

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

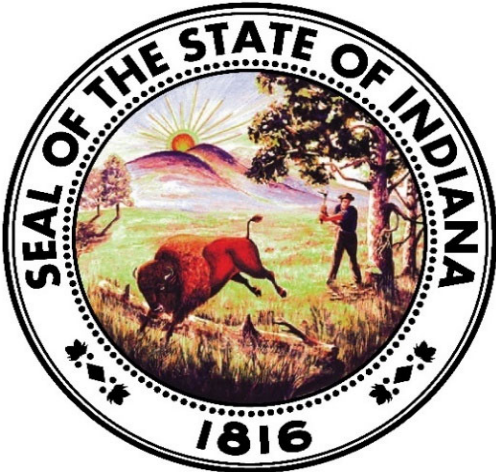
FINANCIAL STATEMENT AUDIT REPORT

OF

CITY OF LAWRENCE

MARION COUNTY, INDIANA

January 1, 2021 to December 31, 2021



**FILED**

09/15/2023



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Jason Fenwick Tyler Douthit	01-01-21 to 06-11-21 06-12-21 to 12-31-23
Mayor	Steve Collier	01-01-21 to 12-31-23
President of the Board of Public Works	Doug Reeser	01-01-21 to 12-31-23
President of the Common Council	Lisa Chavis William Tyrrell Giles	01-01-21 to 12-31-22 01-01-23 to 12-31-23
President of the Utility Service Board	Steve Hall	01-01-21 to 12-31-23



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF LAWRENCE, MARION COUNTY, INDIANA

### ***Adverse and Unmodified Opinions***

We have audited the accompanying financial statement of the City of Lawrence (City), which comprises the financial position and results of operations as of and for the year ended December 31, 2021, and the related notes to the financial statement as listed in the Table of Contents.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse and Unmodified Opinions* section of our report, the financial statement referred to above does not present fairly, the financial position and results of operations of the City as of and for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

#### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the respective financial position and results of operations of the City, as of and for the year ended December 31, 2021, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

### ***Basis for Adverse and Unmodified Opinions***

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

#### ***Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibilities for the Audit of the Financial Statement***

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

In performing an audit in accordance with GAAS, we:

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Required Supplementary Information**

Financial reporting requirements established by the Indiana State Board of Accounts, as described in Note 1, require that the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis be presented to supplement the basic financial statement. Such information is the responsibility of management and, although not a part of the basic financial statement, is required by reporting requirements established by the Indiana State Board of Accounts who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We 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 statement, and other knowledge we obtained during our audit of the basic financial statement. 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**

Management is responsible for the other information included in the Annual Financial Report. The other information comprises the Schedule of Payables and Receivables and Schedule of Leases and Debt, as listed in the Table of Contents, but does not include the basic financial statement and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 31, 2023

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES; REQUIRED  
SUPPLEMENTARY INFORMATION; AND OTHER INFORMATION

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF LAWRENCE  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2021

