



OHIO AUDITOR OF STATE  
**KEITH FABER**



LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY  
JUNE 30, 2024

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**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	N/A	142,865
Cash Assistance			
National School Lunch Program	10.555	N/A	1,718,534
COVID-19 National School Lunch Program	10.555	N/A	153,244
Total National School Lunch Program			2,014,643
Cash Assistance			
School Breakfast Program	10.553	N/A	858,057
Fresh Fruit and Vegetable Program	10.582	N/A	41,313
Total Child Nutrition Cluster			2,914,013
Total U.S. Department of Agriculture			<b>2,914,013</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Special Education Cluster:			
Special Education Grants to States Program	84.027A	N/A	1,700,146
COVID-19 Special Education Grants to States Program: American Rescue Plan			
Elementary and Secondary Schools Emergency Relief – IDEA, Part B	84.027X	N/A	95,278
Special Education Preschool Grants Program	84.173A	N/A	45,003
COVID-19 Special Education Preschool Grants Program: American Rescue Plan			
Elementary and Secondary Schools Emergency Relief	84.173X	N/A	11,709
Total Special Education Cluster			<b>1,852,136</b>
Title I Grants to Local Education Agencies Program	84.010A	N/A	1,982,744
Career and Technical Education Basic Grants to States Program	84.048A	N/A	131,657
Supporting Effective Instruction State Grants	84.367A	N/A	326,491
Student Support and Academic Enrichment Program	84.424A	N/A	193,921
Stronger Connections Grant	84.424F	N/A	129,433
Total Student Support and Academic Enrichment Program			<b>323,354</b>
Education Stabilization Fund:			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	N/A	4,342
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	N/A	4,745,388
COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	N/A	351
Total Education Stabilization Fund			<b>4,750,081</b>
Total U.S. Department of Education			<b>9,366,463</b>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Facilities Construction Commission:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	40,669
Total U.S. Department of Treasury			<b>40,669</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$12,321,145</b>

**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lancaster City School District (the School District's) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – CHILD NUTRITION CLUSTER**

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

**NOTE E – FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at the fair value. The School District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

**NOTE F - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

<b>Program Title</b>	<b>AL Number</b>	<b>Amt. Transferred</b>
Title I Grants to Local Educational Agencies	84.010A	\$ 36,091
Supporting Effective Instruction State Grants Program	84.367A	\$ 74,997
Student Support and Academic Enrichment Program	84.424A	\$ 42,126



65 East State Street  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Lancaster City School District  
Fairfield County  
2780 Coonpath Rd. NE.  
Lancaster, OH 43130

To the Board of Education:

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lancaster City School District, Fairfield County, (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 17, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the School District'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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 School District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Lancaster City School District  
Fairfield County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School District'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*.

***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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 17, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Lancaster City School District  
Fairfield County  
2780 Coonpath Rd. NE.  
Lancaster, OH 43130

To the Board of Education:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Lancaster City School District's, Fairfield County, (the School District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Lancaster City School District's major federal programs for the year ended June 30, 2024. Lancaster City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Lancaster City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Lancaster City School District

Fairfield County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

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

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### ***Responsibilities of Management for Compliance***

The School District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on 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 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.

Lancaster City School District

Fairfield County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

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

Page 3

### **Report on Internal Control Over Compliance (continued)**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 this 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, each major fund and the aggregate remaining fund information of Lancaster City School District, Fairfield County, (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our unmodified report thereon dated December 17, 2024. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. 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 basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 17, 2024

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LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	ALN 84.425 - Education Stabilization Fund Special Education Cluster
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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THE PLACE TO BE

## TREASURER'S OFFICE

Julie Taylor, Treasurer  
Jennifer Smith, Assistant Treasurer

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR 200.511(b)

June 30, 2024

Finding Number	Finding Summary	Status	Additional Information
2022-001	Prevailing Wage Rates – Noncompliance/Material Weakness	Corrected	
2023-001			

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# Lancaster City School District, Ohio

**“Lancaster City Schools, the Place to Be  
for Learning, Caring, Succeeding”**



## Annual Comprehensive Financial Report (ACFR)

**For the Fiscal Year Ended June 30, 2024**

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Lancaster City School District, Ohio

Annual Comprehensive Financial Report  
(ACFR)



For the Fiscal Year Ended June 30, 2024  
Issued By: Treasurer's Office

Julie Taylor, Treasurer

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**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
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**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
*ANNUAL COMPREHENSIVE FINANCIAL REPORT*  
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# **Introductory Section**



**Lancaster  
Gales**

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THE PLACE TO BE

## TREASURER'S OFFICE

*Julie Taylor, Treasurer*  
2780 Coonpath Rd. NE.  
Lancaster, OH 43130  
Email: [j\\_taylor@lcsschools.net](mailto:j_taylor@lcsschools.net)

December 17, 2024

To the Board of Education Members and Citizens of  
Lancaster City School District:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Lancaster City School District (School District) for the fiscal year ended June 30, 2024. This ACFR includes an opinion from the Ohio Auditor of State's Office and conforms to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District.

State law requires that an official report prepared on the GAAP basis be prepared annually within 150 days after the close of the year. The report includes the basic financial statements that provide information about the School District's financial position and the results of financial operations.

This report will provide the taxpayers of the School District with comprehensive financial data in a format that will enable them to gain a clear understanding of the School District's finances. Copies can be printed from the School District's website. We are proud to be one of two school districts in Fairfield County that issues an ACFR. We intend to continue financial reporting improvements based on management experience and reader input. Comments on the report are respectfully requested.

### PROFILE OF THE GOVERNMENT

**Overview of the School District:** The Lancaster City School District is located in the residential-commercial community of Lancaster, the county seat of Fairfield County, which is approximately thirty miles south of Columbus.

Lancaster was founded November 10, 1800, by Colonel Ebenezer Zane, a trail blazer who, in 1797, laid out "Zane's Trace," a trail through Ohio which stretches from Wheeling, West Virginia, to Limestone, Kentucky. His 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.

General William Tecumseh Sherman was born in Lancaster, and his home on downtown Main Street is maintained by the State of Ohio as a Civil War Museum. Thomas Ewing, born in Lancaster in 1789, was one of the first graduates of Ohio University and later became a lawyer, a United States Senator, Secretary of the Treasury, and an advisor to President Lincoln.

Lancaster is home to the annual Lancaster Festival, the Fairfield County Fair, and the Zane Square Festival as well as the Heritage Tour, an annual tour of the beautiful and historic buildings and homes in Lancaster.

The Lancaster City School District was organized in the mid 1850's and continues to operate in the picturesque and historical setting of the Lancaster area. Over the years, in order to meet the needs of a growing community, the School District has expanded many times, most particularly in the mid 1950's and 1960's. The School District educates students from preschool through grade twelve. During fiscal year 2024, the School District was composed of a high school (serving 1,849 students in grades 9-12 at the Lancaster High School campus and the Stanberry School campus), a former freshman school currently used for career-based intervention technology students and administration, two junior high schools (serving grades 6-8) appropriately named General Sherman Junior High and Thomas Ewing Junior High, five elementary schools, and a preschool. As of June 30, 2024, the citizens of Lancaster have an investment of \$210,310,595, net of depreciation/amortization, in School District land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, intangible right to use lease-equipment, and intangible right to use subscription assets-software.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services authorized by charter, and further mandated by State and Federal agencies. The School District operates under a locally elected Board of Education which consists of five members. The Board of Education controls the School District's ten instructional facilities staffed by 312 classified employees, 480 certificated personnel, and 52 administrative employees who provide services to 6,191 students.

The School District provides a wide range of educational and support services as mandated by State statute or public desires. These include regular and vocational instruction, special instructional programs, student guidance services, extracurricular activities, and food service operations.

## **THE REPORTING ENTITY**

The School District's reporting entity is composed of the primary government and other organizations which are included to ensure that the financial statements are not misleading. The reporting entity has been defined in accordance with the principles established by the Governmental Accounting Standards Board (GASB) in Statement Number 14, "The Financial Reporting Entity", in GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units", and in GASB Statement Number 61, "The Financial Reporting Entity: Omnibus".

Component units are legally separate organizations for which the School District is financially accountable. Financial accountability exists if the School District appoints a voting majority of the component unit's governing board and (1) the School District is able to significantly influence the programs or services performed or provided; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated in some manner to finance the deficits of, or provide financial support to the organization, or the School District is obligated for the debt of the organization. The School District has no component units.

The School District participates in the following jointly governed organizations: Licking Area Computer Association, META Solutions, and the Fairfield County Multi-System Youth Committee. Disclosure of the jointly governed organizations is presented in Note 20 to the Basic Financial Statements.

The School District participates in the Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program, the Ohio School Plan, and the South Central Ohio Insurance Consortium, insurance purchasing pools. Information pertaining to these pools is presented in Note 21 to the Basic Financial Statements.

## INTERNAL CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgements by management.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management's discussion and analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A as they are designed to complement each other. The School District's MD&A can be found immediately following the independent auditor's report.

## BUDGETARY CONTROLS

In accordance with State Statute, the Board of Education adopts a temporary appropriations measure for the School District on or about the first day of July. The subsequent permanent appropriations measure is adopted by the first day of October. The School District annually appropriates all funds, except for custodial funds (there were no custodial funds in fiscal year 2024). Budgets are controlled at the fund level for all appropriated funds. The School District's accounting software allows for monitoring of available appropriations prior to their obligation. Additional information on the School District's budgetary accounting can be found in the Notes to the Financial Statements.

## ASSESSING ECONOMIC CONDITION AND OUTLOOK

Located in the south-central portion of the State, Lancaster sits within Fairfield County and borders or buffers the urban expansion of Columbus (the capital city of Ohio) and beholds the picturesque beauty of southeastern Ohio with its scenic attractions and rolling hills. Lancaster remains one of the lowest cost cities in the United States to do business for communities with under 50,000 in population. The low costs mean a faster return on investment properties to continue our community growth.

The City of Lancaster's population had remained relatively stable for a number of years but has changed more significantly within the past decade. The United States Census Bureau estimated the population of Lancaster for calendar year 2023 to be 41,422 as compared to the calendar year 2010 census of 37,243, and the calendar year 2000 census of 35,335. These signs of increased growth activity, which if fully realized, could have a significant impact on the School District.

**Development/Commercial/Industrial:** The Fairfield 33 Development Alliance, a public/private non-profit organization formed in 2007, has strategically marketed the Route 33 Corridor to help bring in hundreds of millions in investments and created thousands of jobs since its inception. By the year 2027, the Alliance strives to add 7,500 new jobs, attract half a billion dollars in investment, and increase the average wages of employees in Fairfield County by 25 percent. Due to the U.S. Route 33 Bypass, Lancaster is in a good position to expect additional successful economic growth. This "interstate look-alike" highway with a divided four-lane cross-section in a limited-access right-of-way has lessened traffic

on Memorial Drive, and thus alleviated the traffic congestion on the City of Lancaster's major commercial corridor. This has attracted customers to shop at the numerous businesses along this corridor and attract new businesses both domestically and internationally based.

Lancaster's historic downtown includes many businesses. The City and County governments have made significant investments downtown including a renovated Municipal Court and a public safety facility. The Mill Party and Event Center, a 6,000 square foot renovated reception hall, was completed in 2017. Lancaster's first microbrewery, Double Edge Brewing, opened in March 2018. Other newer downtown restaurant options include Ale House 1890, O'Huids Gaelic Pub, Bob's Backyard Barbeque, Maria's Mexican Restaurant, El Parian Steaks & Tequila, Triple P's, and JB's Downtown Grill. The \$3.5 million renovation project of the 199-year-old Mithoff Hotel was completed in June 2019 and houses a legal practice, dental hygienist school, a jewelry store, and a spa on the ground level and apartments on the second floor. The long-vacant Essex building, renamed The Shumaker, is currently under construction and is expected to bring the downtown area a new restaurant concept, short-term vacation rentals, and market rate apartments as soon as the summer of 2025.

Lancaster is a desirable location to live, and the community is experiencing high growth in residential development. The largest project is Timbertop, a 77-acre mixed development that will provide an assisted living facility, condominiums, market rentals, and a single-family dwelling development. East Point Apartments and Lofts (previously East Elementary School), which is located near downtown, opened Phase I units (one and two bedroom flats within the refurbished elementary school) at the end of 2020. Phase II included 18 townhomes with attached garages and 20 garden-style units which opened in 2021. The Lancaster Port Authority is also working to build multifamily housing to help address the shortage of affordable housing. Other residential projects include Misty Meadows, The Flats, Gateway, and The Outlook.

The School District, in conjunction with the Ohio Facility Construction Commission (OFCC), completed an \$88 million project to construct five new elementary buildings in January 2017 and \$48 million to construct two new junior high school buildings in August 2020. The School District passed a 3.7 mill bond levy in May 2019 to construct a high school. This project is also in partnership with the OFCC and will complete the School District's master plan for facilities. The School District received approval in July 2020 to enter the Expedited Local Partnership Program (ELPP) which allowed the School District to start the high school project using the School District's share of proceeds first. The Ohio Controlling Board approved the release of State funds for the high school project on August 2, 2021, and the School District signed the Resolution of Acceptance in the Ohio Facilities Construction Commission Classroom Facilities Assistance Program (CFAP) on August 26, 2021, which means the School District and OFCC handles expenditures by the co-funded percentages. Planning on the \$100+ million project began in fiscal year 2021 and construction began in fiscal year 2023, with an estimated opening date of August 2026.

Also on a government front, construction began on the North Water Treatment Plant in 2022. At just under \$100 million, the project will be the most expensive infrastructure project in the history of the City of Lancaster. Construction should be complete in 2026.

Lancaster is a hub for medical services in Fairfield and other surrounding counties. Fairfield Medical Center (FMC) provides full hospital services to the region with a 222-bed facility and smaller outpatient clinics throughout the City of Lancaster. FMC has over 400 doctors on staff and employs a total of 1,705 employees and has remained the City of Lancaster's largest employer over the years. In June 2015, FMC completed its \$38 million facility plan that includes 11 operating rooms, a new surgery wing, advanced technology, family-friendly support areas, and 36 new private patient rooms. OhioHealth Physicians completed a 10,000 square foot medical building in June 2018 that features a lab draw station, radiology services, and a room for orthopedic specialty services. FMC opened a \$31 million, 85,000 square foot, off-campus health and wellness complex, named the River Valley Campus, in September 2019. The complex offers emergency, health and wellness, diagnostic, rehabilitative, laboratory, and women's services, as well as a retail pharmacy and childcare. In 2022, ClearSky Health announced plans to open a

medical rehabilitation hospital providing approximately 30 new beds for patients with disabling injuries and illness that require rehabilitation. ClearSky Health is currently under construction. The Springs at Wyandot Trail (Trilogy Health Services), a senior living facility providing independent living, assisted living, short-term skilled nursing and rehabilitation, memory care, long-term care and adult day care services, welcomed their first residents in August 2024.

Retail space in Lancaster often gets repurposed. The Tree Church purchased the former Rose's 80,000 square foot building, invested in a \$2.5 million renovation, and began holding services there on September 30, 2018. The former Kroger building on the west side was vacated when Kroger opened their \$18 million, 103,531 square foot, new Kroger store in November 2017. The vacated location is now home to Home Goods, Spectrum, and a pet supply retailer. Planet Fitness purchased the former Carnival Foods building and opened the 22,000 square foot fitness center in January 2019. Love's Travel Stop, a 13,000 square foot travel stop which includes a Hardee's, opened just off Business Route 33 in December 2022.

The Ohio University Lancaster campus is situated on 113 acres on the northern edge of Lancaster and serves students throughout central Ohio. A variety of associate and bachelor degree programs can be completed on the Lancaster Campus. Students can begin more than 250 academic programs. Enrollment at the Lancaster Campus in the fall of 2023 was 2,044 students.

Industrially, the infrastructure built by the City of Lancaster has begun to produce new manufacturing and expand existing industries. Lancaster is leading Ohio with two JobsOhio Authenticated Sites. Google purchased 120 JobsOhio Authenticated acres for its new Google Data Center in Lancaster; construction began in 2021 and the first data center is up and running. Cirba Solutions announced a \$200 million expansion to their east side industrial park facility which is currently under construction to create one of the largest battery recycling plants in North America. Although not located in the City of Lancaster, the computer chip plant Intel, announced it will be building a \$20 million microchip plant in Ohio (roughly 35 miles away) employing 3,000 workers plus 7,000 construction workers and 10,000 indirect jobs. The Intel facility is expected to start producing chips in 2025. Lastly, a 106-acre industrial site on South Ewing Street recently became an American Electric Power Certified Site for large industrial projects. Magna Seating completed its new manufacturing operation of seat structures for the automotive industry. Early in 2022, South Central Power Company consolidated its operation from three different facilities into a new \$30 million Headquarters and Operations Center in Rockmill Industrial Park. Chivoda Integre of Japan chose Lancaster as its first United States manufacturing facility, investing \$1 million.

One of the largest pipelines ever constructed in the United States made its way through Fairfield County and was completed in 2010. The REX Rocky Express Pipeline stretching nearly 1,700 miles from Colorado is a 42-inch diameter pipeline delivering approximately 1.6 billion cubic feet of natural gas per day to the Midwest and Eastern United States. The School District continues to benefit from this project through increased property tax collections; however, there is currently an appeal on some of the value.

**Summary:** There is a spirit of cooperation between the City, the County, the school districts, and the Ohio University branch to improve the quality of life in Lancaster. Other advantages are the location of Lancaster, favorable taxation rates, excellent City services, excellent public school system, and the optimism of its leaders and its citizens.

## MAJOR INITIATIVES/ACCOMPLISHMENTS

**For the Year:** The setting and reaching of either individual or “corporate” goals is a common method of striving for excellence in the Lancaster City School District and occurs in all areas of our school community. Our mission: “Lancaster City Schools, the Place to Be for Learning, Caring, Succeeding.”

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2024. Some of those were as follows:

### **Human Resources**

- Developed and enhanced the onboarding process to facilitate a smooth transition for new hires.
- Enhanced the onboarding process that ensures new employees are well integrated in the School District's culture and equipped with the necessary resources.
- Implemented retention strategy to reduce turnover and enhance employee satisfaction.
- Better streamlined the Family Medical Leave Act/Leave of Absence process to reduce uncertainty and ensure compliance with legal requirements.

### **Instructional Services Department**

- Implemented 95 percent Group Tier 1 and Tier 2 foundational curriculum.
- Governor Dewine visited Lancaster City Schools to view a model elementary literacy program at Medill Elementary School.
- Expanded Junior High Career and Technical Education offerings at Thomas Ewing Junior High and General Sherman Junior High.
- Partnered with Fairfield County and the Muskingum Ohio Valley Educational Service Center Driving School to offer Driver Education. Lancaster High School was also the recipient of a Drive To Succeed Grant that will provide Driver Education Scholarships to students in need over the next two fiscal years.

### **Student Services Department**

- Organized the Leadership Academy to promote overall wellness among both students and staff.
- School District Crisis teams were trained and certified to conduct Threat Assessments.
- Acquired the AIM Early Explorers program, a Tier 3 Social Emotional Learning initiative designed to support our Early Learners.
- Maintained our partnership with Fairfield County ADAMH Board to coordinate services for students.

### **Custodial/Maintenance Department**

- Assisted with opening of our School District's new "Central Office" on Coonpath Road.
- Maintenance completed 1,166 work orders in the summer months of June, July, and August 2023 and 4,021 work orders during the school year.

### **Transportation Department**

- Purchased Traversa software to implement for the start of the 2024-2025 school year.
- Hired and trained several new staff members.

### **Business Manager**

- Expanded and paved the Chief Tarhe preschool parking lot, allowing families and students easier access to the building.
- Added a new poured-in-place soft surface and new accessible playground equipment at the preschool.
- Received a grant for the purchase of security items including additional cameras and MARC's Radios for each building.

### **Technology Department**

- Replaced servers in all school buildings for handling all networking services.
- Replaced all wireless access points in our final elementary building to have all updated to the latest model of Meraki APs.
- Instituted 2-factor authentication for our risk-based users to protect accounts and student information.

### **Treasurer's Department**

- Received an unmodified opinion on the fiscal year 2023 audit with no material citations or recommendations noted.
- Received notice that the Lancaster City Schools Annual Comprehensive Financial Report (ACFR) for Fiscal Year ending June 30, 2023, qualified for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The School District has prepared an ACFR each year since fiscal year 1991, with exception for fiscal year ended June 30, 1995.
- Received notice that Lancaster City Schools Popular Annual Financial Report (PAFR) for Fiscal Year ending June 30, 2023, qualified for the Award of Outstanding Achievement in Popular Annual Financial Reporting. This colorful easy-to-read document is a useful tool in educating the public and staff on what revenues and expenditures the School District receives. The School District has prepared a PAFR each year since fiscal year 2008.

### **Food Service Department**

- Completed the 5-year Administrative Review with Ohio Department of Education and Workforce (DEW) without any findings.
- Managed to overcome the USDA reducing entitlement funds in December 2023, by using cash fund balances to cover the extra cost for food.
- Overcame staffing issues and increased the substitute pool.

### **Athletic Department**

- Maintained participation numbers for grades 7-12, totaling 1,370.
- Had 515 multi-sport athletes.
- Won 10 Ohio Capital Conference Buckeye Division Championships this year (previous record was 8). Won in girls tennis, boys and girls cross country, boys swimming, wrestling, gymnastics, boys tennis, softball, and boys and girls track and field.

### **Lancaster High School**

- Summa Cum Laude Banquet recognized 25 seniors for their effort and dedication during their four years at Lancaster High School where they earned a GPA of 4.0 or higher.
- With the help of Roosters - Student of the Month lunches, over 70 students were recognized for their hard work and dedication throughout the school year.
- Senior Scholarship Award Recipients – Thanks to the generous donations and support from the local community, over 50 seniors received scholarship dollars to be used for post-secondary education.

### **General Sherman Junior High School**

- Conducted various fundraisers to raise money to support our student families during the holidays.
- Student Council purchased signs for our new gym portraying sportsmanship, all of the schools we play in our conference, and a big “Welcome to General Sherman” sign.
- Held our annual “Show our Love for the Troops” drive in February 2024.

### **Thomas Ewing Junior High School**

- Thomas Ewing Student Council provided 10 student families with Thanksgiving and another 10 student families for Christmas.
- Donated over 1,500 food items to the Maywood Mission food pantry.
- Thomas Ewing Decepticons (Esports Team) finished runner-up in the State play for season 1 and third place in season 2 in Rocket League.

### **Gorsuch West Elementary**

- Raised nearly \$7,000 at the Big Brothers and Big Sisters Bowl for Kid's Sake event.
- Implemented weekly grade-level meetings for fifth grade students. These meetings not only facilitate goal setting but also emphasize character development, instilling values of responsibility, perseverance, and empathy in students, preparing them for success both academically and personally.

### **Medill Elementary**

- Governor DeWine and DEW Director, Stephen Dackin, visited Medill Elementary to get a first-hand look at literacy programming happening throughout the School District. They visited classrooms and held a panel discussion with School Board members, Superintendent Hale, central office personnel, and building administration.
- Granted the renewal of their Heart Safe School Accreditation.

### **Mount Pleasant Elementary**

- Recognized by the Ohio PBIS Network and State Support Team and awarded the 2023 Gold Award for the implementation of school-wide behavior intervention and supports. This is our third year in a row that Mt. Pleasant was acknowledged at the Gold Award during the Statewide PBIS conference.
- After 4 years of fundraising with our Parent-Teacher Organization, we have raised over \$15,000 in funds for a playground in our courtyard area.
- Finished its seventh year as a Leader in Me school, an evident-based model focused on leadership, culture, and academics that equips our students with the leadership and life skills necessary to thrive in our world.

### **Tallmadge Elementary**

- Students participated in the Garden Club to create an Outdoor Pollinator Garden. Butterfly bushes and perennial flowers that attract birds, bees, and butterflies were planted.
- Michael Johnson from the Fairfield County Heritage Association shared local history about Scipio Smith, born in 1796 as a slave, from the Tallmadge community. Scipio came to Lancaster and became the first black businessman. Ideas were shared with the sculptor and funds were raised by the students for the bronze statue of Scipio and is being created.

### **Tarhe Trails Elementary**

- Added a drama club as a new student activity. Two productions were held for the student body, parents, and community.
- Received 5 STAR Rating in State of Ohio on performance, the only K-5 elementary school in Fairfield County to receive 5 Star honors.
- Partnered with Nationwide Children's Hospital to implement school-wide prevention practices.

Along with the major initiatives listed above, all teachers and administrators have set goals for their classrooms and buildings or departments. All of the goals, whether individual or School District-wide, have one common purpose - excellence in education for the students of the School District.

**For the Future:** The School District will continue to seek ways to be more efficient and do more with less, while continuing to offer an excellent education to all children who attend Lancaster City Schools. State funding of schools in Ohio is always an uncertainty; therefore, the School District needs to remain flexible to the changes that most likely will come due to the State government's lack of focus and responsibility to fund schools adequately in Ohio. In the future, the School District will continue to deal with the unconstitutional funding formula and increased costs of educating students.

## LONG-TERM FINANCIAL PLANNING

In the November 2006 general election, the School District electorate approved a 10-year, 1.5 percent earned income tax initiative. This issue was expected to generate approximately \$8,698,676 annually according to the Ohio Department of Taxation. The School District began receiving full year collections in fiscal year 2008 in the amount of \$9,260,589. In the November 2015 general election, the School District electorate renewed the 1.5 percent earned income tax for a continuing period of time. The income tax earnings have continued to rise. The School District recognized \$17,276,337 in fiscal year 2024. With the passage of this continuing revenue stream, the School District had the fiscal stability to finance and build two new junior high school buildings in partnership with the Ohio Facilities Construction Commission without asking for additional taxpayer dollars.

The Board of Education Standing Finance Committee has reviewed the five-year forecast so that the School District's Board of Education's directive to maintain a 12 percent operating cash carryover can be met. This has been accomplished in two years of the five-year forecast.

The School District has realized increases in enrollment from 6,245 in fiscal year 2015 to 6,406 in fiscal year 2020; however, effects of the COVID-19 pandemic reduced enrollment to 6,133 in fiscal year 2021 as parents looked to alternative education. Enrollment has rebounded slightly from fiscal year 2021 to fiscal year 2024 with an enrollment of 6,191 (down from 6,213 in 2023).

The School District extended its partnership beyond the five new elementary buildings with the OFCC and constructed two new junior high school buildings. The junior high school buildings opened in January 2020 and August 2020. The School District's share of the project was funded with operating funds (made possible with the renewal of the income tax in November 2015 on a continuing basis). The total co-funded project came in at \$48 million and was reconciled and closed by OFCC in July 2023.

The School District passed a 3.7 mill bond levy in May 2019 to partner yet again with the OFCC to construct a new high school. The Board of Education had delayed the collection of taxes for tax year 2019, collection in 2020, due to the OFCC not having its portion of the project available. The Fairfield County Auditor began property tax collections for tax year 2020, collection in 2021. The School District received approval in July 2020 to enter the Expedited Local Partnership Program (ELPP) which allowed the School District to start the high school project using the School District's share of proceeds first. As mentioned prior, the Ohio Controlling Board approved the release of State funds for the high school project on August 2, 2021, and the School District signed the Resolution of Acceptance in the Ohio Facilities Construction Commission Classroom Facilities Assistance Program (CFAP) on August 26, 2021, that allows the School District and OFCC to co-fund expenditures throughout the project. Planning on the \$100+ million project began in fiscal year 2021 then construction began in fiscal year 2023. The estimated opening date is August 2026.

There are needs in the School District that have been included in the current five-year forecast. These include: purchasing of new textbooks (electronic and paper copy), updating computer hardware and software, updating library books and reference materials, maintenance of building and grounds, and salaries and benefits are negotiated items within the union contracts.

The School District, in the past, has met these challenges and it is hoped, will continue to meet the challenges in the future for its students. After all, WE ARE THE PLACE TO BE FOR LEARNING, CARING, SUCCEEDING.

## FINANCIAL INFORMATION

**Relevant Financial Policies:** The School District will strive to ensure that the budget is structurally balanced so that current fiscal year revenues are sufficient to fund current fiscal year expenditures without the use of one-time revenue sources. One-time revenue sources may be used for one-time expenditures,

such as capital projects. School buildings and departments are encouraged to maximize the use of State and federal revenues to help preserve general revenues for other needs. The Board of Education passed a cash reserve resolution in fiscal year 2010 that will help ensure a 12 percent operating cash carryover be maintained at least two years out into the five-year forecast.

Budgetary appropriations may not exceed estimated resources. The budget may be amended or supplemented at any time during the fiscal year upon formal action of the Board of Education. Transfers of cash between funds require the Board of Education's authorization. The basis of accounting and various funds the School District utilizes are fully described in Note 2 to the Basic Financial Statements. Additional information on the School District's budgetary accounting can also be found in Notes 2 and 5.

The Treasurer manages the investments of the School District by adhering to the Investment and Depository Policy as authorized by the School District's Investment Policy and in keeping with Ohio Revised Code Section 135.35. The policy details the objectives and allowable rules for the safekeeping of School District funds. More information about investments is available in Note 6 to the Basic Financial Statements.

The School District's capital assets policy is designed to provide accountability and control over the school's capital assets and to assist buildings and departments in gathering and maintaining information needed for the preparation of the financial statements.

## **INDEPENDENT AUDIT**

In compliance with State statute, the basic financial statements have been audited by the Ohio Auditor of State's Office. The independent auditor concluded that the School District's financial statements for the year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

## **AWARDS AND ACKNOWLEDGMENTS**

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, with contents conforming to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Lancaster City School District has received a Certificate of Achievement for thirty-one years out of the last thirty-two years. The School District did not submit an ACFR for the fiscal year ended June 30, 1995. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

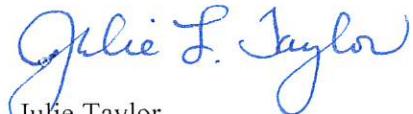
In addition, the School District received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for the year ended June 30, 2023. The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the School District's financial condition. This was the fifteenth year the School District produced a PAFR and received the award.

**Acknowledgments:** The publication of this report is a major step toward the commitment to professionalizing the financial reporting of the Lancaster City School District and significantly increases the accountability of the School District to the taxpayers.

The accomplishment of this report would not have been possible without the assistance, support, and efforts of the staff of the Treasurer's office, Superintendent's office, and various administrators and employees of the School District. A special thank you is extended to State Auditor Keith Faber's office for its guidance in preparing this financial report.

Finally, sincere appreciation is extended to the Board of Education, where the commitment to excellence begins. Without their support, this ACFR would not have been possible.

