\$1,015,677	\$0	(\$1,015,677)	\$0
2.896% Street Improvement 2020	12/31/2021	0	968,045	0	968,045
2.825% Island Capital Note 2019	12/31/2020	315,039	0	(315,039)	0
2.896% Island Capital Note 2020	12/31/2021	0	300,264	0	300,264
1.600% Columbian Construction Note 2019	12/22/2020	1,260,000	0	(1,260,000)	0
0.500% Columbian Construction Note 2020	12/22/2021	0	1,080,000	0	1,080,000
Total Capital Projects Notes Payable		<u>\$2,590,716</u>	<u>\$2,348,309</u>	<u>(\$2,590,716)</u>	<u>\$2,348,309</u>

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

Long-term debt and other long-term obligations of the City at December 31, 2020 were as follows:

	Adjusted Balance December 31, 2019	Additions	(Reductions)	Balance December 31, 2020	Due Within One Year
Business-Type Activities:					
Ohio Water Development Authority Loans (OWDA):*					
2003 2.00% Water Treatment Plant/Clearwells/Wellfield	\$100,952	\$0	(\$6,872)	\$94,080	\$7,011
2001 4.14% Water Transmission Line/Waste Force Main	1,130,138	0	(361,386)	768,752	376,502
2001 3.90% Water Treatment Plant/Clearwells/Wellfield	4,949,578	0	(1,346,568)	3,603,010	1,399,597
2009 3.27% Water Pollution Control Plant	23,236,331	0	(1,609,871)	21,626,460	1,662,945
2018 0.00% Cherokee Drive Drainage Improvements	638,010	18,299	(77,957)	578,352	77,957
2020 0.00% Fifth Ave/Sixth/Ave/Forest Rose Ave CSO	0	3,408,966	0	3,408,966	105,328
Total Ohio Water Development Authority Loans	<u>30,055,009</u>	<u>3,427,265</u>	<u>(3,402,654)</u>	<u>30,079,620</u>	<u>3,629,340</u>
Revenue Bonds Payable:					
2012 2-3.5% Refunding Water System Improvement Revenue Bond	4,160,000	0	(350,000)	3,810,000	370,000
Premium	195,827	0	(19,582)	176,245	0
2012 2-3.5% Refunding Wastewater System Improvement Revenue Bond	2,645,000	0	(220,000)	2,425,000	235,000
2016 3-4% Refunding Wastewater System Improvement Revenue Bond	13,930,000	0	(765,000)	13,165,000	795,000
Premium	1,721,789	0	(125,297)	1,596,492	0
2019 5.00% Refunding Port Authority Gas Supply Revenue Bond	298,475,000	0	(1,205,000)	297,270,000	1,225,000
Premium	42,496,730	0	(1,440,567)	41,056,163	0
Total Revenue Bonds Payable	<u>363,624,346</u>	<u>0</u>	<u>(4,125,446)</u>	<u>359,498,900</u>	<u>2,625,000</u>
Ohio Public Works Commission Loan (OWPC):*					
2018 0.00% Cherokee Drive Drainage Improvements	346,223	0	(17,311)	328,912	34,622
Landfill Postclosure Care Liability	896,757	0	(34,069)	862,688	78,600
Capital Leases	222,068	0	(70,224)	151,844	71,395
Compensated Absences	2,338,045	453,058	(586,268)	2,204,835	238,206
Total Business-Type Long-Term Debt	<u>\$397,482,448</u>	<u>\$3,880,323</u>	<u>(\$8,235,972)</u>	<u>\$393,126,799</u>	<u>\$6,677,163</u>

* The OWDA and OPWC Loans are direct borrowings.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

	Adjusted Balance December 31, 2019	Additions	(Reductions)	Balance December 31, 2020	Due Within One Year
Governmental Activities Long-Term Debt:					
2010 2-3.125% General Obligation Bond Payable - Ety Road TIF	\$335,000	\$0	(\$110,000)	\$225,000	\$110,000
2014 2-3% Refunding General Obligation Bond Payable	1,335,000	0	(255,000)	1,080,000	260,000
Premium	15,286	0	(3,821)	11,465	0
2014 2-4% General Obligation Bond Payable-Court Facility	7,045,000	0	(200,000)	6,845,000	200,000
Premium	101,722	0	(4,238)	97,484	0
2014 1-3.45% General Obligation Bond Payable - Land	550,000	0	(105,000)	445,000	105,000
Total General Obligation Bonds Payable	<u>9,382,008</u>	<u>0</u>	<u>(678,059)</u>	<u>8,703,949</u>	<u>675,000</u>
Ohio Public Works Commission Loans (OPWC):*					
2000 0.00% Ohio Public Works Commission Loan Payable	12,172	0	(3,043)	9,129	6,086
2016 0.00% Ohio Public Works Commission Loan Payable	84,171	0	(21,043)	63,128	42,085
Total Ohio Public Works Commission Loans Payable	<u>96,343</u>	<u>0</u>	<u>(24,086)</u>	<u>72,257</u>	<u>48,171</u>
2010 3.25% Ohio Water Development Authority Loan*	259,884	0	(18,972)	240,912	19,593
2019 0.00% State Infrastructure Bank Loan*	217,587	6,528	0	224,115	25,183
Installment Loans Payable:*					
2013 3.30% Fire Aerial Truck Platform	206,487	0	(49,113)	157,374	50,751
Total Installment Loans Payable	<u>206,487</u>	<u>0</u>	<u>(49,113)</u>	<u>157,374</u>	<u>50,751</u>
Compensated Absences	5,096,429	1,600,356	(1,727,562)	4,969,223	490,692
Capital Leases	1,348,195	0	(356,908)	991,287	351,333
Total Governmental Activities	<u>\$16,606,933</u>	<u>\$1,606,884</u>	<u>(\$2,854,700)</u>	<u>\$15,359,117</u>	<u>\$1,660,723</u>

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

Internal service funds serve both governmental and business-type funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental and business-type funds. At year-end, \$103,590 and \$239,867 of internal service funds compensated absences are included in the respective above amounts. Also, \$1,653 of an internal service fund capital lease is recorded in the business-type activities amount.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

A. Gas Supply Revenue Bonds, Series 2019

In May, 2019, the Port Authority issued \$300,065,000 of gas supply revenue refunding bonds to refund the gas supply revenue refunding bonds issued in July, 2014 as well as provide for the prepayment of the extension of the original prepaid gas agreement through the year 2049. The City will purchase the scheduled monthly gas at a specified index less a discount from such index price for the entire term of May 2019 through June 2049. The revenue bonds are secured by a pledge of the gas supply revenues derived from the related prepay transaction. The 2019 gas supply revenue refunding bonds carry an interest rate of 5.00% and are scheduled to mature on August 1, 2049, with the bonds maturing after February 1, 2025 being subject to a mandatory tender as of that date.

The principal and interest remaining to be paid on these bonds is \$560,789,250. Principal and interest paid for the current year and total customer net revenues were \$19,016,715 and \$863,719, respectively.

B. Water and Wastewater Revenue Bonds

The City has pledged future customer revenues, net of specified operating expenses, to repay Water Revenue Bonds, series 2012. The 2012 bonds were issued to partially refund 2004 bonds which were originally issued to pay the cost of constructing two 2 million gallon storage tanks and various water lines. The principal and interest remaining to be paid on these bonds is \$4,613,675. Principal and interest paid for the current year and total customer net revenues were \$510,631 and \$2,836,658, respectively.

The City has pledged future customer revenues, net of specified operating expenses, to repay Wastewater Revenue Bonds, series 2012 and 2016. The 2012 bonds were issued to partially refund 2004 bonds which were originally issued to pay the cost of acquiring land for a new wastewater treatment plant and installing various sewer lines. 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 \$20,025,750. Principal and interest paid for the current year and total customer net revenues were \$1,639,750 and \$7,783,007, respectively.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

C. Ohio Water Development Authority Loans

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

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

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

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

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

In 2018, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$779,572. The proceeds are being used for drainage improvements. The amount is subject to change and has not been finalized. The interest rate on the loans is 0%, per annum. This loan is payable from storm water charges and is received by the City in increments as the project is completed. As of December 31, 2020, the City had received \$695,288, from OWDA. An estimate of future financing requirements has been made based on the loan balance of \$578,352 at December 31, 2020.

In 2020, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$4,213,115. The proceeds are being used for drainage improvements. The amount is subject to change and has not been finalized. The interest rate on the loans is 0%, per annum. This loan is payable from storm water charges and is received by the City in increments as the project is completed. As of December 31, 2020, the City had received \$3,408,966, from OWDA. An estimate of future financing requirements has been made based on the loan balance of \$3,408,966 at December 31, 2020.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

D. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2020 follows:

Governmental Activities:

Years	General Obligation Bond Payable		State Infrastructure Bank Loan		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$675,000	\$308,196	\$25,183	\$6,536	\$19,593	\$7,082
2022	690,000	291,258	25,945	5,775	20,236	6,489
2023	600,000	272,575	26,728	4,991	20,898	5,877
2024	610,000	255,606	27,536	4,183	21,583	5,245
2025	220,000	236,787	28,368	3,351	22,290	4,592
2026-2030	1,230,000	1,060,750	90,355	4,801	122,897	12,396
2031-2035	1,490,000	799,400	0	0	13,415	202
2036-2040	1,810,000	476,600	0	0	0	0
2041-2042	1,270,000	103,000	0	0	0	0
Totals	<u>\$8,595,000</u>	<u>\$3,804,172</u>	<u>\$224,115</u>	<u>\$29,637</u>	<u>\$240,912</u>	<u>\$41,883</u>

Years	OPWC Loan		Installment Loan	
	Principal	Interest	Principal	Interest
2021	\$48,171	\$0	\$50,751	\$4,776
2022	24,086	0	52,439	3,088
2023	0	0	54,184	1,343
Totals	<u>\$72,257</u>	<u>\$0</u>	<u>\$157,374</u>	<u>\$9,207</u>

Business-Type Activities:

Years	OWDA Loans		Revenue Bonds Payable		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$3,629,340	\$756,232	\$2,625,000	\$15,610,856	\$34,622	\$0
2022	3,860,495	651,986	2,720,000	15,498,906	34,622	0
2023	2,819,005	546,965	2,845,000	15,379,663	34,622	0
2024	2,128,950	481,921	3,010,000	15,254,975	34,622	0
2025	2,189,525	426,335	6,945,000	15,122,475	34,622	0
2026-2030	11,727,206	1,231,661	57,635,000	67,891,350	155,802	0
2031-2035	3,370,642	52,326	56,950,000	53,622,325	0	0
2036-2040	354,457	0	58,550,000	39,550,375	0	0
2041-2045	0	0	66,215,000	24,072,375	0	0
2046-2049	0	0	59,175,000	6,755,375	0	0
Totals	<u>\$30,079,620</u>	<u>\$4,147,426</u>	<u>\$316,670,000</u>	<u>\$268,758,675</u>	<u>\$328,912</u>	<u>\$0</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

E. Defeased Debt

In June 2012, the City defeased \$5,915,000 of Water Revenue Bonds dated September, 2004 (the "2004 Bonds") through the issuance of \$5,795,000 of Water Revenue Bonds. The net proceeds of the 2012 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$4,045,000 at December 31, 2020, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In June 2012, the City defeased \$3,665,000 of Wastewater Revenue Bonds dated September, 2004 (the "2004 Bonds") through the issuance of \$3,680,000 of Wastewater Revenue Bonds. The net proceeds of the 2012 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,510,000 at December 31, 2020, 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 \$13,680,000 at December 31, 2020, 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, 2020***

NOTE 15 - CAPITALIZED LEASES

Under capital leases the City leases three copiers, a fire medic, fire pumper, two street sweepers, and several street paving equipment, cemetery equipment and park and recreation trucks, tractors, mowers. The cost of the improvements and equipment obtained under capital leases is included in the appropriate proprietary fund or Governmental Activities Capital Assets and the related liability is included in the appropriate proprietary fund or in the Governmental Activities Long-Term Liabilities. The original cost of the assets acquired under capital lease was \$2,308,708.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2020:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2021	\$384,025	\$76,473
2022	357,606	83,156
2023	220,551	0
2024	94,146	0
Minimum Lease Payments	1,056,328	159,629
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(65,041)</u>	<u>(7,785)</u>
Present value of minimum lease payments	<u>\$991,287</u>	<u>\$151,844</u>

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 16 - DERIVATIVE INSTRUMENTS

A. Composition of Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding as of December 31, 2020, classified by type, are as follows:

	Notional Amount	Fair Value	Counterparty Credit Rating
Positive Cash Flow Hedge:			
Pay-variable, receive fixed commodity swap	59,087,169 mmbtu	\$ 186,323,268	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 \$496,596 for 2020. 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, 2020:

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 16 - DERIVATIVE INSTRUMENTS (Continued)

C. Commodity Swap Risks

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 17 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Insurance for property holds a \$10,000 disappearing deductible, general liability holds a \$1,000 deductible. The City carries a \$25,000 deductible for both police and professional liability insurance. The City also has an umbrella policy with Selective Insurance Company for claims in excess of \$1,000,000. The City has a Cyber Liability Insurance through AIG 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 January 1, 1998, the City established an internal service fund to provide group health, dental, and prescription drug benefits to employees and their eligible dependents through the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (Note 22). SCOIC currently includes nineteen member school districts and governmental entities. The Bloom Carroll Local School District serves as the fiscal agent for the consortium. 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 agreement with SCOIC considers medical, surgical, and prescription drug programs to also be self-insured programs. The City retains the risk for the first \$150,000 of a covered individual medical claim.

Claims are paid by the City to the SCOIC. SCOIC contracts with CareFactor for claims servicing. The City has shared risk pool coverage with Jefferson Health Plan for covered individual medical claims in excess of \$200,000 up to \$1,500,000 per employee per year. The City also has a stop loss coverage insurance policy, purchased through Jefferson Health Plan, for covered individual medical claims in excess of \$1,500,000 per employee per year. The City has no stop loss coverage for the dental claims. The City did not renew the contract with SCOIC, and left the consortium June 30, 2020.

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.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 17 - INSURANCE AND RISK MANAGEMENT (Continued)

The claims liability of \$361,245 reported at December 31, 2020 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
2019	\$1,048,151	\$8,115,006	(\$8,137,974)	\$1,025,183
2020	\$1,025,183	\$7,348,497	(\$8,012,435)	\$361,245

NOTE 18 - SIGNIFICANT COMMITMENTS

As of December 31, 2020, the City had the following commitments with respect to capital improvements:

Capital Projects	Remaining Construction Commitment
Water Pollution –Lawrence Street	\$22,522,108
Water Pollution – River Valley	308,211
Water Pollution – Upper Hocking	1,839,500

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 \$1,150,548 in the Gas Fund.

NOTE 19 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

The City has accrued a liability for landfill closure and postclosure care costs in the Sanitation Fund of \$862,688. 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 \$537,425 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

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

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

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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.

NOTE 21– INSURANCE POOL

The City was a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool through June 30, 2020. The City did not renew the contract with SCOIC, and left the consortium effective June 30, 2020. On July 1, 2020, the City became independently self-funded

NOTE 22 - 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, 2020 to December 31, 2020, 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 23- COVID-19

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 24- SPECIAL ITEM – TRANSFER OF OPERATIONS

Under an agreement between the Port Authority and the Lancaster Area Community Improvement Corporation (the “Corporation”), the Port Authority agreed to accept the transfer of the Corporation’s assets and liabilities. On October 30, 2020, the Corporation transferred the assets and liabilities which resulted in the Port Authority recognizing the following assets, liabilities and net position:

Transferred Assets	
Cash and Cash Equivalents	\$494,353
Land Held for Resale	<u>1,845,511</u>
Total Assets	2,339,864
Transferred Liabilities	
Unearned Revenue	<u>7,838</u>
Total Liabilities	7,838
Net Position of Transferred Operations:	
Unrestricted	<u>2,332,026</u>
Total Net Position	<u><u>\$2,332,026</u></u>

NOTE 25- SUBSEQUENT EVENTS

In January, 2021, the City issued \$1,500,000.00 of 1 year renewal general obligation notes payable for the purpose of paying cost of the construction and replacement of the Miller Park Water Treatment Plant and the acquisition of real property and appurtenances necessary therefor and the acquisition, construction and installation of wells, raw water distribution piping, approximately 5,300 feet of water lines, new fire hydrants and appurtenances along Whiley Road and Magna Avenue between certain termini, each including design and engineering work and together with all necessary appurtenances thereto (the “Improvement”). The notes carry an interest rate of 0.50%.

June 2021, the City entered into a \$281,914.65 (five year) Master Lease Purchase Agreement with Park National Bank. This Master Lease Agreement is to have a 2022 Horton Medic Unit built for the City to replace an existing aging Medic Unit. The interest rate on this five year Master Lease Agreement is 2.49%.

Effective January 1, 2021, the tax rate increased to 2.2%, which was approved by the voters of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 26 - SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Generally accepted accounting principles require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

A. Major Suppliers

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

B. Current Economic Conditions

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

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

NOTE 27 – 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LANCASTER, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

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

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.449586%	0.456191%	0.457354%	0.4464719%
\$28,476,326	\$27,998,502	\$37,332,171	\$30,076,732
\$9,604,901	\$9,816,433	\$10,225,157	\$10,572,263
296.48%	285.22%	365.10%	284.49%
68.36%	70.91%	63.07%	69.89%

CITY OF LANCASTER, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

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

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

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

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



CITY OF LANCASTER, OHIO

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

Ohio Public Employees Retirement System

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.102590%	0.104580%	0.105930%	0.105793%
City's proportionate share of the net OPEB liability	\$10,361,938	\$11,356,618	\$13,810,771	\$14,612,762
City's covered payroll	\$13,311,258	\$13,922,223	\$14,414,043	\$14,982,743
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	77.84%	81.57%	95.81%	97.53%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%	47.80%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.449586%	0.456191%	0.457354%	0.4464719%
City's proportionate share of the net OPEB liability	\$21,340,836	\$25,847,143	\$4,164,910	\$4,410,129
City's covered payroll	\$9,604,901	\$9,816,433	\$10,225,157	\$10,572,263
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	222.19%	263.30%	40.73%	41.71%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%	47.08%

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

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

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

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

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

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

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

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

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

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

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

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

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

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

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 2014-2020.