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21
General	\$ 8,681,667	\$ 23,909,864	\$ 24,417,957	\$ 8,173,574
Motor Vehicle Highway	2,298,431	1,931,683	2,336,037	1,894,077
Motor Vehicle Highway Restricted	191,323	964,929	292,783	863,469
Local Road And Street	567,981	879,526	518,361	929,146
Park Nonreverting Operating	118,564	147,140	150,298	115,406
Emergency Medical Services / Ambulance	657,625	2,380,218	2,026,507	1,011,336
Animal Shelter	2,000	-	-	2,000
Law Enforcement Continuing Ed	167,985	37,895	43,035	162,845
Deferral Program	88,562	6,768	30,304	65,026
Parks & Recreation Cust Dep Fund	6,116	650	-	6,766
Hazardous Materials	17,080	155	-	17,235
Federal Revenue Sharing Trust	96,705	13,736	5,500	104,941
Redevelopment Cap Monarch TIF	1,064,689	1,030,095	765,909	1,328,875
Redevelopment Capital	1,379,622	673,257	507,485	1,545,394
Cumulative Capital Improvement	781,322	401,910	352,444	830,788
Ft. Harrison Reuse Authority	2,329,512	4,634,663	4,684,072	2,280,103
Self Funding Insurance	2,763,836	4,129,400	4,389,833	2,503,403
Police Pension	218,506	469,726	391,657	296,575
Redevelopment Debt Reserve	185,778	-	-	185,778
Federal Grant Fund	(75,020)	223,369	188,003	(39,654)
COIT Special Distribution	1	-	-	1
Administrative Services	114,768	1,629,981	1,643,044	101,705
Technology Services	160,444	1,075,428	1,065,875	169,997
Levy Excess	11,119	-	-	11,119
Meyer Plastics TIF	16,570	172,755	86,725	102,600
Garage	67,189	494,760	544,061	17,888
Cumulative Capital Building	1,773,961	-	1,672,089	101,872
Covid-19 American Rescue Plan	-	5,583,581	-	5,583,581
Donations	139,673	55,216	68,046	126,843
State Grant	519,932	88,774	655,365	(46,659)
Local Govt Grant # 1	4,112	35,000	35,000	4,112
Loit-Public Safety	1,662,076	3,684,929	4,189,525	1,157,480
Park Building Debt	13,727	-	-	13,727
Park Debt - 1998	499	-	-	499
Fire Debt (Stn 2 - Training Ctr)	194,814	373,654	370,500	197,968
Municipal Building Corp Debt	46,372	433,504	387,469	92,407
Transportation Bond (Proceeds)	84,981	-	-	84,981
Payroll	-	27,014,846	27,032,198	(17,352)
Wastewater Utility - Operating	1,001,458	8,444,018	8,490,532	954,944
Wastewater Util - Bond And Interest	-	564,676	564,676	-
Sewer Capital Improvement Fund	2,904,763	2,513,144	2,872,081	2,545,826
Wastewater Utility - Debt Reserve	819,071	123	-	819,194
2017 Water SRF Bond & Interest	594,328	520,009	516,531	597,806
Water 2017 SRF Loan Fund	38	-	-	38
Water Utility Bond Proceeds	10,334,939	-	6,048,926	4,286,013
Water Bond and Interest Sinking	-	1,385,695	1,385,695	-
Water Utility - Operating	1,004,682	12,074,247	12,077,285	1,001,644
Water Capital Improvement Fund	4,284,527	6,332,581	4,602,347	6,014,761
Water Utility - Debt Reserve	468,488	45,091	-	513,579
Stormwater Fund	-	2,784,962	529,240	2,255,722
Totals	<u>\$ 47,764,816</u>	<u>\$ 117,141,958</u>	<u>\$ 115,937,395</u>	<u>\$ 48,969,379</u>

The notes to the financial statement are an integral part of this statement.

CITY OF LAWRENCE  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

**B. Basis of Accounting**

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

**C. Cash and Investments**

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

**D. Receipts**

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

*Licenses and permits.* Amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF LAWRENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: local income tax, federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

*Charges for services.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

*Fines and forfeits.* Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

*Utility fees.* Amounts received from charges for current services.

*Penalties.* Amounts received from late payment fees.

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

**E. Disbursements**

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Personal services.* Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

*Supplies.* Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF LAWRENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Utility operating expenses.* Amounts disbursed for operating the utilities.

*Other disbursements.* Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

**F. Interfund Transfers**

The City may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

**G. Fund Accounting**

Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The amounts accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units, and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF LAWRENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

CITY OF LAWRENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Financial Report*

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977, providing retirement, disability, and survivor benefits.

CITY OF LAWRENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52.

*Financial Report*

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the City were not received by December 31, 2021. Payroll fund cash balance deficit was due to posting errors and year-end deductions corrected after year end.