Respectfully Submitted,



Julie Taylor  
Treasurer  
Lancaster City School District



Government Finance Officers Association

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

Presented to

**Lancaster City School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

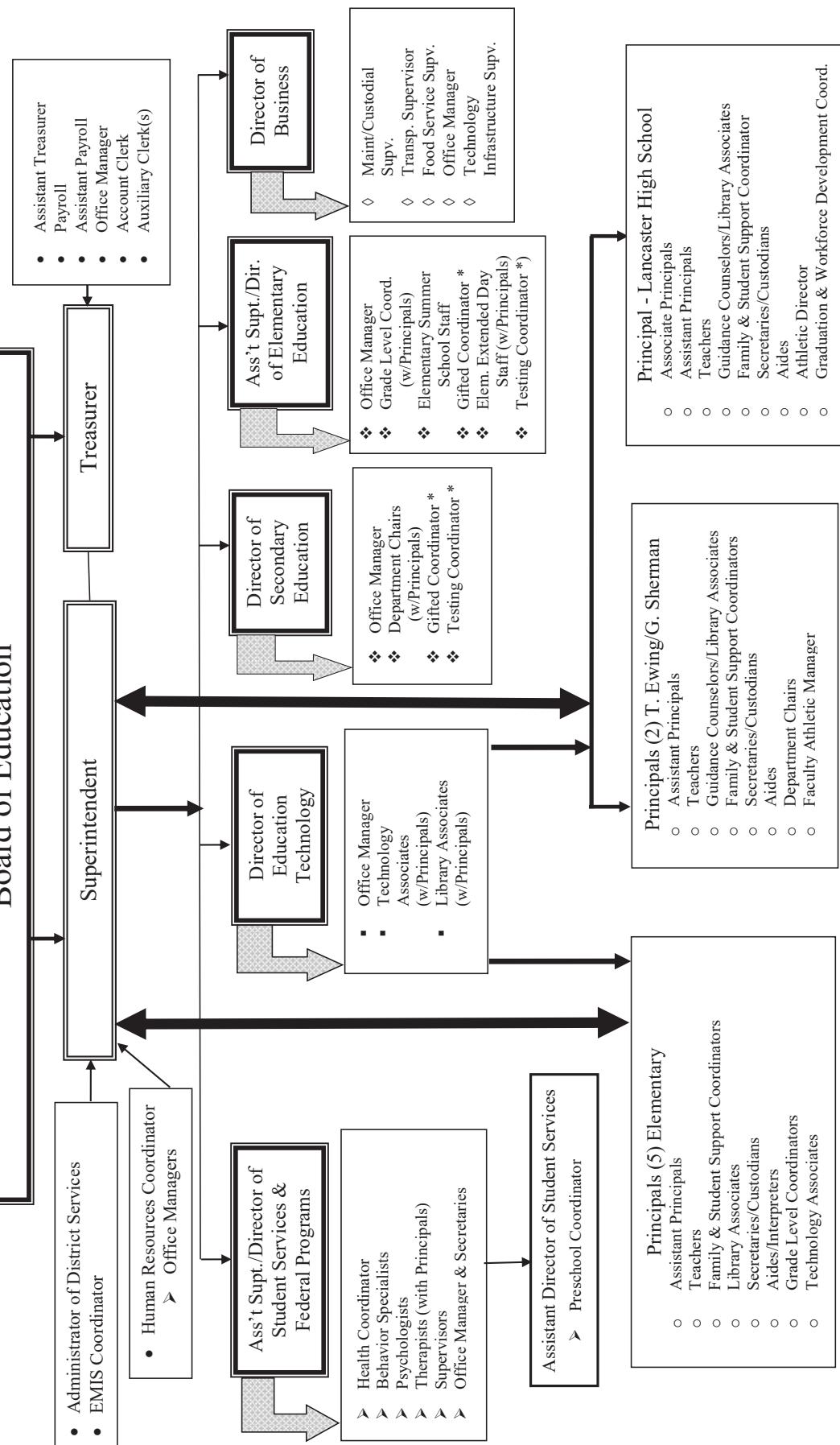
*Christopher P. Monell*

Executive Director/CEO

# Lancaster City Schools' Organizational Chart

Revised in 2021

File: CCA



# LANCASTER CITY SCHOOL DISTRICT, OHIO

## ORGANIZATIONAL CHART

*(Continued)*

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<u><b>SUPERINTENDENT</b></u>	<u><b>PRINCIPALS, ASSISTANT PRINCIPALS</b></u>	<u><b>TREASURER</b></u>
-- Administrative Assistant For Data Processing Services	-- Teachers -- Guidance Counselors -- Deans -- Media -- Tutors -- Secretaries	-- Assist. Treasurer -- Payroll Clerk -- Assist. Payroll Clerk -- Account Clerk -- Office Manager -- Secretary
-- Administrator of District Services	-- Instructional Educational Assistants -- Classroom Technology Technicians -- Health Assistants -- Graduation and Workforce Development Coordinator -- Library Associates	
<u><b>SPECIAL EDUCATION</b></u>	<u><b>DIRECTORS, SUPERVISORS</b></u>	<u><b>FOOD SERVICE</b></u>
-- Health Care Coordinator -- Behavior Specialists -- Social Workers -- Psychologists -- Therapists -- Preschool Coordinator -- Secretary -- Office Managers -- Social Services Coordinators -- Behavior Technician -- Assistant Director of Student Services -- Licensed Practical Nurse -- Interpreter -- Occupational Therapy Assistant	-- Office Manager	<u><b>SUPERVISOR</b></u> -- Managing Cooks -- Assistant Managing Cooks -- Cooks -- Cashiers -- Secretary -- Account Clerk
<u><b>MAINTENANCE/CUSTODIAL SUPERVISOR</b></u>		<u><b>TRANSPORTATION SUPERVISOR</b></u>
-- Journeyman/Apprentice -- Secretary -- Custodians -- Maintenance Staff -- Courier -- Managing Custodian		-- Bus Driver -- Mechanic -- Secretary -- Bus Aide -- Van Driver

**LANCASTER CITY SCHOOL DISTRICT, OHIO**

*PRINCIPAL OFFICIALS*

JUNE 30, 2024

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**BOARD OF EDUCATION**

Ms. Amy Eyman . . . . .	President
Ms. Lise Ricketts. . . . .	Vice President
Mr. Brian Everitt. . . . .	Member
Ms. Dianne Garlinger. . . . .	Member
Ms. Kathy Kittredge . . . . .	Member

**Treasurer**

Julie Taylor, Treasurer

**Administration**

Nathan Hale. . . . .	Superintendent
Jerry Rainey . . . . .	Director of Business
Sarah Daugherty. . . . .	Supervisor of Education Technology
Steve Spangler . . . . .	Director of Secondary Education
Donna McCance . . . . .	Assistant Superintendent/Director of Student Services and Federal Programs
Dr. Jeromey Sheets . . . . .	Assistant Superintendent/Director of Elementary Education

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## **Financial Section**



**Lancaster  
Gales**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Lancaster City School District  
Fairfield County  
2780 Coonpath Rd. NE.  
Lancaster, OH 43130

To the Board of Education:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lancaster City School District, Fairfield County, Ohio (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lancaster City School District, Fairfield County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2024, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 100 *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and

pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

#### ***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund financial statements is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

#### ***Other Information***

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

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control over financial reporting and compliance.

Lancaster City School District  
Fairfield County  
Independent Auditor's Report  
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Keith Faber  
Auditor of State  
Columbus, Ohio

December 17, 2024

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*Unaudited*

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As management of the Lancaster City School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements.

## **Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- Net position of governmental activities increased.
- The School District had income taxes revenue over \$17 million for a second year in a row, which is the highest level of income taxes revenue since it was originally enacted in 2007.
- The School District earned over \$6 million in unrestricted investment earnings/interest during fiscal year 2024 due to the improvement in interest rates and available cash for investing.
- Capital assets had a large increase primarily due to the School District continuing construction of the new high school.
- The School District had three major funds, the general fund, the bond retirement fund, and the classroom facilities fund.

## **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The statement of net position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a long-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's most significant funds with all non-major funds presented in total in one column.

### ***Reporting the School District as a Whole***

#### *Statement of Net Position and Statement of Activities*

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, extracurricular activities, and interest.

### ***Reporting the School District's Most Significant Funds***

#### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for multiple financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the bond retirement fund, and the classroom facilities fund.

**Governmental Funds** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal 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 School District's general governmental 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 educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds** When the School District charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the employees of the School District, the services are reported as an internal service fund. The School District has one internal service fund to account for employee medical, surgical, prescription drug, and dental claims.

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the School District's programs. The School District has no fiduciary funds.

### **The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2024 compared to 2023.

**Lancaster City School District, Ohio**  
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**Table 1 - Net Position**

	Governmental Activities		
	2024	2023 *	Change
<b>Assets</b>			
Current and Other Assets	\$180,434,667	\$213,423,847	(\$32,989,180)
Net OPEB Asset	5,740,424	7,543,582	(1,803,158)
Capital Assets	<u>210,310,595</u>	<u>157,564,776</u>	<u>52,745,819</u>
Total Assets	<u>396,485,686</u>	<u>378,532,205</u>	<u>17,953,481</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	2,493,785	2,624,304	(130,519)
Pension	18,358,893	22,486,409	(4,127,516)
OPEB	<u>3,526,047</u>	<u>2,485,149</u>	<u>1,040,898</u>
Total Deferred Outflows of Resources	<u>24,378,725</u>	<u>27,595,862</u>	<u>(3,217,137)</u>
<b>Liabilities</b>			
Current and Other Liabilities	19,109,068	17,804,094	1,304,974
Long-Term Liabilities:			
Due Within One Year	4,693,184	4,527,574	165,610
Pension	79,944,669	81,788,388	(1,843,719)
OPEB	<u>5,001,160</u>	<u>4,509,823</u>	<u>491,337</u>
Other Amounts Due in More Than One Year	<u>144,757,207</u>	<u>148,611,819</u>	<u>(3,854,612)</u>
Total Liabilities	<u>253,505,288</u>	<u>257,241,698</u>	<u>(3,736,410)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes/Payment in Lieu of Taxes	35,387,732	32,977,473	2,410,259
Leases	343,387	355,379	(11,992)
Pension	5,215,200	6,861,379	(1,646,179)
OPEB	<u>9,333,449</u>	<u>11,358,830</u>	<u>(2,025,381)</u>
Total Deferred Inflows of Resources	<u>50,279,768</u>	<u>51,553,061</u>	<u>(1,273,293)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	91,947,888	61,628,444	30,319,444
Restricted	56,578,449	70,079,550	(13,501,101)
Unrestricted (Deficit)	<u>(31,446,982)</u>	<u>(34,374,686)</u>	<u>2,927,704</u>
<b>Total Net Position</b>	<b><u>\$117,079,355</u></b>	<b><u>\$97,333,308</u></b>	<b><u>\$19,746,047</u></b>

**New Accounting Pronouncements/Adjustments \***

For 2024, the School District implemented Question 5.1 from GASB Implementation Guide No. 2021-1 resulting in an additional \$5,282,535 in capital assets (net of accumulated depreciation) being reported in governmental activities at the beginning of the year. This change impacted the net investment in capital assets category of net position by the same amount. (See note 3). Under GASB 100, *Accounting Changes and Error Corrections*, this change is considered a change in accounting principle, and the effects of this restatement have been reflected in the 2024 column. GASB 100 does not require MD&A information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle.

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## **Governmental Activities**

The net pension liability is one of the largest liabilities reported by the School District at June 30, 2024. 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 School District 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.

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.

Total assets of governmental activities increased during fiscal year 2024. Current and other assets decreased mainly due to a decrease in investments and intergovernmental receivables. These decreases were due to the School District's construction phase of the new high school through an OFCC project and bond proceeds approved by local voters. The expenses related to the new high school become a component of capital assets in construction in progress until the new high school is completed. In fiscal year 2022, the School District was awarded the OFCC portion of the new high school project in the amount of \$46,431,850. As of fiscal year end 2024, the School District still carries an intergovernmental receivable for \$20,980,187 in the classroom facilities fund. The School District issued \$66,125,000 in general obligation bonds in May 2020 for the local share of the new high school building under the expedited local partnership program of the OFCC. The OFCC portion of the project was not available during fiscal years 2020 or 2021; therefore, the School District began to spend the local share portion of the project until the OFCC portion of the project was available to be drawn in fiscal year 2022. Increases in cash and cash equivalents during 2024 offset some of the decreases in investments and intergovernmental receivables. Cash balances increased mainly due to increases in investment earnings. Even though investments decreased during fiscal year 2024, the School District was able to invest in higher interest earning investments due to the improvement in interest rates which offset the decrease in investments related to the new high school construction. Capital assets increased primarily due to the ongoing construction of the new high school which is included in construction in progress.

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Total liabilities of governmental activities decreased during fiscal year 2024. Current and other liabilities increased due primarily to increases in contracts and retainage payable due to the construction of the new high school. The construction phase began in fiscal year 2023 and continued in fiscal year 2024. Accrued salaries and benefits increased slightly resulting from increases in staff levels and salary increases. Long-term liabilities decreased mainly due to decreases in the pension liability and decreases in other amounts due in more than one year. Fiscal year 2024 principal payments on leases payable and outstanding bonds (including bond premiums, discount amortization, and capital appreciation bond accretion payments) were approximately \$5 million. These payments were offset by the accretion of capital appreciation bonds of approximately \$1.3 million. The School District did not enter into any new leases or bonds during fiscal year 2024.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024, and comparisons to fiscal year 2023.

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**Table 2 - Changes in Net Position**

	Governmental Activities		
	2024	2023 *	Change
<b>Revenues</b>			
Program Revenues			
Charges for Services and Sales	\$2,275,873	\$2,151,745	\$124,128
Operating Grants, Contributions, and Interest	22,059,933	21,984,131	75,802
Capital Grants and Contributions	211,238	515,647	(304,409)
Total Program Revenues	<u>24,547,044</u>	<u>24,651,523</u>	<u>(104,479)</u>
General Revenues			
Property and Other Taxes	36,767,318	39,215,659	(2,448,341)
Income Taxes	17,276,337	17,663,847	(387,510)
Grants and Entitlements	30,930,267	27,729,633	3,200,634
Gain on Sale of Capital Assets	5,347	0	5,347
Payment in Lieu of Taxes	426,988	286,020	140,968
Unrestricted Investment Earnings/Interest	6,284,946	2,996,543	3,288,403
Miscellaneous	241,429	263,473	(22,044)
Total General Revenues	<u>91,932,632</u>	<u>88,155,175</u>	<u>3,777,457</u>
Total Revenues	<u>116,479,676</u>	<u>112,806,698</u>	<u>3,672,978</u>
<b>Program Expenses</b>			
Instruction:			
Regular	36,051,381	38,180,175	(2,128,794)
Special	17,172,784	16,608,271	564,513
Vocational	2,374,671	2,261,188	113,483
Student Intervention Services	294,008	257,396	36,612
Support Services:			
Pupils	9,039,724	8,151,907	887,817
Instructional Staff	3,853,865	3,798,671	55,194
Board of Education	110,721	129,555	(18,834)
Administration	7,451,909	7,109,014	342,895
Fiscal	2,153,947	2,116,671	37,276
Business	468,702	451,949	16,753
Operation and Maintenance of Plant	6,145,987	8,068,578	(1,922,591)
Pupil Transportation	3,747,798	3,547,984	199,814
Central	1,222,836	1,062,948	159,888
Operation of Non-Instructional Services:			
Food Service Operations	4,015,267	3,789,781	225,486
Other	889,626	894,503	(4,877)
Extracurricular Activities	2,173,359	2,158,150	15,209
Interest	4,849,579	4,673,786	175,793
Total Program Expenses	<u>102,016,164</u>	<u>103,260,527</u>	<u>(1,244,363)</u>
<i>Change in Net Position</i>	<u>14,463,512</u>	<u>9,546,171</u>	<u>4,917,341</u>
<i>Net Position Beginning of Year as Previously Reported *</i>	97,333,308	87,787,137	9,546,171
<i>Adjusted - Change in Accounting Principles</i>	5,282,535	0	5,282,535
<i>Adjusted Net Position Beginning of Year</i>	102,615,843	87,787,137	14,828,706
<b>Net Position End of Year</b>	<b><u>\$117,079,355</u></b>	<b><u>\$97,333,308</u></b>	<b><u>\$19,746,047</u></b>

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### **New Accounting Pronouncements/Adjustments \***

The prior table reflects the restatement for changes in accounting principles related to the implementation of Question 5.1 from GASB Implementation Guide 2021-1. GASB Statement No. 100 does not require MD&A information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect program depreciation expense and does reflect program functional expense for the acquisition of any assets now being reported under Question 5.1 from GASB Implementation Guide 2021-1. (See also explanation of new accounting pronouncements/restatements provided related to Net Position – Table 1 and explanation provided in note 3.)

### **Governmental Activities**

The DeRolf IV Ohio Supreme Court decision has not eliminated the dependence on property and other taxes. The fundamental reliance on property and other taxes is still inherent with public schools in Ohio. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. Basically, the mills collected decrease as the real property valuation increases thus generating about the same revenue. Property and other taxes made up over 32 percent of revenues for governmental activities for the School District in fiscal year 2024. In November 2006, the voters in the School District passed the 1.5 percent earned income tax levy for a ten-year period. On November 3, 2015, the School District electorate renewed the 1.5 percent earned income tax for a continuing period. Income taxes made up 15 percent of revenues for governmental activities for the School District in fiscal year 2024.

Program revenues remained fairly consistent with the prior year. General revenues had an increase from fiscal year 2023 as compared to fiscal year 2024. The largest areas of change were seen in unrestricted investment earnings/interest and grants and entitlements revenue. Unrestricted investment earnings/interest reflected an increase due to higher rates of interest on investments compared to fiscal year 2023 and the fluctuation in market values of investments due to the economy. Grants and entitlements revenue increased due to fiscal year 2024 increases in State foundation funding. These increases were offset by a decrease in property and other taxes due to higher amounts available as an advance in fiscal year 2023 compared to fiscal year 2024. These amounts were provided by the Fairfield County Auditor's Office, and they can fluctuate each year due to the due date of taxes and the number of taxpayers that pay their taxes early. Another factor to consider is that the debt service millage was decreased 0.5 mills during fiscal year 2024 due to the reduction of bond levy mills needed to meet current bond payment requirements.

Program expenses decreased during fiscal year 2024 compared to fiscal year 2023. Expenses decreased mainly due to fluctuations in the pension/OPEB related expenses. A larger portion of the decrease in net pension liability would be reflected in regular instruction. Expenses were also affected by a slight increase in staff, salary increases, and a slight decrease in enrollment. The decrease in operation and maintenance of plant was due to an increase in items being capitalized in capital assets in fiscal year 2024 compared to fiscal year 2023. Instructional programs comprise the largest portion of total governmental program expenses and support services are the second largest portion, since the School District's purpose is to instruct and support its students in order to prepare them for a positive future. The largest areas are regular and special education instruction.

The statement of activities shows the cost of program services and the charges for services and sales, grants, contributions, and investment earnings/interest offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

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**Table 3 - Total and Net Cost of Services**

	Governmental Activities			
	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
	<b>Program Expenses</b>			
Instruction:				
Regular	\$36,051,381	\$33,783,338	\$38,180,175	\$32,810,893
Special	17,172,784	4,558,120	16,608,271	6,615,384
Vocational	2,374,671	1,366,639	2,261,188	1,431,207
Student Intervention Services	294,008	197,441	257,396	145,140
Support Services:				
Pupils	9,039,724	7,743,395	8,151,907	6,692,397
Instructional Staff	3,853,865	3,240,998	3,798,671	3,139,280
Board of Education	110,721	110,721	129,555	129,555
Administration	7,451,909	7,046,870	7,109,014	6,742,299
Fiscal	2,153,947	2,105,484	2,116,671	2,114,250
Business	468,702	468,702	451,949	451,949
Operation and Maintenance				
of Plant	6,145,987	5,517,307	8,068,578	7,570,282
Pupil Transportation	3,747,798	3,162,889	3,547,984	2,928,642
Central	1,222,836	1,222,836	1,062,948	1,062,948
Operation of				
Non-Instructional Services:				
Food Service Operations	4,015,267	493,595	3,789,781	341,147
Other	889,626	(10,359)	894,503	4,314
Extracurricular Activities	2,173,359	1,611,565	2,158,150	1,755,531
Interest	4,849,579	4,849,579	4,673,786	4,673,786
<b>Totals</b>	<b><u>\$102,016,164</u></b>	<b><u>\$77,469,120</u></b>	<b><u>\$103,260,527</u></b>	<b><u>\$78,609,004</u></b>

The prior schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. For 2024, only 24 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services and sales, grants, contributions, and interest. The remaining 76 percent is provided through taxes and entitlements.

### **The School District's Major Funds**

The School District's major funds (the general fund, the bond retirement fund, and the classroom facilities fund) are accounted for using the modified accrual basis of accounting.

**General Fund** - The general fund had an increase in fund balance during fiscal year 2024. Revenues increased from the prior year primarily due to increases in intergovernmental and investment earnings/interest revenues. Intergovernmental increased due to increases in State Foundation funding revenues. Investment earnings/interest revenue increases were due to increases in interest rates, which reflects the national market and economy on the School District's investments, and changes in investment choices. These increases were offset by decreases in property and other taxes revenue due the timing of taxpayer payments and the due date of taxes, which were discussed prior. Expenditures also reflected an increase from fiscal year 2023 to 2024. This increase over the prior year was primarily related to salary and

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*Unaudited*

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benefit cost increases and an increase in staff levels. Also, the cost of doing business in fiscal year 2024 was higher than it was in fiscal year 2023 due to inflationary increases in the current economy. Other financing uses decreased due to a decrease in transfers. In fiscal year 2024, the general fund transferred approximately \$3.8 million compared to approximately \$6.5 million in fiscal year 2023. Each year the general fund transfers money to the bond retirement debt service fund for two junior high school buildings bond debt service payments which are backed by income taxes. The general fund also transfers money each year to the food service special revenue fund for unpaid food charges. The general fund has also transferred money to the school building construction capital projects fund in fiscal years 2023 and 2024 for the purpose of funding plan additions to the new high school currently under construction. The transfer requirements for these reasons were less in fiscal year 2024 compared to fiscal year 2023.

**Bond Retirement** – The bond retirement fund balance increased in fiscal year 2024 due to revenues and other financing sources exceeding expenditures. Revenues decreased due to the reduction of 0.5 property tax mills due to the decrease in property taxes needed for the retirement of future debt. Expenditures decreased due to the decrease in the scheduled bond payments compared to fiscal year 2023. Transfers were from the general fund for the purpose of paying off the two junior high schools building bonded debt which are backed by income taxes.

**Classroom Facilities** - The classroom facilities fund balance decreased in fiscal year 2024. Revenues in the classroom facilities fund consisted of intergovernmental revenue draws from the OFCC for the new high school project and investment earnings/interest earnings. Investment earnings/interest increased from the prior year due to increases in interest rates. Expenditures consisted of capital outlay services for the construction of the new high school project. The School District entered into the construction phase of the new high school in fiscal year 2023 and it continued through fiscal year 2024. Expenditures in fiscal year 2024 exceeded fiscal year 2023 due to the progress in the high school construction phase.

### **General Fund Budgeting Highlights**

The School District'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 fiscal year 2024, the School District amended its general fund budget as needed. The School District closely monitors its resources and uses and if necessary, modifies appropriations on a timely basis. For revenues, increases from the original budget to the final budget were due to revenues being higher than originally anticipated. The School District received actual revenues even higher than final budgeted revenues anticipated due to increased interest rates, a strong local economy, and a strong housing market. The two highest budgeted revenues were intergovernmental and property and other taxes. Other financing sources budgeted revenues remained consistent. For expenditures and other financing uses, changes from the original budget to the final budget slightly decreased due to the School District's intention to conserve fund balances which still allowed for final appropriations to exceed final expenditures. During fiscal year 2023, the general fund advanced money to the school building construction fund while they waited on OFCC to close out the old junior high school projects. This advance was returned to the general fund in fiscal year 2024. The general fund transferred \$93,121 to the food service special revenue fund for inactive bad student accounts, \$1,852,082 to the bond retirement major debt service fund for the bond payment related to the two new junior high school buildings, \$1,870,754 to the school building construction capital projects fund for new plan additions for the high school, and \$571,000 to the termination benefits fund. The termination benefits fund is combined with the general fund for GAAP reporting purposes but shown as a special revenue

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fund on a budgetary reporting basis. The School District's ending unobligated fund balance was \$40,066,113, which was an increase from the unobligated fund balance at the beginning of the fiscal year.

### **Debt Administration and Capital Assets**

**Debt** At June 30, 2024, the School District had bonded debt and leases outstanding (including premiums, discounts, and capital appreciation bond accretion). The net pension/OPEB liability under GASB 68 and GASB 75 is also reported as a long-term obligation that has been previously disclosed within the management's discussion and analysis. See Note 15 for more detailed information on the School District's debt. Table 4 shows fiscal year 2024 compared to 2023.

**Table 4 - Outstanding Debt at June 30 - Governmental Activities**

	2024	2023
School Facilities Construction and Improvement Bonds Series 2016 B	\$10,654,912	\$11,634,906
School Facilities Construction and Improvement Refunding Bonds, Series 2017	8,757,612	8,928,074
School Facilities Construction and Improvement Refunding Bonds, Series 2019	50,112,291	50,820,441
School Facilities Construction and Improvement Bonds Series 2020	63,144,037	64,581,833
School Improvement Refunding Bonds Series 2021	11,670,000	12,055,000
Leases Payable	36,315	97,174
<b>Totals</b>	<b>\$144,375,167</b>	<b>\$148,117,428</b>

**Capital Assets** At the end of fiscal year 2024, the School District had invested in nondepreciable, amortizable, and depreciable capital assets. Table 5 shows fiscal year 2024 compared to 2023.

**Table 5 - Capital Assets (Net of Depreciation/Amortization) - Governmental Activities**

	2024	2023
Land	\$3,681,261	\$3,563,836
Construction in Progress	74,460,283	23,981,360
Land Improvements	12,850,436	13,508,210
Buildings and Improvements	109,318,412	111,874,019
Furniture and Equipment	7,349,006	7,067,520
Vehicles	2,423,543	2,755,192
Intangible Right to Use - Equipment	36,315	97,174
Intangible Right to Use - Subscription Assets - Software	191,339	0
<b>Totals</b>	<b>\$210,310,595</b>	<b>\$162,847,311</b>

The 2023 governmental activities amount above includes the \$5,282,535 restatement for the implementation of Question 5.1 of the GASB Implementation Guide No. 2021-1. This restatement is not included in the 2023 financial information on pages 7 and 10. This capital asset table is consistent with Note 10 to the basic financial statements.

The majority of the change in capital assets during fiscal year 2024 is reflected in construction in progress. As of June 30, 2024, the new high school was in construction in progress along with other improvement projects in progress.

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## **Economic Factors**

During fiscal year 2024, the School District's net position increased. During fiscal year 2022, the School District was awarded the OFCC grant award of \$46.4 million for the new high school, the final phase of the School District's new school buildings. Revenues increased in fiscal year 2024 primarily due to unrestricted investment earnings/interest because of increases in interest rates and grants and entitlements because of increases in State foundation monies; however, the increase in revenues were offset by a decrease in property and other taxes due to changes in the amount available as an advance as discussed prior. The School District received its 17th year of income tax revenues from the passage of the 1.5 percent earned income tax levy. On November 3, 2015, voters approved the renewal 1.5 percent earned income tax levy for a continuing period of time. Income tax collections have seen an increase every year since the levy was passed until fiscal year 2024. Fiscal year 2024 was slightly lower than fiscal year 2023. Due to this continuous revenue stream, the School District has had the fiscal stability to finance and build the two new junior high school buildings in partnership with the OFCC without asking for additional taxpayer dollars, which were finished in fiscal year 2022. These junior high school bonds will mature in fiscal year 2040. There was a decrease in expenses during fiscal year 2024 due mainly to the fluctuations of the pension/OPEB related expenses. The School District will continue to be conservative in the area of expenses in the future. The School District continues to utilize a Board Finance Committee created during fiscal year 2005 whose purpose is to monitor the School District's financial stability, to meet throughout the fiscal year, and report to the Board of Education any finance related recommendations. In March 2010, the Board passed a resolution to maintain a cash reserve balance of 12 percent of operating expenses, which is necessary in the interest of sound fiscal management and affirm that tax levies shall be pursued, and/or the School District's finances otherwise managed to ensure the cash reserve. The Board of Education and administration of the School District must continue to maintain careful financial planning and prudent fiscal management in order to preserve the opportunities accustomed to our students.

## **Contacting the School District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, you may contact Julie Taylor, Treasurer, Lancaster City School District, 2780 Coonpath Road NE, Lancaster, Ohio 43130, or E-Mail at [j\\_taylor@lcsschools.net](mailto:j_taylor@lcsschools.net).