Changes in assumptions:

2014-2017: 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 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

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2020.

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%

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: 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%.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Cemetery Fund

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

Street Construction, Maintenance and Repair Fund

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

Street Levy Fund

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

Parks and Recreation Fund

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

Special Improvement District Fund

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

Lancaster Public Transit Program Fund

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

911 Tariff Fund

To account for monies to enhance 911 wireless services.

Edward Byrne Grant Fund

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

Law Director Victim Assistance Fund

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

Lancaster Community Development Fund

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

(Continued)

Special Revenue Funds (Continued)

Police and Fire Pension Fund

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

Fairfield County Court Surveillance Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Law Enforcement and Education Fund

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

Municipal Court Judicial Computer Fund

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

Municipal Court Probation Fund

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

Municipal Court Computerization Fund

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

Municipal Court Special Projects Fund

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

Municipal Court Family Violence Fund

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

Municipal Drug Court Fund

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

(Continued)

Special Revenue Funds (Continued)

FEMA Grant Fund

To account for Federal Emergency Management Agency funds received to purchase safety fire equipment. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Ohio Peace Officers Training Fund

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

DARE Officer Retention Grant Fund

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

Safe Routes to School Fund

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

.15 Fire Levy Fund

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

DOJ Equitable Sharing Grant Fund

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

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Community Development Block Grant (CDBG) Fund

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

State Highway Fund

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

Drug Enforcement Fund

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

Cemetery Interment Fund

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

Cemetery Perpetual Care Fund

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

Debt Service Funds

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

General Bond Retirement Fund

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

Special Assessment Debt Retirement Fund

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

Capital Projects Fund

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

LDOT (Lancaster Department of Transportation) Improvement Fund

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

Parks Improvement Fund

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

Capital Improvement Fund

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

Fire Impact - District One Fund

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

Ety Road TIF Project Fund

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

Columbian Construction Fund

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

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 5,770,543	\$ 77,055	\$ 2,071,454	\$ 7,919,052
Investments	2,255,219	0	0	2,255,219
Receivables (net of allowance for doubtful accounts):				
Taxes	3,228,219	117,031	195,652	3,540,902
Accounts	25,583	0	0	25,583
Intergovernmental	2,362,834	0	0	2,362,834
Interest	7,691	0	0	7,691
Special Assessments	0	27,833	0	27,833
Loans	1,558,443	0	0	1,558,443
Inventory of Supplies	317,960	0	0	317,960
Prepaid Items	14,693	0	0	14,693
Total Assets	\$ 15,541,185	\$ 221,919	\$ 2,267,106	\$ 18,030,210
Liabilities:				
Accounts Payable	\$ 486,044	\$ 0	\$ 31,736	\$ 517,780
Accrued Wages and Benefits Payable	280,106	0	0	280,106
Due to Others	34,865	0	0	34,865
Accrued Interest Payable	0	0	133	133
General Obligation Notes Payable	0	0	2,348,309	2,348,309
Advances from Other Funds	0	0	147,000	147,000
Total Liabilities	801,015	0	2,527,178	3,328,193
Deferred Inflows of Resources:				
Property Taxes	2,370,000	117,031	119,038	2,606,069
Unavailable Revenue	2,266,359	27,833	43,839	2,338,031
Total Deferred Inflows of Resources	4,636,359	144,864	162,877	4,944,100
Fund Balances:				
Nonspendable	332,653	0	0	332,653
Restricted	8,885,914	77,055	360,935	9,323,904
Committed	885,244	0	1,699,875	2,585,119
Unassigned	0	0	(2,483,759)	(2,483,759)
Total Fund Balances	10,103,811	77,055	(422,949)	9,757,917
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,541,185	\$ 221,919	\$ 2,267,106	\$ 18,030,210

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 6,080,353	\$ 120,331	\$ 471,493	\$ 6,672,177
Intergovernmental Revenues	9,745,469	0	974,204	10,719,673
Charges for Services	1,343,916	0	636,958	1,980,874
Licenses, Permits and Fees	17,760	0	0	17,760
Investment Earnings	41,704	0	1	41,705
Special Assessments	76,832	38,816	0	115,648
Fines and Forfeitures	1,289,059	0	0	1,289,059
All Other Revenue	516,320	0	23,824	540,144
Total Revenue	19,111,413	159,147	2,106,480	21,377,040
Expenditures:				
Current:				
Security of Persons and Property	5,324,211	0	0	5,324,211
Public Health and Welfare Services	572,712	0	0	572,712
Leisure Time Activities	1,987,952	0	0	1,987,952
Community Environment	751,123	0	0	751,123
Transportation	7,921,027	0	0	7,921,027
General Government	1,822,184	1,873	8,375	1,832,432
Capital Outlay	0	0	2,017,312	2,017,312
Debt Service:				
Principal Retirement	252,948	670,000	158,655	1,081,603
Interest and Fiscal Charges	49,406	323,484	86,966	459,856
Total Expenditures	18,681,563	995,357	2,271,308	21,948,228
Excess (Deficiency) of Revenues				
Over Expenditures	429,850	(836,210)	(164,828)	(571,188)
Other Financing Sources (Uses):				
State Infrastructure Bank Loan	6,528	0	0	6,528
Transfers In	1,059,212	873,153	621,962	2,554,327
Transfers Out	(1,198,198)	0	(544,859)	(1,743,057)
Total Other Financing Sources (Uses)	(132,458)	873,153	77,103	817,798
Net Change in Fund Balances	297,392	36,943	(87,725)	246,610
Fund Balances at Beginning of Year	9,779,059	40,112	(335,224)	9,483,947
Increase in Inventory	27,360	0	0	27,360
Fund Balances End of Year	\$ 10,103,811	\$ 77,055	\$ (422,949)	\$ 9,757,917

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Cemetery Fund	Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Assets:				
Cash and Cash Equivalents	\$ 425,326	\$ 292,599	\$ 387,779	\$ 850,565
Investments	0	1,010,833	0	0
Receivables (net of allowance for doubtful accounts):				
Taxes	25,538	0	1,986,865	383,070
Accounts	0	105	0	0
Intergovernmental	0	1,212,848	111,000	0
Interest	3,679	0	0	0
Loans	0	0	0	0
Inventory of Supplies	0	300,902	0	5,238
Prepaid Items	634	7,933	0	6,126
Total Assets	\$ 455,177	\$ 2,825,220	\$ 2,485,644	\$ 1,244,999
Liabilities:				
Accounts Payable	\$ 30,782	\$ 261,750	\$ 4,110	\$ 49,202
Accrued Wages and Benefits Payable	10,636	75,687	0	45,129
Due to Others	0	0	0	34,865
Total Liabilities	41,418	337,437	4,110	129,196
Deferred Inflows of Resources:				
Property Taxes	0	0	1,933,000	0
Unavailable Revenue	15,079	785,000	164,865	219,195
Total Deferred Inflows of Resources	15,079	785,000	2,097,865	219,195
Fund Balances:				
Nonspendable	634	308,835	0	11,364
Restricted	398,046	1,393,948	383,669	0
Committed	0	0	0	885,244
Total Fund Balances	398,680	1,702,783	383,669	896,608
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 455,177	\$ 2,825,220	\$ 2,485,644	\$ 1,244,999

CITY OF LANCASTER, OHIO

Lancaster Public Transit Program Fund	911 Tariff Fund	Edward Byrne Grant Fund	Law Director Victim Assistance Fund	Lancaster Community Development Fund	Police and Fire Pension Fund
\$ 533,270	\$ 250,251	\$ 428	\$ 45,619	\$ 70,013	\$ 138
0	0	0	0	0	0
0	0	0	0	0	449,676
25,478	0	0	0	0	0
23,082	0	0	13,190	0	26,000
0	0	0	0	0	0
0	0	0	0	0	0
10,888	0	0	0	932	0
0	0	0	0	0	0
<u>\$ 592,718</u>	<u>\$ 250,251</u>	<u>\$ 428</u>	<u>\$ 58,809</u>	<u>\$ 70,945</u>	<u>\$ 475,814</u>
\$ 49,824	\$ 0	\$ 0	\$ 0	\$ 642	\$ 0
43,632	0	0	3,253	8,970	0
0	0	0	0	0	0
<u>93,456</u>	<u>0</u>	<u>0</u>	<u>3,253</u>	<u>9,612</u>	<u>0</u>
0	0	0	0	0	437,000
0	0	0	13,190	0	38,676
<u>0</u>	<u>0</u>	<u>0</u>	<u>13,190</u>	<u>0</u>	<u>475,676</u>
10,888	0	0	0	932	0
488,374	250,251	428	42,366	60,401	138
0	0	0	0	0	0
<u>499,262</u>	<u>250,251</u>	<u>428</u>	<u>42,366</u>	<u>61,333</u>	<u>138</u>
<u>\$ 592,718</u>	<u>\$ 250,251</u>	<u>\$ 428</u>	<u>\$ 58,809</u>	<u>\$ 70,945</u>	<u>\$ 475,814</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Fairfield County Court Surveillance Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund	Municipal Court Judicial Computer Fund
Assets:				
Cash and Cash Equivalents	\$ 28,164	\$ 281,262	\$ 95,487	\$ 69,907
Investments	0	0	0	0
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Loans	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 28,164	\$ 281,262	\$ 95,487	\$ 69,907
Liabilities:				
Accounts Payable	\$ 0	\$ 200	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Due to Others	0	0	0	0
Total Liabilities	0	200	0	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	28,164	281,062	95,487	69,907
Committed	0	0	0	0
Total Fund Balances	28,164	281,062	95,487	69,907
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,164	\$ 281,262	\$ 95,487	\$ 69,907

CITY OF LANCASTER, OHIO

Municipal Court Probation Fund	Municipal Court Computerization Fund	Municipal Court Special Projects Fund	Municipal Court Family Violence Fund	Municipal Drug Court Fund	Ohio Peace Officers Training Fund
\$ 674,051	\$ 129,715	\$ 668,113	\$ 20,165	\$ 87,011	\$ 40,833
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
27,190	0	5,984	0	55,475	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 701,241</u>	<u>\$ 129,715</u>	<u>\$ 674,097</u>	<u>\$ 20,165</u>	<u>\$ 142,486</u>	<u>\$ 40,833</u>
\$ 1,644	\$ 2,479	\$ 25,775	\$ 0	\$ 1,794	\$ 0
21,913	3,667	0	0	7,080	0
0	0	0	0	0	0
<u>23,557</u>	<u>6,146</u>	<u>25,775</u>	<u>0</u>	<u>8,874</u>	<u>0</u>
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>
0	0	0	0	0	0
677,684	123,569	648,322	20,165	133,612	40,833
0	0	0	0	0	0
<u>677,684</u>	<u>123,569</u>	<u>648,322</u>	<u>20,165</u>	<u>133,612</u>	<u>40,833</u>
<u>\$ 701,241</u>	<u>\$ 129,715</u>	<u>\$ 674,097</u>	<u>\$ 20,165</u>	<u>\$ 142,486</u>	<u>\$ 40,833</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	DARE Officer Retention Grant Fund	Safe Routes to School Fund	.15 Fire Levy Fund	DOJ Equitable Sharing Grant Fund
Assets:				
Cash and Cash Equivalents	\$ 23,987	\$ 2,780	\$ 457,302	\$ 64,859
Investments	0	0	0	0
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	383,070	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Loans	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 23,987	\$ 2,780	\$ 840,372	\$ 64,859
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 3,749	\$ 0
Accrued Wages and Benefits Payable	0	0	60,139	0
Due to Others	0	0	0	0
Total Liabilities	0	0	63,888	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	219,195	0
Total Deferred Inflows of Resources	0	0	219,195	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	23,987	2,780	557,289	64,859
Committed	0	0	0	0
Total Fund Balances	23,987	2,780	557,289	64,859
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,987	\$ 2,780	\$ 840,372	\$ 64,859

CITY OF LANCASTER, OHIO

<u>CDBG Fund</u>	<u>State Highway Fund</u>	<u>Drug Enforcement Fund</u>	<u>Cemetery Interment Fund</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 127,878	\$ 11,443	\$ 17,831	\$ 9,440	\$ 104,327	\$ 5,770,543
0	51,294	0	257,793	935,299	2,255,219
0	0	0	0	0	3,228,219
0	0	0	0	0	25,583
817,900	70,165	0	0	0	2,362,834
0	4,012	0	0	0	7,691
1,558,443	0	0	0	0	1,558,443
0	0	0	0	0	317,960
0	0	0	0	0	14,693
<u>\$ 2,504,221</u>	<u>\$ 136,914</u>	<u>\$ 17,831</u>	<u>\$ 267,233</u>	<u>\$ 1,039,626</u>	<u>\$ 15,541,185</u>
\$ 54,093	\$ 0	\$ 0	\$ 0	\$ 0	\$ 486,044
0	0	0	0	0	280,106
0	0	0	0	0	34,865
<u>54,093</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>801,015</u>
0	0	0	0	0	2,370,000
763,899	47,260	0	0	0	2,266,359
<u>763,899</u>	<u>47,260</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,636,359</u>
0	0	0	0	0	332,653
1,686,229	89,654	17,831	267,233	1,039,626	8,885,914
0	0	0	0	0	885,244
<u>1,686,229</u>	<u>89,654</u>	<u>17,831</u>	<u>267,233</u>	<u>1,039,626</u>	<u>10,103,811</u>
<u>\$ 2,504,221</u>	<u>\$ 136,914</u>	<u>\$ 17,831</u>	<u>\$ 267,233</u>	<u>\$ 1,039,626</u>	<u>\$ 15,541,185</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Cemetery Fund	Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Revenues:				
Taxes	\$ 116,141	\$ 0	\$ 2,023,296	\$ 1,742,108
Intergovernmental Revenues	0	2,667,191	221,090	61,375
Charges for Services	187,230	721,124	0	157,797
Licenses, Permits and Fees	0	0	0	17,760
Investment Earnings	16,397	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	22,226	235,113	0	60,291
Total Revenue	341,994	3,623,428	2,244,386	2,039,331
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	542,176	0	0	0
Leisure Time Activities	0	0	0	1,987,952
Community Environment	0	0	0	0
Transportation	0	3,726,209	2,342,727	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	11,176	163,975	21,043	40,347
Interest and Fiscal Charges	3,761	41,586	0	3,511
Total Expenditures	557,113	3,931,770	2,363,770	2,031,810
Excess (Deficiency) of Revenues Over Expenditures				
	(215,119)	(308,342)	(119,384)	7,521
Other Financing Sources (Uses):				
State Infrastructure Bank Loan	0	6,528	0	0
Transfers In	220,000	460,000	0	0
Transfers Out	0	(225,000)	0	0
Total Other Financing Sources (Uses)	220,000	241,528	0	0
Net Change in Fund Balances	4,881	(66,814)	(119,384)	7,521
Fund Balances (Deficit) at Beginning of Year	393,799	1,741,443	503,053	889,694
Increase (Decrease) in Inventory	0	28,154	0	(607)
Fund Balances End of Year	\$ 398,680	\$ 1,702,783	\$ 383,669	\$ 896,608

CITY OF LANCASTER, OHIO

Special Improvement District Fund	Lancaster Public Transit Program Fund	911 Tariff Fund	Edward Byrne Grant Fund	Law Director Victim Assistance Fund	Lancaster Community Development Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	1,740,948	112,139	0	46,810	178,941
0	177,749	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
76,832	0	0	0	0	0
0	0	0	0	0	0
0	87,921	0	0	0	35
<u>76,832</u>	<u>2,006,618</u>	<u>112,139</u>	<u>0</u>	<u>46,810</u>	<u>178,976</u>
0	0	15,646	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
76,832	0	0	0	0	176,795
0	1,852,091	0	0	0	0
0	0	0	0	81,548	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>76,832</u>	<u>1,852,091</u>	<u>15,646</u>	<u>0</u>	<u>81,548</u>	<u>176,795</u>
0	154,527	96,493	0	(34,738)	2,181
0	0	0	0	0	0
0	73,000	0	0	31,212	25,000
0	0	0	0	0	0
<u>0</u>	<u>73,000</u>	<u>0</u>	<u>0</u>	<u>31,212</u>	<u>25,000</u>
0	227,527	96,493	0	(3,526)	27,181
0	271,922	153,758	428	45,892	34,152
0	(187)	0	0	0	0
<u>\$ 0</u>	<u>\$ 499,262</u>	<u>\$ 250,251</u>	<u>\$ 428</u>	<u>\$ 42,366</u>	<u>\$ 61,333</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, 2020**

	Police and Fire Pension Fund	Fairfield County Court Surveillance Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund
Revenues:				
Taxes	\$ 456,700	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	53,586	0	0	0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	31,223	2,587
All Other Revenue	0	0	0	0
Total Revenue	510,286	0	31,223	2,587
Expenditures:				
Current:				
Security of Persons and Property	525,037	0	8,652	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	525,037	0	8,652	0
Excess (Deficiency) of Revenues Over Expenditures	(14,751)	0	22,571	2,587
Other Financing Sources (Uses):				
State Infrastructure Bank 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
Net Change in Fund Balances	(14,751)	0	22,571	2,587
Fund Balances (Deficit) at Beginning of Year	14,889	28,164	258,491	92,900
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	\$ 138	\$ 28,164	\$ 281,062	\$ 95,487