**Note 8. Holding Corporations**

The City has entered into a capital lease with the Lawrence Municipal Building Corporation Series 2016 (the lessor). The lessor was organized as not-for-profit corporation pursuant to state statute for the purpose of refunding bonds Series 2016. The Series 2016 bond was for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2021 totaled \$132,919.

The City has entered into a capital lease with the Lawrence Fire Station Building Corporation (the lessor). The lessor was organized as not-for-profit corporation pursuant to state statute for the purpose of refunding of Fire Debt 2002. The Fire Debt 2022 bond was for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2021 totaled \$370,500.

The City has entered into a capital lease with the Lawrence Municipal Building Corporation Series 2020 (the lessor). The lessor was organized as not-for-profit corporation pursuant to state statute for the purpose of constructing a new police station for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year 2021 totaled \$254,500.

CITY OF LAWRENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Subsequent Events**

The City was awarded \$11,209,431 from the American Rescue Plan Act of 2021. The first distribution of these funds was received by the City during 2021, in the amount of \$5,583,581. The remaining balance is to be received in 2022.

The City Common Council approved Resolution #1-2022 on May 10, 2022, approving the City of Lawrence Redevelopment District Tax Increment Revenue Bonds, Series 2022, in the amount of \$2,500,000. The project consists of refunding of the Bond Anticipation Note (BAN) of Redevelopment District Bonds, Series 2011, and to fund projects within Pendleton Pike TIF district. Payments commence on January 15, 2023, and end on January 15, 2039.

The City Common Council approved Proposal #19, 2022 on September 6, 2022, approving the Sewage Works Revenue Bonds, Series 2022, in the amount of \$20,000,000. The project consists of funding public infrastructure projects. Payments commence on January 1, 2023, and end on January 1, 2043.

The City Common Council approved Ordinance #5-2022 on April 5, 2022, approving the amendment of the lease between the Lawrence Municipal Building Corporation (Holding Corporation) and the City. This ordinance and amendment of the lease is for the Lawrence Municipal Building Corporation Lease Rental Bonds, Series 2022A and 2022B, in the amounts of \$3,735,000 and \$6,765,000, respectively, for the purpose of construction of the new Fire Station. Payments will begin in 2024. This new bond belongs to the Holding Corporation and does not appear in the City's financial statement, but affects the lease relationship with the Holding Corporation.

**Note 10. Other Postemployment Benefits**

The City provides two separate types of postemployment benefits to retirees based on the nature of the former employee's retirement.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	General	Motor Vehicle Highway	Motor Vehicle Highway Restricted	Local Road And Street	Park Nonreverting Operating	Emergency Medical Services / Ambulance
Cash and investments - beginning	\$ 8,681,667	\$ 2,298,431	\$ 191,323	\$ 567,981	\$ 118,564	\$ 657,625
Receipts:						
Taxes	11,041,736	-	-	879,526	-	-
Licenses and permits	667,951	107,027	-	-	-	-
Intergovernmental receipts	9,207,044	1,824,656	964,929	-	-	-
Charges for services	2,628,550	-	-	-	101,811	2,380,218
Fines and forfeits	193,705	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	170,878	-	-	-	45,329	-
Total receipts	23,909,864	1,931,683	964,929	879,526	147,140	2,380,218
Disbursements:						
Personal services	17,398,019	860,404	-	-	-	1,490,043
Supplies	227,949	366,543	22,906	-	8,108	127,798
Other services and charges	5,937,178	829,038	269,877	144,209	129,331	374,241
Debt service - principal and interest	725,572	142,290	-	374,152	5,866	14,691
Capital outlay	129,239	137,762	-	-	6,993	19,734
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	24,417,957	2,336,037	292,783	518,361	150,298	2,026,507
Excess (deficiency) of receipts over disbursements	(508,093)	(404,354)	672,146	361,165	(3,158)	353,711
Cash and investments - ending	\$ 8,173,574	\$ 1,894,077	\$ 863,469	\$ 929,146	\$ 115,406	\$ 1,011,336