**Lancaster City School District, Ohio**

*Statement of Net Position*

June 30, 2024

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$62,150,252
Cash and Cash Equivalents with Fiscal Agents	4,349,371
Cash and Cash Equivalents with Escrow Agents	1,623,202
Income Taxes Receivable	6,736,434
Materials and Supplies Inventory	268,537
Inventory Held for Resale	30,138
Accrued Interest Receivable	363,959
Intergovernmental Receivable	22,193,422
Accounts Receivable	410,759
Prepays	668,616
Property Taxes Receivable	40,344,783
Payment in Lieu of Taxes Receivable	570,339
Leases Receivable	343,387
Investments	40,381,468
Net OPEB Asset	5,740,424
Nondepreciable Capital Assets	78,141,544
Depreciable Capital Assets, Net	132,169,051
<i>Total Assets</i>	<u>396,485,686</u>
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	2,493,785
Pension	18,358,893
OPEB	3,526,047
<i>Total Deferred Outflows of Resources</i>	<u>24,378,725</u>
<b>Liabilities</b>	
Accounts Payable	483,948
Contracts Payable	4,021,216
Accrued Salaries and Benefits Payable	7,798,217
Matured Compensated Absences Payable	198,343
Accrued Interest Payable	994,419
Intergovernmental Payable	2,431,804
Retainage Payable	1,665,337
Unearned Revenue	109,984
Claims Payable	1,405,800
Long-Term Liabilities:	
Due Within One Year	4,693,184
Due In More Than One Year:	
Net Pension Liability	79,944,669
Net OPEB Liability	5,001,160
Other Amounts Due in More Than One Year	144,757,207
<i>Total Liabilities</i>	<u>253,505,288</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	34,837,177
Payment in Lieu of Taxes	550,555
Leases	343,387
Pension	5,215,200
OPEB	9,333,449
<i>Total Deferred Inflows of Resources</i>	<u>50,279,768</u>
<b>Net Position</b>	
Net Investment in Capital Assets	91,947,888
Restricted for:	
Debt Service	1,048,569
School Building Construction	14,064,838
Classroom Facilities Construction	29,416,410
Classroom Facilities Maintenance	4,575,274
District and Student Managed Activities	467,666
Auxiliary Services	48,454
Food Service	1,123,072
Federal and State Grants	36,233
Community Grants and Contributions	57,509
OPEB Plan	5,740,424
Unrestricted (Deficit)	(31,446,982)
<i>Total Net Position</i>	<u>\$117,079,355</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2024*

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Governmental Activities	
	Expenses				
<b>Governmental Activities</b>					
Instruction:					
Regular	\$36,051,381	\$280,791	\$1,987,252	\$0	(\$33,783,338)
Special	17,172,784	471,531	12,143,133	0	(4,558,120)
Vocational	2,374,671	25,902	982,130	0	(1,366,639)
Student Intervention Services	294,008	0	96,567	0	(197,441)
Support Services:					
Pupils	9,039,724	190	1,185,301	110,838	(7,743,395)
Instructional Staff	3,853,865	0	612,867	0	(3,240,998)
Board of Education	110,721	0	0	0	(110,721)
Administration	7,451,909	64,737	340,302	0	(7,046,870)
Fiscal	2,153,947	205	48,258	0	(2,105,484)
Business	468,702	0	0	0	(468,702)
Operation and Maintenance of Plant	6,145,987	296,131	332,549	0	(5,517,307)
Pupil Transportation	3,747,798	6,134	578,775	0	(3,162,889)
Central	1,222,836	0	0	0	(1,222,836)
Operation of Non-Instructional Services:					
Food Service Operations	4,015,267	512,005	3,009,667	0	(493,595)
Other	889,626	197,602	702,383	0	10,359
Extracurricular Activities	2,173,359	420,645	40,749	100,400	(1,611,565)
Interest	4,849,579	0	0	0	(4,849,579)
<b>Totals</b>	<b>\$102,016,164</b>	<b>\$2,275,873</b>	<b>\$22,059,933</b>	<b>\$211,238</b>	<b>(77,469,120)</b>
 <b>General Revenues</b>					
Property and Other Taxes Levied for:					
General Purpose					29,162,938
Debt Service					7,157,944
Classroom Facilities Maintenance					446,436
Income Taxes Levied for General Purposes					17,276,337
Grants and Entitlements not Restricted to					
Specific Programs					30,930,267
Gain on Sale of Capital Assets					5,347
Payment in Lieu of Taxes					426,988
Unrestricted Investment Earnings/Interest					6,284,946
Miscellaneous					241,429
<i>Total General Revenues</i>					<u>91,932,632</u>
<i>Change in Net Position</i>					<u>14,463,512</u>
<i>Net Position Beginning of Year - as Previously Reported</i>					<u>97,333,308</u>
<i>Restatement - See Note 3</i>					<u>5,282,535</u>
<i>Restated Net Position Beginning of Year</i>					<u>102,615,843</u>
<i>Net Position End of Year</i>					<u>\$117,079,355</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**

*Balance Sheet*

*Governmental Funds*

*June 30, 2024*

	General	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$41,502,260	\$5,787,860	\$4,213,444	\$10,321,711	\$61,825,275
Cash and Cash Equivalents with Escrow Agents	0	0	1,294,236	328,966	1,623,202
Investments	0	0	27,201,147	13,180,321	40,381,468
Receivables:					
Property Taxes	31,643,817	8,220,578	0	480,388	40,344,783
Payment in Lieu of Taxes	570,339	0	0	0	570,339
Income Taxes	6,736,434	0	0	0	6,736,434
Accounts	89,789	0	0	42,435	132,224
Intergovernmental	365,637	0	20,980,187	847,598	22,193,422
Accrued Interest	191,001	0	74,744	98,214	363,959
Interfund	55,723	0	0	141	55,864
Leases	343,387	0	0	0	343,387
Prepays	631,680	0	0	36,936	668,616
Inventory Held for Resale	0	0	0	30,138	30,138
Materials and Supplies Inventory	247,659	0	0	20,878	268,537
<i>Total Assets</i>	<u>\$82,377,726</u>	<u>\$14,008,438</u>	<u>\$53,763,758</u>	<u>\$25,387,726</u>	<u>\$175,537,648</u>
<b>Liabilities</b>					
Accounts Payable	\$397,596	\$0	\$0	\$86,352	\$483,948
Contracts Payable	0	0	3,127,159	894,057	4,021,216
Retainage Payable	0	0	1,317,550	347,787	1,665,337
Accrued Salaries and Benefits Payable	7,153,741	0	0	644,476	7,798,217
Intergovernmental Payable	2,250,623	0	0	181,181	2,431,804
Matured Compensated Absences Payable	198,343	0	0	0	198,343
Interfund Payable	141	0	0	55,723	55,864
Unearned Revenue	0	0	0	109,984	109,984
<i>Total Liabilities</i>	<u>10,000,444</u>	<u>0</u>	<u>4,444,709</u>	<u>2,319,560</u>	<u>16,764,713</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	27,318,976	7,108,290	0	409,911	34,837,177
Payment in Lieu of Taxes	550,555	0	0	0	550,555
Leases	343,387	0	0	0	343,387
Unavailable Revenue	3,816,276	520,578	16,374,868	529,599	21,241,321
<i>Total Deferred Inflows of Resources</i>	<u>32,029,194</u>	<u>7,628,868</u>	<u>16,374,868</u>	<u>939,510</u>	<u>56,972,440</u>
<b>Fund Balances</b>					
Nonspendable	879,339	0	0	57,814	937,153
Restricted	0	6,379,570	32,944,181	19,145,705	58,469,456
Committed	1,128,542	0	0	849,938	1,978,480
Assigned	971,342	0	0	2,236,923	3,208,265
Unassigned (Deficit)	37,368,865	0	0	(161,724)	37,207,141
<i>Total Fund Balances</i>	<u>40,348,088</u>	<u>6,379,570</u>	<u>32,944,181</u>	<u>22,128,656</u>	<u>101,800,495</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u><u>\$82,377,726</u></u>	<u><u>\$14,008,438</u></u>	<u><u>\$53,763,758</u></u>	<u><u>\$25,387,726</u></u>	<u><u>\$175,537,648</u></u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities*  
*June 30, 2024*

<b>Total Governmental Fund Balances</b>	<b>\$101,800,495</b>
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	210,310,595
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources - unavailable revenue in the funds:	
Delinquent Property Taxes	2,666,783
Income Taxes	1,375,052
Intergovernmental and Ohio School Facilities Revenue	16,495,632
Investment Earnings/Interest	142,019
Miscellaneous	234,000
Tuition, Fees, Charges for Services, and Sales	<u>327,835</u>
	21,241,321
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	3,547,083
Deferred outflows of resources represent deferred charges on refundings which are not reported in the funds.	2,493,785
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(994,419)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds Payable	(70,410,000)
Capital Appreciation Bonds	(860,000)
Refunding Bonds Payable	(65,260,000)
Refunding Capital Appreciation Bonds	(540,285)
Accretion on Capital Appreciation Bonds	(3,240,505)
Premium on Bonds Issued	(4,392,455)
Discounts on Bonds Issued	364,393
Leases Payable	(36,315)
Compensated Absences Payable	<u>(5,075,224)</u>
	(149,450,391)
The net pension liability and net OPEB (asset) liability is not due and payable in the current period; therefore, the (asset) liability and related deferred inflows/outflows are not reported in the governmental funds:	
Net OPEB Asset	5,740,424
Deferred Outflows - Pension	18,358,893
Deferred Outflows - OPEB	3,526,047
Net Pension Liability	(79,944,669)
Net OPEB Liability	(5,001,160)
Deferred Inflows - Pension	(5,215,200)
Deferred Inflows - OPEB	<u>(9,333,449)</u>
	(71,869,114)
Net Position of Governmental Activities	<u><u>\$117,079,355</u></u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2024*

			(Formerly Major) School Building Construction	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
	General	Bond Retirement				
<b>Revenues</b>						
Property and Other Taxes	\$28,669,084	\$7,058,869		\$0	\$440,328	\$36,168,281
Payment in Lieu of Taxes	426,988	0		0	0	426,988
Income Taxes	17,308,476	0		0	0	17,308,476
Intergovernmental	39,436,915	428,323		17,851,898	13,107,747	70,824,883
Investment Earnings/Interest	2,787,047	0		2,341,509	1,101,564	6,230,120
Tuition and Fees	700,678	0		0	29,156	729,834
Charges for Services and Sales	0	0		0	516,652	516,652
Rent	117,956	0		0	0	117,956
Leases	11,992	0		0	0	11,992
Extracurricular Activities	167,179	0		0	458,741	625,920
Gifts and Donations	9,021	0		0	164,975	173,996
Miscellaneous	209,550	0		0	109,879	319,429
<i>Total Revenues</i>	<i>89,844,886</i>	<i>7,487,192</i>		<i>20,193,407</i>	<i>15,929,042</i>	<i>133,454,527</i>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	33,663,973	0		0	2,017,576	35,681,549
Special	12,185,129	0		0	4,697,470	16,882,599
Vocational	2,258,508	0		0	109,511	2,368,019
Student Intervention Services	187,921	0		0	96,567	284,488
Support Services:						
Pupils	7,618,711	0		0	1,308,237	8,926,948
Instructional Staff	3,740,120	0		0	618,088	4,358,208
Board of Education	110,832	0		0	0	110,832
Administration	6,900,613	0		0	327,822	7,228,435
Fiscal	1,956,664	131,349		0	54,653	2,142,666
Business	457,125	0		0	0	457,125
Operation and Maintenance of Plant	7,075,572	0		0	486,555	7,562,127
Pupil Transportation	3,300,361	0		0	57,564	3,357,925
Central	1,153,374	0		0	3,435	1,156,809
Operation of Non-Instructional Services:						
Food Service Operations	31,944	0		0	3,656,656	3,688,600
Other Non-Instructional Services	85,560	0		0	798,421	883,981
Extracurricular Activities	1,381,188	0		0	395,070	1,776,258
Capital Outlay	173,439	0		38,710,903	10,369,317	49,253,659
Debt Service:						
Principal Retirement	60,859	3,313,619		0	0	3,374,478
Interest	13,091	4,384,583		0	0	4,397,674
Capital Appreciation Bond Accretion	0	716,381		0	0	716,381
<i>Total Expenditures</i>	<i>82,354,984</i>	<i>8,545,932</i>		<i>38,710,903</i>	<i>24,996,942</i>	<i>154,608,761</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>7,489,902</i>	<i>(1,058,740)</i>		<i>(18,517,496)</i>	<i>(9,067,900)</i>	<i>(21,154,234)</i>
<b>Other Financing Sources (Use)</b>						
Proceeds from Sale of Capital Assets	6,975	0		0	0	6,975
Transfers In	0	1,852,082		0	4,033,554	5,885,636
Transfers Out	(3,815,957)	0		(2,069,679)	0	(5,885,636)
<i>Total Other Financing Sources (Use)</i>	<i>(3,808,982)</i>	<i>1,852,082</i>		<i>(2,069,679)</i>	<i>4,033,554</i>	<i>6,975</i>
<i>Net Change in Fund Balances</i>	<i>3,680,920</i>	<i>793,342</i>		<i>(20,587,175)</i>	<i>(5,034,346)</i>	<i>(21,147,259)</i>
<b>Fund Balances Beginning of Year</b>						
As Previously Reported	36,667,168	-	19,117,543	53,531,356	13,631,687	122,947,754
Adjustments:						
Changes from Major Fund to Nonmajor Fund and Nonmajor Fund to Major Fund - See Note 3	0	5,586,228	(19,117,543)	0	13,531,315	0
<i>Adjusted Fund Balances Beginning of Year</i>	<i>36,667,168</i>	<i>5,586,228</i>	<i>-</i>	<i>53,531,356</i>	<i>27,163,002</i>	<i>122,947,754</i>
<i>Fund Balances End of Year</i>	<i>\$40,348,088</i>	<i>\$6,379,570</i>		<i>\$32,944,181</i>	<i>\$22,128,656</i>	<i>\$101,800,495</i>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2024*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	(\$21,147,259)
<i>Amounts reported for governmental activities in the statement of activities      are different because of the following:</i>	
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/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.	
Capital Asset Additions	52,052,331
Depreciation/Amortization Expense	<u>(4,587,419)</u>
	47,464,912
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the result of the disposal of assets.	
Gain on Disposal of Capital Assets	5,347
Proceeds from Sale of Capital Assets	<u>(6,975)</u>
	(1,628)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:	
Delinquent Property Taxes	599,037
Income Taxes	(32,139)
Intergovernmental and Ohio School Facilities Revenue	<u>(17,861,584)</u>
Investment Earnings/Interest	59,371
Miscellaneous	(78,000)
Tuition, Fees, Charges for Services, and Sales	<u>273,519</u>
	(17,039,796)
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 governmental funds.	
Compensated Absences Payable	(53,259)
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:	
Premium Amortization	961,869
Discount Amortization	(13,496)
Deferred Charges on Refunding Amortization	(130,519)
Accretion of Capital Appreciation Bonds	<u>(1,296,971)</u>
Accrued Interest Payable	<u>27,212</u>
	(451,905)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General Obligation Bonds Payable	2,540,000
Refunding Bonds Payable	515,000
Capital Appreciation Refunding Bonds Payable	258,619
Capital Appreciation Bonds Accretion Payable	716,381
Leases Payable	<u>60,859</u>
	4,090,859
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	1,467,422
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	7,582,308
OPEB	<u>212,266</u>
	7,794,574
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and OPEB (asset) liability are reported as pension expense in the statement of activities.	
Pension	(8,219,926)
OPEB	<u>559,518</u>
	(7,660,408)
<i>Change in Net Position of Governmental Activities</i>	
See accompanying notes to the basic financial statements	

**Lancaster City School District, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Taxes	\$28,171,807	\$29,961,639	\$29,961,639	\$0
Payment in Lieu of Taxes	382,879	407,204	407,204	0
Income Taxes	16,036,287	12,747,115	17,055,115	4,308,000
Intergovernmental	37,040,642	39,200,657	39,393,933	193,276
Interest	1,651,400	1,605,165	1,756,318	151,153
Tuition and Fees	771,935	825,755	820,978	(4,776)
Rent	132,315	142,407	140,721	(1,686)
Extracurricular Activities	80,502	80,713	85,617	4,904
Miscellaneous	202,431	255,797	199,891	(55,906)
<i>Total Revenues</i>	<i>84,470,198</i>	<i>85,226,452</i>	<i>89,821,416</i>	<i>4,594,964</i>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	32,985,975	32,540,273	32,453,736	86,537
Special	12,467,403	12,348,552	12,336,605	11,947
Vocational	2,347,640	2,318,481	2,298,761	19,720
Student Intervention Services	163,426	161,396	160,304	1,092
Other	1,286,764	1,270,782	1,258,649	12,133
Support Services:				
Pupils	7,749,218	7,652,969	7,574,543	78,426
Instructional Staff	3,981,171	3,931,723	3,761,253	170,470
Board of Education	235,174	232,253	132,690	99,563
Administration	7,063,254	6,975,525	6,951,568	23,957
Fiscal	2,127,888	2,101,459	2,037,672	63,787
Business	505,130	498,856	487,405	11,451
Operation and Maintenance of Plant	7,485,437	7,392,464	7,330,768	61,696
Pupil Transportation	3,802,392	3,755,164	3,416,487	338,677
Central	1,344,033	1,327,339	1,190,540	136,799
Operation of Non-Instructional Services	0	40,000	39,257	743
Extracurricular Activities	1,542,492	1,523,334	1,374,997	148,337
Capital Outlay	282,678	279,168	229,137	50,031
<i>Total Expenditures</i>	<i>85,370,075</i>	<i>84,349,738</i>	<i>83,034,372</i>	<i>1,315,366</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(899,877)</i>	<i>876,714</i>	<i>6,787,044</i>	<i>5,910,330</i>
<b>Other Financing Sources (Use)</b>				
Proceeds from Sale of Capital Assets	7,500	7,500	6,975	(525)
Advances In	2,900,909	2,900,909	2,900,909	0
Transfers Out	(4,404,068)	(4,404,068)	(4,386,957)	17,111
<i>Total Other Financing Sources (Use)</i>	<i>(1,495,659)</i>	<i>(1,495,659)</i>	<i>(1,479,073)</i>	<i>16,586</i>
<i>Net Change in Fund Balance</i>	<i>(2,395,536)</i>	<i>(618,945)</i>	<i>5,307,971</i>	<i>5,926,916</i>
<i>Fund Balance Beginning of Year</i>	<i>33,118,860</i>	<i>33,118,860</i>	<i>33,118,860</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>1,639,282</i>	<i>1,639,282</i>	<i>1,639,282</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$32,362,606</i>	<i>\$34,139,197</i>	<i>\$40,066,113</i>	<i>\$5,926,916</i>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**

*Statement of Fund Net Position*

*Internal Service Fund*

*June 30, 2024*

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	Employee Benefits <u>Self Insurance</u>
<b>Current Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$324,977
Cash and Cash Equivalents with Fiscal Agents	4,349,371
Accounts Receivable	<u>278,535</u>
<i>Total Assets</i>	4,952,883
<b>Current Liabilities</b>	
Claims Payable	<u>1,405,800</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$3,547,083</u></u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Revenues,  
 Expenses, and Changes in Fund Net Position  
 Internal Service Fund  
 For the Fiscal Year Ended June 30, 2024*

	Employee Benefits Self Insurance
<b>Operating Revenues</b>	
Charges for Services	<u>\$19,495,595</u>
<b>Operating Expenses</b>	
Purchased Services	4,205,060
Claims	<u>13,882,711</u>
<i>Total Operating Expenses</i>	<u>18,087,771</u>
<i>Operating Income</i>	1,407,824
<b>Non-Operating Revenue</b>	
Investment Earnings/Interest	<u>59,598</u>
<i>Change in Net Position</i>	1,467,422
<i>Net Position Beginning of Year</i>	<u>2,079,661</u>
<i>Net Position End of Year</i>	<u>\$3,547,083</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
**Statement of Cash Flows**  
**Internal Service Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Employee Benefits	Self Insurance
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Interfund Services Provided	\$19,494,379	
Cash Payments to Vendors for Services	(4,205,060)	
Cash Payments for Claims	(13,806,164)	
<i>Net Cash Provided by Operating Activities</i>	<u>1,483,155</u>	
<b>Cash Flows from Investing Activities:</b>		
Investment Earnings/Interest	<u>59,598</u>	
<i>Net Increase in Cash and Cash Equivalents</i>	<u>1,542,753</u>	
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,131,595</u>	
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$4,674,348</u></u>	
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	\$1,407,824	
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>		
<b>Changes in Assets and Liabilities:</b>		
Decrease in Accounts Receivable	59,331	
Increase in Claims Payable	<u>16,000</u>	
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$1,483,155</u></u>	

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**Note 1 - Description of the School District and Reporting Entity**

Lancaster City School District (the “School District”), created in the 1850’s, is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The Board controls the School District’s ten instructional facilities staffed by 312 classified employees, 480 certificated personnel, and 52 administrative employees who provide services to 6,191 students and other community members.

*Reporting Entity*

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, agencies, and offices that are not legally separate from the School District. For Lancaster City School District, this includes general operations, food service, and student related activities of the School District.

The following activities are included within the reporting entity:

**Private Schools** - William V. Fisher Catholic School, Saint Bernadette School, and Saint Mary’s School are private schools operated within the School District boundaries. Current State legislation provides funding to these private schools. These monies are received and disbursed on behalf of the private schools by the Treasurer of the School District, as directed by the private schools. This activity is presented in a special revenue fund.

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

The School District participates in three jointly governed organizations and three pools. These organizations are the Licking Area Computer Association, META Solutions, Fairfield County Multi-System Youth Committee, the Ohio School Comp Workers’ Compensation Group Retrospective Rating Program, the Ohio School Plan, and the South Central Ohio Insurance Consortium. These organizations are presented in Notes 20 and 21 to the basic financial statements.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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## **Note 2 - Summary of Significant Accounting Policies**

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

### ***Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities that are governmental and those that are considered business-type activities; however, the School District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District'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, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental financial statements is on major funds. The School District's major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type. The School District has no fiduciary funds.

### ***Fund Accounting***

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The School District uses two categories of funds: governmental and proprietary.

***Governmental Funds*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following is a description of the School District's major governmental funds:

**General Fund** The general fund accounts for and reports all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose, provided it is expended or transferred according to the general laws of Ohio.

**Bond Retirement Fund** To account for restricted levy proceeds to pay for general obligation bonded debt. In the prior year, this fund was a nonmajor fund; therefore, the fund balance beginning of year as previously reported includes a “-“ to indicate this amount is included with other governmental funds.

**Classroom Facilities Fund** To account for the receipts and expenditures from the Ohio Facilities Construction Commission and the School District's local share restricted for the construction of school buildings.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

The school building construction fund is presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as a formerly major fund as it no longer meets the quantitative threshold to be a major fund. Other than the beginning fund balance, no amounts are presented in the column as the fund's 2024 activity is presented in the other governmental funds column. Information for the beginning balance is presented to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a “-“ to indicate this amount is included with the nonmajor fund.

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

**Internal Service Fund** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounted for the operation of the School District's self-insurance program for employee medical, surgical, prescription drug, and dental claims.

### **Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (revenues) and decreases (expenses) in total net position.

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position.

For the proprietary fund, the statement of revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

### ***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-Exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, payment in lieu of taxes, income taxes, grants, entitlements, and donations. Revenue from income taxes is recognized in the period in which the income is earned. On the accrual basis, revenue from property taxes and payment in lieu of taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, investment earnings/interest, tuition and fees, charges for services, and rent.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**Unearned Revenue** Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned. The School District recognizes unearned revenue from grants received before the eligibility requirements are met.

**Deferred Outflows/Inflows of Resources** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, pension, and OPEB plans. 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/OPEB are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payment in lieu of taxes, pension and OPEB plans, leases, and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, investment earnings/interest, miscellaneous, tuition and fees, charges for services, and sales. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

***Cash and Cash Equivalents***

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity and pooled cash and cash equivalents" on the financial statements.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. For fiscal year 2024, investments were shown in the classroom facilities major capital projects fund and the school building construction capital projects fund due to the investment of bond proceeds related to the construction of the new high school building.

During fiscal year 2024, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), money market mutual funds, municipal bonds, federal agency securities, treasury notes, commercial paper, and negotiable certificates of deposit.

Except for nonparticipating investment contracts, the School District reports investments at fair value. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit are reported at cost. The School District had no nonnegotiable certificates of deposit for fiscal year 2024.

STAR Ohio (the State Treasury Asset Reserve of 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, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District 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 an NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings/interest. Investment earnings/interest revenue credited to the general fund during fiscal year 2024 amounted to \$2,787,047, which includes \$1,635,386 assigned from other School District funds.

"Cash and cash equivalents with fiscal agents" represent monies on hand at the fiscal agent for medical and dental insurance cash balances for the self-insurance program which began on July 1, 2007, with the South Central Ohio Insurance Consortium.

"Cash and cash equivalents with escrow agents" represent monies held by the escrow agent, Park National Bank, for retainage owed to the Summit Construction Company, LLC.

#### ***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as a prepaid using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the fiscal year in which services are consumed.

#### ***Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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### ***Capital Assets***

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets (except for intangible right to use lease and subscription assets which are discussed in this section) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-index to deflate the costs to the acquisition year or estimated acquisition year). The School District maintains a capitalization threshold of \$5,000. The School District included capital asset groupings where those assets groups individually are under the capitalization threshold yet are significant collectively. These asset groupings are included in land improvements, buildings and improvements, and furniture and equipment. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets, except land and construction in progress, are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	15-50 years
Buildings and Improvements	20-80 years
Furniture and Equipment	5-20 years
Vehicles	5-10 years

The School District is reporting intangible right to use assets related to lease and subscription assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

### ***Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated on the statement of net position.

### ***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for vacation time when earned. Vacation must be used within two years after it is earned.

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Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified employees after ten years of current service and certified employees after fifteen years of current service with the School District.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which these payments will be made.

***Pensions/Other Postemployment Benefits (OPEB)***

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

***Leases and SBITAs***

The School District serves as both lessee and lessor in various noncancelable leases which are accounted for as follows:

**Lessee** At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Lessor** At the commencement of a lease, the School District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The School District is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancelable IT software contracts. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. The School District's subscriptions were paid before the commencement date. Subsequently, the subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets on the Statement of Net Position.

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***Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds and leases are recognized as a liability on the governmental fund financial statements when due.

***Internal Activity***

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. 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. 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Bond Premium and Discounts***

On the government-wide financial statement, bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable; bond discounts are presented as a decrease of the face amount of the bonds payable. On the governmental fund statements, bond premiums and discounts are recorded in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited into the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

***Deferred Charge on Refunding***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

**Lancaster City School District, Ohio**  
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**Nonspendable:** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes prepaids for all governmental fund types.

**Restricted:** The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. Under Ohio law, amounts paid into any fund, including by transfer, shall have the same constraints placed on the use of funds as those externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the School District's Board of Education. Those committed amounts cannot be used for any other purpose unless the School District's Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District's Board of Education or a School District official delegated that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education has also assigned fund balance for capital improvements and public school support.

**Unassigned:** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used.

#### ***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and

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unrestricted net position are available. Restricted Net Position for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits.

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for services for self-insurance programs. Operating expenses are necessary costs' incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

***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.

***Budgetary Data***

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the amended certificate at the time the permanent appropriations were passed. The amounts reported as the final budgeted amounts in the budgetary statement reflect the final amended certificate approved.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Some of the School District's funds are separate for budgeting purposes then they are combined on the GAAP basis. The public school support and termination benefits special revenue funds are budgeted individually on a cash basis but are combined with the general fund on a GAAP basis. The preschool tuition, public school preschool, and preschool special education special revenue funds are budgeted individually on a cash basis but they are combined on a GAAP basis and presented as the preschool special revenue fund.

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### **Note 3 - Accounting Changes and Restatement of Net Position**

#### ***Changes in Accounting Principles and Restatement of Net Position***

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and the related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The implementation of GASB Statement No. 100 and GASB Implementation Guide 2023-1 did not have any effect on beginning net position/fund balance.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were asset groups where individually the assets were under the capitalization threshold yet were significant collectively. As a result, the School District is restating capital assets and net position of governmental activities for the carrying amount of these assets. This new principle will impact the statement of activities by reflecting functional depreciation expense and no longer reflecting functional expense for the acquisition of the noncapitalized asset. This restatement increased the original cost of the capital assets by \$7,112,114, including increases to land improvements of \$20,122, buildings and improvements of \$309,044, and furniture and equipment of \$6,782,948. This adjustment also increased the corresponding accumulated depreciation by \$1,829,579, resulting in an increase to the carrying amount of the related capital assets and net position of \$5,282,535. The impact of this restatement is reflected on the following table.

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for pension and OPEB plans for fiscal year 2024. This change had no impact on beginning net position, but rather reclassified the amounts presented as net position restricted for an OPEB plan and unrestricted net position.

#### ***Changes within the Financial Reporting Entity***

For fiscal year 2024, the bond retirement debt service fund presentation was adjusted from nonmajor to major due to it meeting the quantitative threshold for a major fund, while the school building construction capital projects fund was adjusted from major to nonmajor due to it no longer meeting the quantitative threshold for a major fund.

The School District's accounting changes for changes within the financial reporting entity and its change in accounting principle to adopt GASB implementation guide guidance are presented on the following table:

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	Changes to/within the Financial Reporting Entity			Change in Accounting Principle	
	6/30/2023 As Previously Reported	Changes from Major to Other Governmental Funds	Changes from Other Governmental Funds to Major	Implementation Guide 2021-1	6/30/2023 As Restated/ Adjusted
		Other Governmental Funds	Major to Other Governmental Funds		
<b>Government-wide</b>					
Governmental Activities	<u>\$97,333,308</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,282,535</u>	<u>\$102,615,843</u>
<b>Governmental Funds</b>					
Major Funds:					
General	\$36,667,168	\$0	\$0	\$0	\$36,667,168
Bond Retirement	0	0	5,586,228	0	5,586,228
Building Construction	19,117,543	(19,117,543)	0	0	0
Classroom Facilities	53,531,356	0	0	0	53,531,356
All Other Governmental Funds	13,631,687	19,117,543	(5,586,228)	0	27,163,002
<b>Total Governmental Funds</b>	<u>\$122,947,754</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$122,947,754</u>

#### **Note 4 – Fund Deficits**

The following funds had deficit fund balances as of June 30, 2024:

	<u>Deficit Fund Balances</u>
<u>Special Revenue Funds:</u>	
IDEA - B	\$37,735
Title I	63,446
Reducing Class Size	4,730
Title I Non-Competitive	2,061
Title IV-A	5,241
Vocational Education	175

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

#### **Note 5 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures, and changes in fund balances - budget and actual (budget basis) for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Fair market value adjustments, negative cash interfund advances, and prepaids are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

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4. Encumbrances are treated as expenditures (budget basis) rather than as committed or assigned fund balance (GAAP basis).
5. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
6. Budgetary revenues and expenditures of the public school support fund and termination benefits fund are reclassified to the general fund for GAAP Reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.

<b>Net Change in Fund Balance</b>	
GAAP Basis	\$3,680,920
Net Adjustment for Revenue Accruals	1,061,090
Net Adjustment for Expenditure Accruals	2,052,798
Beginning:	
Negative cash interfund advances	(1,522,426)
Fair Value of Investments	(2,146,020)
Prepays	221,654
Ending:	
Negative cash interfund advances	55,723
Fair Value of Investments	1,151,305
Prepays	(631,680)
To reclassify excess of revenues and other sources of financial resources under expenditures and other uses of financial resources into financial statement fund types	(3,476)
Advances In	2,900,909
Adjustment for Encumbrances	<u>(1,512,826)</u>
Budget Basis	<u><u>\$5,307,971</u></u>

#### **Note 6 - Deposits and Investments**

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations, including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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At June 30, 2024, the School District's internal service fund had a balance of \$4,349,371 with fiscal agents, which was held by the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (See Note 21). The balances were held by SCOIC in pooled accounts which are representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for SCOIC as a whole may be obtained from the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road, Carroll, Ohio 43112.

At June 30, 2024, the School District's classroom facilities major capital projects fund and the school building construction capital projects fund had deposited money into an escrow account with the Park National Bank to be held for future retainage owed to the Summit Construction Company, LLC.

**Investments** As of June 30, 2024, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Ratings	Percentage of Total Investment
<i>Net Asset Value Per Share:</i>				
STAR Ohio	<u>\$21,131,410</u>	Average 47 Days	AAAm	21.51%
<i>Fair Value - Level One Inputs:</i>				
Money Market Mutual Funds	<u>762,021</u>	n/a	AAAm	0.77%
<i>Fair Value - Level Two Inputs:</i>				
Federal Home Loan Mortgage Corp Notes	998,886	Under one year	Aaa	1.01%
Federal Farm Credit Bank Notes	3,488,558	Under two years	Aaa	3.55%
Federal National Mortgage Association Notes	6,990,025	Under three years	Aaa	7.12%
Federal Home Loan Bank Notes	10,178,090	Under three years	Aaa	10.36%
Federal Home Loan Mortgage Notes	1,244,109	Under one year	Aaa	1.27%
United States Treasury Bills	1,499,632	Under three years	Aaa	1.53%
United States Treasury Bills	2,297,337	Under one year	P-1	2.34%
Municipal Bonds	947,580	Under four years	Aa1	0.96%
Municipal Bonds	3,434,327	Under three years	Aa2	3.50%
Municipal Bonds	375,733	Under four years	Aa3	0.38%
Municipal Bonds	1,245,805	Under seven years	Aaa	1.27%
Municipal Bonds	202,958	Under four years	AA	0.21%
Municipal Bonds	2,259,626	Under one year	SP1+	2.30%
Commercial Paper	5,321,801	Under one year	A-1	5.42%
Commercial Paper	30,492,962	Under one year	P-1	31.04%
Negotiable Certificates of Deposit	<u>5,366,812</u>	Under five years	N/A	5.46%
<i>Total Fair Value - Level Two Inputs</i>	<u>76,344,241</u>			
<b>Total</b>	<b><u>\$98,237,672</u></b>			

The School District 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. The above chart identifies the School District's recurring fair value measurements as of June 30, 2024. The money market mutual funds are measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications.

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Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

**Interest Rate Risk** The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years except for municipal obligations which will be limited to 10 years, commercial paper which will be limited to 270 days, and bankers' acceptances which will be limited to 180 days. The Treasurer cannot make investments which she does not reasonably believe can be held until the maturity date.

**Credit Risk** STAR Ohio and money market mutual funds carry a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization. All investment ratings are Moody's ratings except for the municipal bonds rated AA and SP1+ and the commercial paper rated A-1, these are Standard and Poor's ratings. The School District has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The commercial paper investments are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**Concentration of Credit Risk** Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The School District places no limit on the amount it may invest in any one issuer.

## **Note 7 - Property Taxes and Tax Abatements**

### **Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property (used in business) located in the School District. Real property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is

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assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Fairfield County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows or resources for property taxes.

The amount available as an advance at June 30, 2024, was \$2,840,823. \$2,211,024 was available to the general fund, \$38,089 was available to the classroom facilities maintenance special revenue fund, and \$591,710 was available to the bond retirement debt service fund. The amount available as an advance at June 30, 2023, was \$3,503,579 in the general fund, \$56,837 was available to the classroom facilities maintenance special revenue fund, and \$911,606 was available to the bond retirement debt service fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second - Half Collections		2024 First - Half Collections		2024 Effective Tax Rates (per \$1,000 of assessed valuation)
	Amount	Percent	Amount	Percent	
Agricultural/ Residential	\$988,205,180	73%	\$995,120,290	73%	\$25.8282
Commerical/Industrial and Public Utility Real	277,196,500	20%	280,762,040	20%	31.6274
Public Utility Personal	92,042,540	7%	94,927,410	7%	70.6000
<b>Total</b>	<b>\$1,357,444,220</b>	<b>100%</b>	<b>\$1,370,809,740</b>	<b>100%</b>	
Tax rate per \$1,000 of assessed valuation		\$71.10		\$70.60	

The decrease in the tax rate was due to the reduction of bond levy mills needed to meet current bond payment requirements.

### **Tax Abatements**

The School District's property taxes were reduced by Community Reinvestment Area agreements entered into by the City of Lancaster. The abated taxes for the School District amounted to \$469,713.

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### **Note 8 - Income Tax**

The School District levies a voted tax of one and one half percent for general operations on the earned income of residents and of estates. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

The tax was effective on January 1, 2007, and was set to expire on December 31, 2016; however, on November 3, 2015, the School District electorate renewed the 1.5 percent earned income tax for a continuing period. With the passage of this continuing revenue stream, the School District had the fiscal stability to finance and build two new junior high school buildings in partnership with the Ohio Facilities Construction Commission without asking for additional taxpayer dollars.