CITY OF LANCASTER, OHIO

Municipal Court Judicial Computer Fund	Municipal Court Probation Fund	Municipal Court Computerization Fund	Municipal Court Special Projects Fund	Municipal Court Family Violence Fund	Municipal Drug Court Fund	FEMA Grant Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	353,121	0	9,499	0	270,973	171,818
0	53,937	0	0	319	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
36,376	400,811	143,158	658,391	0	0	0
0	20,924	3,346	54,247	0	6,335	0
<u>36,376</u>	<u>828,793</u>	<u>146,504</u>	<u>722,137</u>	<u>319</u>	<u>277,308</u>	<u>171,818</u>
0	0	0	0	0	0	171,818
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
41,396	772,066	166,752	260,446	0	224,856	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>41,396</u>	<u>772,066</u>	<u>166,752</u>	<u>260,446</u>	<u>0</u>	<u>224,856</u>	<u>171,818</u>
(5,020)	56,727	(20,248)	461,691	319	52,452	0
0	0	0	0	0	0	0
0	150,000	0	100,000	0	0	0
0	0	0	(663,198)	0	0	0
<u>0</u>	<u>150,000</u>	<u>0</u>	<u>(563,198)</u>	<u>0</u>	<u>0</u>	<u>0</u>
(5,020)	206,727	(20,248)	(101,507)	319	52,452	0
74,927	470,957	143,817	749,829	19,846	81,160	0
0	0	0	0	0	0	0
<u>\$ 69,907</u>	<u>\$ 677,684</u>	<u>\$ 123,569</u>	<u>\$ 648,322</u>	<u>\$ 20,165</u>	<u>\$ 133,612</u>	<u>\$ 0</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Ohio Peace Officers Training Fund	DARE Officer Retention Grant Fund	Safe Routes to School Fund	.15 Fire Levy Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 1,742,108
Intergovernmental Revenues	2,500	12,943	0	0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	25,450
Total Revenue	2,500	12,943	0	1,767,558
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	1,730,679
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	16,407
Interest and Fiscal Charges	0	0	0	548
Total Expenditures	0	0	0	1,747,634
Excess (Deficiency) of Revenues Over Expenditures	2,500	12,943	0	19,924
Other Financing Sources (Uses):				
State Infrastructure Bank 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
Net Change in Fund Balances	2,500	12,943	0	19,924
Fund Balances (Deficit) at Beginning of Year	38,333	11,044	2,780	537,365
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	\$ 40,833	\$ 23,987	\$ 2,780	\$ 557,289

CITY OF LANCASTER, OHIO

DOJ Equitable Sharing Grant Fund	Coronavirus Relief Fund	CDBG Fund	State Highway Fund	Drug Enforcement Fund	Cemetery Interment Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	3,130,990	563,716	147,829	0	0
0	0	0	0	0	21,750
0	0	0	0	0	0
0	0	2,707	22,600	0	0
0	0	0	0	0	0
15,440	0	0	0	1,073	0
0	0	432	0	0	0
<u>15,440</u>	<u>3,130,990</u>	<u>566,855</u>	<u>170,429</u>	<u>1,073</u>	<u>21,750</u>
16,009	2,855,870	0	0	500	0
0	0	0	0	0	30,536
0	0	0	0	0	0
0	0	497,496	0	0	0
0	0	0	0	0	0
0	275,120	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>16,009</u>	<u>3,130,990</u>	<u>497,496</u>	<u>0</u>	<u>500</u>	<u>30,536</u>
(569)	0	69,359	170,429	573	(8,786)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	(310,000)	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(310,000)</u>	<u>0</u>	<u>0</u>
(569)	0	69,359	(139,571)	573	(8,786)
65,428	0	1,616,870	229,225	17,258	276,019
0	0	0	0	0	0
<u>\$ 64,859</u>	<u>\$ 0</u>	<u>\$ 1,686,229</u>	<u>\$ 89,654</u>	<u>\$ 17,831</u>	<u>\$ 267,233</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, 2020***

	Cemetery Perpetual Care Fund	Total Nonmajor Special Revenue Funds
Revenues:		
Taxes	\$ 0	\$ 6,080,353
Intergovernmental Revenues	0	9,745,469
Charges for Services	24,010	1,343,916
Licenses, Permits and Fees	0	17,760
Investment Earnings	0	41,704
Special Assessments	0	76,832
Fines and Forfeitures	0	1,289,059
All Other Revenue	0	516,320
Total Revenue	24,010	19,111,413
Expenditures:		
Current:		
Security of Persons and Property	0	5,324,211
Public Health and Welfare Services	0	572,712
Leisure Time Activities	0	1,987,952
Community Environment	0	751,123
Transportation	0	7,921,027
General Government	0	1,822,184
Debt Service:		
Principal Retirement	0	252,948
Interest and Fiscal Charges	0	49,406
Total Expenditures	0	18,681,563
Excess (Deficiency) of Revenues Over Expenditures	24,010	429,850
Other Financing Sources (Uses):		
State Infrastructure Bank Loan	0	6,528
Transfers In	0	1,059,212
Transfers Out	0	(1,198,198)
Total Other Financing Sources (Uses)	0	(132,458)
Net Change in Fund Balances	24,010	297,392
Fund Balances (Deficit) at Beginning of Year	1,015,616	9,779,059
Increase (Decrease) in Inventory	0	27,360
Fund Balances End of Year	\$ 1,039,626	\$ 10,103,811



CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2020**

	General Bond Retirement Fund	Assessment Debt Retirement Fund	Total Nonmajor Debt Service Funds
Assets:			
Cash and Cash Equivalents	\$ 0	\$ 77,055	\$ 77,055
Receivables (net of allowance for doubtful accounts):			
Taxes	117,031	0	117,031
Special Assessments	0	27,833	27,833
Total Assets	\$ 117,031	\$ 104,888	\$ 221,919
Liabilities:			
Deferred Inflows of Resources:			
Property Taxes	117,031	0	117,031
Unavailable Revenue	0	27,833	27,833
Total Deferred Inflows of Resources	117,031	27,833	144,864
Fund Balances:			
Restricted	0	77,055	77,055
Total Fund Balances	0	77,055	77,055
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 117,031	\$ 104,888	\$ 221,919

CITY OF LANCASTER, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020***

	General Bond Retirement Fund	Assessment Debt Retirement Fund	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 120,331	\$ 0	\$ 120,331
Special Assessments	0	38,816	38,816
Total Revenue	<u>120,331</u>	<u>38,816</u>	<u>159,147</u>
Expenditures:			
General Government	0	1,873	1,873
Debt Service:			
Principal Retirement	670,000	0	670,000
Interest and Fiscal Charges	323,484	0	323,484
Total Expenditures	<u>993,484</u>	<u>1,873</u>	<u>995,357</u>
Excess (Deficiency) of Revenues Over Expenditures	(873,153)	36,943	(836,210)
Other Financing Sources (Uses):			
Transfers In	873,153	0	873,153
Total Other Financing Sources (Uses)	<u>873,153</u>	<u>0</u>	<u>873,153</u>
Net Change in Fund Balances	0	36,943	36,943
Fund Balances at Beginning of Year	<u>0</u>	<u>40,112</u>	<u>40,112</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 77,055</u>	<u>\$ 77,055</u>

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund
Assets:			
Cash and Cash Equivalents	\$ 378,865	\$ 142,180	\$ 707,173
Receivables (net of allowance for doubtful accounts):			
Taxes	0	25,538	51,076
Total Assets	<u>\$ 378,865</u>	<u>\$ 167,718</u>	<u>\$ 758,249</u>
Liabilities:			
Accounts Payable	\$ 17,930	\$ 8,556	\$ 0
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
Advances from Other Funds	0	0	0
Total Liabilities	<u>17,930</u>	<u>8,556</u>	<u>0</u>
Deferred Inflows of Resources:			
Property Taxes	0	0	0
Unavailable Revenue	0	14,613	29,226
Total Deferred Inflows of Resources	<u>0</u>	<u>14,613</u>	<u>29,226</u>
Fund Balances:			
Restricted	360,935	0	0
Committed	0	144,549	729,023
Unassigned	0	0	0
Total Fund Balances	<u>360,935</u>	<u>144,549</u>	<u>729,023</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 378,865</u>	<u>\$ 167,718</u>	<u>\$ 758,249</u>

CITY OF LANCASTER, OHIO

Fire Impact - District One Fund	Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 826,303	\$ 16,933	\$ 0	\$ 2,071,454
0	119,038	0	195,652
<u>\$ 826,303</u>	<u>\$ 135,971</u>	<u>\$ 0</u>	<u>\$ 2,267,106</u>
\$ 0	\$ 5,250	\$ 0	\$ 31,736
0	0	133	133
0	1,268,309	1,080,000	2,348,309
0	147,000	0	147,000
<u>0</u>	<u>1,420,559</u>	<u>1,080,133</u>	<u>2,527,178</u>
0	119,038	0	119,038
0	0	0	43,839
<u>0</u>	<u>119,038</u>	<u>0</u>	<u>162,877</u>
0	0	0	360,935
826,303	0	0	1,699,875
0	(1,403,626)	(1,080,133)	(2,483,759)
<u>826,303</u>	<u>(1,403,626)</u>	<u>(1,080,133)</u>	<u>(422,949)</u>
<u>\$ 826,303</u>	<u>\$ 135,971</u>	<u>\$ 0</u>	<u>\$ 2,267,106</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund
Revenues:			
Taxes	\$ 0	\$ 116,141	\$ 232,281
Intergovernmental Revenues	974,204	0	0
Charges for Services	0	0	82,886
Investment Earnings	0	0	0
All Other Revenue	23,824	0	0
Total Revenue	998,028	116,141	315,167
Expenditures:			
Current:			
General Government	0	0	0
Capital Outlay	1,144,495	62,249	375,012
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	1,144,495	62,249	375,012
Excess (Deficiency) of Revenues Over Expenditures	(146,467)	53,892	(59,845)
Other Financing Sources (Uses):			
Transfers In	225,000	0	196,802
Transfers Out	(544,859)	0	0
Total Other Financing Sources (Uses)	(319,859)	0	196,802
Net Change in Fund Balances	(466,326)	53,892	136,957
Fund Balances at Beginning of Year	827,261	90,657	592,066
Fund Balances End of Year	\$ 360,935	\$ 144,549	\$ 729,023

CITY OF LANCASTER, OHIO

Fire Impact - District One Fund	Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 0	\$ 123,071	\$ 0	\$ 471,493
0	0	0	974,204
554,072	0	0	636,958
0	1	0	1
0	0	0	23,824
<u>554,072</u>	<u>123,072</u>	<u>0</u>	<u>2,106,480</u>
0	8,375	0	8,375
435,556	0	0	2,017,312
158,655	0	0	158,655
23,277	43,893	19,796	86,966
<u>617,488</u>	<u>52,268</u>	<u>19,796</u>	<u>2,271,308</u>
(63,416)	70,804	(19,796)	(164,828)
0	0	200,160	621,962
0	0	0	(544,859)
0	0	200,160	77,103
(63,416)	70,804	180,364	(87,725)
889,719	(1,474,430)	(1,260,497)	(335,224)
<u>\$ 826,303</u>	<u>\$ (1,403,626)</u>	<u>\$ (1,080,133)</u>	<u>\$ (422,949)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,164,437	\$ 14,164,437	\$ 13,774,654	\$ (389,783)
Intergovernmental Revenues	1,347,176	1,347,176	1,300,035	(47,141)
Charges for Services	3,758,572	3,758,572	3,502,158	(256,414)
License, Permits and Fees	20,300	20,300	18,045	(2,255)
Investment Earnings	581,300	581,300	455,741	(125,559)
Special Assessments	74,111	74,111	0	(74,111)
Fines and Forfeitures	801,000	801,000	628,737	(172,263)
All Other Revenues	102,094	210,956	2,828,277	2,617,321
Total Revenues	20,848,990	20,957,852	22,507,647	1,549,795
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	6,890,221	6,890,221	5,013,961	1,876,260
Operations and Maintenance	379,087	381,029	298,128	82,901
Capital Outlay	8,000	8,000	6,900	1,100
Total Police	7,277,308	7,279,250	5,318,989	1,960,261
Fire:				
Personal Services	4,808,880	4,808,880	3,339,364	1,469,516
Operations and Maintenance	4,000	4,000	3,990	10
Total Fire	4,812,880	4,812,880	3,343,354	1,469,526
Street Lighting:				
Operations and Maintenance	286,082	286,082	274,905	11,177
Total Street Lighting	286,082	286,082	274,905	11,177
Total Security of Persons and Property	12,376,270	12,378,212	8,937,248	3,440,964
Public Health and Welfare Services:				
Health:				
Operations and Maintenance	317,425	317,425	317,425	0
Total Health	317,425	317,425	317,425	0
Assistance to Needy:				
Operations and Maintenance	13,530	13,530	9,770	3,760
Total Public Health and Welfare Services	330,955	330,955	327,195	3,760

(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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Zoning, Planning, Tree Commissions:				
Personal Services	98,200	98,304	90,470	7,834
Operations and Maintenance	49,142	49,642	36,604	13,038
Total Zoning, Planning, Tree Commission	147,342	147,946	127,074	20,872
Economic Development:				
Personal Services	11,805	13,352	13,341	11
Operations and Maintenance	27	27	0	27
Total Economic Development	11,832	13,379	13,341	38
Total Community Environment	159,174	161,325	140,415	20,910
General Government:				
Council:				
Personal Services	120,068	120,068	119,961	107
Operations and Maintenance	12,302	12,301	11,424	877
Total Council	132,370	132,369	131,385	984
Mayor:				
Personal Services	177,564	177,664	177,343	321
Operations and Maintenance	31,689	41,689	40,237	1,452
Total Mayor	209,253	219,353	217,580	1,773
Personnel:				
Personal Services	84,345	84,345	84,275	70
Operations and Maintenance	88,653	88,653	63,592	25,061
Total Personnel	172,998	172,998	147,867	25,131
Auditor:				
Personal Services	425,522	426,458	409,573	16,885
Operations and Maintenance	90,646	90,146	71,996	18,150
Capital Outlay	3,831	4,331	4,238	93
Total Auditor	519,999	520,935	485,807	35,128
Treasurer:				
Personal Services	31,495	31,599	31,571	28
Operations and Maintenance	9,450	9,450	9,345	105
Total Treasurer	40,945	41,049	40,916	133

(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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	788,310	799,368	798,643	725
Operations and Maintenance	120,607	124,566	79,516	45,050
Capital Outlay	5,124	2,624	2,623	1
Total Law Director	914,041	926,558	880,782	45,776
Law Director-Code Enforcement:				
Personal Services	167,430	167,530	142,680	24,850
Operations and Maintenance	48,839	48,839	45,695	3,144
Capital Outlay	1,350	1,350	1,350	0
Total Law Director-Code Enforcement	217,619	217,719	189,725	27,994
Municipal Court:				
Personal Services	1,120,862	1,123,377	1,015,061	108,316
Operations and Maintenance	117,515	117,515	110,216	7,299
Total Municipal Court	1,238,377	1,240,892	1,125,277	115,615
Judicial:				
Personal Services	867,100	869,260	835,295	33,965
Operations and Maintenance	66,450	66,450	45,448	21,002
Capital Outlay	1,000	1,000	0	1,000
Total Judicial	934,550	936,710	880,743	55,967
Civil Service:				
Personal Services	9,298	9,298	8,602	696
Operations and Maintenance	27,825	27,825	24,307	3,518
Total Civil Service	37,123	37,123	32,909	4,214
City Hall Maintenance:				
Personal Services	67,979	68,079	66,637	1,442
Operations and Maintenance	106,937	108,202	94,293	13,909
Capital Outlay	2,797	21,532	21,296	236
Total City Hall Maintenance	177,713	197,813	182,226	15,587
City Hall Maintenance-Annex:				
Operations and Maintenance	45,048	45,048	36,902	8,146
Total City Hall Maintenance-Annex	45,048	45,048	36,902	8,146

(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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Safety Director:				
Personal Services	231,790	232,324	232,021	303
Operations and Maintenance	7,839	7,839	4,510	3,329
Capital Outlay	4,050	4,050	0	4,050
Total Service Safety Director	243,679	244,213	236,531	7,682
Engineer:				
Personal Services	492,200	491,940	477,980	13,960
Operations and Maintenance	90,134	94,374	58,887	35,487
Capital Outlay	4,500	2,600	2,525	75
Total Engineer	586,834	588,914	539,392	49,522
Certified Building Inspection:				
Personal Services	505,900	507,933	506,108	1,825
Operations and Maintenance	98,457	98,457	85,664	12,793
Capital Outlay	4,655	4,655	4,340	315
Total Certified Building Inspection	609,012	611,045	596,112	14,933
Administration Support:				
Personal Services	130,000	248,541	209,148	39,393
Operations and Maintenance	370,426	398,790	381,693	17,097
Total Administration Support	500,426	647,331	590,841	56,490
Miscellaneous:				
Operations and Maintenance	657,750	762,865	570,154	192,711
Total Miscellaneous	657,750	762,865	570,154	192,711
Income Tax:				
Personal Services	360,600	360,600	350,491	10,109
Operations and Maintenance	566,622	575,422	507,094	68,328
Capital Outlay	93,632	84,832	81,427	3,405
Total Income Tax	1,020,854	1,020,854	939,012	81,842
Total General Government	8,258,591	8,563,789	7,824,161	739,628