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Animal Shelter	Law Enforcement Continuing Ed	Deferral Program	Parks & Recreation Cust Dep Fund	Hazardous Materials	Federal Revenue Sharing Trust
Cash and investments - beginning	\$ 2,000	\$ 167,985	\$ 88,562	\$ 6,116	\$ 17,080	\$ 96,705
Receipts:						
Taxes	-	1,924	6,768	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	35,971	-	-	-	-
Fines and forfeits	-	-	-	-	-	13,736
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	650	155	-
Total receipts	-	37,895	6,768	650	155	13,736
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	17,439	30,304	-	-	-
Other services and charges	-	25,596	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	5,500
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	43,035	30,304	-	-	5,500
Excess (deficiency) of receipts over disbursements	-	(5,140)	(23,536)	650	155	8,236
Cash and investments - ending	\$ 2,000	\$ 162,845	\$ 65,026	\$ 6,766	\$ 17,235	\$ 104,941

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Redevelopment Cap Monarch TIF	Redevelopment Capital	Cumulative Capital Improvement	Ft. Harrison Reuse Authority	Self Funding Insurance	Police Pension
Cash and investments - beginning	\$ 1,064,689	\$ 1,379,622	\$ 781,322	\$ 2,329,512	\$ 2,763,836	\$ 218,506
Receipts:						
Taxes	1,030,095	442,907	362,710	4,634,663	-	469,726
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	39,200	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	230,350	-	-	4,129,400	-
Total receipts	1,030,095	673,257	401,910	4,634,663	4,129,400	469,726
Disbursements:						
Personal services	-	-	-	-	-	391,657
Supplies	-	-	-	-	-	-
Other services and charges	-	339,237	156,000	4,684,072	4,389,833	-
Debt service - principal and interest	765,909	168,248	159,020	-	-	-
Capital outlay	-	-	37,424	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	765,909	507,485	352,444	4,684,072	4,389,833	391,657
Excess (deficiency) of receipts over disbursements	264,186	165,772	49,466	(49,409)	(260,433)	78,069
Cash and investments - ending	\$ 1,328,875	\$ 1,545,394	\$ 830,788	\$ 2,280,103	\$ 2,503,403	\$ 296,575

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Redevelopment Debt Reserve	Federal Grant Fund	COIT Special Distribution	Administrative Services	Technology Services	Levy Excess
Cash and investments - beginning	\$ 185,778	\$ (75,020)	\$ 1	\$ 114,768	\$ 160,444	\$ 11,119
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	223,369	-	-	-	-
Charges for services	-	-	-	1,629,981	1,075,428	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	223,369	-	1,629,981	1,075,428	-
Disbursements:						
Personal services	-	-	-	905,364	11,268	-
Supplies	-	23,123	-	11,694	21,140	-
Other services and charges	-	65,445	-	647,257	978,095	-
Debt service - principal and interest	-	-	-	70,420	-	-
Capital outlay	-	99,435	-	8,309	55,372	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	188,003	-	1,643,044	1,065,875	-
Excess (deficiency) of receipts over disbursements	-	35,366	-	(13,063)	9,553	-
Cash and investments - ending	\$ 185,778	\$ (39,654)	\$ 1	\$ 101,705	\$ 169,997	\$ 11,119