### **Note 9 - Receivables**

Receivables at June 30, 2024, consisted of property taxes, payment in lieu of taxes, income taxes, accounts (rent, student fees, and tuition), intergovernmental grants, interest, interfund, and leases. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes and leases, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Delinquent property taxes as of June 30, 2024, were \$2,666,783.

A summary of principal items of intergovernmental receivables follows:

<u><b>Governmental Activities</b></u>	<u>Amounts</u>
Ohio Facilities Construction Commission	\$20,980,187
City of Lancaster	234,000
Title I Grant	241,051
IDEA, Part B Grant	177,026
Stronger Connections	6,152
Catastrophic Special Education	51,838
Ohio University Student Teachers	400
Medicaid Reimbursement	29,436
Early Childhood Grants	132,322
Skills Trainer Grant	1,186
Title II-A Grant	20,099
Title IV	13,731
Expanding Opportunities for Each Child Grant	14,701
Carl Perkins Secondary Grant	7,180
Miscellaneous Reimbursements	462
Foundation Adjustments	283,651
Total	<u><u>\$22,193,422</u></u>

In fiscal year 2023, the School District was awarded \$46,431,850 in grant funding from the Ohio Facilities Construction Commission (OFCC) for the building of a new high school. At June 30, 2024, \$20,980,187 remained a receivable.

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***Leases Receivable***

The School District is reporting leases receivable of \$343,387 in the general fund at June 30, 2024. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For fiscal year 2024, the School District recognized lease revenue of \$11,992 and interest revenue of \$10,590 related to lease payments received. These lease revenue amounts exclude short-term leases. A description of the School District's leasing arrangements is as follows:

*Cell Tower Leases* – The School District has entered into two lease agreements for cell towers with the following companies at varying years and terms as follows:

Company	Lease Commencement		Lease Ending Date	Payment Method
	Date	Years		
T-Mobile	2023	30	2052	Monthly
Buckeye Power	2023	10	2033	Monthly

A summary of future lease amounts receivable is as follows:

Year	T-Mobile		Buckeye Power	
	Principal	Interest	Principal	Interest
2025	\$7,960	\$10,230	\$0	\$0
2026	7,581	9,210	2,851	749
2027	7,811	8,979	2,936	664
2028	8,049	8,742	3,024	576
2029	8,294	8,497	3,115	485
2030-2034	45,409	38,544	13,049	1,351
2035-2039	52,747	31,205	0	0
2040-2044	61,272	22,680	0	0
2045-2049	71,175	12,777	0	0
2050-2052	48,114	2,257	0	0
	<u>\$318,412</u>	<u>\$153,121</u>	<u>\$24,975</u>	<u>\$3,825</u>

***Payment in Lieu of Taxes***

**Ety Pointe Centre** The School District entered into a thirty-year Tax Increment Financing Agreement (TIF) in 2006. The purpose of the TIF was for the construction of Ety Pointe Centre, a shopping center, and public infrastructure improvements. The School District began receiving payments in fiscal year 2010. During fiscal year 2024, a payment in the amount of \$294,419 was received. As of June 30, 2024, a receivable for \$302,193 has been recorded which represents the payment anticipated for fiscal year 2025.

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**Timber Top** The School District receives payment in lieu of taxes from Timber Top which began in fiscal year 2024. Timber Top must remit payment in lieu of taxes to the county treasurer each year. These payments must be distributed to the taxing subdivisions levying taxes in the subdivisions in which Timber Top property is located. The City of Lancaster remits annual compensation payments to the School District equal to 75 percent of real property attributable to the improvements on the parcels that the School District would have received had the parcels not been subject to the TIF agreement. During fiscal year 2024, a payment in the amount of \$95,523 was received. During fiscal year 2024, Fairfield County had a posting error and sent the City of Lancaster a portion of the School District's payment in lieu of taxes. During July 2024, the City of Lancaster corrected this error by sending the overage payment they had received to the School District, in the amount of \$19,784. As of June 30, 2024, a receivable for \$248,373 has been recorded which represents the payment anticipated for fiscal year 2025.

**Fairfield Metropolitan Housing Authority** The School District receives payment in lieu of taxes each year from Fairfield Metropolitan Housing Authority (Metro Housing). Due to Ohio Revised Code Section 3735.35, Metro Housing must remit payment in lieu of taxes to the county treasurer. These payments must be distributed to the taxing subdivisions levying taxes in the subdivisions in which the Metro Housing property is located. During fiscal year 2024, a payment in the amount of \$13,711 was received. As of June 30, 2024, a receivable for \$16,222 has been recorded which represents the payment anticipated for fiscal year 2025.

**Farm Credit Leasing Services – South Central Power** The School District will receive payment in lieu of taxes each year from Farm Credit Leasing Services if Fairfield County qualifies due to low energy production from the solar panels located within the School District. These payments from Farm Credit Leasing Services must be distributed to the taxing subdivisions levying taxes in the subdivision in which the solar panels are located. The lease term of the property began June 1, 2017, and ending on May 31, 2042. During fiscal year 2024, a payment in the amount of \$3,551 was received. As of June 30, 2024, a receivable for \$3,551 has been recorded which represents the payment anticipated for fiscal year 2025.

#### **Note 10 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

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	Balance 7/1/2023	Additions	Deletions	Balance 06/30/2024
<b>Nondepreciable Capital Assets</b>				
Land	\$3,563,836	\$117,425	\$0	\$3,681,261
Construction in Progress	23,981,360	50,478,923	0	74,460,283
<b>Total Nondepreciable Capital Assets</b>	<b>27,545,196</b>	<b>50,596,348</b>	<b>0</b>	<b>78,141,544</b>
<b>Depreciable/Amortizable Capital Assets</b>				
<i>Tangible Assets</i>				
Land Improvements	16,701,719	54,455	0	16,756,174
Buildings and Improvements	135,170,831	74,710	0	135,245,541
Furniture and Equipment	13,707,691	1,010,060	(15,490)	14,702,261
Vehicles	6,286,941	121,992	0	6,408,933
<b>Total Tangible Assets</b>	<b>171,867,182</b>	<b>1,261,217</b>	<b>(15,490)</b>	<b>173,112,909</b>
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	183,694	0	0	183,694
<i>Subscription Assets</i>				
Intangible Right to Use - Software	0	194,766	0	194,766
<b>Total Intangible Assets</b>	<b>183,694</b>	<b>194,766</b>	<b>0</b>	<b>378,460</b>
<b>Total Depreciable/Amortizable Capital Assets</b>	<b>172,050,876</b>	<b>1,455,983</b>	<b>(15,490)</b>	<b>173,491,369</b>
<i>Less Accumulated Depreciation/ Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(3,193,509)	(712,229)	0	(3,905,738)
Buildings and Improvements	(23,296,812)	(2,630,317)	0	(25,927,129)
Furniture and Equipment	(6,640,171)	(726,946)	13,862	(7,353,255)
Vehicles	(3,531,749)	(453,641)	0	(3,985,390)
<b>Total Depreciation</b>	<b>(36,662,241)</b>	<b>(4,523,133) *</b>	<b>13,862</b>	<b>(41,171,512)</b>
<i>Amortization</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	(86,520)	(60,859)	0	(147,379)
<i>Subscription Assets</i>				
Intangible Right to Use Subscription Assets - Software	0	(3,427)	0	(3,427)
<b>Total Amortization</b>	<b>(86,520)</b>	<b>(64,286) *</b>	<b>0</b>	<b>(150,806)</b>
<b>Total Accumulated Depreciation/ Amortization</b>	<b>(36,748,761)</b>	<b>(4,587,419) *</b>	<b>13,862</b>	<b>(41,322,318)</b>
<b>Depreciable/Amortizable Capital Assets, Net</b>	<b>135,302,115</b>	<b>(3,131,436)</b>	<b>(1,628)</b>	<b>132,169,051</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$162,847,311</b>	<b>\$47,464,912</b>	<b>(\$1,628)</b>	<b>\$210,310,595</b>

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Construction in progress as of June 30, 2024, consisted of the new high school building, HVAC/lighting updates at the preschool, and paving at the preschool and administration building.

\*Depreciation/amortization expense was charged to governmental functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$1,195,434	\$25,490	\$1,220,924
Special	654,332	12,532	666,864
Vocational	78,867	1,051	79,918
Student Intervention Services	11,638	225	11,863
Support Services:			
Pupils	349,175	6,604	355,779
Instructional Staff	109,069	2,101	111,170
Administration	238,188	4,052	242,240
Fiscal	48,710	450	49,160
Business	24,772	225	24,997
Operation and Maintenance of Plant	273,968	3,302	277,270
Pupil Transportation	600,783	3,302	604,085
Central	85,607	525	86,132
Operation of Non-Instructional Services:			
Food Service Operations	392,571	4,202	396,773
Other	6,500	75	6,575
Extracurricular Activities	<u>453,519</u>	<u>150</u>	<u>453,669</u>
Total	<u><u>\$4,523,133</u></u>	<u><u>\$64,286</u></u>	<u><u>\$4,587,419</u></u>

## **Note 11 - Risk Management**

### ***Property and Liability***

The School District 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. During fiscal year 2024, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool, for insurance coverage. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP. (See Note 21)

The types and amounts of coverage provided are as follows:

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Coverage	Amount	Deductible
Building and Personal Property - replacement cost	\$301,250,362	\$1,000
Boiler and Machinery	100,000,000	1,000
Flood	1,000,000	25,000
Earthquake	1,000,000	25,000
Automobile Liability	2,000,000	500
Auto Medical Payments	5,000	0
Uninsured/Underinsured Motorists	1,000,000	500
Educational General Liability Coverage:		
General Aggregate	4,000,000	0
Sexual Abuse Injury	2,000,000	0
Products/Completed Operations Aggregate	2,000,000	0
Personal and Advertising Injury	2,000,000	0
Fiduciary Liability for Each Fiduciary Claim	2,000,000	2,500
Fiduciary Liability Aggregate Limit	4,000,000	2,500
Employer's Liability for Each Accident	2,000,000	0
Educational Liability for Errors and Omissions Injury Limit	2,000,000	2,500
Educational Liability for Errors and Omissions Injury Aggregate	4,000,000	2,500
Employment Practices Injury Limit	2,000,000	2,500
Employment Practices Injury Aggregate Limit	4,000,000	2,500

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage from the prior fiscal year.

### ***Workers' Compensation***

The School District participates in the workers' compensation program provided by the State of Ohio. The School District participates in the Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (Program), a shared risk pool (Note 21). The Program is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for participants. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can either receive a premium refund or assessment. Employers will pay experience or based rated premiums under the same terms as if they were not in a retro group. The total premium for the entire group is the standard premium of the group. The standard premium serves as the benchmark that is adjusted up and down retroactively. In order to allocate the savings derived by formation of the Program, the Program's executive committee annually calculates the group-retrospective premium based on developed incurred claim losses for the whole group. The new premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, a refund will be distributed to the employers of the group. If the retrospective premium is higher, an assessment will be charged to each participant.

Participation in the Program is limited to school districts that can meet the Program's selection criteria. The firm of Sedwick Managed Care Ohio serves as the third party administrator of the Program and provides administrative, cost control, and actuarial services. Each year, the School District pays an enrollment fee to the Program to cover the cost of administering the Program.

The School District may withdraw from the Program if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Program prior to withdrawal.

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***Medical, Prescription Drug, and Dental***

The School District provides a medical, prescription drug, and dental insurance program for its employees. The School District joined the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (Note 21), on November 1, 2006. The School District's medical, prescription drug, and dental were all considered self-insured programs due to the School District retaining the risk. SCOIC contracted with CareFactor for claims servicing. The School District had shared risk pool coverage and stop-loss insurance through SCOIC for individual claims in excess of \$100,000 per employee per year for medical and prescription claims. SCOIC purchases stop loss coverage for individual claims over \$1,500,000. SCOIC members also participate in a Jefferson Health Plan shared risk pool for individual claims from \$500,000 to \$1,500,000. The Jefferson Health Plan has a stop loss coverage insurance policy through Sun Life which covered individual claims in excess of \$1,500,000 per employee per year for medical and prescription claims. The School District has no stop loss coverage for the dental claims. The maximum dental benefit per covered person is \$1,500 per calendar year. The premiums paid into the internal service fund are used for claims, claim reserves, and administrative costs. The internal service fund presented in the financial statements reflects the premiums paid into the self-insurance internal service fund by the same funds that pay the employees' salaries. The School District pays monthly medical premiums of up to \$3,408 for certified and classified employees for family coverage and up to \$1,356 for certified and classified employees for single coverage of which the employees are responsible for 20 percent of the medical premium. The School District pays monthly dental premiums of up to \$93 for family and single coverage for certified and classified employees.

The claims liability of \$1,405,800 reported in the internal service fund at June 30, 2024, is based on the requirements of Governmental Accounting Standards Board Statement Number 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate provided by an actuary for medical and dental claims. The full amount of claims payable is presented as current liabilities because it is expected to be paid within the following fiscal year. 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 fiscal years, including medical, surgical, prescription drug, and dental are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2023	\$1,277,000	\$13,673,696	\$13,560,896	\$1,389,800
2024	1,389,800	13,822,164 (1)	13,806,164	1,405,800
(1) Claims Expense		\$13,882,711		
+ Stop Loss Receivable from current year		277,319		
- Stop Loss Receivable from prior year		(337,866)		
		<u><u>\$13,822,164</u></u>		

***Note 12 - Employee Benefits***

***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who work 260 days per year earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time.

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Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation is unlimited. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit up to a maximum of 65 days for classified and certified employees. If a certified employee retires within their first year of eligibility for retirement, then the maximum retirement payment is 100 days.

***Life Insurance***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through American United Life Insurance Company an amount of \$50,000 to \$75,000 depending upon the employee's position.

***Deferred Compensation***

School District employees participate in a statewide deferred compensation plan that was created in accordance with Internal Revenue Code Section 457 and is considered another employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

**Note 13 - Defined Benefit Pension Plans**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability (Asset)***

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer

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contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

***Plan Description – School Employees Retirement System (SERS)***

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

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**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,737,009 for fiscal year 2024. Of this amount, \$197,399 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

**Plan Description** – The School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients’ base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board’s actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**Funding Policy – Employer and member contribution rates** are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$5,845,299 for fiscal year 2024. Of this amount, \$653,658 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District'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:

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	SERS	STRS	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.2964876%	0.29515850%	
Prior Measurement Date	<u>0.3147604%</u>	<u>0.29133302%</u>	
Change in Proportionate Share	<u>-0.0182728%</u>	<u>0.00382548%</u>	
			<b>Total</b>
Proportionate Share of the Net			
Pension Liability	\$16,382,469	\$63,562,200	\$79,944,669
Pension Expense	\$1,920,808	\$6,299,118	\$8,219,926

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$704,155	\$2,317,344	\$3,021,499
Changes of assumptions	116,046	5,234,691	5,350,737
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	649,843	1,754,506	2,404,349
School District contributions subsequent to the measurement date	<u>1,737,009</u>	<u>5,845,299</u>	<u>7,582,308</u>
Total Deferred Outflows of Resources	<u><u>\$3,207,053</u></u>	<u><u>\$15,151,840</u></u>	<u><u>\$18,358,893</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$141,047	\$141,047
Changes of assumptions	0	3,940,218	3,940,218
Net difference between projected and actual earnings on pension plan investments	230,270	190,498	420,768
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>713,167</u>	<u>0</u>	<u>713,167</u>
Total Deferred Inflows of Resources	<u><u>\$943,437</u></u>	<u><u>\$4,271,763</u></u>	<u><u>\$5,215,200</u></u>

\$7,582,308 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$515,951	\$454,928	\$970,879
2026	(879,259)	(1,605,222)	(2,484,481)
2027	877,712	6,419,704	7,297,416
2028	<u>12,203</u>	<u>(234,632)</u>	<u>(222,429)</u>
Total	<u><u>\$526,607</u></u>	<u><u>\$5,034,778</u></u>	<u><u>\$5,561,385</u></u>

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). 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. Future benefits for all current plan members were projected through 2137.

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 calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, are presented below:

Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward

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5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *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 an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 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, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$24,179,684	\$16,382,469	\$9,814,797

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***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented below:

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00%</u>	

\* Final target weights reflected at October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$97,744,594	\$63,562,200	\$34,653,247

### **Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2024, one of the Board of Education members elected Social Security. The contribution rate is 6.2 percent of wages.

### **Note 14 - Defined Benefit OPEB Plans**

See Note 13 for a description of the net OPEB liability (asset).

#### ***Plan Description - School Employees Retirement System (SERS)***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$212,266.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$212,266 for fiscal year 2024, all reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

**Plan Description** – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy** – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.3035706%	0.29515850%	
Prior Measurement Date	<u>0.3212101%</u>	<u>0.29133302%</u>	
Change in Proportionate Share	<u>-0.0176395%</u>	<u>0.00382548%</u>	
			Total
Proportionate Share of the:			
Net OPEB Liability	\$5,001,160	\$0	\$5,001,160
Net OPEB (Asset)	\$0	(\$5,740,424)	(\$5,740,424)
OPEB Expense	(\$330,629)	(\$228,889)	(\$559,518)

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$10,419	\$8,950	\$19,369
Changes of assumptions	1,691,039	845,650	2,536,689
Net difference between projected and actual earnings on OPEB plan investments	38,761	10,248	49,009
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	697,173	11,541	708,714
School District contributions subsequent to the measurement date	<u>212,266</u>	<u>0</u>	<u>212,266</u>
Total Deferred Outflows of Resources	<u><u>\$2,649,658</u></u>	<u><u>\$876,389</u></u>	<u><u>\$3,526,047</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$2,579,283	\$875,555	\$3,454,838
Changes of assumptions	1,420,378	3,787,447	5,207,825
Changes in Proportionate Share and difference between School District contributions and proportionate share of contributions	620,633	50,153	670,786
Total Deferred Inflows of Resources	<u><u>\$4,620,294</u></u>	<u><u>\$4,713,155</u></u>	<u><u>\$9,333,449</u></u>

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\$212,266 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability, or an increase to the net OPEB asset, in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	(\$742,975)	(\$1,711,161)	(\$2,454,136)
2026	(622,210)	(773,332)	(1,395,542)
2027	(350,346)	(294,158)	(644,504)
2028	(199,317)	(402,405)	(601,722)
2029	(131,599)	(369,457)	(501,056)
Thereafter	<u>(136,455)</u>	<u>(286,253)</u>	<u>(422,708)</u>
Total	<u><u>(\$2,182,902)</u></u>	<u><u>(\$3,836,766)</u></u>	<u><u>(\$6,019,668)</u></u>

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, 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 calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented below:

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June 30, 2023

Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$6,392,912	\$5,001,160	\$3,903,705
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$3,674,179	\$5,001,160	\$6,759,588

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

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	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

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***Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate*** The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$4,858,518)	(\$5,740,424)	(\$6,508,472)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$6,544,113)	(\$5,740,424)	(\$4,772,397)

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**Note 15 – Long-Term Obligations**

The changes in the School District's long-term obligations during the fiscal year consist of the following:

	Principal Outstanding 6/30/2023	Additions	Deductions	Principal Outstanding 6/30/2024	Due in One Year
<b>Governmental Activities</b>					
School Facilities Construction and Improvement General Obligation Bonds 2016 B					
Serial Bonds 2.00% - 4.00%	\$4,395,000	\$0	\$930,000	\$3,465,000	\$970,000
Term Bonds 3.00%	6,415,000	0	0	6,415,000	0
Bond Premium	824,906	0	49,994	774,912	0
School Facilities Construction and Improvement Refunding Bonds, Series 2017					
Serial Bonds 2.00% - 2.50%	1,605,000	0	130,000	1,475,000	135,000
Term Bonds 3.25%	6,265,000	0	0	6,265,000	0
Capital Appreciation Bonds 29.45%	30,000	0	0	30,000	0
Capital Appreciation Bonds Accretion	97,566	40,452	0	138,018	0
Bond Premium	930,508	0	80,914	849,594	0
School Facilities Construction Refunding Bonds Series 2019					
Serial Bonds 2.448% - 2.788%	6,755,000	0	0	6,755,000	0
Term Bonds 2.948% - 3.432%	39,095,000	0	0	39,095,000	0
Capital Appreciation Bonds 37.50%	768,904	0	258,619	510,285	187,160
Capital Appreciation Bonds Accretion	1,725,912	816,989	716,381	1,826,520	807,840
Bond Premium	2,475,625	0	550,139	1,925,486	0
School Facilities Construction and Improvement Bonds Series 2020					
Serial Bonds 1.75% - 3.111%	20,060,000	0	1,610,000	18,450,000	1,640,000
Term Bonds 3.596% - 3.846%	42,080,000	0	0	42,080,000	0
Discount for Term Bonds	(377,889)	0	(13,496)	(364,393)	0
Capital Appreciation Bonds 24.18% - 24.49%	860,000	0	0	860,000	0
Capital Appreciation Bonds Accretion	836,437	439,530	0	1,275,967	0
Premium for Capital Appreciation Bonds	1,123,285	0	280,822	842,463	0
School Improvement Refunding Bonds Series 2021					
Serial Bonds 0.252% - 2.383%	12,055,000	0	385,000	11,670,000	385,000
Total Bonds	<u>148,020,254</u>	<u>1,296,971</u>	<u>4,978,373</u>	<u>144,338,852</u>	<u>4,125,000</u>
Net Pension Liability:					
SERS	17,024,691	0	642,222	16,382,469	0
STRS	64,763,697	0	1,201,497	63,562,200	0
Total Net Pension Liability	<u>81,788,388</u>	<u>0</u>	<u>1,843,719</u>	<u>79,944,669</u>	<u>0</u>
Net OPEB Liability - SERS	4,509,823	491,337	0	5,001,160	0
Leases Payable	97,174	0	60,859	36,315	36,315
Compensated Absences Payable	5,021,965	753,581	700,322	5,075,224	531,869
Total Governmental Activities Long-Term Obligations	<u>\$239,437,604</u>	<u>\$2,541,889</u>	<u>\$7,583,273</u>	<u>\$234,396,220</u>	<u>\$4,693,184</u>

*School Facilities Construction and Improvement General Obligation Bonds Series 2016 B* – On September 7, 2016, the School District issued \$27,000,000 in School Facilities Construction and Improvement General Obligation Bonds, Series 2016 B, at a variable interest rate. The bonds were issued for a twenty-three year period with a final maturity at October 1, 2039. The purpose of the bonds is to construct school facilities and

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renovating existing school facilities under the Classroom Facilities Assistance Program of the Ohio Facilities Construction Commission which includes the construction of two new junior high buildings. The bond issue included serial and term bonds in the amount of \$20,585,000 and \$6,415,000, respectively. The bonds were issued at a premium in the amount of \$2,169,571. On March 25, 2021, the School District advanced refunded \$11,085,000 in serial bonds which were paid in full. This bond will be retired from the bond retirement debt service fund through income taxes.

The term bonds due October 1, 2039, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the respective principal amounts as follows:

Calendar Year	Issue
2036	\$1,535,000
2037	1,580,000
2038	<u>1,625,000</u>
Total mandatory sinking fund payments	4,740,000
Amount due at stated maturity	<u>1,675,000</u>
Total	<u><u>\$6,415,000</u></u>

Principal and interest requirements to retire the School Facilities Construction and Improvement General Obligation Bonds Series 2016 B outstanding at June 30, 2024, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2025	\$970,000	\$294,888
2026	1,005,000	255,388
2027	0	235,288
2028	0	235,288
2029	0	235,288
2030-2034	0	1,176,438
2035-2039	6,230,000	815,906
2040	<u>1,675,000</u>	<u>25,125</u>
Total	<u><u>\$9,880,000</u></u>	<u><u>\$3,273,609</u></u>

*School Facilities Construction and Improvement Refunding Bonds Series 2017* – On December 28, 2017, the School District issued \$8,595,000 in School Facilities Construction and Improvement Refunding Bonds to partially refund term bonds in the amount of \$8,600,000 for the Series 2012 School Facilities Construction and Improvement General Obligation Bonds. At the date of refunding, \$9,818,852 was deposited in an irrevocable trust to provide for all future debt service payments on the partially refunded Series 2012 School Facilities Construction and Improvement General Obligation Bonds. The refunding bonds consisted of serial bonds in the amount of \$2,300,000, term bonds in the amount of \$6,265,000, and capital appreciation bonds in the amount of \$30,000. The bonds were issued with a premium in the amount of \$1,375,533. As a result, \$8,600,000 of the Series 2012 School Facilities Construction and Improvement General Obligation Bonds are considered defeased and the liabilities for those bonds has been removed from the statement of net position. On October 3, 2022, the remaining balance of the partially refunded Series 2012 School Facilities Construction and Improvement General Obligation Bonds outstanding balance was called and paid in full and the escrow account was closed. This bond will be retired from the bond retirement debt service fund through property taxes.

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The partial advance refunding resulted in a difference between the net carrying amount of the old debt and an acquisition price, in the amount of \$311,053. This difference is being reported in the accompanying financial statements as deferred outflows or resources – deferred charge on refunding and is being amortized to interest expense over the life of the bonds using the straight-line method. The amount amortized during fiscal year 2024 was \$9,720. The School District advanced refunded a portion of the Series 2012 School Facilities Construction and Improvement General Obligation Bonds to reduce its total debt service payments over 32 years by \$1,137,316.

The term bonds due October 1, 2037, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the respective principal amounts as follows:

Calendar Year	Issue
2028	\$150,000
2029	150,000
2030	155,000
2031	160,000
2032	165,000
2034	510,000
2035	1,600,000
2036	<u>1,675,000</u>
Total mandatory sinking fund payments	4,565,000
Amount due at stated maturity	<u>1,700,000</u>
Total	<u><u>\$6,265,000</u></u>

Principal and interest requirements to retire the School Facilities Construction and Improvement General Refunding Bonds Series 2017 outstanding at June 30, 2024, are as follows (the interest column includes the capital appreciation bonds accretion in fiscal years 2033 and 2034):

Fiscal Year Ending June 30,	Principal	Interest
2025	\$135,000	\$248,000
2026	135,000	244,625
2027	140,000	241,188
2028	145,000	237,625
2029	150,000	233,375
2030-2034	650,000	2,594,075
2035-2039	5,495,000	1,566,756
2040-2044	0	161,000
2045-2049	0	161,000
2050	920,000	16,100
Total	<u><u>\$7,770,000</u></u>	<u><u>\$5,703,744</u></u>

*School Facilities Construction and Improvement Refunding Bonds Series 2019* – On October 31, 2019, the School District issued \$47,457,912 in School Facilities Construction and Improvement Refunding Bonds to partially refund serial and term bonds in the amount of \$7,100,000 and \$40,360,000, respectively, for the Series 2012 School Facilities Construction and Improvement General Obligation Bonds. At the date of refunding, \$51,428,682 was deposited in an irrevocable trust to provide for all future debt service payments on the partially refunded Series 2012 School Facilities Construction and Improvement General Obligation Bonds. The refunding bonds consisted of serial bonds in the amount of \$6,755,000, term bonds in the amount

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of \$39,095,000, and capital appreciation bonds in the amount of \$1,607,912. The bonds were issued with a premium in the amount of \$4,401,111 and issuance costs of \$426,486. As a result, \$47,460,000 of the Series 2012 School Facilities Construction and Improvement General Obligation Bonds are considered defeased and the liabilities for those bonds has been removed from the statement of net position. On October 3, 2022, the remaining balance of the partially refunded Series 2012 School Facilities Construction and Improvement General Obligation Bonds were called and paid in full and the escrow account was closed. This bond will be retired from the bond retirement debt service fund through property taxes.

The partial advance refunding resulted in a difference between the net carrying amount of the old debt and an acquisition price, in the amount of \$1,955,056. This difference is being reported in the accompanying financial statements as deferred outflows or resources – deferred charge on refunding and is being amortized to interest expense over the life of the bonds using the straight-line method. The amount amortized during fiscal year 2024 was \$65,169. The School District advanced refunded a portion of the Series 2012 School Facilities Construction and Improvement General Obligation Bonds to reduce its total debt service payments over 31 years by \$7,224,083.

The term bonds due October 1, 2035, 2038, 2041, 2044, and 2049, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the respective principal amounts as follows:

Calendar Year	Issue				
	\$1,350,000	\$3,335,000	\$7,690,000	\$9,025,000	\$17,965,000
2033	\$430,000	\$0	\$0	\$0	\$0
2034	450,000	0	0	0	0
2036	0	490,000	0	0	0
2037	0	505,000	0	0	0
2039	0	0	2,440,000	0	0
2040	0	0	2,550,000	0	0
2042	0	0	0	2,820,000	0
2043	0	0	0	2,960,000	0
2045	0	0	0	0	3,385,000
2046	0	0	0	0	3,530,000
2047	0	0	0	0	3,730,000
2048	0	0	0	0	3,885,000
Total mandatory sinking fund payments	880,000	995,000	4,990,000	5,780,000	14,530,000
Amount due at stated maturity	470,000	2,340,000	2,700,000	3,245,000	3,165,000
Total	<u>\$1,350,000</u>	<u>\$3,335,000</u>	<u>\$7,690,000</u>	<u>\$9,025,000</u>	<u>\$17,695,000</u>
Stated Maturity	10/1/2035	10/1/2038	10/1/2041	10/1/2044	10/1/2049

Principal and interest requirements to retire the School Facilities Construction and Improvement General Refunding Bonds Series 2019 outstanding at June 30, 2024, are as follows (the interest column includes the capital appreciation bonds accretion in fiscal years 2025 through 2028):

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Fiscal Year Ending June 30,	Principal	Interest
2025	\$187,160	\$2,298,260
2026	135,390	2,370,028
2027	109,251	2,536,168
2028	78,484	2,581,936
2029	1,190,000	1,475,854
2030-2034	5,995,000	6,876,551
2035-2039	4,255,000	6,295,337
2040-2044	13,470,000	4,753,424
2045-2049	17,775,000	2,122,843
2050	3,165,000	54,311
<b>Total</b>	<b>\$46,360,285</b>	<b>\$31,364,712</b>

*School Facilities Construction and Improvement General Obligation Bonds Series 2020* – On April 22, 2020, the School District issued \$66,125,000 in School Facilities Construction and Improvement General Obligation Bonds, Series 2020, at a variable interest rate. The bonds were issued for a thirty-year period with a final maturity at October 1, 2050. The bond proceeds represented the local share for the School District's construction of a new high school building under the OFCC expedited local partnership program which was approved by voters on May 7, 2019. The OFCC portion of the project is \$39,802,530 and was approved by the State of Ohio Controlling Board on July 27, 2020. The bond issue included serial, term, and capital appreciation bonds in the amounts of \$23,185,000, \$42,080,000, and \$860,000, respectively. The capital appreciation bonds were issued at a premium in the amount of \$1,965,748 and the term bonds were issued at a discount of \$418,377. This bond will be retired from the bond retirement debt service fund through property taxes.

The term bonds due October 1, 2040, 2045, and 2050, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the respective principal amounts as follows:

Calendar Year	Issue		
	\$11,545,000	\$13,840,000	\$16,695,000
2036	\$2,150,000	\$0	\$0
2037	2,225,000	0	0
2038	2,305,000	0	0
2039	2,390,000	0	0
2041	0	2,565,000	0
2042	0	2,660,000	0
2043	0	2,765,000	0
2044	0	2,870,000	0
2046	0	0	3,095,000
2047	0	0	3,210,000
2048	0	0	3,335,000
2049	0	0	3,460,000
 Total mandatory sinking fund payments			
	9,070,000	10,860,000	13,100,000
 Amount due at stated maturity			
	2,475,000	2,980,000	3,595,000
 Total			
	<b>\$11,545,000</b>	<b>\$13,840,000</b>	<b>\$16,695,000</b>
 Stated Maturity			
	10/1/2040	10/1/2045	10/1/2050

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Principal and interest requirements to retire the School Facilities Construction and Improvement General Obligation Bonds Series 2020 outstanding at June 30, 2024, are as follows (the interest column includes the capital appreciation bonds accretion in fiscal years 2025 and 2026):

Fiscal Year Ending June 30,	Principal	Interest
2025	\$1,640,000	\$2,071,551
2026	475,000	2,053,535
2027	385,000	2,053,535
2028	1,675,000	2,032,464
2029	1,720,000	1,988,938
2030-2034	9,310,000	9,211,801
2035-2039	10,785,000	7,685,537
2040-2044	12,855,000	5,560,006
2045-2049	15,490,000	2,861,537
2050-2051	7,055,000	270,937
<b>Total</b>	<b>\$61,390,000</b>	<b>\$35,789,841</b>

*School Improvement Refunding Bonds Series 2021* – On March 25, 2021, the School District issued \$12,925,000 in School Improvement Refunding Bonds to partially refund serial bonds in the amount of \$11,085,000 for the Series 2016 B School Facilities Construction and Improvement General Obligation Bonds. At the date of refunding, \$12,700,000 was deposited in an irrevocable trust to provide for all future debt service payments on the partially refunded Series 2016 B School Facilities Construction and Improvement General Obligation Bonds. The refunding bonds consisted of all serial bonds and had issuance costs in the amount of \$225,000. As a result, \$11,085,000 of the Series 2016 B School Facilities Construction and Improvement General Obligation Bonds are considered defeased and the liabilities for those bonds has been removed from the statement of net position. As of June 30, 2024, \$11,284,695 remained in the escrow account to retire the partially refunded Series 2016 B School Facilities Construction and Improvement General Obligation Bonds outstanding balance in the amount of \$11,085,000. This bond will be retired from the bond retirement debt service fund through property taxes.