(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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Debt Services:				
Principal Retirement	39,398	39,398	36,354	3,044
Interest and Fiscal Charges	8,714	8,714	4,114	4,600
Total Expenditures	<u>21,173,102</u>	<u>21,482,393</u>	<u>17,269,487</u>	<u>4,212,906</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(324,112)	(524,541)	5,238,160	5,762,701
Other Financing Sources (Uses):				
Transfers Out	<u>(1,144,327)</u>	<u>(1,169,327)</u>	<u>(1,159,327)</u>	<u>10,000</u>
Total Other Financing Sources (Uses)	<u>(1,144,327)</u>	<u>(1,169,327)</u>	<u>(1,159,327)</u>	<u>10,000</u>
Net Change in Fund Balance	(1,468,439)	(1,693,868)	4,078,833	5,772,701
Fund Balance at Beginning of Year	6,310,811	6,310,811	6,310,811	0
Prior Year Encumbrances	<u>304,832</u>	<u>304,832</u>	<u>304,832</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,147,204</u>	<u>\$ 4,921,775</u>	<u>\$ 10,694,476</u>	<u>\$ 5,772,701</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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,209,726	\$ 5,209,726	\$ 5,209,726	\$ 0
Intergovernmental Revenues	0	137,719	141,246	3,527
Charges for Services	0	0	1,733	1,733
All Other Revenues	0	0	31,236	31,236
Total Revenues	5,209,726	5,347,445	5,383,941	36,496
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,531,903	2,539,005	2,155,673	383,332
Operations and Maintenance	158,386	169,687	139,784	29,903
Capital Outlay	96,576	175,545	148,548	26,997
Total Police	2,786,865	2,884,237	2,444,005	440,232
Fire:				
Personal Services	2,056,240	2,056,240	1,795,467	260,773
Operations and Maintenance	560,616	609,520	491,860	117,660
Capital Outlay	64,536	54,036	29,613	24,423
Total Fire	2,681,392	2,719,796	2,316,940	402,856
Total Expenditures	5,468,257	5,604,033	4,760,945	843,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	(258,531)	(256,588)	622,996	879,584
Fund Balance at Beginning of Year	481,095	481,095	481,095	0
Prior Year Encumbrances	258,088	258,088	258,088	0
Fund Balance at End of Year	\$ 480,652	\$ 482,595	\$ 1,362,179	\$ 879,584

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, 2020***

CEMETERY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 117,000	\$ 117,000	\$ 115,772	\$ (1,228)
Charges for Services	206,700	206,700	187,230	(19,470)
Investment Earnings	15,000	15,000	16,939	1,939
All Other Revenues	20,500	20,500	22,568	2,068
Total Revenues	<u>359,200</u>	<u>359,200</u>	<u>342,509</u>	<u>(16,691)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	348,897	348,897	335,140	13,757
Operations and Maintenance	255,465	255,965	196,095	59,870
Capital Outlay	43,362	27,910	26,150	1,760
Debt Service:				
Principal Retirement	0	11,178	11,176	2
Interest Charges	0	3,774	3,761	13
Total Expenditures	<u>647,724</u>	<u>647,724</u>	<u>572,322</u>	<u>75,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(288,524)	(288,524)	(229,813)	58,711
Other Financing Sources (Uses):				
Transfers In	255,000	255,000	220,000	(35,000)
Total Other Financing Sources (Uses)	<u>255,000</u>	<u>255,000</u>	<u>220,000</u>	<u>(35,000)</u>
Net Change in Fund Balance	(33,524)	(33,524)	(9,813)	23,711
Fund Balance at Beginning of Year	377,067	377,067	377,067	0
Prior Year Encumbrances	19,414	19,414	19,414	0
Fund Balance at End of Year	<u>\$ 362,957</u>	<u>\$ 362,957</u>	<u>\$ 386,668</u>	<u>\$ 23,711</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, 2020**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 3,060,000	\$ 3,083,131	\$ 2,719,404	\$ (363,727)
Charges for Services	728,500	728,500	721,124	(7,376)
All Other Revenues	139,045	200,545	239,092	38,547
Total Revenues	<u>3,927,545</u>	<u>4,012,176</u>	<u>3,679,620</u>	<u>(332,556)</u>
Expenditures:				
Transportation:				
Personal Services	2,536,118	2,558,280	2,197,147	361,133
Operations and Maintenance	1,334,858	1,293,504	1,120,639	172,865
Capital Outlay	547,420	544,372	536,431	7,941
Total Transportation	<u>4,418,396</u>	<u>4,396,156</u>	<u>3,854,217</u>	<u>541,939</u>
Debt Service:				
Principal Retirement	12,200	176,175	163,975	12,200
Interest and Fiscal Charges	3,800	38,858	35,058	3,800
Total Debt Service	<u>16,000</u>	<u>215,033</u>	<u>199,033</u>	<u>16,000</u>
Total Expenditures	<u>4,434,396</u>	<u>4,611,189</u>	<u>4,053,250</u>	<u>557,939</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(506,851)	(599,013)	(373,630)	225,383
Other Financing Sources (Uses):				
Transfers In	460,000	460,000	460,000	0
Transfers Out	(225,000)	(225,000)	(225,000)	0
Total Other Financing Sources (Uses)	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	<u>0</u>
Net Change in Fund Balance	(271,851)	(364,013)	(138,630)	225,383
Fund Balance at Beginning of Year	1,018,987	1,018,987	1,018,987	0
Prior Year Encumbrances	82,197	82,197	82,197	0
Fund Balance at End of Year	<u>\$ 829,333</u>	<u>\$ 737,171</u>	<u>\$ 962,554</u>	<u>\$ 225,383</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, 2020***

STREET LEVY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,928,000	\$ 1,928,000	\$ 2,023,296	\$ 95,296
Intergovernmental Revenues	225,000	225,000	221,090	(3,910)
All Other Revenues	1,700	1,700	2,293	593
Total Revenues	<u>2,154,700</u>	<u>2,154,700</u>	<u>2,246,679</u>	<u>91,979</u>
Expenditures:				
Transportation:				
Operations and Maintenance	2,399,808	2,399,808	2,384,933	14,875
Total Transportation	<u>2,399,808</u>	<u>2,399,808</u>	<u>2,384,933</u>	<u>14,875</u>
Debt Service:				
Principal Retirement	50,000	50,000	21,043	28,957
Total Debt Service	<u>50,000</u>	<u>50,000</u>	<u>21,043</u>	<u>28,957</u>
Total Expenditures	<u>2,449,808</u>	<u>2,449,808</u>	<u>2,405,976</u>	<u>43,832</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(295,108)	(295,108)	(159,297)	135,811
Fund Balance at Beginning of Year	501,494	501,494	501,494	0
Prior Year Encumbrances	5,108	5,108	5,108	0
Fund Balance at End of Year	<u>\$ 211,494</u>	<u>\$ 211,494</u>	<u>\$ 347,305</u>	<u>\$ 135,811</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

PARKS AND RECREATION FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,736,575	\$ 1,736,575	\$ 1,736,575	\$ 0
Intergovernmental Revenues	40,000	40,000	61,375	21,375
Charges for Services	464,000	464,000	157,797	(306,203)
Licenses, Permits and Fees	0	0	17,760	17,760
All Other Revenues	23,500	23,500	65,242	41,742
Total Revenues	<u>2,264,075</u>	<u>2,264,075</u>	<u>2,038,749</u>	<u>(225,326)</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	1,478,731	1,489,531	1,286,962	202,569
Operations and Maintenance	783,781	788,709	614,436	174,273
Capital Outlay	65,094	143,066	139,606	3,460
Total Leisure Time Activities	<u>2,327,606</u>	<u>2,421,306</u>	<u>2,041,004</u>	<u>380,302</u>
Debt Service:				
Principal Retirement	39,138	40,347	40,347	0
Interest and Fiscal Charges	4,720	3,511	3,511	0
Total Debt Service	<u>43,858</u>	<u>43,858</u>	<u>43,858</u>	<u>0</u>
Total Expenditures	<u>2,371,464</u>	<u>2,465,164</u>	<u>2,084,862</u>	<u>380,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,389)	(201,089)	(46,113)	154,976
Fund Balance at Beginning of Year	740,717	740,717	740,717	0
Prior Year Encumbrances	42,230	42,230	42,230	0
Fund Balance at End of Year	<u>\$ 675,558</u>	<u>\$ 581,858</u>	<u>\$ 736,834</u>	<u>\$ 154,976</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, 2020***

SPECIAL IMPROVEMENT DISTRICT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 68,700	\$ 76,832	\$ 76,832	\$ 0
Total Revenues	<u>68,700</u>	<u>76,832</u>	<u>76,832</u>	<u>0</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	68,700	76,832	76,832	0
Total Expenditures	<u>68,700</u>	<u>76,832</u>	<u>76,832</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

LANCASTER PUBLIC TRANSIT PROGRAM FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,748,592	\$ 1,906,084	\$ 1,765,834	\$ (140,250)
Charges for Services	529,493	529,493	258,598	(270,895)
All Other Revenues	54,500	54,500	96,787	42,287
Total Revenues	<u>2,332,585</u>	<u>2,490,077</u>	<u>2,121,219</u>	<u>(368,858)</u>
Expenditures:				
Transportation:				
Personal Services	1,489,872	1,196,672	1,078,330	118,342
Operations and Maintenance	751,495	713,180	599,426	113,754
Capital Outlay	382,323	371,915	363,116	8,799
Total Expenditures	<u>2,623,690</u>	<u>2,281,767</u>	<u>2,040,872</u>	<u>240,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(291,105)	208,310	80,347	(127,963)
Other Financing Sources (Uses):				
Transfers In	73,000	73,000	73,000	0
Total Other Financing Sources (Uses)	<u>73,000</u>	<u>73,000</u>	<u>73,000</u>	<u>0</u>
Net Change in Fund Balance	(218,105)	281,310	153,347	(127,963)
Fund Balance at Beginning of Year	73,920	73,920	73,920	0
Prior Year Encumbrances	162,673	162,673	162,673	0
Fund Balance at End of Year	<u>\$ 18,488</u>	<u>\$ 517,903</u>	<u>\$ 389,940</u>	<u>\$ (127,963)</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, 2020***

911 TARIFF FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 112,139	\$ 112,139
Total Revenues	<u>0</u>	<u>0</u>	<u>112,139</u>	<u>112,139</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	0	85,837	0	85,837
Operations and Maintenance	514	30,514	21,225	9,289
Total Expenditures	<u>514</u>	<u>116,351</u>	<u>21,225</u>	<u>95,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(514)	(116,351)	90,914	207,265
Fund Balance at Beginning of Year	153,244	153,244	153,244	0
Prior Year Encumbrances	514	514	514	0
Fund Balance at End of Year	<u>\$ 153,244</u>	<u>\$ 37,407</u>	<u>\$ 244,672</u>	<u>\$ 207,265</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>428</u>	<u>428</u>	<u>428</u>	<u>0</u>
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, 2020***

LAW DIRECTOR VICTIM ASSISTANCE FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 60,000	\$ 60,000	\$ 52,383	\$ (7,617)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>52,383</u>	<u>(7,617)</u>
Expenditures:				
General Government:				
Personal Services	79,271	79,271	79,246	25
Operations and Maintenance	0	1,638	1,638	0
Total Expenditures	<u>79,271</u>	<u>80,909</u>	<u>80,884</u>	<u>25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,271)	(20,909)	(28,501)	(7,592)
Other Financing Sources (Uses):				
Transfers In	31,212	31,212	31,212	0
Total Other Financing Sources (Uses)	<u>31,212</u>	<u>31,212</u>	<u>31,212</u>	<u>0</u>
Net Change in Fund Balance	11,941	10,303	2,711	(7,592)
Fund Balance at Beginning of Year	<u>42,908</u>	<u>42,908</u>	<u>42,908</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 54,849</u>	<u>\$ 53,211</u>	<u>\$ 45,619</u>	<u>\$ (7,592)</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, 2020***

LANCASTER COMMUNITY DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 160,130	\$ 160,130	\$ 178,976	\$ 18,846
All Other Revenues	0	0	35	35
Total Revenues	<u>160,130</u>	<u>160,130</u>	<u>179,011</u>	<u>18,881</u>
Expenditures:				
Community Environment:				
Personal Services	158,630	182,350	170,818	11,532
Operations and Maintenance	1,500	2,780	814	1,966
Total Expenditures	<u>160,130</u>	<u>185,130</u>	<u>171,632</u>	<u>13,498</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(25,000)	7,379	32,379
Other Financing Sources (Uses):				
Transfers In	25,000	25,000	25,000	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	25,000	0	32,379	32,379
Fund Balance at Beginning of Year	37,125	37,125	37,125	0
Fund Balance at End of Year	<u>\$ 62,125</u>	<u>\$ 37,125</u>	<u>\$ 69,504</u>	<u>\$ 32,379</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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 478,000	\$ 478,000	\$ 456,700	\$ (21,300)
Intergovernmental Revenues	0	32,286	53,586	21,300
Total Revenues	<u>478,000</u>	<u>510,286</u>	<u>510,286</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	442,888	516,077	516,077	0
Operations and Maintenance	8,000	8,960	8,960	0
Total Expenditures	<u>450,888</u>	<u>525,037</u>	<u>525,037</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,112	(14,751)	(14,751)	0
Net Change in Fund Balance	27,112	(14,751)	(14,751)	0
Fund Balance at Beginning of Year	14,889	14,889	14,889	0
Fund Balance at End of Year	<u>\$ 42,001</u>	<u>\$ 138</u>	<u>\$ 138</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, 2020***

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

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 50,000	\$ 50,000	\$ 31,624	\$ (18,376)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>31,624</u>	<u>(18,376)</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	150,000	150,000	8,774	141,226
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>8,774</u>	<u>141,226</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(100,000)	22,850	122,850
Fund Balance at Beginning of Year	<u>257,089</u>	<u>257,089</u>	<u>257,089</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 157,089</u>	<u>\$ 157,089</u>	<u>\$ 279,939</u>	<u>\$ 122,850</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 2,500	\$ 2,500
Total Revenues	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	2,500	2,500
Fund Balance at Beginning of Year	<u>92,832</u>	<u>92,832</u>	<u>92,832</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 92,832</u>	<u>\$ 92,832</u>	<u>\$ 95,332</u>	<u>\$ 2,500</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 45,000	\$ 45,000	\$ 36,920	\$ (8,080)
All Other Revenues	75	75	88	13
Total Revenues	<u>45,075</u>	<u>45,075</u>	<u>37,008</u>	<u>(8,067)</u>
Expenditures:				
General Government:				
Operations and Maintenance	52,965	57,965	44,913	13,052
Capital Outlay	<u>10,180</u>	<u>5,180</u>	<u>0</u>	<u>5,180</u>
Total Expenditures	<u>63,145</u>	<u>63,145</u>	<u>44,913</u>	<u>18,232</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,070)	(18,070)	(7,905)	10,165
Fund Balance at Beginning of Year	71,231	71,231	71,231	0
Prior Year Encumbrances	<u>489</u>	<u>489</u>	<u>489</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 53,650</u>	<u>\$ 53,650</u>	<u>\$ 63,815</u>	<u>\$ 10,165</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, 2020***

MUNICIPAL COURT PROBATION FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 267,000	\$ 267,000	\$ 361,398	\$ 94,398
Charges for Services	50,000	50,000	76,824	26,824
Fines and Forfeitures	350,000	350,000	410,718	60,718
All Other Revenues	8,475	8,475	21,619	13,144
Total Revenues	<u>675,475</u>	<u>675,475</u>	<u>870,559</u>	<u>195,084</u>
Expenditures:				
General Government:				
Personal Services	711,875	711,875	674,136	37,739
Operations and Maintenance	177,817	177,817	100,210	77,607
Total Expenditures	<u>889,692</u>	<u>889,692</u>	<u>774,346</u>	<u>115,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(214,217)	(214,217)	96,213	310,430
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	(64,217)	(64,217)	246,213	310,430
Fund Balance at Beginning of Year	399,549	399,549	399,549	0
Prior Year Encumbrances	4,718	4,718	4,718	0
Fund Balance at End of Year	<u>\$ 340,050</u>	<u>\$ 340,050</u>	<u>\$ 650,480</u>	<u>\$ 310,430</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 206,000	\$ 206,000	\$ 146,408	\$ (59,592)
All Other Revenues	300	300	3,589	3,289
Total Revenues	<u>206,300</u>	<u>206,300</u>	<u>149,997</u>	<u>(56,303)</u>
Expenditures:				
General Government:				
Personal Services	93,835	93,835	83,306	10,529
Operations and Maintenance	143,477	138,477	71,509	66,968
Capital Outlay	18,198	23,198	17,462	5,736
Total Expenditures	<u>255,510</u>	<u>255,510</u>	<u>172,277</u>	<u>83,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,210)	(49,210)	(22,280)	26,930
Fund Balance at Beginning of Year	130,204	130,204	130,204	0
Prior Year Encumbrances	4,019	4,019	4,019	0
Fund Balance at End of Year	<u>\$ 85,013</u>	<u>\$ 85,013</u>	<u>\$ 111,943</u>	<u>\$ 26,930</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, 2020***