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Meyer Plastics TIF	Garage	Cumulative Capital Building	Covid-19 American Rescue Plan	Donations	State Grant
Cash and investments - beginning	\$ 16,570	\$ 67,189	\$ 1,773,961	\$ -	\$ 139,673	\$ 519,932
Receipts:						
Taxes	172,755	-	-	-	-	88,774
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	5,583,581	-	-
Charges for services	-	425,250	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	69,510	-	-	55,216	-
Total receipts	172,755	494,760	-	5,583,581	55,216	88,774
Disbursements:						
Personal services	-	219,033	-	-	-	-
Supplies	-	243,156	-	-	13,667	4,800
Other services and charges	-	81,872	1,672,089	-	54,379	647,240
Debt service - principal and interest	86,725	-	-	-	-	-
Capital outlay	-	-	-	-	-	3,325
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	86,725	544,061	1,672,089	-	68,046	655,365
Excess (deficiency) of receipts over disbursements	86,030	(49,301)	(1,672,089)	5,583,581	(12,830)	(566,591)
Cash and investments - ending	\$ 102,600	\$ 17,888	\$ 101,872	\$ 5,583,581	\$ 126,843	\$ (46,659)

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Local Govt Grant # 1	Loit-Public Safety	Park Building Debt	Park Debt - 1998	Fire Debt (Stn 2 - Training Ctr)	Municipal Building Corp Debt
Cash and investments - beginning	\$ 4,112	\$ 1,662,076	\$ 13,727	\$ 499	\$ 194,814	\$ 46,372
Receipts:						
Taxes	35,000	-	-	-	342,479	397,391
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	3,684,929	-	-	31,175	36,113
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	35,000	3,684,929	-	-	373,654	433,504
Disbursements:						
Personal services	-	2,502,295	-	-	-	-
Supplies	-	421,970	-	-	-	-
Other services and charges	-	710,469	-	-	-	-
Debt service - principal and interest	-	466,387	-	-	370,500	387,469
Capital outlay	35,000	88,404	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	35,000	4,189,525	-	-	370,500	387,469
Excess (deficiency) of receipts over disbursements	-	(504,596)	-	-	3,154	46,035
Cash and investments - ending	\$ 4,112	\$ 1,157,480	\$ 13,727	\$ 499	\$ 197,968	\$ 92,407

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Transportation Bond (Proceeds)	Payroll	Wastewater Utility - Operating	Wastewater Util - Bond And Interest	Sewer Capital Improvement Fund
Cash and investments - beginning	\$ 84,981	\$ -	\$ 1,001,458	\$ -	\$ 2,904,763
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	8,258,869	-	-
Penalties	-	-	184,790	-	-
Other receipts	-	27,014,846	359	564,676	2,513,144
Total receipts	-	27,014,846	8,444,018	564,676	2,513,144
Disbursements:					
Personal services	-	-	1,489,150	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	131,457	-	2,714
Debt service - principal and interest	-	-	-	378,695	100,590
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	3,304,020	-	732,818
Other disbursements	-	27,032,198	3,565,905	185,981	2,035,959
Total disbursements	-	27,032,198	8,490,532	564,676	2,872,081
Excess (deficiency) of receipts over disbursements	-	(17,352)	(46,514)	-	(358,937)
Cash and investments - ending	\$ 84,981	\$ (17,352)	\$ 954,944	\$ -	\$ 2,545,826

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Wastewater Utility - Debt Reserve	2017 Water SRF Bond & Interest	Water 2017 SRF Loan Fund	Water Utility Bond Proceeds	Water Bond and Interest Sinking
Cash and investments - beginning	\$ 819,071	\$ 594,328	\$ 38	\$ 10,334,939	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	123	520,009	-	-	1,385,695
Total receipts	123	520,009	-	-	1,385,695
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	516,531	-	-	1,378,995
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	6,048,926	-
Other disbursements	-	-	-	-	6,700
Total disbursements	-	516,531	-	6,048,926	1,385,695
Excess (deficiency) of receipts over disbursements	123	3,478	-	(6,048,926)	-
Cash and investments - ending	\$ 819,194	\$ 597,806	\$ 38	\$ 4,286,013	\$ -