The partial advance refunding resulted in a difference between the net carrying amount of the old debt and an acquisition price, in the amount of \$772,641. This difference is being reported in the accompanying financial statements as deferred outflows or resources – deferred charge on refunding and is being amortized to interest expense over the life of the bonds using the straight-line method. The amount amortized during fiscal year 2024 was \$55,630. The School District advanced refunded a portion of the Series 2016 B School Facilities Construction and Improvement General Obligation Bonds to reduce its total debt service payments over 15 years by \$824,244.

Principal and interest requirements to retire the School Improvement Refunding Bonds Series 2021 outstanding at June 30, 2024, are as follows:

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Fiscal Year Ending June 30,	Principal	Interest
2025	\$385,000	\$202,392
2026	390,000	199,433
2027	1,440,000	189,569
2028	1,460,000	170,766
2029	1,480,000	147,811
2030-2034	5,750,000	347,390
2035-2036	765,000	9,115
<b>Total</b>	<b>\$11,670,000</b>	<b>\$1,266,476</b>

The School District's overall legal debt margin was \$14,232,162, with an unvoted debt margin of \$1,370,810 at June 30, 2024. Net indebtedness exceeds the nine percent limitation due to debt issued to fund the School District's portion of the costs of a school facilities project under Ohio Revised Code Chapter 3318, and, as a result, such debt is not subject to State consents or special needs approval pursuant to Ohio Revised Code Section 133.06(I).

As of June 30, 2024, \$24,711,741 of bond proceeds remained unspent (before debt related payables of \$2,378,712). These unspent bond proceeds are reflected as restricted on the balance sheet in the classroom facilities major capital projects fund. On the statement of net position, these unspent bond proceeds are offset against the outstanding bonds payable.

*Net Pension/OPEB Liability and Compensated Absences* - There are no repayment schedules for the net pension/OPEB liability. However, employee pension/OPEB contributions are made from the following funds: general fund, food service, idea-b, title 1, reducing class size, title 1 non-competitive, title iv-a, and preschool special revenue funds. School District pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension/OPEB liability, see Notes 13 and 14. Compensated absences will be paid from the general fund and the food service special revenue fund.

*Leases Payable* The School District has an outstanding agreement for lease copiers. The future lease payments were discounted based on the interest rate implicit in the lease. This discount is being amortized using the interest method over the life of the lease. The lease will be paid from the general fund. A summary of the remaining principal and interest amounts for the lease are as follows:

Year	Principal	Interest	Total
2025	\$36,315	\$4,021	\$40,336

#### **Note 16 - Interfund Balances and Activity**

Interfund balances at June 30, 2024, consist of the following individual interfund receivables and payables:

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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	Interfund Receivable	Interfund Payable
<b>Major Funds:</b>		
General	<u>\$55,723</u>	<u>\$141</u>
<b>Other Governmental Funds:</b>		
IDEA - B	0	1,005
Title I	0	33,719
Reducing Class Size	0	4,771
Title I Non-Competitive	0	1,196
Title IV-A	0	8,027
Federal Safety Grant	141	0
Vocational Education	0	7,005
<b>Total Other Governmental Funds</b>	<u>141</u>	<u>55,723</u>
<b>Total All Funds</b>	<u><u>\$55,864</u></u>	<u><u>\$55,864</u></u>

The interfund receivables/payables are due to the general fund making advances to other governmental funds to subsidize negative cash balances and while the School District waits on intergovernmental revenues to be received. The general fund reimbursed the federal safety grant special revenue fund for an overage of expenditures. The interfund payables are anticipated to be repaid within one year.

	Transfer To	Transfer From
<b>Major Funds:</b>		
General	\$0	\$3,815,957
Bond Retirement	1,852,082	0
Classroom Facilities	0	2,069,679
<b>Total Major Funds</b>	<u>1,852,082</u>	<u>5,885,636</u>
<b>Other Governmental Funds:</b>		
Food Service	93,121	0
Permanent Improvement	1,390,597	0
School Building Construction	2,549,836	0
<b>Total Other Governmental Funds</b>	<u>4,033,554</u>	<u>0</u>
<b>Total All Funds</b>	<u><u>\$5,885,636</u></u>	<u><u>\$5,885,636</u></u>

Interfund transfers during 2024 consisted of the general fund transferring \$1,852,082 to the bond retirement major debt service fund for the purpose of retiring the bonds for the construction of the two junior high school buildings, \$93,121 to the food service special revenue fund for unpaid student lunches, and \$1,870,754 to the school building construction capital projects fund for the purpose of funding plan additions for the new high school construction project through an Ohio Facilities Construction Commission (OFCC) project. The classroom facilities major capital projects fund transferred \$1,390,597 to the permanent improvement capital projects fund due to the close-out of the two new junior high schools OFCC project, which meets OFCC guidance for remaining local interest earnings. The classroom facilities major capital projects fund also transferred \$679,082 to the school building construction capital projects fund for the unused principal from the junior high schools' bond issuance, which also meets guidance from OFCC.

#### **Note 17 - Set-Asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the year must be held in cash at fiscal year

**Lancaster City School District, Ohio**  
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end and carried forward to be used for the same purposes in future fiscal years.

The following cash basis information describes the change in the fiscal year end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	1,334,984
Current Year Offsets	(9,708,595)
Qualifying Disbursements	<u>(1,471,280)</u>
Total	<u><u>(\$9,844,891)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the capital improvements set-aside amounts below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

### **Note 18 - Significant Commitments**

#### ***Encumbrances***

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds:	
General	\$1,512,826
Classroom Facilities	42,789,793
Nonmajor Governmental Funds	<u>12,235,927</u>
Total	<u><u>\$56,538,546</u></u>

#### ***Contractual Commitments***

As of June 30, 2024, the School District had contractual purchase commitments for the following projects:

Project	Fund(s)	Original Contract	Paid to Date	Amount Remaining
High School OFCC Building Project	Classroom Facilities and School Building Construction	\$121,839,910	\$73,451,918	\$48,387,992
Tarhe HVAC and Lighting	School Emergency Relief and Permanent Improvement	915,157	910,482	4,675
Preschool and Administration Paving Project	Permanent Improvement	397,774	97,883	299,891
	Total	<u>\$123,152,841</u>	<u>\$74,460,283</u>	<u>\$48,692,558</u>

The amounts of \$4,021,216 and \$1,665,337, in contracts payable and retainage payable, respectively, have been capitalized.

**Lancaster City School District, Ohio**  
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*For the Fiscal Year Ended June 30, 2024*

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**Note 19 - Fund Balances**

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

Fund Balances	General	Bond	Classroom	Other	
	General	Retirement	Facilities	Governmental	
	General	Retirement	Facilities	Funds	Total
<b><u>Nonspendable:</u></b>					
Prepays	\$631,680	\$0	\$0	\$36,936	\$668,616
Materials and Supplies Inventory	247,659	0	0	20,878	268,537
<i>Total Nonspendable</i>	<i>879,339</i>	<i>0</i>	<i>0</i>	<i>57,814</i>	<i>937,153</i>
<b><u>Restricted for:</u></b>					
Debt Service	0	6,379,570	0	0	6,379,570
Classroom Facilities Construction	0	0	32,944,181	0	32,944,181
Classroom Facilities Maintenance	0	0	0	4,542,886	4,542,886
District and Student Managed Activities	0	0	0	467,666	467,666
Auxiliary Services	0	0	0	48,382	48,382
Food Service	0	0	0	1,165,379	1,165,379
Community Grants and Contributions	0	0	0	57,480	57,480
School Building Construction	0	0	0	12,863,912	12,863,912
<i>Total Restricted</i>	<i>0</i>	<i>6,379,570</i>	<i>32,944,181</i>	<i>19,145,705</i>	<i>58,469,456</i>
<b><u>Committed to:</u></b>					
Scholarships	0	0	0	34,211	34,211
Preschool	0	0	0	76,280	76,280
Termination Benefits	1,000,020	0	0	0	1,000,020
Capital Improvements	0	0	0	739,447	739,447
Professional Services	99,084	0	0	0	99,084
Medical Services	20,432	0	0	0	20,432
Educational Services	9,006	0	0	0	9,006
<i>Total Committed</i>	<i>1,128,542</i>	<i>0</i>	<i>0</i>	<i>849,938</i>	<i>1,978,480</i>
<b><u>Assigned to:</u></b>					
Capital Improvements	0	0	0	2,236,923	2,236,923
Public School Support	129,713	0	0	0	129,713
<b>Purchases on Order for:</b>					
Professional Services	356,879	0	0	0	356,879
Employee Services	47,040	0	0	0	47,040
Equipment and Supplies	338,394	0	0	0	338,394
Utilities	99,316	0	0	0	99,316
<i>Total Assigned</i>	<i>971,342</i>	<i>0</i>	<i>0</i>	<i>2,236,923</i>	<i>3,208,265</i>
Unassigned (Deficit)	37,368,865	0	0	(161,724)	37,207,141
<i>Total Fund Balances</i>	<i>\$40,348,088</i>	<i>\$6,379,570</i>	<i>\$32,944,181</i>	<i>\$22,128,656</i>	<i>\$101,800,495</i>

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
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On March 22, 2010, the Board of Education approved a resolution to maintain a cash reserve balance of twelve percent of operating expenses for the purpose of sound fiscal management. This minimum cash balance is required for the first two years of the rolling five-year forecast period. If the Treasurer finds that the twelve percent cash reserve is not met within those first two years of the five-year forecast, the Treasurer and Superintendent will advise the Board of Education in order to allow the Board of Education to consider steps to be taken to meet the reserve. The minimum cash reserve balance as of June 30, 2024, was \$10,287,083 which was based on actual fiscal year 2024 cash expenditures multiplied by twelve percent. The School District's general fund cash balances were adequate for the minimum cash reserve balance; therefore, no action was needed by the Board of Education for fiscal year 2024. This twelve percent cash reserve balance is reported as unassigned in the general fund.

#### **Note 20 - Jointly Governed Organizations**

**Licking Area Computer Association** - The School District is a participant in the Licking Area Computer Association (LACA), a regional council of governments, computer consortium. LACA is an association which services twenty-five school districts, educational service centers, and community schools within the boundaries of Licking, Muskingum, Fairfield, Perry, and Knox counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating school districts. The continued existence of LACA is not dependent on School District's continued participation and no equity interest exists.

The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The Board exercises total control over the operations of LACA including budgeting, appropriating, contracting, and designating management. The School District's total payments to LACA for fiscal year 2024 were \$368,647. Financial statements for LACA can be obtained from the Licking Area Computer Association, 50 South Quentin Road, Newark, OH 43055.

**META Solutions** - The School District participates in the META Solutions, a jointly governed organization created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META Solutions operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and non-members innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META Solutions consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META Solutions including budgeting, appropriating, contracting, and designating management. The School District paid \$77,576 to META Solutions during fiscal year 2024 for services. Financial information can be obtained from META Solutions, 2100 Citygate Drive, Columbus, Ohio 43219.

**Fairfield County Multi-System Youth Committee** - The Fairfield County Multi-System Youth Committee is a group of agencies that coordinate the provision of services to multi-need youth in the area. Members of the Committee include representatives of the Fairfield County Youth Services, Fairfield County Board of Developmental Disabilities, Fairfield County Alcohol, Drug Addiction, and Mental Health Board, Fairfield County Children Services, Fairfield Department of Health, New Horizons, the local office of Rehabilitation Services Commission, Fairfield County Drug and Alcohol Recovery Services, and the Lancaster City Schools. The Committee received no additional monies from the School District during fiscal year 2024. Operations were paid from the previous existing balance that had accumulated from State and federal grants. No debt is

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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currently outstanding. The Committee is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Committee. The Fairfield County Multi-System Youth Committee is located at 831 College Avenue Suite C, Lancaster, Ohio 43130.

#### **Note 21 - Pools**

***Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program*** - The Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (Program) is a shared risk pool among school districts in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The Program is governed by the Ohio School Board Association (OSBA) Executive Committee that consists of seven members as follows: the president of OSBA, Immediate Past President of OSBA, and five representatives elected from the participating school districts.

The Program, a Bureau of Workers' Compensation certified sponsor, established the program based upon guidelines set forth by the Bureau of Workers' Compensation (BWC). The Program created a group of school districts that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can receive either a premium refund or premium assessment. The Program's third party administrator (TPA), Sedgewick provides administrative, cost control, and actuarial services to the Program. The cost of the TPA will be paid by each school district in proportion to its payroll to the total payroll of the group.

The School District began participating in the program effective January 1, 2011. The School District paid \$20,895 in enrollment fees to the Program as of June 30, 2024, and \$204,754 in workers' compensation premiums.

***Ohio School Plan*** - The School District participates in the Ohio School Plan (OSP), and insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs, and other administrative services. The OSP's business and affairs are conducted by a twelve member Board of Directors consisting of school district superintendents and treasurers. Hylant Administrative Services, LLC is the Administrator of the OSP and is responsible for providing underwriting, claims management, risk management, accounting, system support services, sales, and marketing.

***South Central Ohio Insurance Consortium*** - The School District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost-effective cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the SCOIC. SCOIC members include 20 public entities, which are covered for medical and prescription benefits with many different plan designs in place, as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom-Carroll Local School District serves as the fiscal agent for the SCOIC.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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SCOIC contracts with the Jefferson Health Plan, a risk sharing, claims servicing, and insurance purchasing pool, for medical, dental, and prescription drug coverage on a self-insured basis and for an internal pool and stop loss insurance. The SCOIC members are considered self-insured and pay a monthly premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payments of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool paid dividends to the participants. The School District, member of SCOIC, participated in the shared risk pool through SCOIC for individual claims in excess of \$100,000. SCOIC contracts with CareFactor to service claims of SCOIC members. SCOIC members purchase stop loss coverage for individual claims over \$1,500,000. SCOIC members also participate in a Jefferson Health Plan shared risk pool for individual claims from \$500,000 to \$1,500,000. Sun Life provides stop loss coverage for individual claims over \$1,500,000 for members of the Jefferson Health Plan. In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180-day notice prior to the end of their three-year contract, be responsible for all run-out claims and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

## **Note 22 - Contingencies**

### ***Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2024, if applicable, cannot be determined at this time.

### ***Litigation***

The School District currently is not involved in any material litigation.

### ***School Foundation***

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. DEW adjustments for fiscal year 2024 were finalized in November 2024.

## **Note 23 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2024, the School District received COVID-19 funding. The School District spent available COVID-19 funding consistent with the applicable program guidelines.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**Note 24 - Ohio Facilities Construction Commission Close-Out**

The School District had an Ohio Facilities Construction Commission (OFCC) project for the construction of two new junior high school buildings. Thomas Ewing was the first junior high school to be completed and was opened to students in January 2020. The second junior high school building, General Sherman Junior High, was open to students on the first day of school in August 2020. These projects were considered finished in fiscal year 2022; however, the School District had to wait on OFCC to officially closeout the projects. OFCC submitted the Certificate of Completion of the Project Agreement form as of June 30, 2023. This form had final market updates, which included adjustments between the classroom facilities major capital projects fund and the school building construction capital projects fund. These adjustments were included as interfund payable/receivable in fiscal year 2023 and the School District adjusted these monies between the funds in July 2023. There were also additional intergovernmental payable/receivable between the School District and OFCC which were included in the fiscal year 2023 financial statements, these monies were paid and received in July 2023. The School District and OFCC both signed the final form on July 17, 2023.

The School District was also approved to retain \$679,082 in unused junior high bond issuance proceeds and \$1,390,597 in local interest earnings. In August 2023, \$679,082 was transferred from the classroom facilities major capital projects fund to the school building construction projects fund to be used for the new high school OFCC project. The \$1,390,597 in local interest earning was also transferred in August 2023 from the classroom facilities major capital projects fund to the permanent improvement capital projects fund.

*Required Supplementary Information*

**Lancaster City School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years \**

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.2964876%	0.3147604%	0.2783436%	0.2818048%
School District's Proportionate Share of the Net Pension Liability	\$16,382,469	\$17,024,691	\$10,270,071	\$18,639,164
School District's Covered Payroll	\$11,804,700	\$11,414,714	\$10,067,600	\$9,870,293
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	138.78%	149.15%	102.01%	188.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

\* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to required supplementary information

2020	2019	2018	2017	2016	2015
0.2740256%	0.2814465%	0.2836311%	0.2703412%	0.2588009%	0.2570550%
\$16,395,433	\$16,118,962	\$16,946,332	\$19,786,481	\$14,767,430	\$13,009,408
\$9,516,541	\$9,090,481	\$8,878,121	\$8,439,803	\$8,112,207	\$7,603,214
172.28%	177.32%	190.88%	234.44%	182.04%	171.10%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

**Lancaster City School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Eight Fiscal Years (1) \**

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.3035706%	0.3212101%	0.2883534%	0.2841454%
School District's Proportionate Share of the Net OPEB Liability	\$5,001,160	\$4,509,823	\$5,457,324	\$6,175,410
School District's Covered Payroll	\$11,804,700	\$11,414,714	\$10,067,600	\$9,870,293
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.37%	39.51%	54.21%	62.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

\* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to required supplementary information

2020	2019	2018	2017
0.2811495%	0.2848480%	0.2870770%	0.2738443%
\$7,070,318	\$7,902,453	\$7,704,392	\$7,805,576
\$9,516,541	\$9,090,481	\$8,878,121	\$8,439,803
74.30%	86.93%	86.78%	92.49%
15.57%	13.57%	12.46%	11.49%

**Lancaster City School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years \**

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.29515850%	0.29133302%	0.28834112%	0.27961307%
School District's Proportionate Share of the Net Pension Liability	\$63,562,200	\$64,763,697	\$36,867,004	\$67,656,413
School District's Covered Payroll	\$39,911,729	\$38,583,671	\$35,359,593	\$34,054,071
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.26%	167.85%	104.26%	198.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

\* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to required supplementary information

2020	2019	2018	2017	2016	2015
0.26727949%	0.26781203%	0.27260486%	0.25992422%	0.25054074%	0.25484464%
\$59,107,254	\$58,885,852	\$64,757,868	\$87,004,471	\$69,242,133	\$61,987,036
\$31,806,843	\$30,599,200	\$29,048,221	\$27,561,343	\$27,141,200	\$26,052,229
185.83%	192.44%	222.93%	315.68%	255.12%	237.93%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

**Lancaster City School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)*  
*State Teachers Retirement System of Ohio*  
*Last Eight Fiscal Years (1) \**

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability (Asset)	0.29515850%	0.29133302%	0.28834112%	0.27961307%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$5,740,424)	(\$7,543,582)	(\$6,079,436)	(\$4,914,195)
School District's Covered Payroll	\$39,911,729	\$38,583,671	\$35,359,593	\$34,054,071
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.38%	-19.55%	-17.19%	-14.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	168.50%	230.70%	174.70%	182.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

\* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to required supplementary information

2020	2019	2018	2017
0.26727949%	0.26781203%	0.27260486%	0.25992422%
(\$4,426,789)	(\$4,303,467)	\$10,636,036	\$13,900,815
\$31,806,843	\$30,599,200	\$29,048,221	\$27,561,343
-13.92%	-14.06%	36.62%	50.44%
174.70%	176.00%	47.10%	37.30%

**Lancaster City School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$1,737,009	\$1,652,658	\$1,598,060	\$1,409,464
Contributions in Relation to the Contractually Required Contribution	<u>(1,737,009)</u>	<u>(1,652,658)</u>	<u>(1,598,060)</u>	<u>(1,409,464)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll (1)	\$12,407,207	\$11,804,700	\$11,414,714	\$10,067,600
Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	\$212,266	\$213,736	\$206,520	\$191,451
Contributions in Relation to the Contractually Required Contribution	<u>(212,266)</u>	<u>(213,736)</u>	<u>(206,520)</u>	<u>(191,451)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
OPEB Contributions as a Percentage of Covered Payroll	<u><u>1.71%</u></u>	<u><u>1.81%</u></u>	<u><u>1.81%</u></u>	<u><u>1.90%</u></u>
Total Contributions as a Percentage of Covered Payroll (2)	<u><u>15.71%</u></u>	<u><u>15.81%</u></u>	<u><u>15.81%</u></u>	<u><u>15.90%</u></u>

Notes to the Required Supplementary Information:

- (1) The School District's covered payroll is the same for Pension and OPEB
- (2) Includes Surcharge

See accompanying notes to required supplementary information

2020	2019	2018	2017	2016	2015
\$1,381,841	\$1,284,733	\$1,227,215	\$1,242,937	\$1,181,572	\$1,069,189
<u>(1,381,841)</u>	<u>(1,284,733)</u>	<u>(1,227,215)</u>	<u>(1,242,937)</u>	<u>(1,181,572)</u>	<u>(1,069,189)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$9,870,293	\$9,516,541	\$9,090,481	\$8,878,121	\$8,439,803	\$8,112,207
<u><u>14.00%</u></u>	<u><u>13.50%</u></u>	<u><u>13.50%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.18%</u></u>
 \$143,365	 \$235,596	 \$226,631	 \$153,027	 \$138,065	 \$196,568
<u><u>(143,365)</u></u>	<u><u>(235,596)</u></u>	<u><u>(226,631)</u></u>	<u><u>(153,027)</u></u>	<u><u>(138,065)</u></u>	<u><u>(196,568)</u></u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u><u>1.45%</u></u>	<u><u>2.48%</u></u>	<u><u>2.49%</u></u>	<u><u>1.72%</u></u>	<u><u>1.64%</u></u>	<u><u>2.42%</u></u>
<u><u>15.45%</u></u>	<u><u>15.98%</u></u>	<u><u>15.99%</u></u>	<u><u>15.72%</u></u>	<u><u>15.64%</u></u>	<u><u>15.60%</u></u>

**Lancaster City School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2024	2023	2022	2021
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$5,845,299	\$5,587,642	\$5,401,714	\$4,950,343
Contributions in Relation to the Contractually Required Contribution	<u>(5,845,299)</u>	<u>(5,587,642)</u>	<u>(5,401,714)</u>	<u>(4,950,343)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll (1) (2)	\$41,752,136	\$39,911,729	\$38,583,671	\$35,359,593
Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>

Notes to the Required Supplementary Information:

- (1) The School District's covered payroll is the same for Pension and OPEB.
- (2) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024 as STRS did not allocate any employer contributions to postemployment health care. There is no required supplementary information to present to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to required supplementary information

2020	2019	2018	2017	2016	2015
\$4,767,570	\$4,452,958	\$4,283,888	\$4,066,751	\$3,858,588	\$3,799,768
<u>(4,767,570)</u>	<u>(4,452,958)</u>	<u>(4,283,888)</u>	<u>(4,066,751)</u>	<u>(3,858,588)</u>	<u>(3,799,768)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$34,054,071	\$31,806,843	\$30,599,200	\$29,048,221	\$27,561,343	\$27,141,200
<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>

**Lancaster City School District, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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## **Net Pension Liability**

### **Changes in Benefit Terms/Assumptions – SERS**

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of-living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Years 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts reported for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with a fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

### **Changes in Assumptions - STRS**

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal years 2017 and prior are presented below:

**Lancaster City School District, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal years 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set back two years through age 89 and no set-back for ages 90 and above. Females younger than age 80 are set back four years, one year set back from ages 80 through 89, and no set back from ages 90 and above.

**Lancaster City School District, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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### **Changes in Benefit Term – STRS Pension**

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

### **Net OPEB Liability**

#### **Changes in Assumptions – SERS**

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

#### Municipal Bond Index Rate:

Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

#### Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**Lancaster City School District, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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### **Changes in Assumptions – STRS**

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long-term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age-based to service-based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

### **Changes in Benefit Terms – STRS OPEB**

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021, from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

**Lancaster City School District, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

**Lancaster City School District, Ohio**

*Combining and Individual Fund Financial Statements and Schedules*

## **Lancaster City School District, Ohio**

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### *Governmental Fund Types*

#### *General Fund*

The general fund accounts for and reports all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose, provided it is expended or transferred according to the general laws of Ohio. The general fund budgetary comparison statement included in the basic financial statements demonstrates compliance at the legal level of control, thus no additional budgetary comparisons are presented.

#### *Special Revenue Funds*

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

#### *Debt Service Fund*

Debt service funds are used to account for and report financial resources that are restricted to expenditure for principal and interest on general obligation debt. For fiscal year 2024, there was only one debt service fund, bond retirement, which is considered a major fund. For fiscal year 2023, this fund was a nonmajor fund while for 2024 it is a major fund. Other than the beginning fund balance, no amounts are presented in the formerly nonmajor bond retirement debt service fund column on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds as this fund's 2024 activity is presented in the bond retirement major fund column on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds in the basic financial statements. Information for the beginning balance is presented in this combining section to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a “-“ to indicate this amount is included with the major governmental funds within the basic financial statements.

#### *Capital Projects Funds*

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

**Lancaster City School District, Ohio**

*Combining Balance Sheet*

*Nonmajor Governmental Funds*

*June 30, 2024*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$6,785,459	\$3,536,252	\$10,321,711
Cash and Cash Equivalents with Escrow Agent	0	328,966	328,966
Investments	0	13,180,321	13,180,321
Receivables:			
Property Taxes	480,388	0	480,388
Accounts	42,435	0	42,435
Intergovernmental	613,598	234,000	847,598
Accrued Interest	2,671	95,543	98,214
Interfund	141	0	141
Prepays	36,936	0	36,936
Inventory Held for Resale	30,138	0	30,138
Materials and Supplies Inventory	20,878	0	20,878
<i>Total Assets</i>	<u>\$8,012,644</u>	<u>\$17,375,082</u>	<u>\$25,387,726</u>
<b>Liabilities</b>			
Accounts Payable	\$84,361	\$1,991	\$86,352
Contracts Payable	0	894,057	894,057
Retainage Payable	0	347,787	347,787
Accrued Salaries and Benefits Payable	644,476	0	644,476
Intergovernmental Payable	181,181	0	181,181
Interfund Payable	55,723	0	55,723
Unearned Revenue	109,984	0	109,984
<i>Total Liabilities</i>	<u>1,075,725</u>	<u>1,243,835</u>	<u>2,319,560</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	409,911	0	409,911
Unavailable Revenue	<u>238,634</u>	<u>290,965</u>	<u>529,599</u>
<i>Total Deferred Inflows of Resources</i>	<u>648,545</u>	<u>290,965</u>	<u>939,510</u>
<b>Fund Balances</b>			
Nonspendable	57,814	0	57,814
Restricted	6,281,793	12,863,912	19,145,705
Committed	110,491	739,447	849,938
Assigned	0	2,236,923	2,236,923
Unassigned (Deficit)	(161,724)	0	(161,724)
<i>Total Fund Balances</i>	<u>6,288,374</u>	<u>15,840,282</u>	<u>22,128,656</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u><u>\$8,012,644</u></u>	<u><u>\$17,375,082</u></u>	<u><u>\$25,387,726</u></u>

**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2024*

	Nonmajor Special Revenue Funds	Formerly Nonmajor Bond Retirement Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$440,328		\$0	\$440,328
Intergovernmental	13,107,747		0	13,107,747
Investment Earnings/Interest	41,385		1,060,179	1,101,564
Tuition and Fees	29,156		0	29,156
Charges for Services and Sales	516,652		0	516,652
Extracurricular Activities	458,741		0	458,741
Gifts and Donations	64,575		100,400	164,975
Miscellaneous	25,070		84,809	109,879
<i>Total Revenues</i>	<i>14,683,654</i>		<i>1,245,388</i>	<i>15,929,042</i>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	2,017,576		0	2,017,576
Special	4,697,470		0	4,697,470
Vocational	109,511		0	109,511
Student Intervention Services	96,567		0	96,567
Support Services:				
Pupils	1,308,237		0	1,308,237
Instructional Staff	618,088		0	618,088
Administration	327,822		0	327,822
Fiscal	54,653		0	54,653
Operation and Maintenance of Plant	486,555		0	486,555
Pupil Transportation	57,564		0	57,564
Central	3,435		0	3,435
Operation of Non-Instructional Services:				
Food Service Operations	3,656,656		0	3,656,656
Other Non-Instructional Services	798,421		0	798,421
Extracurricular Activities	351,596		43,474	395,070
Capital Outlay	45,416		10,323,901	10,369,317
<i>Total Expenditures</i>	<i>14,629,567</i>		<i>10,367,375</i>	<i>24,996,942</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>54,087</i>		<i>(9,121,987)</i>	<i>(9,067,900)</i>
<b>Other Financing Source</b>				
Transfers In	93,121		3,940,433	4,033,554
<i>Net Change in Fund Balances</i>	<i>147,208</i>		<i>(5,181,554)</i>	<i>(5,034,346)</i>
<i>Fund Balances Beginning of Year</i>				
As Previously Reported	6,141,166	5,586,228	1,904,293	13,631,687
Adjustments - Changes from Major Fund to Nonmajor Fund and Nonmajor Fund to Major Fund	0	(5,586,228)	19,117,543	13,531,315
<i>Adjusted Fund Balances Beginning of Year</i>	<i>6,141,166</i>	<i>-</i>	<i>21,021,836</i>	<i>27,163,002</i>
<i>Fund Balances End of Year</i>	<i>\$6,288,374</i>		<i>\$15,840,282</i>	<i>\$22,128,656</i>

## **Lancaster City School District, Ohio**

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### *Nonmajor Special Revenue Funds*

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

Food Service Fund - To account for and report operating grants, charges for services, sales, gifts and donations, and miscellaneous restricted to the food service operations of the School District. This fund also received investment earnings/interest and a transfer from the general fund during the fiscal year.

Scholarship Memorial Fund - To account for and report occasional donations to the School District without conditions or limitations that are committed for student scholarships. This fund also received investment earnings/interest during the fiscal year.

Restricted Scholarship Fund - To account for and report monies donated to the School District with conditions and limitations that are restricted for student scholarships. This fund received investment earnings/interest during the fiscal year.

Community Grants Fund - To account for and report money occasionally received from a private foundation and local businesses to provide restricted funds for the development of teaching staff and student activities.

Classroom Facilities Maintenance Fund - To account for proceeds from a half mill levy passed in March 2012 restricted for the maintenance of school buildings.

Student Managed Activity Fund - To account for those restricted student activity programs which have student participation in the activity and have student involvement in the management of the program for which the School District has administrative involvement.

District Managed Student Activity Fund - To account for and report restricted student activity programs which have student participation in the activity but do not have student management of programs.

Auxiliary Services Fund - To account for and report restricted State grant monies that provide services and materials to pupils attending non-public schools within the School District. This fund also received investment earnings/interest during the fiscal year.

Data Communications Fund - To account for and report restricted State grant monies awarded to the School District to provide for data communication.

School Emergency Relief Fund - To account for and report emergency relief grants to the School District for related COVID-19 pandemic expenses. Grant restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

IDEA - B Fund - To account for and report restricted Federal grant monies used to assist in the education of children with disabilities.