MUNICIPAL COURT SPECIAL PROJECTS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 3,515	\$ 3,515
Fines and Forfeitures	835,000	835,000	675,003	(159,997)
All Other Revenues	0	0	54,247	54,247
Total Revenues	<u>835,000</u>	<u>835,000</u>	<u>732,765</u>	<u>(102,235)</u>
Expenditures:				
General Government:				
Personal Services	1,073	2,573	2,033	540
Operations and Maintenance	344,315	369,815	264,571	105,244
Capital Outlay	55,000	28,000	14,168	13,832
Total Expenditures	<u>400,388</u>	<u>400,388</u>	<u>280,772</u>	<u>119,616</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	434,612	434,612	451,993	17,381
Other Financing Sources (Uses):				
Transfers In	100,000	100,000	100,000	0
Transfers Out	(650,000)	(663,198)	(663,198)	0
Total Other Financing Sources (Uses)	<u>(550,000)</u>	<u>(563,198)</u>	<u>(563,198)</u>	<u>0</u>
Net Change in Fund Balance	(115,388)	(128,586)	(111,205)	17,381
Fund Balance at Beginning of Year	676,235	676,235	676,235	0
Prior Year Encumbrances	26,388	26,388	26,388	0
Fund Balance at End of Year	<u>\$ 587,235</u>	<u>\$ 574,037</u>	<u>\$ 591,418</u>	<u>\$ 17,381</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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 376	\$ 376
Total Revenues	<u>0</u>	<u>0</u>	<u>376</u>	<u>376</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	376	376
Fund Balance at Beginning of Year	<u>19,774</u>	<u>19,774</u>	<u>19,774</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,774</u>	<u>\$ 19,774</u>	<u>\$ 20,150</u>	<u>\$ 376</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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MUNICIPAL DRUG COURT FUND				
Revenues:				
Intergovernmental Revenues	\$ 224,500	\$ 224,500	\$ 215,498	\$ (9,002)
All Other Revenues	1,400	1,400	6,335	4,935
Total Revenues	<u>225,900</u>	<u>225,900</u>	<u>221,833</u>	<u>(4,067)</u>
Expenditures:				
General Government:				
Personal Services	194,950	194,950	186,452	8,498
Operations and Maintenance	106,890	106,890	43,736	63,154
Total Expenditures	<u>301,840</u>	<u>301,840</u>	<u>230,188</u>	<u>71,652</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,940)	(75,940)	(8,355)	67,585
Other Financing Sources (Uses):				
Transfers In	50,000	50,000	0	(50,000)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
Net Change in Fund Balance	(25,940)	(25,940)	(8,355)	17,585
Fund Balance at Beginning of Year	84,576	84,576	84,576	0
Prior Year Encumbrances	9,391	9,391	9,391	0
Fund Balance at End of Year	<u>\$ 68,027</u>	<u>\$ 68,027</u>	<u>\$ 85,612</u>	<u>\$ 17,585</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, 2020**

	FEMA GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	<u>\$ 171,818</u>	<u>\$ 171,818</u>	<u>\$ 171,818</u>	<u>\$ 0</u>
Total Revenues	<u>171,818</u>	<u>171,818</u>	<u>171,818</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	<u>0</u>	<u>171,818</u>	<u>171,818</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>171,818</u>	<u>171,818</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	171,818	0	0	0
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>\$ 171,818</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 2,500	\$ 2,500
Total Revenues	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	0	10,000	0	10,000
Total Expenditures	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(10,000)	2,500	12,500
Fund Balance at Beginning of Year	<u>38,333</u>	<u>38,333</u>	<u>38,333</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,333</u>	<u>\$ 28,333</u>	<u>\$ 40,833</u>	<u>\$ 12,500</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 12,943	\$ 12,943
Total Revenues	<u>0</u>	<u>0</u>	<u>12,943</u>	<u>12,943</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	12,943	12,943
Fund Balance at Beginning of Year	<u>11,044</u>	<u>11,044</u>	<u>11,044</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,044</u>	<u>\$ 11,044</u>	<u>\$ 23,987</u>	<u>\$ 12,943</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	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><u>\$ 2,780</u></u>	<u><u>\$ 2,780</u></u>	<u><u>\$ 2,780</u></u>	<u><u>\$ 0</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, 2020***

.15 FIRE LEVY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,736,575	\$ 1,736,575	\$ 1,736,575	\$ 0
All Other Revenues	0	0	25,701	25,701
Total Revenues	<u>1,736,575</u>	<u>1,736,575</u>	<u>1,762,276</u>	<u>25,701</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	1,793,830	1,793,830	1,657,202	136,628
Operations and Maintenance	131,219	131,219	91,874	39,345
Total Security of Persons and Property	<u>1,925,049</u>	<u>1,925,049</u>	<u>1,749,076</u>	<u>175,973</u>
Debt Service:				
Principal Retirement	16,407	16,407	16,407	0
Interest and Fiscal Charges	548	548	548	0
Total Debt Service	<u>16,955</u>	<u>16,955</u>	<u>16,955</u>	<u>0</u>
Total Expenditures	<u>1,942,004</u>	<u>1,942,004</u>	<u>1,766,031</u>	<u>175,973</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(205,429)	(205,429)	(3,755)	201,674
Fund Balance at Beginning of Year	431,323	431,323	431,323	0
Prior Year Encumbrances	5,519	5,519	5,519	0
Fund Balance at End of Year	<u>\$ 231,413</u>	<u>\$ 231,413</u>	<u>\$ 433,087</u>	<u>\$ 201,674</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 15,440	\$ 15,440
Total Revenues	<u>0</u>	<u>0</u>	<u>15,440</u>	<u>15,440</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	0	34,928	16,009	18,919
Capital Outlay	<u>0</u>	<u>30,500</u>	<u>0</u>	<u>30,500</u>
Total Expenditures	<u>0</u>	<u>65,428</u>	<u>16,009</u>	<u>49,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(65,428)	(569)	64,859
Fund Balance at Beginning of Year	<u>65,428</u>	<u>65,428</u>	<u>65,428</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 65,428</u>	<u>\$ 0</u>	<u>\$ 64,859</u>	<u>\$ 64,859</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 3,130,990	\$ 3,130,990	\$ 0
Total Revenues	<u>0</u>	<u>3,130,990</u>	<u>3,130,990</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	0	3,073,432	3,073,432	0
Operations and Maintenance	0	57,558	57,558	0
Total Expenditures	<u>0</u>	<u>3,130,990</u>	<u>3,130,990</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
Revenues:				
Intergovernmental Revenues	\$ 913,131	\$ 913,131	\$ 595,846	\$ (317,285)
All Other Revenues	0	0	1,075	1,075
Total Revenues	<u>913,131</u>	<u>913,131</u>	<u>596,921</u>	<u>(316,210)</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	0	46,569	1,056	45,513
Capital Outlay	0	673,354	564,799	108,555
Total Expenditures	<u>0</u>	<u>719,923</u>	<u>565,855</u>	<u>154,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	913,131	193,208	31,066	(162,142)
Fund Balance at Beginning of Year	<u>96,812</u>	<u>96,812</u>	<u>96,812</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,009,943</u>	<u>\$ 290,020</u>	<u>\$ 127,878</u>	<u>\$ (162,142)</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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 138,000	\$ 138,000	\$ 149,540	\$ 11,540
Investment Earnings	0	0	13,516	13,516
Total Revenues	<u>138,000</u>	<u>138,000</u>	<u>163,056</u>	<u>25,056</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	138,000	138,000	163,056	25,056
Other Financing Sources (Uses):				
Transfers Out	<u>(310,000)</u>	<u>(310,000)</u>	<u>(310,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(310,000)</u>	<u>(310,000)</u>	<u>(310,000)</u>	<u>0</u>
Net Change in Fund Balance	(172,000)	(172,000)	(146,944)	25,056
Fund Balance at Beginning of Year	<u>197,917</u>	<u>197,917</u>	<u>197,917</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,917</u>	<u>\$ 25,917</u>	<u>\$ 50,973</u>	<u>\$ 25,056</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 9,600	\$ 9,600	\$ 21,750	\$ 12,150
Total Revenues	<u>9,600</u>	<u>9,600</u>	<u>21,750</u>	<u>12,150</u>
Expenditures:				
Public Health and Welfare Services:				
Operations and Maintenance	<u>32,000</u>	<u>32,000</u>	<u>30,536</u>	<u>1,464</u>
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>30,536</u>	<u>1,464</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,400)	(22,400)	(8,786)	13,614
Fund Balance at Beginning of Year	<u>276,019</u>	<u>276,019</u>	<u>276,019</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 253,619</u>	<u>\$ 253,619</u>	<u>\$ 267,233</u>	<u>\$ 13,614</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, 2020**

	CEMETERY PERPETUAL CARE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 24,010	\$ 24,010
Total Revenues	<u>0</u>	<u>0</u>	<u>24,010</u>	<u>24,010</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	24,010	24,010
Fund Balance at Beginning of Year	<u>1,015,616</u>	<u>1,015,616</u>	<u>1,015,616</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,015,616</u>	<u>\$ 1,015,616</u>	<u>\$ 1,039,626</u>	<u>\$ 24,010</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, 2020***

GENERAL BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	555,000	560,000	560,000	0
Interest and Fiscal Charges	314,290	313,153	313,153	0
Total Expenditures	869,290	873,153	873,153	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(869,290)	(873,153)	(873,153)	0
Other Financing Sources (Uses):				
Transfers In	869,290	873,153	873,153	0
Total Other Financing Sources (Uses)	869,290	873,153	873,153	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 35,500	\$ 35,500	\$ 38,816	\$ 3,316
Total Revenues	<u>35,500</u>	<u>35,500</u>	<u>38,816</u>	<u>3,316</u>
Expenditures:				
General Government:				
Operations and Maintenance	<u>75,611</u>	<u>75,611</u>	<u>1,873</u>	<u>73,738</u>
Total Expenditures	<u>75,611</u>	<u>75,611</u>	<u>1,873</u>	<u>73,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,111)	(40,111)	36,943	77,054
Fund Balance at Beginning of Year	<u>40,112</u>	<u>40,112</u>	<u>40,112</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 77,055</u>	<u>\$ 77,054</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, 2020**

LDOT IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,046,100	\$ 1,046,100	\$ 974,204	\$ (71,896)
All Other Revenues	0	0	23,824	23,824
Total Revenues	<u>1,046,100</u>	<u>1,046,100</u>	<u>998,028</u>	<u>(48,072)</u>
Expenditures:				
Capital Outlay	1,347,519	1,481,487	1,211,417	270,070
Total Expenditures	<u>1,347,519</u>	<u>1,481,487</u>	<u>1,211,417</u>	<u>270,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(301,419)	(435,387)	(213,389)	221,998
Other Financing Sources (Uses):				
Transfers In	225,000	225,000	225,000	0
Transfers Out	0	(544,859)	(544,859)	0
Advances Out	0	(350,000)	(350,000)	0
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>(669,859)</u>	<u>(669,859)</u>	<u>0</u>
Net Change in Fund Balance	(76,419)	(1,105,246)	(883,248)	221,998
Fund Balance at Beginning of Year	235,546	235,546	235,546	0
Prior Year Encumbrances	989,034	989,034	989,034	0
Fund Balance at End of Year	<u>\$ 1,148,161</u>	<u>\$ 119,334</u>	<u>\$ 341,332</u>	<u>\$ 221,998</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, 2020***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	<u>\$ 115,772</u>	<u>\$ 115,772</u>	<u>\$ 115,772</u>	<u>\$ 0</u>
Total Revenues	<u>115,772</u>	<u>115,772</u>	<u>115,772</u>	<u>0</u>
Expenditures:				
Capital Outlay	<u>189,504</u>	<u>199,546</u>	<u>87,613</u>	<u>111,933</u>
Total Expenditures	<u>189,504</u>	<u>199,546</u>	<u>87,613</u>	<u>111,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,732)	(83,774)	28,159	111,933
Fund Balance at Beginning of Year	79,386	79,386	79,386	0
Prior Year Encumbrances	<u>4,388</u>	<u>4,388</u>	<u>4,388</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,042</u>	<u>\$ 0</u>	<u>\$ 111,933</u>	<u>\$ 111,933</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, 2020***

CAPITAL IMPROVEMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 231,543	\$ 231,543	\$ 231,543	\$ 0
Charges for Services	63,250	63,250	82,886	19,636
Total Revenues	<u>294,793</u>	<u>294,793</u>	<u>314,429</u>	<u>19,636</u>
Expenditures:				
Capital Outlay	156,703	399,867	376,032	23,835
Debt Service:				
Principal Retirement	110,000	109,070	0	109,070
Total Expenditures	<u>266,703</u>	<u>508,937</u>	<u>376,032</u>	<u>132,905</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,090	(214,144)	(61,603)	152,541
Other Financing Sources (Uses):				
Transfers In	0	0	196,802	196,802
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>196,802</u>	<u>196,802</u>
Net Change in Fund Balance	28,090	(214,144)	135,199	349,343
Fund Balance at Beginning of Year	<u>571,974</u>	<u>571,974</u>	<u>571,974</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 600,064</u>	<u>\$ 357,830</u>	<u>\$ 707,173</u>	<u>\$ 349,343</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, 2020***

FIRE IMPACT-DISTRICT ONE FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 200,000	\$ 200,000	\$ 554,072	\$ 354,072
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>554,072</u>	<u>354,072</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	20,000	134,639	126,345	8,294
Debt Service:				
Principal Retirement	158,656	158,656	158,655	1
Interest and Fiscal Charges	<u>23,278</u>	<u>23,278</u>	<u>23,277</u>	<u>1</u>
Total Expenditures	<u>201,934</u>	<u>316,573</u>	<u>308,277</u>	<u>8,296</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,934)	(116,573)	245,795	362,368
Fund Balance at Beginning of Year	559,238	559,238	559,238	0
Prior Year Encumbrances	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 577,304</u>	<u>\$ 462,665</u>	<u>\$ 825,033</u>	<u>\$ 362,368</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, 2020**

	ETY ROAD TIF PROJECT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 228,531	\$ 228,531	\$ 243,402	\$ 14,871
Investment Earnings	0	0	1	1
Total Revenues	<u>228,531</u>	<u>228,531</u>	<u>243,403</u>	<u>14,872</u>
Expenditures:				
General Government:				
Operations and Maintenance	26,975	26,975	18,375	8,600
Debt Service:				
Principal Retirement	110,000	1,440,716	1,440,716	0
Interest and Fiscal Charges	16,631	54,224	54,224	0
Total Expenditures	<u>153,606</u>	<u>1,521,915</u>	<u>1,513,315</u>	<u>8,600</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	74,925	(1,293,384)	(1,269,912)	23,472
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	1,330,716	1,268,309	(62,407)
Advances Out	(10,500)	(10,500)	(10,500)	0
Total Other Financing Sources (Uses)	<u>(10,500)</u>	<u>1,320,216</u>	<u>1,257,809</u>	<u>(62,407)</u>
Net Change in Fund Balance	64,425	26,832	(12,103)	(38,935)
Fund Balance at Beginning of Year	10,061	10,061	10,061	0
Prior Year Encumbrances	8,975	8,975	8,975	0
Fund Balance at End of Year	<u>\$ 83,461</u>	<u>\$ 45,868</u>	<u>\$ 6,933</u>	<u>\$ (38,935)</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, 2020***

COLUMBIAN CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Debt Service:				
Principal Retirement	0	1,260,000	1,260,000	0
Interest and Fiscal Charges	0	20,160	20,160	0
Total Expenditures	<u>0</u>	<u>1,280,160</u>	<u>1,280,160</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	(1,280,160)	(1,280,160)	0
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	1,080,000	1,080,000	0
Transfers In	0	200,160	200,160	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,280,160</u>	<u>1,280,160</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

Utilities Collection Fund

To account for the operation of the utility collections department for services provided to the gas, water, water pollution and sanitation departments. The funds using the utility billing services are charged for the cost of operation.

Fuel Depot Fund

To account for the operation of the fuel depot for services provided for departments within the City and outside agencies that are exempt from the federal excise tax.

Information Services Fund

To account for the operation of the information services department for services provided for all departments within the City.

Health Insurance Management Fund

To account for the accumulation and allocation of costs associated with providing health care benefits to employees.

CITY OF LANCASTER, OHIO

**Combining Statement of Net Position
Internal Service Funds
December 31, 2020**

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management	Total
Assets:					
<i>Current Assets:</i>					
Cash and Cash Equivalents	\$ 739,283	\$ 102,394	\$ 762,487	\$ 906,182	\$ 2,510,346
Receivables:					
Accounts	0	9,144	0	0	9,144
Inventory of Supplies at Cost	18,416	27,725	10,628	0	56,769
Prepaid Items	664	0	0	0	664
Total Current Assets	758,363	139,263	773,115	906,182	2,576,923
<i>Non Current Assets:</i>					
Capital Assets Being Depreciated, Net	50,965	0	387,760	0	438,725
Total capital assets (net of accumulated depreciation)	50,965	0	387,760	0	438,725
Total Assets	809,328	139,263	1,160,875	906,182	3,015,648
Deferred Outflows of Resources:					
Pension	169,928	0	75,782	0	245,710
OPEB	115,764	0	51,590	0	167,354
Total Deferred Outflows of Resources	285,692	0	127,372	0	413,064
Liabilities:					
<i>Current Liabilities:</i>					
Accounts Payable	24,402	31,167	17,993	0	73,562
Accrued Wages and Benefits	42,351	0	16,440	0	58,791
Claims Payable	0	0	0	361,245	361,245
Capital Lease Payable-Current	1,653	0	0	0	1,653
Compensated Absences Payable - Current	26,274	0	6,265	0	32,539
Total Current Liabilities	94,680	31,167	40,698	361,245	527,790
<i>Long Term Liabilities:</i>					
Compensated Absences Payable	213,593	0	97,325	0	310,918
Net Pension Liability	1,053,265	0	469,381	0	1,522,646
Net OPEB Liability	731,223	0	325,865	0	1,057,088
Total Liabilities	2,092,761	31,167	933,269	361,245	3,418,442
Deferred Inflows of Resources:					
Pension	245,726	0	120,345	0	366,071
OPEB	116,499	0	58,098	0	174,597
Total Deferred Inflows of Resources	362,225	0	178,443	0	540,668
Net Position:					
Net Investment in Capital Assets	49,312	0	387,760	0	437,072
Unrestricted	(1,409,278)	108,096	(211,225)	544,937	(967,470)
Total Net Position	\$ (1,359,966)	\$ 108,096	\$ 176,535	\$ 544,937	\$ (530,398)