CITY OF LAWRENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2021

	Water Utility - Operating	Water Capital Improvement Fund	Water Utility - Debt Reserve	Stormwater Fund	Totals
Cash and investments - beginning	\$ 1,004,682	\$ 4,284,527	\$ 468,488	\$ -	\$ 47,764,816
Receipts:					
Taxes	-	-	-	-	19,906,454
Licenses and permits	-	-	-	-	774,978
Intergovernmental receipts	-	-	-	-	21,594,996
Charges for services	-	-	-	-	8,277,209
Fines and forfeits	-	-	-	-	207,441
Utility fees	11,594,315	-	-	2,784,962	22,638,146
Penalties	-	-	-	-	184,790
Other receipts	479,932	6,332,581	45,091	-	43,557,944
Total receipts	12,074,247	6,332,581	45,091	2,784,962	117,141,958
Disbursements:					
Personal services	1,738,583	-	-	-	27,005,816
Supplies	-	-	-	-	1,540,597
Other services and charges	105,207	2,714	-	-	22,377,550
Debt service - principal and interest	-	25,858	-	327,559	6,465,477
Capital outlay	-	-	-	-	626,497
Utility operating expenses	1,086,002	3,495,395	-	201,681	14,868,842
Other disbursements	9,147,493	1,078,380	-	-	43,052,616
Total disbursements	12,077,285	4,602,347	-	529,240	115,937,395
Excess (deficiency) of receipts over disbursements	(3,038)	1,730,234	45,091	2,255,722	1,204,563
Cash and investments - ending	\$ 1,001,644	\$ 6,014,761	\$ 513,579	\$ 2,255,722	\$ 48,969,379

OTHER INFORMATION

CITY OF LAWRENCE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2021

<u>Government or Enterprise</u>	<u>Accounts Payable</u>
Governmental activities	\$ 6,766
Wastewater	36,002
Water	326,070
Stormwater	<u>-</u>
Totals	<u>\$ 368,838</u>

CITY OF LAWRENCE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2021

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
<b>Governmental activities:</b>				
Lawrence Fire Station Building Corporation	First Mortgage Refunding Bonds Series 2012	\$ 367,444	7/5/2012	1/5/2023
Lawrence Municipal Building Corporation	First Mortgage Refunding Bonds Series 2006	66,301	2/15/2007	2/15/2022
Regions Equipment Finance	Schedule 29 - Garage Equipment	16,231	10/4/2021	7/15/2025
Regions Equipment Finance	Schedule 20 - SCBA	65,702	2/11/2020	12/13/2029
Regions Equipment Finance	Schedule 23 - Ambulance	53,811	7/17/2020	12/7/2025
Regions Equipment Finance	Schedule 27 - Pumper Truck	63,515	10/23/2020	6/13/2030
Regions Equipment Finance	Schedule 2 - Pierce Pumper Truck	79,424	12/13/2016	12/13/2023
Regions Equipment Finance	Schedule 5 - Police Vehicles	51,155	5/26/2017	5/26/2022
Regions Equipment Finance	Schedule 19 - Parks Maintenance Vehicle	5,866	9/18/2019	6/19/2025
Regions Equipment Finance	Schedule 26 - 2020 Salt Truck	27,584	9/23/2020	7/9/2027
Regions Equipment Finance	Schedule 21 - Police Vehicles	115,108	5/13/2020	5/6/2025
Regions Equipment Finance	Schedule 8 - Parks Vehicle	6,232	12/19/2017	12/19/2022
Regions Equipment Finance	Schedule 4 - Pierce Ladder Truck	135,489	12/16/2017	2/16/2024
Regions Equipment Finance	Schedule 7 - 2018 Salt Truck	22,308	12/19/2017	12/19/2024
Regions Equipment Finance	Schedule 28 - Police Vehicles	64,756	9/16/2021	5/6/2026
Regions Equipment Finance	Schedule 11 - Ambulance	47,330	6/7/2018	6/7/2023
Regions Equipment Finance	Schedule 12 - Street Sweeper	47,869	7/9/2018	7/9/2025
Regions Equipment Finance	Schedule 13 - Ambulance	47,743	10/17/2018	12/7/2023
Regions Equipment Finance	Schedule 14 - Police Vehicles	106,715	9/26/2018	11/6/2023
Regions Equipment Finance	Schedule 15 - Parks Vehicles	5,621	10/3/2018	12/19/2022
Regions Equipment Finance	Schedule 25 - EMS Vehicles	19,985	9/14/2020	6/7/2025
Regions Equipment Finance	Schedule 16 - Pierce Engine	91,299	3/8/2019	12/13/2025
Regions Equipment Finance	Schedule 17 - Police Vehicles	124,946	5/29/2019	5/6/2024
Regions Equipment Finance	Schedule 18 - Fire Air Refill Stations	17,594	8/1/2019	6/13/2029
Regions Equipment Finance	Schedule 30 - Fire Vehicles	36,903	11/19/2021	12/13/2026
Lawrence Municipal Building Corporation	Construction of new police station Series 2020	310,200	8/15/2021	8/15/2040
Energy Conservation Measures 2020	Finance energy savings equipment upgrades	377,692	1/15/2021	1/15/2040
Total governmental activities		<u>2,374,823</u>		