Title I Fund - To account for and report restricted Federal grant monies used to assist the School District in providing financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

(Continued)

## **Lancaster City School District, Ohio**

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### *Nonmajor Special Revenue Funds (Continued)*

Reducing Class Size Fund - To account for and report restricted Federal grant monies awarded to the School District by the Federal Government for the specific purpose of reducing class size at the primary level.

Miscellaneous State Grants Fund - To account for miscellaneous State grants which are considered restricted. The current grants were awarded for the purpose of alcohol and drug addiction prevention and school safety training for students, employees, and school resource officers. They were awarded to the School District by the Fairfield County Alcohol, Drug Addiction, and Mental Health Board and by the State of Ohio.

Title I Non-Competitive Fund - To account for and report restricted Federal grant monies used to assist the School District in providing financial assistance to local educational agencies to support evidence-based school improvement strategies that are data driven and aligned with the Ohio Improvement Process and the School District's improvement plan.

Title IV-A Fund - To account for and report restricted Federal grant monies used to assist in student support and academic enrichment and to support safe and healthy students with comprehensive school mental health, drug and violence prevention, training on trauma-informed practices, and health and physical education.

Federal Safety Grant Fund - To account for and report restricted Federal grant monies used to support school safety training for students, employees, and school resource officers.

Vocational Education Fund - To account for and report restricted Federal and State grant funds for the development of vocational education programs.

Preschool Fund - To account for and report committed tuition monies and restricted Federal and State revenues awarded to the School District for the improvement and expansion of services provided for preschool children and handicapped preschool children. This fund includes the preschool tuition, public school preschool, and preschool special education funds for GAAP reporting purposes.

Public School Support Fund - To account for and report extracurricular activities revenues and donations (other than taxes) generated by individual school buildings. Expenditures include field trips, assemblies, materials and other items to supplement co-curricular and extracurricular programs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Termination Benefits Fund - To account for and report cash committed for paying termination benefits or for paying salaries when the number of pay periods exceeds the usual and customary for a year. This fund is included with the general fund for GAAP reporting as it does not have a restricted revenue source. This fund was established by fund transfers from the general fund.

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**Lancaster City School District, Ohio**

*Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2024*

	Food Service	Scholarship Memorial	Restricted Scholarship	Community Grants	Classroom Facilities Maintenance	Student Managed Activity	District Managed Student Activity
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$1,470,052	\$34,390	\$40,637	\$16,893	\$4,509,386	\$93,868	\$381,911
Receivables:							
Property Taxes	0	0	0	0	480,388	0	0
Accounts	41,602	0	0	0	0	55	234
Intergovernmental	0	0	0	0	0	0	150
Accrued Interest	2,388	56	66	0	0	0	0
Interfund	0	0	0	0	0	0	0
Prepays	2,436	0	0	0	0	0	0
Inventory Held for Resale	30,138	0	0	0	0	0	0
Materials and Supplies Inventory	20,878	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,567,494</u>	<u>\$34,446</u>	<u>\$40,703</u>	<u>\$16,893</u>	<u>\$4,989,774</u>	<u>\$93,923</u>	<u>\$382,295</u>
<b>Liabilities</b>							
Accounts Payable	\$1,304	\$210	\$0	\$87	\$3,633	\$0	\$7,201
Accrued Salaries and Benefits Payable	195,313	0	0	0	0	0	0
Intergovernmental Payable	93,433	0	0	0	956	0	1,351
Interfund Payable	0	0	0	0	0	0	0
Unearned Revenue	46,088	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>336,138</u>	<u>210</u>	<u>0</u>	<u>87</u>	<u>4,589</u>	<u>0</u>	<u>8,552</u>
<b>Deferred Inflows of Resources</b>							
Property Taxes	0	0	0	0	409,911	0	0
Unavailable Revenue	42,663	25	29	0	32,388	0	0
<i>Total Deferred Inflows of Resources</i>	<u>42,663</u>	<u>25</u>	<u>29</u>	<u>0</u>	<u>442,299</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>							
Nonspendable	23,314	0	0	0	0	0	0
Restricted	1,165,379	0	40,674	16,806	4,542,886	93,923	373,743
Committed	0	34,211	0	0	0	0	0
Unassigned (Deficits)	0	0	0	0	0	0	0
<i>Total Fund Balances (Deficits)</i>	<u>1,188,693</u>	<u>34,211</u>	<u>40,674</u>	<u>16,806</u>	<u>4,542,886</u>	<u>93,923</u>	<u>373,743</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u><u>\$1,567,494</u></u>	<u><u>\$34,446</u></u>	<u><u>\$40,703</u></u>	<u><u>\$16,893</u></u>	<u><u>\$4,989,774</u></u>	<u><u>\$93,923</u></u>	<u><u>\$382,295</u></u>

Auxiliary Services	School Emergency Relief	IDEA - B	Title I	Reducing Class Size	Miscellaneous State Grants	Title I Non-Competitive	Title IV-A	Federal Safety Grant
\$98,816	\$0	\$0	\$0	\$0	\$63,896	\$0	\$0	\$2,233
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	177,026	228,372	20,099	1,186	27,380	19,883	0
161	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	141
0	34,500	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
<b>\$98,977</b>	<b>\$34,500</b>	<b>\$177,026</b>	<b>\$228,372</b>	<b>\$20,099</b>	<b>\$65,082</b>	<b>\$27,380</b>	<b>\$19,883</b>	<b>\$2,374</b>
\$50,523	\$0	\$0	\$0	\$73	\$0	\$11,930	\$1,032	\$2,374
0	0	145,977	166,619	13,100	0	11,242	8,601	0
0	0	30,044	28,034	2,155	0	3,012	2,223	0
0	0	1,005	33,719	4,771	0	1,196	8,027	0
0	0	0	0	0	63,896	0	0	0
<b>50,523</b>	<b>0</b>	<b>177,026</b>	<b>228,372</b>	<b>20,099</b>	<b>63,896</b>	<b>27,380</b>	<b>19,883</b>	<b>2,374</b>
0	0	0	0	0	0	0	0	0
72	0	37,735	63,446	4,730	1,186	2,061	5,241	0
72	0	37,735	63,446	4,730	1,186	2,061	5,241	0
0	34,500	0	0	0	0	0	0	0
48,382	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	(37,735)	(63,446)	(4,730)	0	(2,061)	(5,241)	0
<b>48,382</b>	<b>34,500</b>	<b>(37,735)</b>	<b>(63,446)</b>	<b>(4,730)</b>	<b>0</b>	<b>(2,061)</b>	<b>(5,241)</b>	<b>0</b>
<b>\$98,977</b>	<b>\$34,500</b>	<b>\$177,026</b>	<b>\$228,372</b>	<b>\$20,099</b>	<b>\$65,082</b>	<b>\$27,380</b>	<b>\$19,883</b>	<b>\$2,374</b>

(Continued)

**Lancaster City School District, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (Continued)*  
*June 30, 2024*

	Vocational Education	Preschool	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$73,377	\$6,785,459
Receivables:			
Property Taxes	0	0	480,388
Accounts	0	544	42,435
Intergovernmental	7,180	132,322	613,598
Accrued Interest	0	0	2,671
Interfund	0	0	141
Prepays	0	0	36,936
Inventory Held for Resale	0	0	30,138
Materials and Supplies Inventory	0	0	20,878
<i>Total Assets</i>	<u><u>\$7,180</u></u>	<u><u>\$206,243</u></u>	<u><u>\$8,012,644</u></u>
<b>Liabilities</b>			
Accounts Payable	\$175	\$5,819	\$84,361
Accrued Salaries and Benefits Payable	0	103,624	644,476
Intergovernmental Payable	0	19,973	181,181
Interfund Payable	7,005	0	55,723
Unearned Revenue	0	0	109,984
<i>Total Liabilities</i>	<u><u>7,180</u></u>	<u><u>129,416</u></u>	<u><u>1,075,725</u></u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	0	0	409,911
Unavailable Revenue	175	48,883	238,634
<i>Total Deferred Inflows of Resources</i>	<u><u>175</u></u>	<u><u>48,883</u></u>	<u><u>648,545</u></u>
<b>Fund Balances:</b>			
Nonspendable	0	0	57,814
Restricted	0	0	6,281,793
Committed	0	76,280	110,491
Unassigned (Deficits)	(175)	(48,336)	(161,724)
<i>Total Fund Balances (Deficits)</i>	<u><u>(175)</u></u>	<u><u>27,944</u></u>	<u><u>6,288,374</u></u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u><u>\$7,180</u></u>	<u><u>\$206,243</u></u>	<u><u>\$8,012,644</u></u>

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**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances*  
*Nominal Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2024*

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	Food Service	Scholarship Memorial	Restricted Scholarship	Community Grants	Classroom Facilities Maintenance	Student Managed Activity
<b>Revenues</b>						
Property and Other Taxes	\$0	\$0	\$0	\$0	\$440,328	\$0
Intergovernmental	2,972,759	0	0	0	81,044	0
Investment Earnings/Interest	35,360	988	1,157	0	0	0
Tuition and Fees	0	0	0	0	0	0
Charges for Services and Sales	516,652	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	61,680
Gifts and Donations	2,110	2,500	0	4,946	0	14,270
Miscellaneous	25,070	0	0	0	0	0
<i>Total Revenues</i>	<i>3,551,951</i>	<i>3,488</i>	<i>1,157</i>	<i>4,946</i>	<i>521,372</i>	<i>75,950</i>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	0	0	0	6,254	0	0
Special	0	0	0	983	0	0
Vocational	0	0	0	0	0	0
Student Intervention Services	0	0	0	0	0	0
Support Services:						
Pupils	0	0	0	0	0	0
Instructional Staff	0	0	0	0	0	0
Administration	0	0	0	0	0	0
Fiscal	0	0	0	0	8,753	0
Operation and Maintenance of Plant	0	0	0	0	216,497	0
Pupil Transportation	0	0	0	0	0	0
Central	3,435	0	0	0	0	0
Operation of Non-Instructional Services:						
Food Service Operations	3,656,656	0	0	0	0	0
Other Non-Instructional Services	0	3,560	999	0	0	65,637
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
<i>Total Expenditures</i>	<i>3,660,091</i>	<i>3,560</i>	<i>999</i>	<i>7,237</i>	<i>225,250</i>	<i>65,637</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	(108,140)	(72)	158	(2,291)	296,122	10,313
<b>Other Financing Source</b>						
Transfer In	93,121	0	0	0	0	0
<i>Net Change in Fund Balance</i>	<i>(15,019)</i>	<i>(72)</i>	<i>158</i>	<i>(2,291)</i>	<i>296,122</i>	<i>10,313</i>
<i>Fund Balances (Deficits)</i>						
<i>Beginning of Year</i>	<i>1,203,712</i>	<i>34,283</i>	<i>40,516</i>	<i>19,097</i>	<i>4,246,764</i>	<i>83,610</i>
<i>Fund Balances (Deficits)</i>						
<i>End of Year</i>	<i>\$1,188,693</i>	<i>\$34,211</i>	<i>\$40,674</i>	<i>\$16,806</i>	<i>\$4,542,886</i>	<i>\$93,923</i>

District Managed Student Activity	Auxiliary Services	Data Communications	School Emergency Relief	IDEA - B	Title I	Reducing Class Size	Miscellaneous State Grants	Title I Non- Competitive
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	417,411	15,611	4,072,829	1,798,075	1,895,771	294,176	1,180	152,767
0	3,880	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
397,061	0	0	0	0	0	0	0	0
40,749	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<b>437,810</b>	<b>421,291</b>	<b>15,611</b>	<b>4,072,829</b>	<b>1,798,075</b>	<b>1,895,771</b>	<b>294,176</b>	<b>1,180</b>	<b>152,767</b>
0	0	0	1,579,917	0	199,077	0	1,187	76,246
6,583	0	0	1,038,443	1,009,881	1,664,628	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	94,258	0	0	0	0
0	0	0	912,108	187,500	17,748	0	0	35,879
0	0	15,980	281,519	0	1,600	258,942	0	42,703
0	0	0	0	327,822	0	0	0	0
0	0	0	45,900	0	0	0	0	0
0	0	0	187,424	0	0	0	37,855	0
0	0	0	57,046	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
52,264	422,738	0	0	125,610	66,723	34,124	0	0
351,596	0	0	0	0	0	0	0	0
0	0	0	45,416	0	0	0	0	0
<b>410,443</b>	<b>422,738</b>	<b>15,980</b>	<b>4,147,773</b>	<b>1,745,071</b>	<b>1,949,776</b>	<b>293,066</b>	<b>39,042</b>	<b>154,828</b>
27,367	(1,447)	(369)	(74,944)	53,004	(54,005)	1,110	(37,862)	(2,061)
0	0	0	0	0	0	0	0	0
27,367	(1,447)	(369)	(74,944)	53,004	(54,005)	1,110	(37,862)	(2,061)
346,376	49,829	369	109,444	(90,739)	(9,441)	(5,840)	37,862	0
<b>\$373,743</b>	<b>\$48,382</b>	<b>\$0</b>	<b>\$34,500</b>	<b>(\$37,735)</b>	<b>(\$63,446)</b>	<b>(\$4,730)</b>	<b>\$0</b>	<b>(\$2,061)</b>

(Continued)

**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (Continued)*  
*For the Fiscal Year Ended June 30, 2024*

	<u>Title IV-A</u>	<u>Federal Safety Grant</u>	<u>Vocational Education</u>	<u>Preschool</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$440,328
Intergovernmental	327,625	42,902	131,044	904,553	13,107,747
Investment Earnings/Interest	0	0	0	0	41,385
Tuition and Fees	0	0	0	29,156	29,156
Charges for Services and Sales	0	0	0	0	516,652
Extracurricular Activities	0	0	0	0	458,741
Gifts and Donations	0	0	0	0	64,575
Miscellaneous	0	0	0	0	25,070
<i>Total Revenues</i>	<u>327,625</u>	<u>42,902</u>	<u>131,044</u>	<u>933,709</u>	<u>14,683,654</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	154,895	0	0	0	2,017,576
Special	0	0	0	976,952	4,697,470
Vocational	0	0	109,511	0	109,511
Student Intervention Services	2,309	0	0	0	96,567
Support Services:					
Pupils	130,253	0	20,000	4,749	1,308,237
Instructional Staff	16,766	0	578	0	618,088
Administration	0	0	0	0	327,822
Fiscal	0	0	0	0	54,653
Operation and Maintenance of Plant	1,877	42,902	0	0	486,555
Pupil Transportation	0	0	0	518	57,564
Central	0	0	0	0	3,435
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	0	3,656,656
Other Non-Instructional Services	26,766	0	0	0	798,421
Extracurricular Activities	0	0	0	0	351,596
Capital Outlay	0	0	0	0	45,416
<i>Total Expenditures</i>	<u>332,866</u>	<u>42,902</u>	<u>130,089</u>	<u>982,219</u>	<u>14,629,567</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,241)</u>	<u>0</u>	<u>955</u>	<u>(48,510)</u>	<u>54,087</u>
<b>Other Financing Source</b>					
Transfer In	0	0	0	0	93,121
<i>Net Change in Fund Balance</i>	<u>(5,241)</u>	<u>0</u>	<u>955</u>	<u>(48,510)</u>	<u>147,208</u>
<i>Fund Balances (Deficits)</i>					
<i>Beginning of Year</i>	0	0	(1,130)	76,454	6,141,166
<i>Fund Balances (Deficits)</i>					
<i>End of Year</i>	<u>(\$5,241)</u>	<u>\$0</u>	<u>(\$175)</u>	<u>\$27,944</u>	<u>\$6,288,374</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Food Service Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$2,857,000	\$2,788,581	(\$68,419)
Interest	35,950	35,039	(911)
Charges for Services and Sales	625,350	519,067	(106,283)
Gifts and Donations	0	2,110	2,110
Miscellaneous	29,500	26,843	(2,657)
<i>Total Revenues</i>	<u>3,547,800</u>	<u>3,371,640</u>	<u>(176,160)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Central	575	3,435	(2,860)
Operation of Non-Instructional Services:			
Food Service Operations	3,824,432	3,488,570	335,862
<i>Total Expenditures</i>	<u>3,825,007</u>	<u>3,492,005</u>	<u>333,002</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(277,207)</u>	<u>(120,365)</u>	<u>156,842</u>
<b>Other Financing Source</b>			
Operating Transfers In	0	93,121	93,121
<i>Net Change in Fund Balance</i>	<u>(277,207)</u>	<u>(27,244)</u>	<u>249,963</u>
<i>Fund Balance Beginning of Year</i>	<u>1,457,599</u>	<u>1,457,599</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>28,175</u>	<u>28,175</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><b>\$1,208,567</b></u>	<u><b>\$1,458,530</b></u>	<u><b>\$249,963</b></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Scholarship Memorial Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Interest	\$775	\$980	\$205
Gifts and Donations	<u>3,700</u>	<u>2,500</u>	<u>(1,200)</u>
<i>Total Revenues</i>	<i>4,475</i>	<i>3,480</i>	<i>(995)</i>
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services	5,950	4,040	1,910
<i>Net Change in Fund Balance</i>	<i>(1,475)</i>	<i>(560)</i>	<i>915</i>
<i>Fund Balance Beginning of Year</i>	<i>33,910</i>	<i>33,910</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>350</i>	<i>350</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i><u>\$32,785</u></i>	<i><u>\$33,700</u></i>	<i><u>\$915</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Restricted Scholarship Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Interest	\$1,680	\$1,148	(\$532)
<b>Expenses</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services	4,750	3,749	1,001
Net Change in Fund Balance	(3,070)	(2,601)	469
Fund Balance Beginning of Year	38,988	38,988	0
Prior Year Encumbrances Appropriated	1,500	1,500	0
Fund Balance End of Year	<u><u>\$37,418</u></u>	<u><u>\$37,887</u></u>	<u><u>\$469</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Community Grants Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Gifts and Donations	<u>\$7,500</u>	<u>\$4,946</u>	<u>(\$2,554)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	9,086	6,412	2,674
Special	984	984	0
<b>Total Expenditures</b>	<u>10,070</u>	<u>7,396</u>	<u>2,674</u>
<b>Net Change in Fund Balance</b>	<u>(2,570)</u>	<u>(2,450)</u>	<u>120</u>
<b>Fund Balance Beginning of Year</b>	<u>19,100</u>	<u>19,100</u>	<u>0</u>
<b>Prior Year Encumbrances Appropriated</b>	<u>70</u>	<u>70</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$16,600</u></u>	<u><u>\$16,720</u></u>	<u><u>\$120</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Classroom Facilities Maintenance Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Property and Other Taxes	\$466,250	\$459,076	(\$7,174)
Intergovernmental	<u>83,750</u>	<u>81,044</u>	<u>(2,706)</u>
<i>Total Revenues</i>	<u>550,000</u>	<u>540,120</u>	<u>(9,880)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	13,000	8,753	4,247
Operation and Maintenance of Plant	<u>1,102,294</u>	<u>697,853</u>	<u>404,441</u>
<i>Total Expenditures</i>	<u>1,115,294</u>	<u>706,606</u>	<u>408,688</u>
<i>Net Change in Fund Balance</i>	<u>(565,294)</u>	<u>(166,486)</u>	<u>398,808</u>
<i>Fund Balance Beginning of Year</i>	<u>4,047,624</u>	<u>4,047,624</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>115,294</u>	<u>115,294</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,597,624</u></u>	<u><u>\$3,996,432</u></u>	<u><u>\$398,808</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Student Managed Activity Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Extracurricular Activities	\$70,677	\$61,625	(\$9,052)
Gifts and Donations	9,275	14,270	4,995
<i>Total Revenues</i>	<i>79,952</i>	<i>75,895</i>	<i>(4,057)</i>
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services	107,230	66,445	40,785
<i>Net Change in Fund Balance</i>	<i>(27,278)</i>	<i>9,450</i>	<i>36,728</i>
<i>Fund Balance Beginning of Year</i>	<i>81,526</i>	<i>81,526</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>2,084</i>	<i>2,084</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i><u>\$56,332</u></i>	<i><u>\$93,060</u></i>	<i><u>\$36,728</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*District Managed Student Activity Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Extracurricular Activities	\$419,600	\$396,986	(\$22,614)
Gifts and Donations	22,354	40,749	18,395
<i>Total Revenues</i>	<i>441,954</i>	<i>437,735</i>	<i>(4,219)</i>
<b>Expenditures</b>			
Current:			
Instruction:			
Special	8,400	6,583	1,817
Support Services:			
Central	1,995	0	1,995
Operation of Non-Instructional Services:			
Other Non-Instructional Services	101,277	57,862	43,415
Extracurricular Activities	461,611	411,686	49,925
<i>Total Expenditures</i>	<i>573,283</i>	<i>476,131</i>	<i>97,152</i>
<i>Net Change in Fund Balance</i>	<i>(131,329)</i>	<i>(38,396)</i>	<i>92,933</i>
<i>Fund Balance Beginning of Year</i>	<i>307,967</i>	<i>307,967</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>74,981</i>	<i>74,981</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i><u>\$251,619</u></i>	<i><u>\$344,552</u></i>	<i><u>\$92,933</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$415,772	\$417,411	\$1,639
Interest	<u>5,000</u>	<u>3,859</u>	<u>(1,141)</u>
<i>Total Revenues</i>	<i>420,772</i>	<i>421,270</i>	<i>498</i>
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services	518,260	495,496	22,764
<i>Net Change in Fund Balance</i>	<i>(97,488)</i>	<i>(74,226)</i>	<i>23,262</i>
<i>Fund Balance Beginning of Year</i>	<i>11,982</i>	<i>11,982</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>88,476</i>	<i>88,476</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i><u>\$2,970</u></i>	<i><u>\$26,232</u></i>	<i><u>\$23,262</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Data Communications Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$15,980	\$15,980	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff	15,980	15,980	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**School Emergency Relief Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	<u>\$5,994,274</u>	<u>\$5,994,163</u>	<u>(\$11)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	1,759,237	1,871,950	(112,713)
Special	1,129,605	1,169,459	(39,854)
Support Services:			
Pupils	1,021,048	1,004,697	16,351
Instructional Staff	262,625	317,148	(54,523)
Fiscal	67,886	45,900	21,986
Operation and Maintenance of Plant	283,439	187,424	96,015
Pupil Transportation	87,437	60,223	27,214
Capital Outlay	<u>138,915</u>	<u>93,280</u>	<u>45,635</u>
<i>Total Expenditures</i>	<u>4,750,192</u>	<u>4,750,081</u>	<u>111</u>
<i>Net Change in Fund Balance</i>	<u>1,244,082</u>	<u>1,244,082</u>	<u>0</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(1,805,335)</u>	<u>(1,805,335)</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>561,253</u>	<u>561,253</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**IDEA - B Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$2,012,991</u>	<u>\$1,795,451</u>	<u>(\$217,540)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special	1,133,378	1,034,605	98,773
Student Intervention Services	94,108	93,209	899
Support Services:			
Pupils	217,270	203,380	13,890
Instructional Staff	4,000	0	4,000
Administration	370,931	339,206	31,725
Pupil Transportation	2,000	0	2,000
Operation of Non-Instructional Services:			
Other Non-Instructional Services	152,133	132,322	19,811
<i>Total Expenditures</i>	<u>1,973,820</u>	<u>1,802,722</u>	<u>171,098</u>
<i>Net Change in Fund Balance</i>	<u>39,171</u>	<u>(7,271)</u>	<u>(46,442)</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(86,805)</u>	<u>(86,805)</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>85,773</u>	<u>85,773</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><b>\$38,139</b></u>	<u><b>(\$8,303)</b></u>	<u><b>(\$46,442)</b></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Title I Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$2,256,386</u>	<u>\$1,991,307</u>	<u>(\$265,079)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	212,738	208,477	4,261
Special	1,706,254	1,481,694	224,560
Support Services:			
Pupils	16,217	15,415	802
Instructional Staff	1,670	1,670	0
Operation of Non-Instructional Services:			
Other Non-Instructional Services	<u>79,831</u>	<u>78,094</u>	<u>1,737</u>
<i>Total Expenditures</i>	<u>2,016,710</u>	<u>1,785,350</u>	<u>231,360</u>
<i>Net Change in Fund Balance</i>	<u>239,676</u>	<u>205,957</u>	<u>(33,719)</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(260,171)</u>	<u>(260,171)</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>20,495</u>	<u>20,495</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><b>\$0</b></u>	<u><b>(\$33,719)</b></u>	<u><b>(\$33,719)</b></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Reducing Class Size Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$422,575</u>	<u>\$324,628</u>	<u>(\$97,947)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff	377,870	310,455	67,415
Operation of Non-Instructional Services:			
Other Non-Instructional Services	<u>41,796</u>	<u>38,879</u>	<u>2,917</u>
<i>Total Expenditures</i>	<u>419,666</u>	<u>349,334</u>	<u>70,332</u>
<i>Net Change in Fund Balance</i>	<u>2,909</u>	<u>(24,706)</u>	<u>(27,615)</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(47,942)</u>	<u>(47,942)</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>45,033</u>	<u>45,033</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$27,615)</u></u>	<u><u>(\$27,615)</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Miscellaneous State Grants Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$76,476</u>	<u>\$65,076</u>	<u>(\$11,400)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	11,400	1,187	10,213
Support Services:			
Operation and Maintenance of Plant	<u>65,931</u>	<u>37,855</u>	<u>28,076</u>
<i>Total Expenditures</i>	<i><u>77,331</u></i>	<i><u>39,042</u></i>	<i><u>38,289</u></i>
<i>Net Change in Fund Balance</i>	<i>(855)</i>	<i>26,034</i>	<i>26,889</i>
<i>Fund Balance Beginning of Year</i>	<i>4,143</i>	<i>4,143</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i><u>33,719</u></i>	<i><u>33,719</u></i>	<i><u>0</u></i>
<i>Fund Balance End of Year</i>	<i><u>\$37,007</u></i>	<i><u>\$63,896</u></i>	<i><u>\$26,889</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Title I Non-Competitive Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$267,209</u>	<u>\$201,439</u>	<u>(\$65,770)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	110,914	110,911	3
Other	52,362	32,205	20,157
Support Services:			
Pupils	57,460	43,585	13,875
Instructional Staff	<u>42,858</u>	<u>42,858</u>	<u>0</u>
<i>Total Expenditures</i>	<u>263,594</u>	<u>229,559</u>	<u>34,035</u>
<i>Net Change in Fund Balance</i>	3,615	(28,120)	(31,735)
<i>Fund Balance (Deficit) Beginning of Year</i>	(74,509)	(74,509)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>70,894</u>	<u>70,894</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$31,735)</u>	<u>(\$31,735)</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Title IV-A Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$466,361</u>	<u>\$339,821</u>	<u>(\$126,540)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	171,424	167,938	3,486
Student Intervention Services	18,063	2,309	15,754
Other	5,998	1,998	4,000
Support Services:			
Pupils	176,192	121,652	54,540
Instructional Staff	25,134	21,741	3,393
Pupil Transportation	2,000	0	2,000
Operation of Non-Instructional Services:			
Other Non-Instructional Services	<u>43,056</u>	<u>29,043</u>	<u>14,013</u>
<i>Total Expenditures</i>	<u>441,867</u>	<u>344,681</u>	<u>97,186</u>
<i>Net Change in Fund Balance</i>	<u>24,494</u>	<u>(4,860)</u>	<u>(29,354)</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(93,456)</u>	<u>(93,456)</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>68,962</u>	<u>68,962</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$29,354)</u></u>	<u><u>(\$29,354)</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Federal Safety Grant Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Expenditures</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant	\$42,902	\$42,902	\$0
<i>Net Change in Fund Balance</i>	<i>(42,902)</i>	<i>(42,902)</i>	0
<i>Fund Balance Beginning of Year</i>	<i>9,373</i>	<i>9,373</i>	0
<i>Prior Year Encumbrances Appropriated</i>	<i>33,529</i>	<i>33,529</i>	0
<i>Fund Balance End of Year</i>	<i><u>\$0</u></i>	<i><u>\$0</u></i>	<i><u>\$0</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Vocational Education Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$150,022</u>	<u>\$131,269</u>	<u>(\$18,753)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Vocational	118,722	118,691	31
Support Services:			
Pupils	20,000	20,000	0
Instructional Staff	<u>578</u>	<u>578</u>	<u>0</u>
<i>Total Expenditures</i>	<u>139,300</u>	<u>139,269</u>	<u>31</u>
<i>Net Change in Fund Balance</i>	10,722	(8,000)	(18,722)
<i>Fund Balance (Deficit) Beginning of Year</i>	(13,043)	(13,043)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>6,425</u>	<u>6,425</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$4,104</u></u>	<u><u>(\$14,618)</u></u>	<u><u>(\$18,722)</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Preschool Tuition Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Tuition and Fees	<u>\$38,472</u>	<u>\$29,156</u>	<u>(\$9,316)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special	114,060	72,988	41,072
Support Services:			
Pupils	686	448	238
Instructional Staff	5,000	0	5,000
Operation and Maintenance of Plant	<u>20,000</u>	<u>2,157</u>	<u>17,843</u>
<i>Total Expenditures</i>	<u>139,746</u>	<u>75,593</u>	<u>64,153</u>
<i>Net Change in Fund Balance</i>	<u>(101,274)</u>	<u>(46,437)</u>	<u>54,837</u>
<i>Fund Balance Beginning of Year</i>	<u>77,759</u>	<u>77,759</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>23,515</u>	<u>23,515</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$54,837</u></u>	<u><u>\$54,837</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Public School Preschool Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	<u>\$953,713</u>	<u>\$809,789</u>	<u>(\$143,924)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special	944,216	822,457	121,759
Support Services:			
Pupils	4,797	4,793	4
Pupil Transportation	<u>615</u>	<u>615</u>	<u>0</u>
<i>Total Expenditures</i>	<u>949,628</u>	<u>827,865</u>	<u>121,763</u>
<i>Net Change in Fund Balance</i>	4,085	(18,076)	(22,161)
<i>Fund Balance (Deficit) Beginning of Year</i>	(15,412)	(15,412)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>11,327</u>	<u>11,327</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$22,161)</u></u>	<u><u>(\$22,161)</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Preschool Special Education Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$72,230	\$55,936	(\$16,294)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	72,969	56,711	16,258
<i>Net Change in Fund Balance</i>	<i>(739)</i>	<i>(775)</i>	<i>(36)</i>
<i>Fund Balance Beginning of Year</i>	<i>739</i>	<i>739</i>	<i>0</i>
<i>Fund Balance (Deficit) End of Year</i>	<i><u>\$0</u></i>	<i><u>(\$36)</u></i>	<i><u>(\$36)</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Public School Support Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Rent	\$1,000	\$0	(\$1,000)
Extracurricular Activities	72,065	81,563	9,498
Gifts and Donations	12,085	9,021	(3,064)
<i>Total Revenues</i>	<u>85,150</u>	<u>90,584</u>	<u>5,434</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	10,175	497	9,678
Special	2,000	150	1,850
Operation of Non-Instructional Services:			
Other Non-Instructional Services	133,960	90,425	43,535
<i>Total Expenditures</i>	<u>146,135</u>	<u>91,072</u>	<u>55,063</u>
<i>Net Change in Fund Balance</i>	<u>(60,985)</u>	<u>(488)</u>	<u>60,497</u>
<i>Fund Balance Beginning of Year</i>	<u>119,323</u>	<u>119,323</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>6,185</u>	<u>6,185</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$64,523</u></u>	<u><u>\$125,020</u></u>	<u><u>\$60,497</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Termination Benefits Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
<i>Total Revenues</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	268,300	266,940	1,360
Special	189,780	175,362	14,418
Support Services:			
Pupils	61,100	55,194	5,906
Administration	38,000	32,484	5,516
Fiscal	8,015	7,983	32
Operation and Maintenance of Plant	14,465	13,184	1,281
Operation of Non-Instructional Services:			
Food Service Operations	5,100	4,807	293
Extracurricular Activities	15,240	15,230	10
<i>Total Expenditures</i>	<u>600,000</u>	<u>571,184</u>	<u>28,816</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(600,000)</u>	<u>(571,184)</u>	<u>28,816</u>
<b>Other Financing Source</b>			
Transfers In	600,000	571,000	(29,000)
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>(184)</u>	<u>(184)</u>
<i>Fund Balance Beginning of Year</i>	<u>1,000,204</u>	<u>1,000,204</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,000,204</u>	<u>\$1,000,020</u>	<u>(\$184)</u>

## **Lancaster City School District, Ohio**

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### *Major Debt Service Fund*

The debt service fund is used to account for and report financial resources that are restricted to expenditure for principal and interest on general obligation debt. Following is a description of the major debt service fund:

Bond Retirement Fund - This fund accounts for restricted levy proceeds to pay for general obligation bonded debt. For fiscal year 2023, this fund was a nonmajor fund while for 2024 it is a major fund. Other than the beginning fund balance, no amounts are presented in the formerly nonmajor bond retirement debt services fund column on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds as this fund's 2024 activity is presented in the bond retirement major fund column on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds in the basic financial statements. Information for the beginning balance is presented in this combining section to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a “-“ to indicate this amount is included with the major governmental funds within the basic financial statements.