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2020**

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management	Total
Operating Revenues:					
Charges for Services	\$ 1,676,500	\$ 563,334	\$ 962,511	\$ 8,287,306	\$ 11,489,651
Other Operating Revenue	78,418	74	17,858	0	96,350
Total Operating Revenues	1,754,918	563,408	980,369	8,287,306	11,586,001
Operating Expenses:					
Personal Services	1,382,606	0	574,010	0	1,956,616
Contractual Services	267,737	8,259	190,028	0	466,024
Materials and Supplies	185,914	529,597	67,717	0	783,228
Depreciation	17,985	0	66,105	0	84,090
Health Insurance Claims	0	0	0	7,348,497	7,348,497
Total Operating Expenses	1,854,242	537,856	897,860	7,348,497	10,638,455
Operating Income (Loss)	(99,324)	25,552	82,509	938,809	947,546
Nonoperating Revenue (Expenses):					
Loss on Disposal of Capital Assets	(9,686)	0	(30,196)	0	(39,882)
Total Nonoperating Revenues (Expenses)	(9,686)	0	(30,196)	0	(39,882)
Change in Net Position	(109,010)	25,552	52,313	938,809	907,664
Net Position Beginning of Year	(1,250,956)	82,544	124,222	(393,872)	(1,438,062)
Net Position End of Year	\$ (1,359,966)	\$ 108,096	\$ 176,535	\$ 544,937	\$ (530,398)

CITY OF LANCASTER, OHIO

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020**

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management	Totals
Cash Flows from Operating Activities:					
Cash Received from Interfund Services	\$1,754,918	\$579,883	\$980,369	\$8,287,306	\$11,602,476
Cash Payments for Goods and Services	(395,648)	(583,546)	(256,301)	0	(1,235,495)
Cash Payments to and on behalf of Employees	(984,432)	0	(434,427)	0	(1,418,859)
Cash Payments for Claims	0	0	0	(8,012,435)	(8,012,435)
Cash Payments for Interfund Services	(306,325)	0	(86,539)	0	(392,864)
Net Cash Provided (Used) by Operating Activities	68,513	(3,663)	203,102	274,871	542,823
Cash Flows from Capital and Related Financing Activities:					
Capital Lease Payments	(2,754)	0	0	0	(2,754)
Net Cash Used by Capital and Related Financing Activities	(2,754)	0	0	0	(2,754)
Net Increase (Decrease) in Cash and Cash Equivalents	65,759	(3,663)	203,102	274,871	540,069
Cash and Cash Equivalents at Beginning of Year	673,524	106,057	559,385	631,311	1,970,277
Cash and Cash Equivalents at End of Year	\$739,283	\$102,394	\$762,487	\$906,182	\$2,510,346
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	(\$99,324)	\$25,552	\$82,509	\$938,809	\$947,546
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	17,985	0	66,105	0	84,090
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Decrease in Accounts Receivable	0	16,475	0	0	16,475
Decrease in Inventory	2,814	695	7,436	0	10,945
Decrease in Prepaid Items	45	0	0	0	45
Decrease in Deferred Outflows of Resources - Pension	288,033	0	134,887	0	422,920
Increase in Deferred Outflows of Resources - OPEB	(59,962)	0	(25,887)	0	(85,849)
Decrease in Accounts Payable	(2,352)	(46,385)	(6,895)	0	(55,632)
Increase in Accrued Wages and Benefits	7,562	0	403	0	7,965
Increase in Compensated Absences	6,735	0	2,509	0	9,244
Decrease in Net Pension Liability	(452,543)	0	(224,207)	0	(676,750)
Increase (Decrease) in Net OPEB Liability	19,678	0	(1,878)	0	17,800
Increase in Deferred Outflows of Resources - Pension	225,274	0	110,911	0	336,185
Increase in Deferred Outflows of Resources - OPEB	114,568	0	57,209	0	171,777
Decrease in Claims Payable	0	0	0	(663,938)	(663,938)
Total Adjustments	167,837	(29,215)	120,593	(663,938)	(404,723)
Net Cash Provided (Used) by Operating Activities	\$68,513	(\$3,663)	\$203,102	\$274,871	\$542,823

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Custodial Funds

Municipal Court Fund

Established to account for monies that flow through the Clerk of Courts Office.

Law Library Fund

Established to account for accumulation and distribution of resources for the law library.

CITY OF LANCASTER, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2020**

	Municipal Court	Law Library	Total Custodial Funds
Assets:			
Cash and Cash Equivalents	\$ 143,120	\$ 0	\$ 143,120
Due from Other Funds	0	2,924	2,924
Total Assets	<u>143,120</u>	<u>2,924</u>	<u>146,044</u>
Liabilities:			
Intergovernmental Payable	0	2,924	2,924
Due to Others	140,196	0	140,196
Due to Other Funds	2,924	0	2,924
Total Liabilities	<u>143,120</u>	<u>2,924</u>	<u>146,044</u>
Restricted for Individuals, Organizations and Other Governments	0	0	0
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020**

	Municipal Court	Law Library	Total Custodial Funds
Additions:			
Fines and Forfeiture Collections for Others	\$ 2,496,161	\$ 41,234	\$ 2,537,395
Total Additions	<u>2,496,161</u>	<u>41,234</u>	<u>2,537,395</u>
Deductions:			
Distribution of Fines and Forfeitures to Others	2,496,161	41,234	2,537,395
Total Deductions	<u>2,496,161</u>	<u>41,234</u>	<u>2,537,395</u>
Change in Net Position	0	0	0
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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 comprehensive annual financial reports for the relevant year.	

City of Lancaster, Ohio

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	Restated 2011	2012	2013	Restated 2014
Governmental Activities:				
Net Investment in Capital Assets	\$29,585,924	\$30,705,182	\$34,859,182	\$38,638,721
Restricted	10,612,142	10,328,275	10,580,754	11,237,072
Unrestricted	169,239	3,783,554	5,391,809	(18,847,439)
Total Governmental Activities Net Position	<u>\$40,367,305</u>	<u>\$44,817,011</u>	<u>\$50,831,745</u>	<u>\$31,028,354</u>
Business-type Activities:				
Net Investment in Capital Assets	\$40,715,175	\$40,307,130	\$42,495,213	\$46,787,496
Restricted	2,553,685	2,479,228	2,469,200	2,469,033
Unrestricted (Deficit)	(23,896,398)	(32,023,328)	(41,515,012)	(53,909,879)
Total Business-type Activities Net Position	<u>\$19,372,462</u>	<u>\$10,763,030</u>	<u>\$3,449,401</u>	<u>(\$4,653,350)</u>
Primary Government:				
Net Investment in Capital Assets	\$70,301,099	\$71,012,312	\$77,354,395	\$85,426,217
Restricted	13,165,827	12,807,503	13,049,954	13,706,105
Unrestricted	(23,727,159)	(28,239,774)	(36,123,203)	(72,757,318)
Total Primary Government Net Position	<u>\$59,739,767</u>	<u>\$55,580,041</u>	<u>\$54,281,146</u>	<u>\$26,375,004</u>

Source: City Auditor's Office

City of Lancaster, Ohio

2015	2016	Restated 2017	2018	2019	2020
\$41,576,482	\$44,062,621	\$46,837,859	\$49,673,604	\$52,330,007	\$54,184,923
11,077,774	10,154,360	9,467,802	10,031,606	11,332,790	11,217,660
(17,997,524)	(19,731,872)	(49,496,982)	(56,187,581)	(41,543,274)	(38,771,180)
<u>\$34,656,732</u>	<u>\$34,485,109</u>	<u>\$6,808,679</u>	<u>\$3,517,629</u>	<u>\$22,119,523</u>	<u>\$26,631,403</u>
\$54,167,749	\$59,487,303	\$62,067,035	\$66,438,543	\$71,050,827	\$78,086,549
2,469,078	2,342,642	2,351,745	2,372,321	2,379,486	2,345,297
(56,322,159)	(53,545,337)	(54,965,234)	(52,187,952)	(61,651,825)	(72,033,765)
<u>\$314,668</u>	<u>\$8,284,608</u>	<u>\$9,453,546</u>	<u>\$16,622,912</u>	<u>\$11,778,488</u>	<u>\$8,398,081</u>
\$95,744,231	\$103,549,924	\$108,904,894	\$116,112,147	\$123,380,834	\$132,271,472
13,546,852	12,497,002	11,819,547	12,403,927	13,712,276	13,562,957
(74,319,683)	(73,277,209)	(104,462,216)	(108,375,533)	(103,195,099)	(110,804,945)
<u>\$34,971,400</u>	<u>\$42,769,717</u>	<u>\$16,262,225</u>	<u>\$20,140,541</u>	<u>\$33,898,011</u>	<u>\$35,029,484</u>

City of Lancaster, Ohio

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

	Restated 2011	2012	2013	2014
Expenses				
Governmental Activities:				
Security of Persons and Property	\$17,530,462	\$15,424,941	\$16,617,988	\$16,849,215
Public Health and Welfare Services	754,085	744,949	857,082	785,007
Leisure Time Activities	1,958,087	1,893,828	1,810,306	2,256,990
Community Environment	817,834	825,620	688,405	873,446
Transportation	5,037,685	6,385,975	4,825,294	6,817,662
General Government	7,369,038	9,512,336	7,943,615	7,840,741
Interest and Fiscal Charges	339,535	329,507	355,061	416,240
<i>Total Governmental Activities Expenses</i>	<u>33,806,726</u>	<u>35,117,156</u>	<u>33,097,751</u>	<u>35,839,301</u>
Business-type Activities:				
Gas	14,805,525	12,339,382	14,481,150	15,574,440
Water	9,136,690	8,689,156	8,193,295	8,468,594
Water Pollution	8,441,640	9,525,692	9,576,190	9,729,438
Sanitation	3,533,473	3,205,787	3,197,770	3,274,326
Storm Water	1,786,087	1,717,429	1,941,058	1,807,062
Port Authority	21,285,796	17,564,850	18,664,845	17,208,616
<i>Total Business-type Activities Expenses</i>	<u>58,989,211</u>	<u>53,042,296</u>	<u>56,054,308</u>	<u>56,062,476</u>
<i>Total Primary Government Expenses</i>	<u>\$92,795,937</u>	<u>\$88,159,452</u>	<u>\$89,152,059</u>	<u>\$91,901,777</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$2,161,188	\$2,355,439	\$2,720,979	\$2,231,913
Public Health and Welfare Services	251,757	242,805	235,910	230,884
Leisure Time Activities	396,589	509,880	351,611	502,389
Community Environment	97,824	88,238	65,761	77,256
Transportation	813,495	777,280	955,710	1,378,452
General Government	2,151,906	2,522,371	2,438,708	3,111,858
Operating Grants and Contributions	5,523,719	8,668,164	5,242,074	4,791,064
Capital Grants and Contributions	498,035	169,670	3,173,702	4,326,483
<i>Total Governmental Activities Program Revenues</i>	<u>11,894,513</u>	<u>15,333,847</u>	<u>15,184,455</u>	<u>16,650,299</u>

City of Lancaster, Ohio

2015	2016	2017	2018	2019	2020
\$17,702,358	\$19,853,945	\$19,504,799	\$22,136,304	\$1,799,062	\$20,807,024
1,232,576	855,731	903,382	893,040	955,434	908,121
2,135,524	2,336,363	2,490,616	2,532,518	2,879,347	2,246,039
725,687	995,091	821,972	840,623	1,055,812	929,581
6,477,311	6,887,838	6,897,020	7,252,943	7,809,758	8,335,716
7,927,531	8,712,430	10,430,660	10,154,186	10,973,019	10,736,341
517,344	505,547	482,033	493,076	483,957	467,415
<u>36,718,331</u>	<u>40,146,945</u>	<u>41,530,482</u>	<u>44,302,690</u>	<u>25,956,389</u>	<u>44,430,237</u>
13,583,412	11,271,767	13,411,673	12,324,393	13,986,387	10,832,957
8,163,396	8,100,342	8,455,739	8,152,728	9,448,889	8,338,909
9,087,256	9,565,843	9,597,039	10,539,850	9,117,280	9,454,081
3,226,109	3,274,150	3,871,760	4,961,644	4,640,674	4,121,258
1,974,803	1,778,616	2,561,602	2,613,555	2,500,991	2,366,316
6,638,568	6,265,348	6,168,445	5,806,494	15,048,563	16,295,697
<u>42,673,544</u>	<u>40,256,066</u>	<u>44,066,258</u>	<u>44,398,664</u>	<u>54,742,784</u>	<u>51,409,218</u>
<u>\$79,391,875</u>	<u>\$80,403,011</u>	<u>\$85,596,740</u>	<u>\$88,701,354</u>	<u>\$80,699,173</u>	<u>\$95,839,455</u>
\$2,195,779	\$2,214,724	\$2,306,416	\$2,221,015	\$2,530,566	\$2,361,458
206,503	216,640	231,257	253,543	229,398	232,990
346,570	369,206	388,952	453,724	554,954	227,714
75,115	79,245	72,519	76,987	69,616	77,264
1,414,529	1,289,483	1,537,874	1,252,681	1,319,871	981,977
2,903,193	2,784,562	2,724,061	2,861,278	3,068,730	2,609,556
5,063,305	4,697,405	4,626,308	6,463,567	5,736,348	10,536,359
1,223,675	863,655	1,455,314	412,042	324,419	492,066
<u>13,428,669</u>	<u>12,514,920</u>	<u>13,342,701</u>	<u>13,994,837</u>	<u>13,833,902</u>	<u>17,519,384</u>

(continued)

City of Lancaster, Ohio

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

	Restated 2011	2012	2013	2014
Business-type Activities:				
Charges for Services				
Gas	15,206,268	12,786,252	15,121,742	17,597,507
Water	7,917,801	8,172,166	7,891,739	7,991,000
Water Pollution	10,010,386	10,620,930	11,082,399	11,278,415
Sanitation	3,583,806	3,687,918	3,635,892	3,655,721
Storm Water	2,327,529	2,726,348	2,956,331	3,000,829
Port Authority	8,626,192	5,798,134	7,748,116	9,474,189
Operating Grants and Contributions	256,255	163,697	198,065	149,107
Capital Grants and Contributions	144,389	432,880	106,395	0
<i>Total Business-type Activities Program Revenues</i>	<u>48,072,626</u>	<u>44,388,325</u>	<u>48,740,679</u>	<u>53,146,768</u>
<i>Total Primary Government Program Revenues</i>	<u>59,967,139</u>	<u>59,722,172</u>	<u>63,925,134</u>	<u>69,797,067</u>
Net (Expense)/Revenue				
Governmental Activities	(21,912,213)	(19,783,309)	(17,913,296)	(19,189,002)
Business-type Activities	(10,916,585)	(8,653,971)	(7,313,629)	(2,915,708)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$32,828,798)</u>	<u>(\$28,437,280)</u>	<u>(\$25,226,925)</u>	<u>(\$22,104,710)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$1,967,069	\$1,787,647	\$1,775,753	\$1,769,125
Special Purposes	446,119	404,582	392,439	2,530,507
Debt Service	332,919	332,419	331,819	331,119
Capital Outlay	38,576	158,607	135,935	157,845
Income Taxes	15,838,417	18,218,093	17,948,988	18,135,381
Other Local Taxes	585,100	617,585	618,634	624,904
Intergovernmental Revenue/ Contributions, Unrestricted	2,313,912	1,493,621	1,794,651	1,468,722
Investment Earnings	326,671	272,735	110,281	328,271
Miscellaneous	308,819	992,265	819,530	585,543
Transfers	(21,402)	(44,539)	0	0
<i>Total Governmental Activities</i>	<u>22,136,200</u>	<u>24,233,015</u>	<u>23,928,030</u>	<u>25,931,417</u>
Business-type Activities:				
Special Item	0	0	0	0
Transfers	21,402	44,539	0	0
<i>Total Business-type Activities</i>	<u>21,402</u>	<u>44,539</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$22,157,602</u>	<u>\$24,277,554</u>	<u>\$23,928,030</u>	<u>\$25,931,417</u>
Change in Net Position				
Governmental Activities	\$223,987	\$4,449,706	\$6,014,734	\$6,742,415
Business-type Activities	(10,895,183)	(8,609,432)	(7,313,629)	(2,915,708)
<i>Total Primary Government Change in Net Position</i>	<u>(\$10,671,196)</u>	<u>(\$4,159,726)</u>	<u>(\$1,298,895)</u>	<u>\$3,826,707</u>

Source: City Auditor's Office

City of Lancaster, Ohio

2015	2016	2017	2018	2019	2020
14,060,793	12,419,202	13,346,170	14,177,606	12,876,071	11,744,347
8,229,806	8,645,087	8,947,621	8,791,515	8,828,660	9,351,767
11,442,588	12,175,681	12,599,473	12,336,673	12,533,969	12,611,471
3,767,681	3,914,303	3,839,528	4,045,384	4,219,316	4,377,576
3,015,638	3,041,305	2,892,094	3,031,541	3,274,242	3,091,294
5,672,858	5,290,812	6,529,140	6,244,520	5,031,902	3,645,317
203,559	1,647,722	1,107,583	2,630,791	899,748	486,293
1,248,639	1,082,611	633,684	310,000	127,606	40,663
<u>47,641,562</u>	<u>48,216,723</u>	<u>49,895,293</u>	<u>51,568,030</u>	<u>47,791,514</u>	<u>45,348,728</u>
<u>61,070,231</u>	<u>60,731,643</u>	<u>63,237,994</u>	<u>65,562,867</u>	<u>61,625,416</u>	<u>62,868,112</u>
(23,289,662)	(27,632,025)	(28,187,781)	(30,307,853)	(12,122,487)	(26,910,853)
<u>4,968,018</u>	<u>7,960,657</u>	<u>5,829,035</u>	<u>7,169,366</u>	<u>(6,951,270)</u>	<u>(6,060,490)</u>
<u>(\$18,321,644)</u>	<u>(\$19,671,368)</u>	<u>(\$22,358,746)</u>	<u>(\$23,138,487)</u>	<u>(\$19,073,757)</u>	<u>(\$32,971,343)</u>
\$1,768,791	\$1,746,676	\$1,886,173	\$1,798,528	\$1,825,529	\$2,106,171
2,288,683	2,247,405	2,387,133	2,281,700	2,305,255	2,459,283
331,769	330,869	334,119	121,369	118,481	120,331
175,432	247,126	129,768	90,393	110,050	123,071
19,459,814	20,293,739	19,528,225	19,526,066	20,977,070	20,733,365
644,847	621,499	683,298	478,311	664,742	622,615
1,519,113	1,261,622	1,260,634	1,520,356	2,757,540	1,587,080
302,372	130,686	431,605	559,647	1,067,622	679,766
427,219	590,063	724,771	640,433	898,092	3,339,108
0	(9,283)	0	0	0	(348,057)
<u>26,918,040</u>	<u>27,460,402</u>	<u>27,365,726</u>	<u>27,016,803</u>	<u>30,724,381</u>	<u>31,422,733</u>
0	0	0	0	2,106,846	2,332,026
0	9,283	0	0	0	348,057
0	9,283	0	0	2,106,846	2,680,083
<u>\$26,918,040</u>	<u>\$27,469,685</u>	<u>\$27,365,726</u>	<u>\$27,016,803</u>	<u>\$32,831,227</u>	<u>\$34,102,816</u>
\$3,628,378	(\$171,623)	(\$822,055)	(\$3,291,050)	\$18,601,894	\$4,511,880
<u>4,968,018</u>	<u>7,969,940</u>	<u>5,829,035</u>	<u>7,169,366</u>	<u>(4,844,424)</u>	<u>(3,380,407)</u>
<u>\$8,596,396</u>	<u>\$7,798,317</u>	<u>\$5,006,980</u>	<u>\$3,878,316</u>	<u>\$13,757,470</u>	<u>\$1,131,473</u>