<b>Wastewater:</b>				
Regions Equipment Finance	Schedule 6 - Vactor	49,206	12/19/2017	12/19/2024
Regions Equipment Finance	Schedule 10 - Utility Vehicles	27,938	5/28/2018	5/28/2023
Regions Equipment Finance	Schedule 22 - Crane Truck	23,446	7/1/2020	6/19/2025
Total Wastewater		<u>100,590</u>		

<b>Water:</b>				
Regions Equipment Finance	Schedule 10 - Utility Vehicles	27,938	5/28/2018	5/28/2023

Total of annual lease payments \$ 2,503,351

Type	Description of Debt	Purpose	Ending Principal Balance	Principal Due Within One Year
<b>Governmental activities:</b>				
Revenue bonds	City of Lawrence Redevelopment District Bonds Series 2011		\$ 810,000	\$ 145,000
Revenue bonds	City of Lawrence Redevelopment District Tax Increment Revenue Capital Appreciation Bonds Series 2008		2,613,134	309,135
Revenue bonds	City of Lawrence Transportation Refunding Revenue Bond Series 2014		1,113,000	355,000
Revenue bonds	Taxable Economic Development Tax Increment Revenue Bonds Series 2018 (Meyer Plastics Project)		2,218,000	57,000
Total governmental activities			<u>6,754,134</u>	<u>866,135</u>
<b>Wastewater:</b>				
Revenue bonds	Sewage Works Refunding Revenue Bonds Series 2015		1,185,000	180,000
Revenue bonds	Sewage Works Revenue Bonds Series 2009 A (Issued by the Indiana State Revolving Fund Loan Program)		1,467,423	177,727
Revenue bonds	Sewage Works Revenue Bonds Series 2009 B (Issued by the Indiana Bond Bank)		1,881,237	81,237
Revenue bonds	Sewage Works Taxable Revenue Bonds Series 2009 C (Issued by the Indiana Bond Bank)		115,000	35,000
Total Wastewater			<u>4,648,660</u>	<u>473,964</u>
<b>Water:</b>				
Revenue bonds	Taxable Waterworks Refunding Revenue Bonds Series 2017B		2,090,000	380,000
Revenue bonds	Waterworks Refunding Revenue Bonds Series 2017A		3,400,000	415,000
Revenue bonds	Waterworks Revenue Bonds Series 2017		7,434,000	371,000
Revenue bonds	Waterworks Revenue Bonds Series 2020		12,395,000	-
Total Water			<u>25,319,000</u>	<u>1,166,000</u>
<b>Totals</b>			<u>\$ 36,721,794</u>	<u>\$ 2,506,099</u>

## OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.