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Bond Retirement Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Property and Other Taxes	\$7,407,500	\$7,378,765	(\$28,735)
Intergovernmental	<u>410,000</u>	<u>428,323</u>	<u>18,323</u>
<i>Total Revenues</i>	<u>7,817,500</u>	<u>7,807,088</u>	<u>(10,412)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	132,000	131,349	651
Debt Service:			
Principal Retirement	3,332,067	3,313,619	18,448
Interest	<u>4,384,583</u>	<u>4,384,583</u>	<u>0</u>
Capital Appreciation Bond Accretion	<u>716,381</u>	<u>716,381</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,565,031</u>	<u>8,545,932</u>	<u>19,099</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(747,531)</u>	<u>(738,844)</u>	<u>8,687</u>
<b>Other Financing Source</b>			
Transfer In	1,852,082	1,852,082	0
<i>Net Change in Fund Balance</i>	<u>1,104,551</u>	<u>1,113,238</u>	<u>8,687</u>
<i>Fund Balance Beginning of Year</i>	<u>4,674,622</u>	<u>4,674,622</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,779,173</u>	<u>\$5,787,860</u>	<u>\$8,687</u>

## **Lancaster City School District, Ohio**

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### *Capital Projects Funds*

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust. Following is a description of the major capital projects fund:

#### *Major Capital Projects Fund*

Classroom Facilities Fund - To account for the restricted receipts and expenditures from the Ohio Facilities Construction Commission and the School District's local share for the construction of school buildings.

#### *Nonmajor Capital Projects Funds*

Permanent Improvement Fund - To account for and report the funds assigned for acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds. Some monies have been committed for the purpose of roof and parking lot maintenance. This fund receives donations and occasionally extracurricular and miscellaneous used for capital related purposes, but the majority of the fund balance is from transfers from the general fund.

School Building Construction Fund - To account for the restricted investments earnings/interest from bond proceeds and local share portions used for the upgrades in construction of the two new junior high school buildings and the new high school building which are all being built through the Ohio Facilities Construction Commission project. Transfers were also received from the general fund and the classroom facilities fund during the fiscal year due to adjustments required for the new high school construction project through the Ohio Facilities Construction Commission (OFCC). In the prior year, this fund was a major fund. The fund balance beginning of year as previously reported includes a “-“ to indicate this amount is included with the formerly major school building construction fund presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds in the basic financial statements.

Building and Improvement Fund - To account for and report the funds committed for repairs and improvements to the high school building and other non-Ohio Facilities Construction Commission School District buildings. The fund was created under Ohio Revised Code 5705.13. To date, this fund consists of money transferred from the general fund which is allowed by Ohio Revised Code 5705.14 (e). In fiscal year 2023, the Board of Education transferred money to the school building construction fund for the purpose of constructing the new high school. There was no activity for fiscal year 2024; therefore, no budgetary statement is presented.

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Classroom Facilities Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$38,329,560	\$17,377,918	(\$20,951,642)
Interest	<u>1,000,000</u>	<u>1,946,430</u>	<u>946,430</u>
<i>Total Revenues</i>	<i>39,329,560</i>	<i>19,324,348</i>	<i>(20,005,212)</i>
<b>Expenditures</b>			
Capital Outlay	85,823,690	83,382,254	2,441,436
<i>Excess of Revenues Under Expenditures</i>	<i>(46,494,130)</i>	<i>(64,057,906)</i>	<i>(17,563,776)</i>
<b>Other Financing Use</b>			
Transfers Out	(2,233,284)	(2,069,679)	163,605
<i>Net Change in Fund Balance</i>	<i>(48,727,414)</i>	<i>(66,127,585)</i>	<i>(17,400,171)</i>
<i>Fund Balance (Deficit) Beginning of Year</i>	<i>(27,084,765)</i>	<i>(27,084,765)</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>81,556,974</i>	<i>81,556,974</i>	<i>0</i>
<i>Fund Balance (Deficit) End of Year</i>	<i><u>\$5,744,795</u></i>	<i><u>(\$11,655,376)</u></i>	<i><u>(\$17,400,171)</u></i>

**Lancaster City School District, Ohio**

*Combining Balance Sheet*

*Nonmajor Capital Projects Funds*

*June 30, 2024*

	Permanent Improvement	School Building Construction	Building and Improvement	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,800,244	\$460,008	\$276,000	\$3,536,252
Cash and Cash Equivalents with Escrow Agent	0	328,966	0	328,966
Investments	0	13,180,321	0	13,180,321
Intergovernmental Receivables	234,000	0	0	234,000
Accrued Interest Receivable	0	95,543	0	95,543
<i>Total Assets</i>	<u>\$3,034,244</u>	<u>\$14,064,838</u>	<u>\$276,000</u>	<u>\$17,375,082</u>
<b>Liabilities</b>				
Accounts Payable	\$1,991	\$0	\$0	\$1,991
Contracts Payable	90,052	804,005	0	894,057
Retainage Payable	7,831	339,956	0	347,787
<i>Total Liabilities</i>	<u>99,874</u>	<u>1,143,961</u>	<u>0</u>	<u>1,243,835</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	234,000	56,965	0	290,965
<b>Fund Balances</b>				
Restricted	0	12,863,912	0	12,863,912
Committed	463,447	0	276,000	739,447
Assigned	2,236,923	0	0	2,236,923
<i>Total Fund Balances</i>	<u>2,700,370</u>	<u>12,863,912</u>	<u>276,000</u>	<u>15,840,282</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$3,034,244</u></u>	<u><u>\$14,064,838</u></u>	<u><u>\$276,000</u></u>	<u><u>\$17,375,082</u></u>

**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2024*

	Permanent Improvement	School Building Construction	Building and Improvement	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Investment Earnings/Interest	\$0	\$1,060,179	\$0	\$1,060,179
Gifts and Donations	100,400	0	0	100,400
Miscellaneous	84,809	0	0	84,809
<i>Total Revenues</i>	<i>185,209</i>	<i>1,060,179</i>	<i>0</i>	<i>1,245,388</i>
<b>Expenditures</b>				
Current:				
Extracurricular Activities	43,474	0	43,474	
Capital Outlay	460,255	9,863,646	0	10,323,901
<i>Total Expenditures</i>	<i>503,729</i>	<i>9,863,646</i>	<i>0</i>	<i>10,367,375</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(318,520)</i>	<i>(8,803,467)</i>	<i>0</i>	<i>(9,121,987)</i>
<b>Other Financing Source</b>				
Transfers In	1,390,597	2,549,836	0	3,940,433
<i>Net Change in Fund Balances</i>	<i>1,072,077</i>	<i>(6,253,631)</i>	<i>0</i>	<i>(5,181,554)</i>
<i>Fund Balances Beginning of Year</i>	<i>1,628,293</i>	<i>-</i>	<i>276,000</i>	<i>1,904,293</i>
As Previously Reported				
Adjustments - Changes from Major Fund to Nonmajor Fund	0	19,117,543	0	19,117,543
<i>Adjusted Fund Balances Beginning of Year</i>	<i>1,628,293</i>	<i>19,117,543</i>	<i>276,000</i>	<i>21,021,836</i>
<i>Fund Balances End of Year</i>	<i><u>\$2,700,370</u></i>	<i><u>\$12,863,912</u></i>	<i><u>\$276,000</u></i>	<i><u>\$15,840,282</u></i>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Permanent Improvement Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Gifts and Donations	\$51,500	\$100,400	\$48,900
Miscellaneous	<u>79,000</u>	<u>84,809</u>	<u>5,809</u>
<i>Total Revenues</i>	<u>130,500</u>	<u>185,209</u>	<u>54,709</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils	155,725	155,725	0
Instructional Staff	46,501	0	46,501
Extracurricular Activities	66,000	46,320	19,680
Capital Outlay	<u>967,504</u>	<u>851,224</u>	<u>116,280</u>
<i>Total Expenditures</i>	<u>1,235,730</u>	<u>1,053,269</u>	<u>182,461</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,105,230)</u>	<u>(868,060)</u>	<u>237,170</u>
<b>Other Financing Source</b>			
Transfers In	2,570,000	1,390,597	(1,179,403)
<i>Net Change in Fund Balance</i>	<u>1,464,770</u>	<u>522,537</u>	<u>(942,233)</u>
<i>Fund Balance Beginning of Year</i>	<u>1,433,896</u>	<u>1,433,896</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>235,730</u>	<u>235,730</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,134,396</u>	<u>\$2,192,163</u>	<u>(\$942,233)</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**School Building Construction Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Interest	\$550,001	\$567,651	\$17,650
<b>Expenditures</b>			
Capital Outlay	<u>21,428,689</u>	<u>20,712,456</u>	<u>716,233</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(20,878,688)</u>	<u>(20,144,805)</u>	<u>733,883</u>
<b>Other Financing Sources (Use)</b>			
Refund of Prior Year Expenditures	1,661,675	1,661,675	0
Advances Out	(2,900,909)	(2,900,909)	0
Transfers In	<u>2,549,836</u>	<u>2,549,836</u>	<u>0</u>
<i>Total Other Financing Sources (Use)</i>	<u>1,310,602</u>	<u>1,310,602</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(19,568,086)</u>	<u>(18,834,203)</u>	<u>733,883</u>
<i>Fund Balance Beginning of Year</i>	704,319	704,319	0
<i>Prior Year Encumbrances Appropriated</i>	<u>20,778,689</u>	<u>20,778,689</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,914,922</u></u>	<u><u>\$2,648,805</u></u>	<u><u>\$733,883</u></u>

## **Lancaster City School District, Ohio**

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### *Internal Service Fund*

The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis.

Employee Benefits Self Insurance Fund - This fund accounts for the operation of the School District's self-insurance program for employee medical, surgical, prescription drug, and dental claims.

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenses, and Changes  
in Fund Equity - Budget and Actual (Budget Basis)*  
**Employee Benefits Self Insurance Fund**  
*For the Fiscal Year Ended June 30, 2024*

	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	<u>\$20,000,000</u>	<u>\$19,494,379</u>	<u>(\$505,621)</u>
<b>Expenses</b>			
Current:			
Support Services:			
Central:			
Purchased Services	5,000	4,595	405
Claims	<u>19,995,000</u>	<u>19,295,972</u>	<u>699,028</u>
<i>Total Expenses</i>	<u>20,000,000</u>	<u>19,300,567</u>	<u>699,433</u>
<i>Net Change in Fund Balance</i>	0	193,812	193,812
<i>Fund Equity Beginning of Year</i>	<u>131,165</u>	<u>131,165</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$131,165</u></u>	<u><u>\$324,977</u></u>	<u><u>\$193,812</u></u>

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## **Statistical Section**



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# Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>S2-S13</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, property tax.	<b>S14-S23</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S24-S29</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>S30-S31</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S32-S49</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**Lancaster City School District, Ohio**

*Net Position by Component*

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

	2015	2016	2017 (2)	2018
Net Investment in Capital Assets	\$25,740,188	\$33,343,775	\$34,593,562	\$36,559,735
Restricted for:				
Debt Service	851,463	993,593	0	0
School Building Construction (3)	0	0	0	0
Classroom Facilities Construction	12,273,013	3,825,043	22,111,463	21,949,481
Capital Projects	1,168,539	1,586,307	1,309,785	1,449,778
Classroom Facilities Maintenance	1,232,636	1,683,588	2,098,304	2,524,724
District and Student Managed Activities	175,593	179,302	190,573	211,020
Auxiliary Services	47,067	63,567	25,650	120,871
IDEA - B (5)	145,107	62,892	0	0
Title I (6)	172,927	0	0	0
Food Service	1,212,855	1,191,674	1,051,082	894,019
Federal and State Grants (1) (7)	0	0	216,427	302,172
Community Grants and Contributions (1)	0	0	15,969	18,164
Other Purposes (9)	326,308	92,365	0	0
Unrestricted (Deficits)	<u>(33,238,007)</u>	<u>(30,303,481)</u>	<u>(51,439,305)</u>	<u>(19,604,067)</u>
<b>Total Net Position</b>	<b>\$10,107,689</b>	<b>\$12,718,625</b>	<b>\$10,173,510</b>	<b>\$44,425,897</b>

(1) Prior to 2017 these amounts were combined with Other Purposes.

(2) The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.

(3) Prior to 2020 these amounts were combined with Capital Projects.

(4) The School District reported the impact of GASB Statement No. 84 beginning in fiscal year 2019.

(5) After 2016 these amounts were combined with Federal and State Grants.

(6) After 2015 these amounts were combined with Federal and State Grants.

(7) Grant eligibility modification in 2021.

(8) OFCC had market adjustment modifications in 2022, prior to the closure of the two junior high schools project.

(9) Any restricted amounts from fiscal year 2017 through 2022 were deemed immaterial.

(10) Effects of the GASB Implementation Guide No. 2021-1 Question 5.1 are reflected in the 2024 amounts.

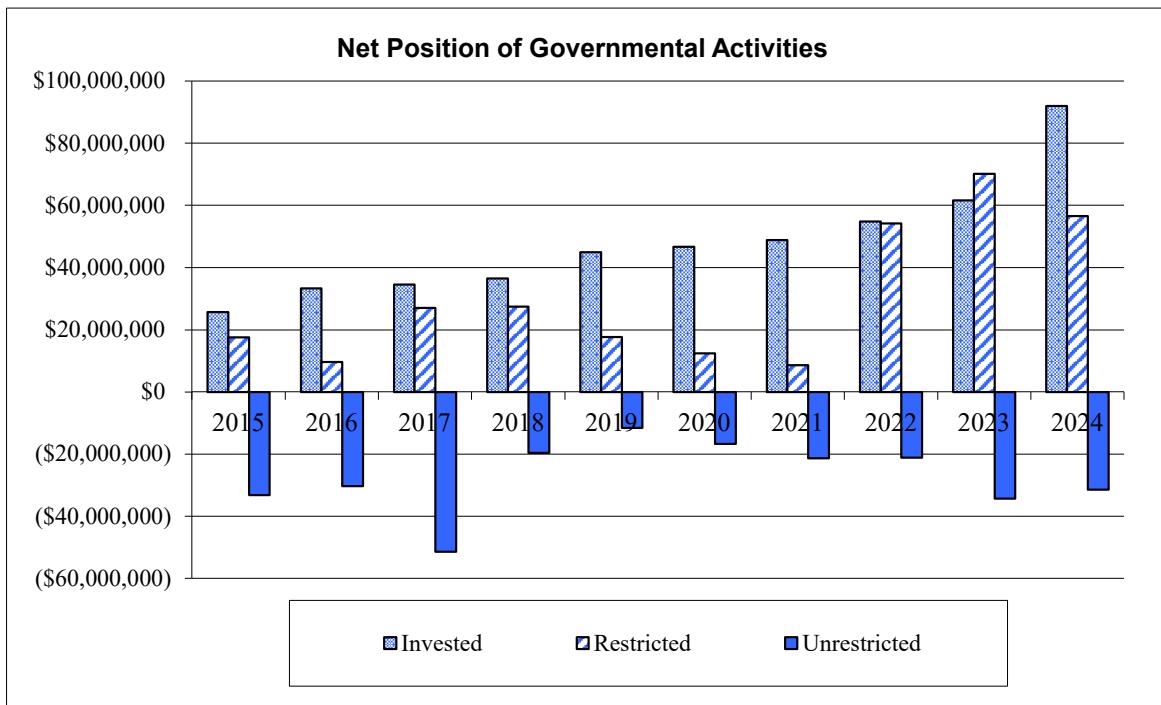


TABLE 1

2019 (4)	2020	2021 (7)	2022 (8)	2023	2024 (10)
\$44,963,445	\$46,706,563	\$48,796,097	\$54,760,245	\$61,628,444	\$91,947,888
0	0	0	0	379,302	1,048,569
0	2,135,551	1,475,143	770,500	19,393,515	14,064,838
11,165,596	4,812,264	2,540,991	46,950,689	42,431,997	29,416,410
1,531,970	0	0	0	0	0
2,963,816	3,344,228	3,685,381	4,288,321	4,273,044	4,575,274
346,594	404,795	416,943	420,908	429,986	467,666
60,943	162,315	92,207	80,279	49,940	48,454
0	0	0	0	0	0
0	0	0	0	0	0
715,373	653,365	296,661	1,161,056	1,150,627	1,123,072
856,025	817,345	33,780	430,817	236,713	36,233
58,610	60,067	59,321	59,070	59,657	57,509
0	0	0	0	1,674,769	5,740,424
(11,573,590)	(16,670,336)	(21,383,166)	(21,134,748)	(34,374,686)	(31,446,982)
\$51,088,782	\$42,426,157	\$36,013,358	\$87,787,137	\$97,333,308	\$117,079,355

**Lancaster City School District, Ohio**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2015 (1)	2016	2017	2018 (2)
<b>Expenses</b>				
Regular Instruction	\$29,708,171	\$29,700,108	\$31,674,609	\$14,186,565
Special Instruction	9,651,160	11,020,872	11,806,914	6,443,215
Vocational Instruction	1,923,408	2,024,594	2,122,086	912,083
Student Intervention Services	260,881	180,818	211,613	206,719
Pupils Support Services	3,865,507	4,208,387	5,175,261	2,671,564
Instructional Staff Support Services	2,816,972	2,618,263	2,695,038	2,045,335
Board of Education Support Services	92,128	102,519	155,000	88,258
Administration Support Services	4,297,909	4,711,867	5,384,707	2,251,147
Fiscal Support Services	1,502,900	1,523,603	1,620,955	1,543,008
Business Support Services	290,761	331,799	364,667	342,391
Operation and Maintenance of				
Plant Support Services	4,938,089	5,891,773	7,354,044	5,130,324
Pupil Transportation Support Services	2,016,563	2,227,854	2,526,574	2,524,533
Central Support Services	1,011,934	1,190,186	1,175,341	850,855
Food Service Operations	2,709,448	3,123,926	3,254,245	3,045,637
Other Operation of Non- Instructional Services	991,078	1,038,093	1,134,373	992,211
Extracurricular Activities	1,293,274	1,857,024	1,852,100	1,866,475
Interest	2,528,146	2,532,837	3,217,408	3,123,744
<i>Total Expenses</i>	<i>69,898,329</i>	<i>74,284,523</i>	<i>81,724,935</i>	<i>48,224,064</i>
<b>Program Revenues</b>				
Charges for Services and Sales				
Regular Instruction	988,590	1,075,346	1,131,977	1,172,302
Special Instruction	209,001	98,405	282,708	160,790
Vocational Instruction	103,288	81,305	78,237	86,030
Pupils Support Services	6,387	0	0	0
Instructional Staff Support Services	238	1,313	2,095	7,527
Administration Support Services	17,276	7,084	0	0
Fiscal Support Services	0	0	0	0
Operation and Maintenance of				
Plant Support Services	103,105	88,412	73,525	116,273
Pupil Transportation Support Services	20,560	23,742	15,922	9,524
Food Service Operations	533,732	527,806	499,615	496,726
Other Operation of Non- Instructional Services	115,456	199,658	124,204	133,319
Extracurricular Activities	345,615	318,142	345,516	398,522
Operating Grants, Contributions, and Interest				
Regular Instruction	1,723,429	533,751	299,445	157,096
Special Instruction	5,945,696	6,792,284	6,898,413	7,096,388
Vocational Instruction	496,989	444,602	549,130	612,295
Student Intervention Services	147,149	133,416	174,189	186,997
Pupils Support Services	258,411	335,598	305,443	326,856
Instructional Staff Support Services	763,570	158,207	343,999	321,093

TABLE 2

2019 (3)	2020	2021 (4)	2022 (5)	2023	2024 (6)
\$27,615,492	\$35,333,529	\$39,192,261	\$32,913,268	\$38,180,175	\$36,051,381
11,434,335	15,271,683	15,806,174	14,036,904	16,608,271	17,172,784
1,821,216	2,193,813	2,469,736	2,130,279	2,261,188	2,374,671
281,920	259,874	282,661	322,068	257,396	294,008
4,653,583	6,283,001	6,981,917	6,491,175	8,151,907	9,039,724
3,024,346	4,255,350	4,206,942	3,950,916	3,798,671	3,853,865
99,806	88,861	127,797	199,197	129,555	110,721
4,786,808	6,584,329	6,704,871	6,257,967	7,109,014	7,451,909
1,608,601	1,768,133	1,832,963	1,793,747	2,116,671	2,153,947
361,874	384,077	398,058	386,399	451,949	468,702
5,220,033	10,024,152	5,818,896	6,729,470	8,068,578	6,145,987
3,044,950	3,593,687	3,537,584	3,684,557	3,547,984	3,747,798
1,155,006	1,182,582	1,137,847	917,337	1,062,948	1,222,836
3,171,517	3,213,995	3,154,878	3,500,813	3,789,781	4,015,267
4,078,884	1,079,677	1,302,634	1,258,263	894,503	889,626
2,109,839	1,717,313	2,059,870	1,687,689	2,158,150	2,173,359
3,082,651	2,997,516	4,463,473	4,746,673	4,673,786	4,849,579
<b>77,550,861</b>	<b>96,231,572</b>	<b>99,478,562</b>	<b>91,006,722</b>	<b>103,260,527</b>	<b>102,016,164</b>
1,162,511	1,103,530	1,209,046	309,174	325,316	280,791
170,750	228,677	184,581	334,774	337,131	471,531
27,143	25,124	21,310	34,187	29,949	25,902
0	788	0	86	97	190
0	0	0	0	0	0
43,036	41,667	485	124,937	33,705	64,737
0	0	0	0	0	205
199,546	230,349	139,418	172,603	251,143	296,131
6,904	5,438	0	5,172	4,529	6,134
480,008	310,020	8,524	94,075	578,178	512,005
326,318	191,556	90,480	186,235	221,866	197,602
387,084	305,804	300,798	357,951	369,831	420,645
199,505	402,639	1,294,270	3,032,880	4,530,014	1,987,252
8,251,427	7,962,363	7,285,414	9,057,431	9,655,756	12,143,133
571,175	559,940	571,331	796,916	800,032	982,130
82,823	78,305	72,999	138,883	112,256	96,567
395,148	1,760,530	2,671,278	1,088,477	1,459,413	1,185,301
464,366	966,239	818,789	1,224,367	659,391	612,867

(Continued)

**Lancaster City School District, Ohio**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting) (Continued)*

	2015 (1)	2016	2017	2018 (2)
<b>Operating Grants, Contributions, and Interest</b>				
Administration Support Services	\$482,832	\$218,156	\$408,448	\$106,571
Fiscal Support Services	51,927	40,195	9,130	5,924
<b>Operation and Maintenance of</b>				
Plant Support Services	70,378	11,169	41,497	44,383
Pupil Transportation Support Services	168,817	131,988	166,917	174,666
Food Service Operations	2,074,633	2,297,069	2,316,336	2,178,953
<b>Other Operation of Non-Instructional Services</b>	871,401	840,735	964,782	1,022,700
Extracurricular Activities	244	1,124	0	0
<b>Capital Grants and Contributions</b>				
Regular Instruction	0	0	0	0
Pupils Support Services	0	0	0	0
Administration Support Services	912	41	186	0
<b>Operation and Maintenance of</b>				
Plant Support Services	0	0	0	0
Pupil Transportation Support Services	0	0	0	0
Central Support Services	0	0	0	0
Extracurricular Activities	16,224	1,711	4,825	1,077
<b>Total Program Revenues</b>	<b>15,515,860</b>	<b>14,361,259</b>	<b>15,036,539</b>	<b>14,816,012</b>
<b>Net Expense</b>	<b>(54,382,469)</b>	<b>(59,923,264)</b>	<b>(66,688,396)</b>	<b>(33,408,052)</b>
<b>General Revenues</b>				
Property and Other Taxes Levied for:				
General Purposes	20,985,094	21,108,780	21,725,046	23,033,869
Debt Service	2,612,314	2,639,222	2,562,761	2,726,800
Classroom Facilities Maintenance	436,839	411,175	412,558	443,747
Income Taxes Levied for General Purposes	11,076,920	11,639,038	12,205,606	12,257,559
Grants and Entitlements not				
Restricted to Specific Programs	25,577,379	25,751,582	47,910,599	27,045,954
Gain on Sale of Capital Assets	1,715	0	0	69,075
Payment in Lieu of Taxes	130,635	90,674	104,193	244,740
Unrestricted Contributions	1,148	3,350	2,432	1,000
Investment Earnings/Interest	523,283	777,493	564,600	1,170,281
Miscellaneous	317,363	112,886	208,850	667,414
<b>Total General Revenues</b>	<b>61,662,690</b>	<b>62,534,200</b>	<b>85,696,645</b>	<b>67,660,439</b>
<b>Change in Net Position</b>	<b>\$7,280,221</b>	<b>\$2,610,936</b>	<b>\$19,008,249</b>	<b>\$34,252,387</b>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.

(3) Implemented GASB Statement No. 84 in fiscal year 2020 and restated fiscal year 2019.

(4) Grant eligibility modification in 2021.

(5) OFCC had market adjustment modifications in 2022, prior to the closure of the two junior high schools project.

(6) The effects of the implementation of GASB Implementation Guide No. 2021-1 Question 5.1 are reflected in the 2024 amounts.

TABLE 2

2019 (3)	2020	2021 (4)	2022 (5)	2023	2024 (6)
\$195,139	\$228,147	\$301,587	\$350,203	\$333,010	\$340,302
12,627	5,354	4,019	3,225	2,421	48,258
233,795	139,394	265,744	486,956	247,153	332,549
155,820	232,802	163,422	578,724	614,813	578,775
2,187,555	2,282,374	2,295,100	4,046,559	2,870,456	3,009,667
1,084,179	991,662	1,092,100	531,140	668,323	702,383
0	35,659	28,235	9,962	31,093	40,749
0	0	0	752,381	513,952	0
0	0	0	0	0	110,838
0	0	0	0	0	0
0	0	1,246	0	0	0
0	48,484	0	0	0	0
0	0	43,312	0	0	0
7,075	123,598	10,289	50,475	1,695	100,400
<u>16,643,934</u>	<u>18,260,443</u>	<u>18,873,777</u>	<u>23,767,773</u>	<u>24,651,523</u>	<u>24,547,044</u>
<u>(60,906,927)</u>	<u>(77,971,129)</u>	<u>(80,604,785)</u>	<u>(67,238,949)</u>	<u>(78,609,004)</u>	<u>(77,469,120)</u>
20,614,576	23,306,355	24,938,299	24,958,704	30,815,393	29,162,938
2,303,339	2,710,565	5,564,756	6,256,768	8,198,980	7,157,944
382,210	426,310	423,792	723,267	201,286	446,436
12,859,173	13,134,382	14,171,831	16,325,594	17,663,847	17,276,337
27,301,635	26,400,833	27,259,320	72,302,134	27,729,633	30,930,267
5,841	0	0	6,680	0	5,347
329,324	344,430	350,235	401,744	286,020	426,988
1,000	0	5,480	0	0	0
2,745,023	2,286,667	389,347	(2,254,588)	2,996,543	6,284,946
1,027,691	698,962	1,088,926	292,425	263,473	241,429
67,569,812	69,308,504	74,191,986	119,012,728	88,155,175	91,932,632
<u>\$6,662,885</u>	<u>(\$8,662,625)</u>	<u>(\$6,412,799)</u>	<u>\$51,773,779</u>	<u>\$9,546,171</u>	<u>\$14,463,512</u>

**Lancaster City School District, Ohio**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

<i>Function/Program</i>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Regular Instruction	\$2,712,019	\$1,609,097	\$1,431,422	\$1,329,398
Special Instruction	6,154,697	6,890,689	7,181,121	7,257,178
Vocational Instruction	600,277	525,907	627,367	698,325
Student Intervention Services	147,149	133,416	174,189	186,997
Pupils Support Services	264,798	335,598	305,443	326,856
Instructional Staff Support Services	763,808	159,520	346,094	328,620
Administration Support Services	501,020	225,281	408,634	106,571
Fiscal Support Services	51,927	40,195	9,130	5,924
Operation and Maintenance of Plant Support Services	173,483	99,581	115,022	160,656
Pupil Transportation Support Services	189,377	155,730	182,839	184,190
Food Service Operations	2,608,365	2,824,875	2,815,951	2,675,679
Other Operation of Non-Instructional Services	986,857	1,040,393	1,088,986	1,156,019
Extracurricular Activities	362,083	320,977	350,341	399,599
<i>Total Program Revenues</i>	<u>\$15,515,860</u>	<u>\$14,361,259</u>	<u>\$15,036,539</u>	<u>\$14,816,012</u>

(1) Implemented GASB Statement No. 84 in fiscal year 2020 and restated fiscal year 2019.

(2) Grant eligibility modification in 2021.

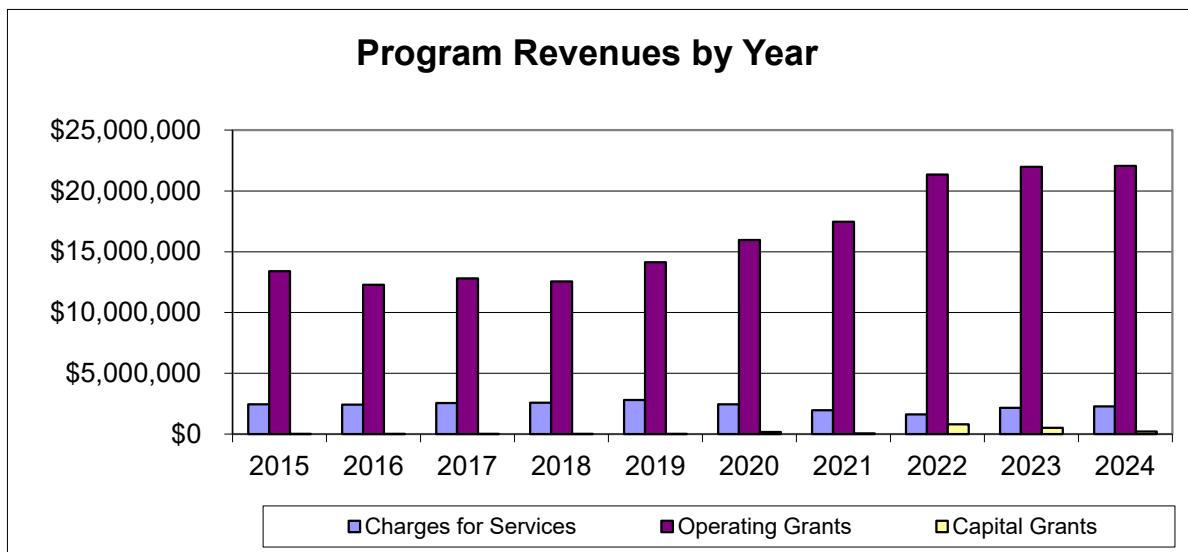


TABLE 3

2019 (1)	2020	2021 (2)	2022	2023	2024
\$1,362,016	\$1,506,169	\$2,503,316	\$4,094,435	\$5,369,282	\$2,268,043
8,422,177	8,191,040	7,469,995	9,392,205	9,992,887	12,614,664
598,318	585,064	592,641	831,103	829,981	1,008,032
82,823	78,305	72,999	138,883	112,256	96,567
395,148	1,761,318	2,671,278	1,088,563	1,459,510	1,296,329
464,366	966,239	818,789	1,224,367	659,391	612,867
238,175	269,814	302,072	475,140	366,715	405,039
12,627	5,354	4,019	3,225	2,421	48,463
433,341	369,743	406,408	659,559	498,296	628,680
162,724	286,724	206,734	583,896	619,342	584,909
2,667,563	2,592,394	2,303,624	4,140,634	3,448,634	3,521,672
1,410,497	1,183,218	1,182,580	717,375	890,189	899,985
394,159	465,061	339,322	418,388	402,619	561,794
<b>\$16,643,934</b>	<b>\$18,260,443</b>	<b>\$18,873,777</b>	<b>\$23,767,773</b>	<b>\$24,651,523</b>	<b>\$24,547,044</b>

**Lancaster City School District, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2015	2016	2017	2018
General Fund				
Nonspendable	\$285,634	\$417,286	\$471,733	\$628,459
Committed	873,019	1,638,158	1,296,633	1,061,934
Assigned	1,676,847	2,829,153	2,264,369	6,544,528
Unassigned	<u>38,430,356</u>	<u>34,463,767</u>	<u>37,902,931</u>	<u>35,051,530</u>
<i>Total General Fund</i>	<i>41,265,856</i>	<i>39,348,364</i>	<i>41,935,666</i>	<i>43,286,451</i>
Bond Retirement				
Restricted	0	0	0	0
School Building Construction				
Restricted	0	0	0	0
Classroom Facilities				
Restricted	<u>38,957,959</u>	<u>15,982,647</u>	<u>34,654,860</u>	<u>40,090,999</u>
All Other Governmental Funds				
Nonspendable	58,698	16,451	20,468	19,533
Restricted	8,731,470	8,541,256	11,244,410	9,981,689
Committed	671,378	6,838,140	6,567,132	7,061,513
Assigned	4,641,314	4,591,434	4,380,495	2,933,063
Unassigned (Deficits)	<u>(106,934)</u>	<u>(176,250)</u>	<u>(33,376)</u>	<u>(104,345)</u>
<i>Total All Other Governmental Funds</i>	<i>13,995,926</i>	<i>19,811,031</i>	<i>22,179,129</i>	<i>19,891,453</i>
<i>Total Governmental Funds</i>	<i><u>\$94,219,741</u></i>	<i><u>\$75,142,042</u></i>	<i><u>\$98,769,655</u></i>	<i><u>\$103,268,903</u></i>

(1) Implemented GASB Statement No. 84 in fiscal year 2020 and restated fiscal year 2019.