City of Lancaster, Ohio

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$211,052	\$237,825	\$218,362	\$184,142
Assigned	430,940	1,581,288	1,242,718	1,335,785
Unassigned	<u>3,341,770</u>	<u>3,614,790</u>	<u>5,251,121</u>	<u>5,482,881</u>
<i>Total General Fund</i>	<u>3,983,762</u>	<u>5,433,903</u>	<u>6,712,201</u>	<u>7,002,808</u>
All Other Governmental Funds				
Nonspendable	2,919,211	3,037,984	3,019,060	3,018,879
Restricted	5,972,886	5,980,246	6,525,938	13,494,830
Committed	1,000,075	1,560,269	1,323,924	1,965,953
Unassigned	<u>(2,224,855)</u>	<u>(2,249,664)</u>	<u>(2,656,486)</u>	<u>(1,805,141)</u>
Total All Other Governmental Funds	<u>7,667,317</u>	<u>8,328,835</u>	<u>8,212,436</u>	<u>16,674,521</u>
<i>Total Governmental Funds</i>	<u><u>\$11,651,079</u></u>	<u><u>\$13,762,738</u></u>	<u><u>\$14,924,637</u></u>	<u><u>\$23,677,329</u></u>

Source: City Auditor's Office

City of Lancaster, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$186,934	\$232,405	\$140,780	\$144,510	\$141,819	\$153,194
1,358,651	1,303,159	2,987,873	1,463,374	1,322,697	171,498
<u>5,684,567</u>	<u>6,518,690</u>	<u>5,069,422</u>	<u>5,618,519</u>	<u>6,349,751</u>	<u>11,645,299</u>
<u>7,230,152</u>	<u>8,054,254</u>	<u>8,198,075</u>	<u>7,226,403</u>	<u>7,814,267</u>	<u>11,969,991</u>
2,974,874	1,392,532	1,305,960	1,364,716	333,337	363,398
7,070,766	8,185,382	7,080,577	7,567,853	10,135,924	11,095,229
2,006,007	2,041,240	2,177,475	2,270,690	2,450,773	2,585,119
<u>(2,158,940)</u>	<u>(3,430,546)</u>	<u>(3,183,154)</u>	<u>(2,971,594)</u>	<u>(2,734,927)</u>	<u>(2,483,759)</u>
<u>9,892,707</u>	<u>8,188,608</u>	<u>7,380,858</u>	<u>8,231,665</u>	<u>10,185,107</u>	<u>11,559,987</u>
<u>\$17,122,859</u>	<u>\$16,242,862</u>	<u>\$15,578,933</u>	<u>\$15,458,068</u>	<u>\$17,999,374</u>	<u>\$23,529,978</u>

City of Lancaster, Ohio

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

	2011	2012	2013	2014
Revenues:				
Taxes	\$19,653,652	\$20,167,837	\$20,522,054	\$22,629,962
Intergovernmental Revenues	8,205,296	10,125,086	9,925,610	10,402,482
Charges for Services	4,110,825	4,463,521	5,018,577	5,376,488
Licenses and Permits	24,320	26,190	21,320	30,544
Investment Earnings	311,047	314,243	117,176	322,355
Special Assessments	140,063	122,408	99,710	116,689
Fines and Forfeitures	2,071,956	2,313,306	2,111,093	2,339,400
Donations	0	0	0	0
All Other Revenue	442,006	1,089,910	849,946	770,866
Total Revenue	34,959,165	38,622,501	38,665,486	41,988,786
Expenditures:				
Current:				
Security of Persons and Property	16,737,295	16,629,053	16,396,860	16,387,166
Public Health and Welfare Services	744,821	759,395	897,647	791,543
Leisure Time Activities	1,819,231	1,901,633	1,840,118	1,994,089
Community Environment	825,150	827,142	687,389	884,703
Transportation	3,920,300	4,309,998	4,443,455	6,722,387
General Government	7,115,172	7,290,528	7,490,162	8,216,413
Capital Outlay	920,837	4,489,551	4,721,837	6,324,867
Debt Service:				
Principal Retirement	747,956	769,591	969,263	1,390,042
Interest and Fiscal Charges	325,674	332,330	352,094	395,077
Total Expenditures	33,156,436	37,309,221	37,798,825	43,106,287
Excess (Deficiency) of Revenues Over Expenditures	1,802,729	1,313,280	866,661	(1,117,501)

City of Lancaster, Ohio

2015	2016	2017	2018	2019	2020
\$23,802,285	\$25,039,914	\$24,444,584	\$24,544,397	\$25,350,871	\$25,708,543
7,574,806	6,146,543	6,718,005	8,040,780	7,315,696	12,181,964
5,163,513	5,205,674	5,368,744	5,110,981	5,619,741	4,911,515
24,527	21,640	19,345	21,511	23,235	35,805
281,853	138,918	441,291	557,479	1,044,249	701,163
112,508	120,658	109,350	117,219	104,100	115,648
2,338,992	2,011,572	2,223,888	2,273,587	2,466,185	1,900,619
0	0	0	0	1,324,575	0
395,121	599,899	740,648	668,267	897,279	3,391,697
<u>39,693,605</u>	<u>39,284,818</u>	<u>40,065,855</u>	<u>41,334,221</u>	<u>44,145,931</u>	<u>48,946,954</u>
16,760,874	17,243,275	17,646,731	18,117,157	18,732,982	18,852,844
1,249,017	822,750	905,566	848,159	907,678	892,387
1,847,968	1,912,169	2,152,419	2,010,682	2,184,273	1,987,952
724,103	982,147	785,013	799,357	968,318	878,652
7,635,265	6,911,218	7,592,879	7,247,162	7,674,236	7,921,027
7,579,778	8,526,437	8,867,751	8,504,140	8,317,600	8,983,268
8,961,855	2,399,353	1,492,592	2,287,025	2,157,622	2,017,312
1,358,335	1,226,164	1,262,897	1,177,763	1,368,026	1,117,957
521,659	501,561	478,803	488,754	480,456	463,370
<u>46,638,854</u>	<u>40,525,074</u>	<u>41,184,651</u>	<u>41,480,199</u>	<u>42,791,191</u>	<u>43,114,769</u>
(6,945,249)	(1,240,256)	(1,118,796)	(145,978)	1,354,740	5,832,185

(Continued)

City of Lancaster, Ohio

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

	2011	2012	2013	2014
Other Financing Sources (Uses):				
State Infrastructure Bank Loan	0	0	0	0
Other Financing Sources - Capital Leases	0	9,806	20,751	423,428
Ohio Public Works Commission Loan	0	0	0	0
Ohio Water Development Authority Loans	61,428	0	0	0
General Obligation Bonds Issued	0	0	0	9,350,000
Premium on General Obligation Bonds	0	0	0	127,150
Refunding General Obligation Bonds Issued	0	0	0	2,380,000
Premium on Refunding General Obligation Bonds	0	0	0	38,212
Payment to Refunded Bond Escrow Agent	0	0	0	(2,359,891)
Installment Loan	199,141	1,049,337	470,575	0
Transfers In	1,267,822	1,288,514	2,035,399	11,404,518
Transfers Out	(1,289,224)	(1,633,053)	(2,214,087)	(11,469,006)
Total Other Financing Sources (Uses)	<u>239,167</u>	<u>714,604</u>	<u>312,638</u>	<u>9,894,411</u>
Net Change in Fund Balance	<u>\$2,041,896</u>	<u>\$2,027,884</u>	<u>\$1,179,299</u>	<u>\$8,776,910</u>
 Debt Service as a Percentage of Noncapital Expenditures	 3.40%	 3.10%	 4.07%	 4.95%

Source: City Auditor's Office

City of Lancaster, Ohio

2015	2016	2017	2018	2019	2020
0	0	0	0	217,587	6,528
469,044	244,069	625,000	0	986,000	0
0	210,428	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
11,887,104	11,523,088	11,847,598	13,788,372	13,023,384	2,554,327
(11,951,592)	(11,664,159)	(11,924,017)	(13,790,372)	(13,025,884)	(2,902,384)
<u>404,556</u>	<u>313,426</u>	<u>548,581</u>	<u>(2,000)</u>	<u>1,201,087</u>	<u>(341,529)</u>
<u>(\$6,540,693)</u>	<u>(\$926,830)</u>	<u>(\$570,215)</u>	<u>(\$147,978)</u>	<u>\$2,555,827</u>	<u>\$5,490,656</u>
5.33%	4.75%	4.65%	4.47%	4.79%	4.00%

City of Lancaster, Ohio

*Income Tax Revenues by Source, Governmental Funds
Last Ten Years*

Tax year	2011	2012	2013	2014
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Estimated Personal Income (in thousands)	\$1,301,806	\$1,396,920	\$1,543,778	\$1,566,749
Total Tax Collected	\$16,703,561	\$17,457,624	\$17,750,771	\$17,809,533
Income Tax Receipts				
Withholding	13,238,524	13,557,810	13,659,993	13,883,166
Percentage	79.25%	77.66%	76.96%	77.96%
Corporate	1,609,683	1,649,607	1,932,043	1,897,976
Percentage	9.64%	9.45%	10.88%	10.66%
Individuals	1,855,354	2,250,207	2,158,735	2,028,391
Percentage	11.11%	12.89%	12.16%	11.38%

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

2015	2016	2017	2018	2019	2020
1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
\$1,595,603	\$1,675,569	\$1,760,445	\$1,857,432	\$1,889,057	\$1,915,684
\$18,672,494	\$20,100,001	\$19,944,236	\$19,964,681	\$20,823,359	\$20,751,089
14,439,064	15,248,970	15,278,799	15,737,489	16,084,541	16,477,967
77.34%	75.88%	76.62%	78.83%	77.24%	79.41%
2,067,737	2,444,653	2,413,546	1,974,128	2,179,517	1,974,049
11.07%	12.16%	12.10%	9.89%	10.47%	9.51%
2,165,693	2,406,378	2,251,891	2,253,064	2,559,301	2,299,073
11.59%	11.96%	11.28%	11.28%	12.29%	11.08%



City of Lancaster, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2020

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.11%	\$5,846,907	28.18%
All Others	9,300	99.89%	14,904,182	71.82%
Total	9,310	100.00%	\$20,751,089	100.00%

Calendar Year 2011

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.10%	\$4,930,338	29.52%
All Others	9,640	99.90%	11,773,223	70.48%
Total	9,650	100.00%	\$16,703,561	100.00%

Source: City Income Tax Department

City of Lancaster, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2011	2012	2013	2014
Governmental Activities ⁽¹⁾				
Housing and Urban Development Loan Payable	\$490,000	\$400,000	\$310,000	\$220,000
Ohio Public Works Commission Loan Payable	57,818	54,775	45,646	39,560
Ohio Water Development Authority Loans Payable	391,485	376,754	361,723	346,088
Special Assessment Bonds Payable	228,000	210,000	191,000	171,000
General Obligation Bonds Payable	5,295,000	4,835,000	4,360,000	13,177,942
State Infrastructure Bank Loan Payable	610,821	464,867	314,502	159,592
Installment Loan Payable	180,634	1,492,108	1,695,230	1,378,506
Capital Leases	356,584	184,820	114,214	447,016
Business-type Activities ⁽¹⁾				
Ohio Water Development Authority Loans Payable	\$60,996,820	\$56,434,105	\$52,134,520	\$47,606,083
Ohio Public Works Commission Loan Payable	0	0	0	0
Revenue Bonds Payable	365,281,273	361,341,879	356,703,101	347,855,825
Installment Loan Payable	0	0	0	0
Ohio Rail Development Commission Loan	4,136	0	0	0
Capital Leases	83,832	325,974	280,665	233,665
Total Primary Government	<u>\$433,976,403</u>	<u>\$426,120,282</u>	<u>\$416,510,601</u>	<u>\$411,635,277</u>
Population ⁽²⁾				
City of Lancaster	38,780	38,880	39,359	38,854
Outstanding Debt Per Capita	\$11,191	\$10,960	\$10,582	\$10,594
Income ⁽³⁾				
Personal (in thousands)	1,301,806	1,396,920	1,543,778	1,566,749
Percentage of Personal Income	33.34%	30.50%	26.98%	26.27%

Sources:

- (1) Source: City Auditor's Office
- (2) Lancaster Community Development Department estimates (2010- 2013)
Fairfield County Economic Development website using
the Ohio Dept of Taxation Census Population estimates (2014-2018)
the U.S. Census Department estimates (2019-2020)
- (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

2015	2016	2017	2018	2019	2020
\$130,000	\$40,000	\$0	\$0	\$0	\$0
33,474	240,859	192,686	144,514	96,343	72,257
329,941	313,264	296,041	278,254	259,884	240,912
150,000	128,000	99,050	80,500	0	0
12,369,244	11,541,185	10,688,126	10,035,067	9,382,008	8,703,949
0	0	0	0	217,587	224,115
1,053,040	739,482	438,492	324,391	206,487	157,374
737,330	780,396	1,175,358	826,767	1,348,195	991,287
\$43,497,740	\$39,590,748	\$36,000,351	\$33,301,643	\$30,055,009	\$30,079,620
0	0	0	152,634	346,223	328,912
334,188,997	321,226,153	306,054,973	290,378,793	363,624,346	359,498,900
0	1,050,000	700,000	0	0	0
0	0	0	0	0	0
165,790	108,017	360,429	290,368	222,068	151,844
<u>\$392,655,556</u>	<u>\$375,758,104</u>	<u>\$356,005,506</u>	<u>\$335,812,931</u>	<u>\$405,758,150</u>	<u>\$400,449,170</u>
38,780	39,848	39,848	40,280	39,942	40,505
\$10,125	\$9,430	\$8,934	\$8,337	\$10,159	\$9,886
1,595,603	1,675,569	1,760,445	1,857,432	1,889,057	1,915,684
24.61%	22.43%	20.22%	18.08%	21.48%	20.90%

City of Lancaster, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2011	2012	2013	2014
Population ⁽¹⁾	38,780	38,880	39,359	38,854
Assessed Value ⁽²⁾	\$718,274,700	\$723,028,400	\$727,831,260	\$722,645,450
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$5,295,000	\$4,835,000	\$4,360,000	\$13,177,942
Resources Available to Pay Principal ⁽⁴⁾	\$91,191	\$91,191	\$91,191	\$0
Net General Bonded Debt	\$5,203,809	\$4,743,809	\$4,268,809	\$13,177,942
Ratio of Net Bonded Debt to Assessed Value	0.72%	0.66%	0.59%	1.82%
Net Bonded Debt per Capita	\$134.19	\$122.01	\$108.46	\$339.17

Source:

- (1) Lancaster Community Development Department estimates (2010- 2013)
Fairfield County Economic Development website using
the Ohio Dept of Taxation Census Population estimates (2014-2018)
the U.S. Census Department estimates (2019-2020)
- (2) Fairfield County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported
by property taxes.

City of Lancaster, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
38,780	39,848	39,848	40,280	39,942	40,505
\$719,521,390	\$722,023,270	\$740,245,390	\$737,217,750	\$745,389,440	\$843,415,140
\$12,369,244	\$11,541,185	\$10,688,126	\$10,035,067	\$9,382,008	\$8,703,949
\$11,869	\$0	\$0	\$0	\$0	\$0
\$12,357,375	\$11,541,185	\$10,688,126	\$10,035,067	\$9,382,008	\$8,703,949
1.72%	1.60%	1.44%	1.36%	1.26%	1.03%
\$318.65	\$289.63	\$268.22	\$249.13	\$234.89	\$214.89



City of Lancaster, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2020*

<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)	\$10,389,894	100.00%	\$10,389,894
Overlapping:				
Lancaster City School District	(2)	157,634,521	87.77%	138,355,819
Fairfield County	(3)	33,093,755	18.87%	<u>6,244,792</u>
			Subtotal	<u>144,600,611</u>
			Total	<u><u>\$154,990,505</u></u>

Source:

- (1) City Auditor's Office
- (2) Lancaster City School District, as of June 30, 2020, the District's fiscal year end.
- (3) Fairfield County Auditor - Comprehensive Annual 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$718,274,700	\$723,028,400	\$727,831,260	\$722,645,450
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	75,418,844	75,917,982	76,422,282	75,877,772
City Debt Outstanding (2)	5,295,000	4,835,000	4,360,000	13,177,942
Less: Applicable Debt Service Fund Amounts	<u>(91,191)</u>	<u>(91,191)</u>	<u>(91,191)</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>5,203,809</u>	<u>4,743,809</u>	<u>4,268,809</u>	<u>13,177,942</u>
Overall Legal Debt Margin	<u><u>\$70,215,035</u></u>	<u><u>\$71,174,173</u></u>	<u><u>\$72,153,473</u></u>	<u><u>\$62,699,830</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$718,274,700	\$723,028,400	\$727,831,260	\$722,645,450
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	39,505,109	39,766,562	40,030,719	39,745,500
City Debt Outstanding (2)	5,295,000	4,835,000	4,360,000	13,177,942
Less: Applicable Debt Service Fund Amounts	<u>(91,191)</u>	<u>(91,191)</u>	<u>(91,191)</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>5,203,809</u>	<u>4,743,809</u>	<u>4,268,809</u>	<u>13,177,942</u>
Overall Legal Debt Margin	<u><u>\$34,301,300</u></u>	<u><u>\$35,022,753</u></u>	<u><u>\$35,761,910</u></u>	<u><u>\$26,567,558</u></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

2015	2016	2017	2018	2019	2020
\$719,521,390	\$722,023,270	\$740,245,390	\$737,217,750	\$745,389,440	\$843,415,140
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
75,549,746	75,812,443	77,725,766	77,407,864	78,265,891	88,558,590
12,369,244	11,541,185	10,688,126	10,035,067	9,382,008	8,703,949
(11,869)	0	0	0	0	0
12,357,375	11,541,185	10,688,126	10,035,067	9,382,008	8,703,949
\$63,192,371	\$64,271,258	\$67,037,640	\$67,372,797	\$68,883,883	\$79,854,641

\$719,521,390	\$722,023,270	\$740,245,390	\$737,217,750	\$745,389,440	\$843,415,140
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
39,573,676	39,711,280	40,713,496	40,546,976	40,996,419	46,387,833
12,369,244	11,541,185	10,688,126	10,035,067	9,382,008	8,703,949
(11,869)	0	0	0	0	0
12,357,375	11,541,185	10,688,126	10,035,067	9,382,008	8,703,949
\$27,216,301	\$28,170,095	\$30,025,370	\$30,511,909	\$31,614,411	\$37,683,884

City of Lancaster, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2011	2012	2013	2014
Water Revenue Bonds (1 a)				
Gross Revenues (2)	\$7,979,328	\$8,210,753	\$7,885,740	\$8,023,002
Direct Operating Expenses (3)	5,796,524	5,919,515	5,453,543	5,802,924
Net Revenue Available for Debt Service	2,182,804	2,291,238	2,432,197	2,220,078
Annual Debt Service Requirement	561,869	519,035	416,144	516,081
Coverage	3.88	4.41	5.84	4.30
Water Pollution Revenue Bonds (1 b)				
Gross Revenues (2)	\$10,115,464	\$10,715,711	\$11,072,967	\$11,378,708
Direct Operating Expenses (3)	3,568,981	4,297,101	4,054,109	4,403,285
Net Revenue Available for Debt Service	6,546,483	6,418,610	7,018,858	6,975,423
Annual Debt Service Requirement	1,786,179	1,761,279	1,749,669	1,749,756
Coverage	3.67	3.64	4.01	3.99
Port Authority Gas Supply Revenue Bonds (1 c)				
Gross Revenues (2)	\$8,628,422	\$5,758,552	\$7,732,965	\$9,475,747
Direct Operating Expenses (3)	8,217,550	4,540,457	5,819,723	6,531,561
Net Revenue Available for Debt Service	410,872	1,218,095	1,913,242	2,944,186
Annual Debt Service Requirement	3,737,119	3,741,661	3,884,923	2,852,227
Coverage	0.11	0.33	0.49	1.03
Special Assessment Bonds (1 d)				
Special Assessment Collections	\$46,203	\$37,246	\$36,571	\$41,881
Debt Service				
Principal	17,000	18,000	19,000	20,000
Interest	12,250	11,400	10,500	9,550
Coverage	1.58	1.27	1.24	1.42

(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 available

City of Lancaster, Ohio

2015	2016	2017	2018	2019	2020
\$8,211,328	\$8,643,136	\$8,992,669	\$8,877,949	\$8,988,156	\$9,441,826
5,822,634	5,914,565	6,108,057	5,946,393	7,408,599	6,605,168
2,388,694	2,728,571	2,884,612	2,931,556	1,579,557	2,836,658
514,981	513,981	509,831	517,431	514,231	510,631
4.64	5.31	5.66	5.67	3.07	5.56
\$11,499,199	\$12,185,806	\$12,745,699	\$12,638,715	\$13,097,897	\$12,962,949
3,930,137	4,609,387	4,778,447	6,340,117	5,462,606	5,179,942
7,569,062	7,576,419	7,967,252	6,298,598	7,635,291	7,783,007
1,753,812	1,688,038	1,637,900	1,635,000	1,635,350	1,639,750
4.32	4.49	4.86	3.85	4.67	4.75
\$5,668,319	\$5,291,860	\$6,540,915	\$6,291,644	\$5,052,764	\$3,617,450
290,978	242,969	328,795	246,515	4,672,212	2,753,731
5,377,341	5,048,891	6,212,120	6,045,129	380,552	863,719
15,284,079	16,505,174	18,078,461	20,013,639	11,759,029	19,016,715
0.35	0.31	0.34	0.30	0.03	0.05
\$39,239	\$43,231	\$38,304	\$40,471	\$35,443	\$38,816
21,000	22,000	28,950	18,550	80,500	0
8,550	7,500	7,550	3,803	2,012	0
1.33	1.47	1.05	1.81	0.43	N/A

City of Lancaster, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2011	2012	2013	2014	2015
Population					
City of Lancaster (2)(3)	38,780	38,880	39,359	38,854	38,780
Fairfield County (1)(3)	146,156	147,747	148,797	150,381	151,408
Income (3) (a)					
Total Personal (in thousands)	1,301,806	1,396,920	1,543,778	1,566,749	1,595,603
Per Capita	33,569	35,929	39,223	40,324	41,145
Unemployment Rate (4)					
Federal	8.9%	8.1%	7.4%	6.2%	5.3%
State	8.6%	7.2%	7.4%	5.7%	4.9%
Fairfield County	7.7%	6.3%	6.4%	5.0%	4.3%
Civilian Work Force Estimates (4)					
State	5,762,000	5,747,900	5,765,700	5,719,500	5,700,300
Fairfield County	74,400	74,800	75,600	74,900	75,400
Lancaster	1,770	17,500	17,700	17,900	17,900

Sources:

- (1) US Bureau of Census of Population
- (2) Lancaster Community Development Department estimates (2011- 2013)
Fairfield County Economic Development website using
the Ohio Dept of Taxation Census Population estimates (2014-2018)
the U.S. Census Department estimates (2019-2020)
- (3) US Department of Commerce, Bureau of Economic Analysis information is only available through 2019
for the presentation of 2020 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

2016	2017	2018	2019	2020
39,848	39,848	40,280	39,942	40,505
152,597	154,733	155,782	157,574	157,574
1,675,569	1,760,445	1,857,432	1,889,057	1,915,684
42,049	44,179	46,113	47,295	47,295
4.9%	4.4%	3.9%	3.7%	8.1%
4.9%	5.0%	4.6%	4.1%	8.1%
4.2%	4.3%	4.0%	3.7%	6.6%
5,713,100	5,780,000	5,754,900	5,802,300	5,754,300
75,800	77,400	77,300	78,000	78,600
17,900	17,400	17,300	17,969	18,194



City of Lancaster, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2020		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	1,997	1	10.98%
Fairfield County	Government	856	2	4.70%
Kroger - Lancaster Locations	Grocer	840	3	4.62%
Lancaster City Schools	Education	794	4	4.36%
Oneida (formerly Anchor)	Manufacturer	700	5	3.85%
MAGNA	Manufacturer	600	6	3.30%
City of Lancaster	Government	468	7	2.57%
State of Ohio	Government	387	8	2.13%
Treehouse	Manufacturer	342	9	1.88%
Crown Cork & Seal	Manufacturer	188	10	1.03%
Total		<u>7,172</u>		<u>39.42%</u>
Total Employment within the City		<u>18,194</u>		

Employer	Nature of Business	2011		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	2,039	1	11.72%
Anchor Hocking	Glass Manufacturer	1,148	2	6.60%
Lancaster City Schools	Education	1,014	3	5.83%
Fairfield County	Government	922	4	5.30%
City of Lancaster	Government	408	5	2.34%
Ralston Foods	Cereal	387	6	2.22%
Giant Eagle	Food	350	7	2.01%
Diamond Power	Metal Fabrication	310	8	1.78%
Wal-Mart	Food	300	9	1.72%
Kroger	Food	255	10	1.47%
Total		<u>7,133</u>		<u>40.99%</u>
Total Employment within the City		<u>17,400</u>		

Sources:

2020 Company information is from the Fairfield County Auditor's Comprehensive Annual Financial Report and the Lancaster City Income Tax department

City of Lancaster, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2011	2012	2013	2014	2015
Governmental Activities					
General Government					
Auditor	4.00	4.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00	1.00
Legal	8.00	9.00	7.00	9.00	7.00
City Council	11.00	11.00	11.00	11.00	11.00
Court	33.00	33.00	33.00	36.00	36.00
Administration	4.00	4.00	5.00	5.00	4.00
Engineering	4.00	3.00	4.00	3.00	3.00
Certified Building	3.00	3.00	3.00	3.00	3.00
Income Tax	4.00	4.00	4.00	4.00	4.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Electric	0.00	0.00	0.00	0.00	0.00
Information Systems	7.00	7.00	7.00	8.00	8.00
Security of Persons and Property					
Police	81.00	83.00	80.00	83.00	82.00
Fire	70.00	70.00	70.00	72.00	72.00
Public Health and Welfare					
Cemetery	4.00	4.00	4.00	4.00	4.00
Transportation					
Street	22.00	21.00	22.00	22.00	23.00
Leisure Time Activities					
Parks	16.00	25.00	24.00	26.00	25.00
Community Environment					
Community Development	3.00	3.00	3.00	3.00	3.00
Public Transit	1.00	1.00	1.00	1.00	2.00
Civil Service	1.00	1.00	1.00	1.00	1.00
Business-Type Activities					
Utilities					
Gas	25.00	25.00	25.00	25.00	25.00
Water	43.00	42.00	41.00	39.00	38.00
Water Pollution	24.00	24.00	23.00	24.00	24.00
Sanitation	21.00	21.00	21.00	21.00	20.00
Storm Water	2.00	4.00	4.00	5.00	5.00
Utilities Collection	15.00	15.00	15.00	15.00	15.00
<i>Total Employees</i>	<u>409.00</u>	<u>420.00</u>	<u>416.00</u>	<u>429.00</u>	<u>424.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Auditor's Office

City of Lancaster, Ohio

2016	2017	2018	2019	2020
5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00
10.00	11.00	11.00	11.00	11.00
11.00	11.00	11.00	11.00	11.00
39.00	39.00	41.00	41.00	40.00
4.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	4.00	4.00
4.00	5.00	5.00	6.00	6.00
4.00	4.00	3.00	4.00	5.00
1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
8.00	6.00	5.00	6.00	5.00
85.00	84.00	80.00	84.00	77.00
70.00	72.00	72.00	68.00	65.00
2.00	2.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00
23.00	23.00	24.00	24.00	27.00
29.00	28.00	26.00	28.00	26.00
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	36.00
1.00	1.00	1.00	1.00	1.00
25.00	26.00	27.00	27.00	27.00
38.00	39.00	37.00	37.00	38.00
25.00	23.00	23.00	23.00	23.00
21.00	21.00	22.00	22.00	23.00
5.00	5.00	5.00	5.00	5.00
15.00	16.00	16.00	16.00	16.00
439.00	441.00	437.00	443.00	468.00

City of Lancaster, Ohio

Operating Indicators by Function Last Ten Years

	2011	2012	2013	2014
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	16,242	17,053	17,933	17,898
Number of Open Cases	1,444	1,345	1,606	1,335
Licenses and Permits				
Number of Building Permits	1,070	1,146	1,156	1,049
Number of Building Inspections	2,283	2,566	2,983	2,436
Security of Persons and Property				
Police				
Number of Calls Received	63,969	62,591	58,228	56,254
Number of Traffic Citations	5,185	4,361	5,079	2,616
Number of Arrests	4,071	1,543	1,647	1,494
Parking Tickets Written	1,001	984	833	696
Fire				
Number of Fire Calls	1,595	1,709	1,530	1,569
Number of EMS Runs	6,304	6,729	6,819	6,931
Number of Inspections	3,142	2,363	1,464	1,433
Leisure Time Activities				
Parks				
Number of Programs Offered	56	57	63	61
Number of Pool Admissions	33,258	28,533	18,758	18,283
Business-Type Activities				
Water				
Number of Service Connections	15,260	15,275	15,363	15,424
Daily Average Consumption (thousands of gallons)	3.88M	3.79M	3.58M	3.75M
Peak Daily Consumption (thousands of gallons)	5.69M	5.23M	5.89M	5.76M
Water Pollution				
Number of Service Connections	14,966	14,974	15,088	15,129
Maximum Daily Capacity	14.5M	14M	14M	14M
Daily Average Sewage Treatment (thousands of gallons) (1)	9.7M	6.96M	7.10M	7.23M
Sanitation				
Number of Customers	15,370	15,441	15,468	15,490
Storm Water				
Number of Customers	14,619	14,680	14,750	14,820

Source: City Auditor's Office

City of Lancaster, Ohio

2015	2016	2017	2018	2019	2020
17,631	16,678	17,733	15,395	15,178	10,537
1,271	1,449	1,673	1,389	1,185	1,055
1,258	1,338	2,233	2,101	1,654	1,116
2,878	3,759	4,145	5,388	2,011	3,222
60,578	60,685	62,306	60,456	62,282	56,281
4,205	2,412	4,399	3,809	4,442	3,028
1,481	1,447	1,991	1,177	1,889	1,847
598	451	929	1,352	999	368
1,767	1,910	2,005	2,086	1,209	1,138
7,259	7,358	7,696	7,831	8,198	7,721
1,503	1,596	1,584	1,563	1,477	980
62	62	62	67	46	13
19,022	24,597	13,380	27,505	28,397	0
15,464	15,499	15,554	15,642	15,677	15,706
4.57M	3.67M	3.63M	3.85M	3.93M	3.85M
5.89M	5.64M	6.18M	6.2M	6.44M	6.24M
15,095	15,215	15,264	15,384	15,478	15,418
14M	14M	14M	17.87M	18.13M	18.73M
6.84M	7.07M	7.56M	8.99M	8.94M	7.73M
15,518	15,566	15,622	15,703	16,100	15,793
14,832	14,876	14,954	15,009	15,754	15,106

City of Lancaster, Ohio

Capital Asset Statistics by Function Last Ten Years

	2011	2012	2013	2014
Governmental Activities				
General Government				
Public Land and Buildings				
Land (1)	18,590	18,590	18,598	18,598
Buildings	36	36	36	36
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	33	38	34	38
Fire				
Stations	3	3	3	3
Vehicles	20	21	20	18
Public Health & Welfare				
Cemetery				
Land (acres)	150	150	150	150
Transportation				
Street				
Streets (lane miles) (2)	185	185	185	185
Street Lights	2,466	2,300	2,476	2,476
Traffic Signals	85	85	85	86
Leisure Time Activities				
Parks				
Land (acres)	733	733	733	733
Buildings	21	21	21	21
Parks	27	27	27	27
Playgrounds	12	12	12	12
Swimming Pools	2	2	2	2
Tennis Courts	13	13	13	13
Baseball/Softball Diamonds	26	26	26	26
Soccer Fields	22	22	22	22

- (1) Previous to 2016, total land (shown in square miles) within the corporate boundaries of the City was being reported. Beginning in 2016, only City owned land (shown in acres) is reported.
- (2) Previous to 2020, the miles were reported as centerline miles. Beginning in 2020, the miles are reported as lane miles.

City of Lancaster, Ohio

2015	2016	2017	2018	2019	2020
18,598	1,453.94	1,453.94	1,427.97	1,453.94	1,514.82
36	37	38	38	38	38
1	1	1	1	1	1
37	38	40	36	37	36
3	3	3	3	3	3
18	19	20	19	18	19
150	150	150	150	150	150
185	185	185	185	185	372
2,476	2,476	2,476	2,527	2,509	2,517
86	88	86	86	80	78
733	733	733	757	830	830
21	21	21	21	35	21
27	27	27	27	27	27
12	12	12	12	13	13
2	2	2	3	3	3
13	13	13	13	15	15
26	26	26	26	25	25
22	22	22	22	20	20

(continued)

City of Lancaster, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	180	181	182	182
Pump Stations	2	2	2	2
Number of Hydrants	1,835	1,842	1,848	1,885
Storage Capacity (thousands of gallons)	9.8M	9.8M	9.8M	9.8M
Water Pollution				
Sewerlines (Miles)	186	186	186	186
Lift Stations	10	11	11	11
Sanitation				
Packers	10	9	9	10
Storm Water				
Storm Sewers (Miles)	63	64	66	88
Gas				
Gaslines (Miles)	260	260	249	249

Source: City Auditor's Office

City of Lancaster, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
182	182	183	183	184	184
2	2	2	2	2	2
1,892	1,900	1,864	1,864	1,872	2,000
9.8M	9.8M	9.8M	9.8M	9.8M	9.8M
186	186	186	186	187	187
11	11	10	10	10	10
9	9	9	11	11	11
88	88	88	88	88	88
249	255	254	256	254	256



OHIO AUDITOR OF STATE KEITH FABER



CITY OF LANCASTER

FAIRFIELD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/28/2021

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Phone: 614-466-4514 or 800-282-0370

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