(2) Grant eligibility modification in 2021.

(3) OFCC market adjustment modifications in 2022, prior to the closure of the two junior high schools project.

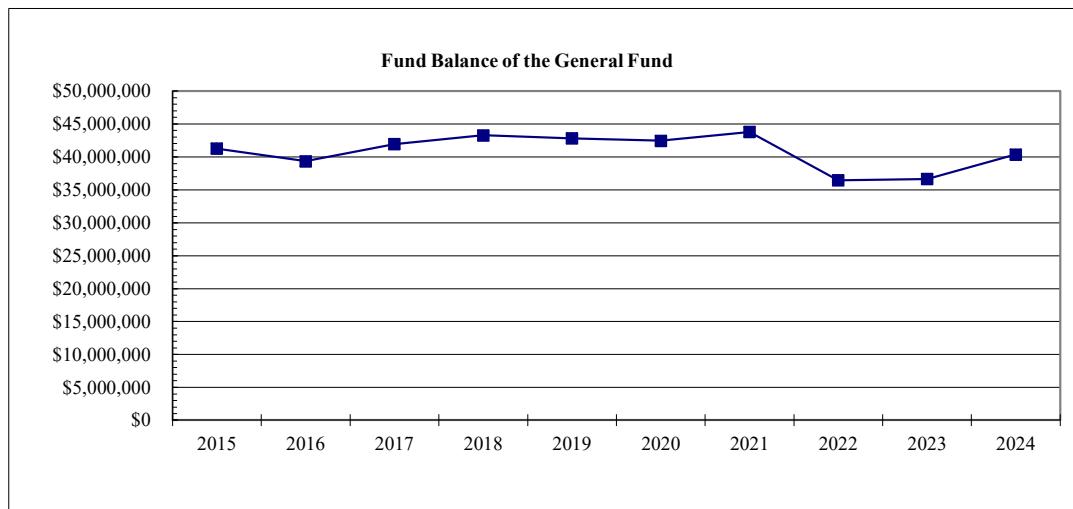


TABLE 4

2019 (1)	2020	2021 (2)	2022 (3)	2023	2024
\$459,616	\$460,319	\$595,877	\$624,880	\$583,501	\$879,339
1,293,851	1,566,406	1,562,706	1,408,735	1,286,011	1,128,542
4,956,692	17,732,954	10,070,931	3,817,164	1,852,012	971,342
<u>36,100,253</u>	<u>22,693,058</u>	<u>31,563,114</u>	<u>30,625,860</u>	<u>32,945,644</u>	<u>37,368,865</u>
42,810,412	42,452,737	43,792,628	36,476,639	36,667,168	40,348,088
0	0	4,003,612	0	0	6,379,570
0	<u>67,452,262</u>	<u>65,384,830</u>	0	<u>19,117,543</u>	0
17,764,044	<u>5,362,122</u>	0	<u>58,307,154</u>	<u>53,531,356</u>	<u>32,944,181</u>
19,251	40,941	91,958	234,680	209,898	57,814
10,561,442	7,729,084	8,511,825	16,239,041	11,555,082	19,145,705
6,438,536	7,575,697	7,477,961	11,577,886	516,437	849,938
5,079,454	4,530,068	4,722,354	4,087,141	1,523,413	2,236,923
(90,987)	(219,539)	(181,375)	(377,728)	(173,143)	(161,724)
22,007,696	<u>19,656,251</u>	<u>20,622,723</u>	<u>31,761,020</u>	<u>13,631,687</u>	<u>22,128,656</u>
<u>\$82,582,152</u>	<u>\$134,923,372</u>	<u>\$133,803,793</u>	<u>\$126,544,813</u>	<u>\$122,947,754</u>	<u>\$101,800,495</u>

**Lancaster City School District, Ohio**  
*Changes in Fund Balances, Governmental Funds (1)*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2015	2016	2017	2018
<b>Revenues</b>				
Property and Other Taxes	\$24,259,446	\$24,387,927	\$24,995,939	\$26,384,969
Payment in Lieu of Taxes	133,404	112,676	104,193	244,740
Income Taxes	11,159,854	11,556,995	12,010,139	12,275,780
Intergovernmental	49,667,754	40,022,330	38,864,180	49,561,830
Investment Earnings/Interest	489,546	839,384	522,123	1,155,738
Tuition and Fees	1,254,670	1,217,727	1,440,336	1,357,045
Charges for Services and Sales	533,732	527,806	499,615	452,739
Rent	104,292	89,528	74,768	117,560
Leases	0	0	0	0
Extracurricular Activities	550,554	586,152	539,080	609,682
Gifts and Donations	49,892	25,111	49,215	54,255
Miscellaneous	317,363	112,886	306,372	667,414
<i>Total Revenues</i>	<i>88,520,507</i>	<i>79,478,522</i>	<i>79,405,960</i>	<i>92,881,752</i>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	28,985,611	28,562,820	30,469,333	31,149,690
Special	9,705,078	10,427,791	11,331,374	12,162,829
Vocational	1,905,290	1,880,951	2,064,939	1,970,455
Student Intervention Services	248,690	180,350	213,017	198,936
Support Services:				
Pupils	3,698,365	4,123,499	4,988,102	4,827,880
Instructional Staff	2,729,325	2,531,615	2,653,941	2,668,894
Board of Education	92,245	102,650	154,526	88,977
Administration	4,299,622	4,530,195	4,966,852	5,075,321
Fiscal	1,497,487	1,500,733	1,572,146	1,560,935
Business	282,327	316,733	352,117	332,696
Operation and Maintenance of Plant	4,795,097	4,939,195	5,305,641	5,184,229
Pupil Transportation	2,128,818	1,906,594	2,575,124	2,979,098
Central	1,011,765	1,148,153	1,105,881	1,133,153
Food Service Operations	2,655,450	2,876,309	2,997,138	2,914,242
Other Operation of Non-Instructional Services	1,021,118	1,045,713	1,125,761	1,051,931
Extracurricular Activities	1,231,059	1,743,523	1,734,749	2,017,571
Capital Outlay	37,040,070	27,283,038	9,140,382	7,975,512
Debt Service:				
Principal Retirement	896,641	898,606	885,278	1,930,149
Interest	2,627,982	2,633,196	3,138,787	3,388,949
Capital Appreciation Bond Accretion	0	0	0	0
Issuance Costs	0	0	366,824	151,681
<i>Total Expenditures</i>	<i>106,852,040</i>	<i>98,631,664</i>	<i>87,141,912</i>	<i>88,763,128</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(18,331,533)</i>	<i>(19,153,142)</i>	<i>(7,735,952)</i>	<i>4,118,624</i>
<b>Other Financing Sources (Uses)</b>				
Inception of Lease	221,211	48,357	806,844	0
Proceeds from Sale of Capital Assets	24,884	27,086	209,786	228,943
General Obligation Bonds Issued	0	0	28,140,000	0
Refunding Bonds Issued	0	0	0	8,595,000
Premium on Bonds Issued	0	0	2,206,935	0
Premium on Refunding Bonds Issued	0	0	0	1,375,533
Discount on Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(9,818,852)
Transfers In	2,310,590	8,803,904	27,759,985	2,688,687
Transfers Out	(2,310,590)	(8,803,904)	(27,759,985)	(2,688,687)
<i>Total Other Financing Sources (Uses)</i>	<i>246,095</i>	<i>75,443</i>	<i>31,363,565</i>	<i>380,624</i>
<i>Net Change in Fund Balances</i>	<i>(\$18,085,438)</i>	<i>(\$19,077,699)</i>	<i>\$23,627,613</i>	<i>\$4,499,248</i>
Debt Service as a Percentage of Noncapital Expenditures	5.1%	4.9%	5.1%	6.7%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

(2) Implemented GASB Statement No. 84 in fiscal year 2020 and restated fiscal year 2019.

(3) Grant eligibility modification in 2021.

(4) OFCC had market adjustment modifications in 2022, prior to the closure of the two junior high schools project.

TABLE 5

2019 (2)	2020	2021 (3)	2022 (4)	2023	2024
\$23,161,699	\$26,473,647	\$31,119,126	\$31,985,920	\$38,620,232	\$36,168,281
329,324	344,430	350,235	401,744	286,020	426,988
12,875,809	12,961,759	14,276,643	16,164,725	17,448,654	17,308,476
45,165,000	46,754,843	46,282,969	49,810,750	60,419,696	70,824,883
2,695,253	2,249,500	356,511	(2,229,203)	2,997,329	6,230,120
1,357,308	1,422,125	1,554,729	852,464	840,407	729,834
458,019	344,253	16,053	87,528	520,462	516,652
102,312	160,609	135,012	117,016	115,449	117,956
0	0	0	0	7,208	11,992
748,051	536,577	401,097	562,715	613,918	625,920
84,312	251,408	72,909	98,486	62,788	173,996
792,701	919,313	1,097,119	292,425	263,473	319,429
<u>87,769,788</u>	<u>92,418,464</u>	<u>95,662,403</u>	<u>98,144,570</u>	<u>122,195,636</u>	<u>133,454,527</u>
31,096,705	32,898,339	34,999,166	33,892,939	36,335,577	35,681,549
12,393,983	13,869,248	13,689,580	14,276,503	15,871,753	16,882,599
1,979,141	1,985,957	2,143,235	2,209,789	2,142,311	2,368,019
275,080	248,153	269,359	307,428	247,918	284,488
5,055,924	5,699,563	6,165,621	6,769,871	7,920,370	8,926,948
3,118,822	3,934,497	3,804,382	4,078,468	3,699,501	4,358,208
99,589	87,803	127,608	199,759	129,685	110,832
5,306,860	5,930,019	5,908,213	6,468,083	6,890,139	7,228,435
1,552,528	1,667,287	1,759,497	1,836,322	2,075,886	2,142,666
343,207	334,887	354,207	393,270	443,794	457,125
5,421,180	5,162,351	5,668,202	6,436,689	7,085,123	7,562,127
3,056,146	2,882,340	3,130,534	3,587,609	4,384,066	3,357,925
1,166,652	1,145,618	1,030,174	942,540	998,487	1,156,809
2,877,405	2,743,255	2,686,840	3,284,009	3,487,551	3,688,600
3,506,001	1,067,371	1,263,625	1,017,865	887,770	883,981
1,990,043	1,559,818	1,823,251	1,576,370	1,864,439	1,776,258
24,085,164	21,656,008	5,148,307	9,390,133	22,862,050	49,253,659
1,816,956	1,756,578	2,129,351	3,951,944	3,868,703	3,374,478
3,320,994	2,799,251	4,520,711	4,594,535	4,485,208	4,397,674
0	0	160,119	196,104	259,769	716,381
0	1,024,964	225,000	0	0	0
<u>108,462,380</u>	<u>108,453,307</u>	<u>97,006,982</u>	<u>105,410,230</u>	<u>125,940,100</u>	<u>154,608,761</u>
<u>(20,692,592)</u>	<u>(16,034,843)</u>	<u>(1,344,579)</u>	<u>(7,265,660)</u>	<u>(3,744,464)</u>	<u>(21,154,234)</u>
0	256,052	0	0	0	0
5,841	17,299	0	6,680	147,405	6,975
0	66,125,000	0	0	0	0
0	47,457,912	12,925,000	0	0	0
0	1,965,748	0	0	0	0
0	4,401,111	0	0	0	0
0	(418,377)	0	0	0	0
0	(51,428,682)	(12,700,000)	0	0	0
8,775,719	2,936,353	2,501,576	63,276,143	19,359,048	5,885,636
(8,775,719)	(2,936,353)	(2,501,576)	(63,276,143)	(19,359,048)	(5,885,636)
5,841	68,376,063	225,000	6,680	147,405	6,975
<u>(\$20,686,751)</u>	<u>\$52,341,220</u>	<u>(\$1,119,579)</u>	<u>(\$7,258,980)</u>	<u>(\$3,597,059)</u>	<u>(\$21,147,259)</u>
6.2%	5.1%	7.5%	9.1%	8.4%	8.3%

**Lancaster City School District, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Public Utility
	Residential/ Agricultural	Commercial/ Industrial/PU			Estimated Actual Value
2015	\$617,354,180	\$246,263,980	\$2,467,480,457	\$48,501,740	\$194,006,960
2016	619,442,520	247,328,750	2,476,489,343	51,539,360	206,157,440
2017	639,780,840	252,019,550	2,548,001,114	54,517,070	218,068,280
2018	645,511,750	245,633,080	2,546,128,086	56,237,600	224,950,400
2019	651,189,120	249,606,860	2,573,702,800	62,774,980	251,099,920
2020	765,493,610	256,363,780	2,919,592,543	70,762,830	283,051,320
2021	771,522,750	258,980,770	2,944,295,771	79,625,390	318,501,560
2022	777,936,630	262,973,600	2,974,029,229	87,461,130	349,844,520
2023	988,205,180	277,196,500	3,615,433,371	92,042,540	368,170,160
2024	995,120,290	280,762,040	3,645,378,086	94,927,410	379,709,640

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

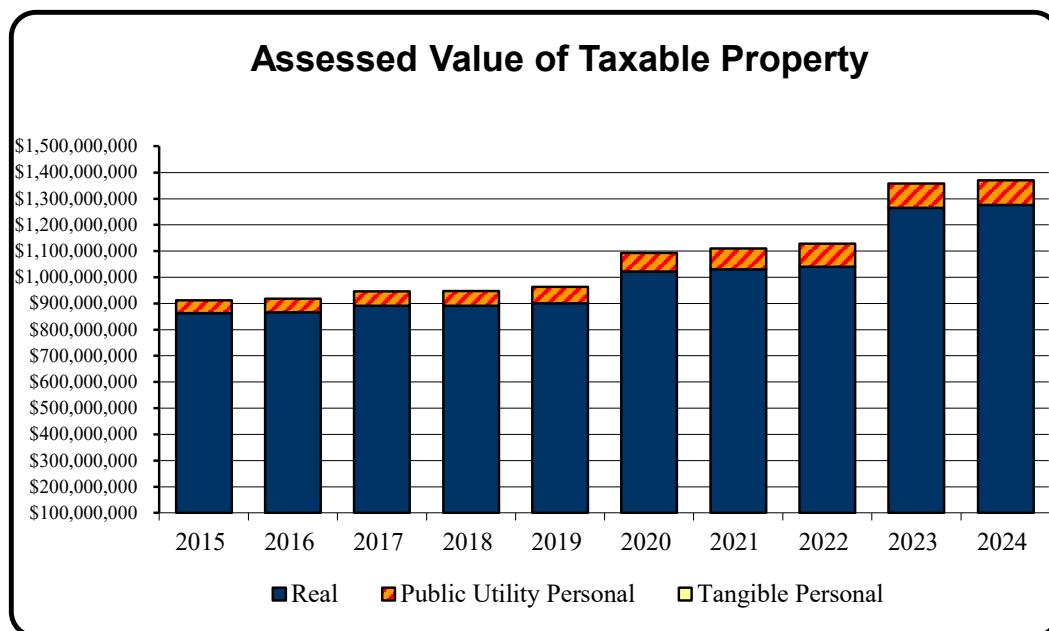
The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Values are shown net of exempt property.

**Source:** Fairfield County Auditor

**TABLE 6**

Assessed Value	Total		Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
	Estimated Actual Value	Ratio		
\$912,119,900	\$2,661,487,417	34%	68.3000	\$28.8818
918,310,630	2,682,646,783	34%	68.3000	29.0139
946,317,460	2,766,069,394	34%	68.1000	28.4427
947,382,430	2,771,078,486	34%	68.1000	28.6292
963,570,960	2,824,802,720	34%	68.1000	28.9199
1,092,620,220	3,202,643,863	34%	67.9000	27.5820
1,110,128,910	3,262,797,331	34%	71.6000	31.6635
1,128,371,360	3,323,873,749	34%	71.4000	31.7113
1,357,444,220	3,983,603,531	34%	71.1000	30.5644
1,370,809,740	4,025,087,726	34%	70.6000	30.1163



**Lancaster City School District, Ohio**

*Property Tax Rates  
(per \$1,000 of assessed value)  
Last Ten Years*

	Collection Year			
	2015	2016	2017	2018
<b>Unvoted Millage</b>				
Operating	\$4.0000	\$4.0000	\$4.0000	\$4.0000
<b>Voted Millage - by levy</b>				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	5.9171	5.8985	5.7223	5.7219
Commercial/Industrial and Public Utility Real	8.1095	8.1763	8.1047	8.3080
General Business and Public Utility Personal	32.7000	32.7000	32.7000	32.7000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	1.8095	1.8038	1.7499	1.7498
Commercial/Industrial and Public Utility Real	2.4800	2.5004	2.4785	2.5407
General Business and Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1990 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	4.8291	4.8138	4.6700	4.6697
Commercial/Industrial and Public Utility Real	5.6650	5.7116	5.6615	5.8036
General Business and Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1997 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	5.3755	5.3585	5.1984	5.1981
Commercial/Industrial and Public Utility Real	5.3128	5.3566	5.3096	5.4428
General Business and Public Utility Personal	7.9000	7.9000	7.9000	7.9000
2012 Permanent Improvement - continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.5000	0.4984	0.4835	0.4835
Commercial/Industrial and Public Utility Real	0.5000	0.5000	0.4956	0.5000
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000
2012 Bond Retirement - 37 years (\$61,550,000)				
Effective Millage Rates				
Residential/Agricultural Real	3.2000	3.2000	3.0000	3.0000
Commercial/Industrial and Public Utility Real	3.2000	3.2000	3.0000	3.0000
General Business and Public Utility Personal	3.2000	3.2000	3.0000	3.0000
2020 Bond Retirement - 30 years (\$66,125,000)				
Effective Millage Rates				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
<b>Total voted millage by type of property</b>				
Residential/Agricultural Real	21.6312	21.5731	20.8242	20.8230
Commercial/Industrial and Public Utility Real	25.2673	25.4449	25.0499	25.5951
General Business and Public Utility Personal	64.3000	64.3000	64.1000	64.1000
<b>Total millage by type of property</b>				
Residential/Agricultural Real	25.6312	25.5731	24.8242	24.8230
Commercial/Industrial and Public Utility Real	29.2673	29.4449	29.0499	29.5951
General Business and Public Utility Personal	68.3000	68.3000	68.1000	68.1000
Total Direct Rate for the School District	68.3000	68.3000	68.1000	68.1000
Total Weighted Average Tax Rate	<u>\$28.8818</u>	<u>\$29.0139</u>	<u>\$28.4427</u>	<u>\$28.6292</u>

TABLE 7

Collection Year					
2019	2020	2021	2022	2023	2024
\$4.0000	\$4.0000	\$4.0000	\$4.0000	\$4.0000	\$4.0000
5.7180	5.6037	5.6059	5.6129	6.4047	6.4051
8.3801	8.3470	8.4737	8.4600	8.1701	8.1396
32.7000	32.7000	32.7000	32.7000	32.7000	32.7000
1.7486	1.7137	1.7143	1.7165	1.9586	1.9588
2.5627	2.5526	2.5913	2.5872	2.4985	2.4892
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
4.6665	4.1479	4.1468	4.1433	3.7493	3.7495
5.8539	5.8308	5.9193	5.9097	5.7072	5.6859
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.1945	4.5348	4.5330	4.5274	3.8874	3.8876
5.4900	5.4683	5.5513	5.5423	5.3524	5.3325
7.9000	7.9000	7.9000	7.9000	7.9000	7.9000
0.4832	0.4136	0.4134	0.4127	0.3272	0.3272
0.5000	0.4980	0.5000	0.4992	0.4821	0.4803
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
3.0000	2.8000	2.8000	2.6000	2.5000	2.4000
3.0000	2.8000	2.8000	2.6000	2.5000	2.4000
3.0000	2.8000	2.8000	2.6000	2.5000	2.4000
0.0000	0.0000	3.7000	3.7000	3.5000	3.1000
0.0000	0.0000	3.7000	3.7000	3.5000	3.1000
0.0000	0.0000	3.7000	3.7000	3.5000	3.1000
20.8107	19.2137	22.9134	22.7127	22.3272	21.8282
25.7867	25.4967	29.5356	29.2983	28.2102	27.6274
64.1000	63.9000	67.6000	67.4000	67.1000	66.6000
24.8107	23.2137	26.9134	26.7127	26.3272	25.8282
29.7867	29.4967	33.5356	33.2983	32.2102	31.6274
68.1000	67.9000	71.6000	71.4000	71.1000	70.6000
68.1000	67.9000	71.6000	71.4000	71.1000	70.6000
\$28.9199	\$27.5820	\$31.6635	\$31.7113	\$30.5644	\$30.1163

(Continued)

**Lancaster City School District, Ohio**

*Property Tax Rates  
(per \$1,000 of assessed value)  
Last Ten Years (Continued)*

	Collection Year			
	2015	2016	2017	2018
<b>Overlapping Rates by Taxing District</b>				
Berne Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	6.2286	6.2342	6.0521	5.9475
Commercial/Industrial and Public Utility Real	6.3343	6.3601	6.2440	6.2630
General Business and Public Utility Personal	9.1000	9.1000	9.0000	8.9000
Greenfield Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	8.6591	9.3632	8.9572	9.4911
Commercial/Industrial and Public Utility Real	7.7885	8.8244	8.7666	9.1092
General Business and Public Utility Personal	11.1000	11.8000	11.8000	12.3000
Hocking Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	4.0665	4.0645	6.3716	6.3585
Commercial/Industrial and Public Utility Real	3.8051	3.6831	6.1475	6.1331
General Business and Public Utility Personal	4.7000	4.7000	7.2000	7.2000
Pleasant Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	7.8841	7.9011	7.7287	9.7182
Commercial/Industrial and Public Utility Real	8.1975	8.1815	8.4238	10.4453
General Business and Public Utility Personal	9.1000	9.1000	9.1000	11.1000
Lancaster City Millage				
Effective Millage Rates				
Residential/Agricultural Real	6.4000	6.3882	6.3007	6.3019
Commercial/Industrial and Public Utility Real	6.4000	6.4000	6.3714	6.4000
General Business and Public Utility Personal	6.4000	6.4000	6.4000	6.4000
Fairfield County Library Millage				
Effective Millage Rates				
Residential/Agricultural Real	0.4079	0.4995	0.4787	0.4776
Commercial/Industrial and Public Utility Real	0.4343	0.5000	0.4969	0.5000
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000
Fairfield County Historic Parks Millage				
Effective Millage Rates				
Residential/Agricultural Real	0.3938	0.3935	0.3729	0.3718
Commercial/Industrial and Public Utility Real	0.3950	0.4000	0.3984	0.4000
General Business and Public Utility Personal	0.4000	0.4000	0.4000	0.4000
Fairfield County Millage				
Effective Millage Rates				
Residential/Agricultural Real	7.8574	9.7023	9.3305	10.3066
Commercial/Industrial and Public Utility Real	7.7684	9.7806	9.7514	10.7870
General Business and Public Utility Personal	8.5500	10.4000	10.4000	11.4000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates for voted levies are reduced so that inflationary increases in value do not generate additional revenue.

**Source:** Ohio Department of Taxation, Fairfield County Auditor

TABLE 7

Collection Year					
2019	2020	2021	2022	2023	2024
10.8390	9.1425	8.9469	8.9309	7.1608	7.1725
11.1362	10.9364	10.7321	10.7473	10.2671	10.3525
13.8000	13.3000	13.1000	13.1000	12.7000	12.7000
9.4857	8.5727	8.4770	8.4476	10.2598	10.2546
9.3123	9.0346	8.9482	8.9770	12.4998	12.4937
12.3000	12.3000	12.2000	12.2000	16.1000	16.1000
6.3455	5.7420	7.5482	7.5306	6.5610	6.5561
6.1285	6.1914	7.9486	7.9031	7.3426	7.3426
7.2000	7.2000	9.0000	9.0000	9.0000	9.0000
9.7087	8.9078	8.9031	8.8933	9.6500	9.6429
10.4513	10.4536	10.5592	10.5657	12.7784	12.9439
11.1000	11.1000	11.1000	11.1000	13.6000	13.6000
6.3005	5.8750	5.8728	5.8679	5.3518	6.4000
6.4000	6.3921	6.4000	6.3922	6.2914	6.3866
6.4000	6.4000	6.4000	6.4000	6.4000	6.4000
0.4767	0.4098	0.4094	0.4082	0.3197	0.3195
0.5000	0.4989	0.5000	0.4992	0.4809	0.4789
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.3709	0.3145	0.3139	0.3125	0.2460	0.2456
0.4000	0.4000	0.4000	0.3982	0.3882	0.3946
0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
10.2875	10.2217	10.2064	10.1723	8.5613	8.5510
10.8382	12.1778	12.1973	12.1544	11.9153	12.0671
11.4000	12.7000	12.7000	12.7000	12.7000	12.7000

**Lancaster City School District, Ohio**  
**Property Tax Levies and Collections (1)**  
**Last Ten Years**

**TABLE 8**

Calendar Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2014	\$26,411,292	\$25,522,809	96.64%	\$761,578	\$26,284,387	99.52%
2015	26,466,973	25,808,726	97.51	957,467	26,766,193	101.13
2016	26,679,804	25,983,522	97.39	820,015	26,803,537	100.46
2017	26,905,555	26,079,359	96.93	381,043	26,460,402	98.35
2018	27,649,237	26,757,450	96.77	641,652	27,399,102	99.10
2019	29,797,488	28,967,908	97.22	961,106	29,929,014	100.44
2020	34,903,720	34,004,899	97.42	1,038,816	35,043,715	100.40
2021	35,849,764	34,409,329	95.98	747,081	35,156,410	98.07
2022	41,523,441	39,967,823	96.25	1,102,319	41,070,142	98.91
2023	41,519,243	40,747,267	98.14	873,203	41,620,470	100.24

**Source:** Fairfield County Auditor's Office

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2024 information cannot be presented because all collections have not been made by June 30, 2024.
- (3) The County does not identify delinquent tax collections by tax year.

**Note:** The School District receives taxes from Fairfield County. Fairfield County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in that total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

TABLE 9

**Lancaster City School District, Ohio**  
*Principal Taxpayers*  
*Real Estate Tax*  
*2024 and 2015 (1)*

Name of Taxpayer	2024	
	Assessed Value	Percent of Real Property Assessed Value
One Point Three LLC	\$10,745,000	0.84%
Zane Properties Corporation	7,471,040	0.59
The Flats on Memorial LLC	7,438,860	0.58
Lancaster Apartment Properties	6,958,450	0.54
River Valley Plaza LP	4,438,260	0.35
SUSO 4 Hocking LP	4,319,800	0.34
DOC-2405 North Columbus Street	4,030,080	0.32
Lancaster Phase One Group, PLL	3,997,540	0.31
South Central Power Company	3,981,440	0.31
Lancaster Ridge Holdings LLC	3,687,610	0.29
<b>Totals</b>	<b>\$57,068,080</b>	<b>4.47%</b>
<b>Total Assessed Valuation</b>	<b>\$1,275,882,330</b>	
Name of Taxpayer	2015	
	Assessed Value	Percent of Real Property Assessed Value
RVM Glimcher, LLC	\$18,557,770	2.15%
Lancaster Midtown LLC	7,190,600	0.83
DFG Lancaster LLC	4,492,660	0.52
CanAm PO LP	4,333,680	0.50
Lancaster Phase One Group PLL	3,544,580	0.41
USPG Portfolio Four LLC	3,235,910	0.37
Riverview MOB LLC	2,905,000	0.34
Winlan LLC	2,616,260	0.31
Cole GE Lancaster Ohio LLC	2,603,400	0.30
Lancaster Retirement LLC	2,564,390	0.30
<b>Totals</b>	<b>\$52,044,250</b>	<b>6.03%</b>
<b>Total Assessed Valuation</b>	<b>\$863,618,160</b>	

(1) The amounts presented represent the assessed values upon which 2024 and 2015 collections were based.

**Source:** Fairfield County Auditor's Office

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TABLE 10

**Lancaster City School District, Ohio**

*Principal Taxpayers*

*Public Utilities Tax*

*2024 and 2015 (1)*

Name of Taxpayer	2024	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$36,113,150	38.04%
AEP Ohio Transmission Company	17,342,130	18.27
Total	<u>\$53,455,280</u>	<u>56.31%</u>
Total Assessed Valuation	<u>\$94,927,410</u>	

Name of Taxpayer	2015	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$21,875,370	45.10%
Rockies Express Pipeline	17,885,250	36.88
Total	<u>\$39,760,620</u>	<u>81.98%</u>
Total Assessed Valuation	<u>\$48,501,740</u>	

(1) The amounts presented represent the assessed values upon which 2024 and 2015 collections were based.

**Source:** Fairfield County Auditor's Office

**Lancaster City School District, Ohio**  
*Ratio of Outstanding Debt by Type*  
*Last Ten Fiscal Years*

Fiscal Year	Estimated Population (1)	Per Capita Income (2)	Personal Income (3)	School Facilities	
				Construction Bonds (4)	Leases
2015	38,854	\$23,701	\$920,878,654	\$62,161,873	\$459,478
2016	38,780	25,230	978,419,400	61,870,442	204,229
2017	39,848	25,230	1,005,365,040	91,855,667	745,795
2018	40,280	25,230	1,016,264,400	90,827,415	495,646
2019	39,942	25,230	1,007,736,660	89,043,087	223,690
2020	40,505	25,230	1,021,941,150	157,406,357	228,164
2021	40,552	25,230	1,023,126,960	155,992,221	183,694
2022	40,763	25,230	1,028,450,490	151,889,912	150,646
2023	41,174	27,612	1,136,896,488	148,020,254	97,174
2024	41,422	30,252	1,253,098,344	144,338,852	36,315

**Source:**

- (1) Lancaster City Community Development Department estimates as reported in the City of Lancaster Annual Comprehensive Financial Report presented on a calendar year basis for years 2015 - 2017. The U.S. Census Bureau information for fiscal years 2018 - 2024 as reported as of July 1 of that fiscal year.
- (2) U.S. Census Bureau information is presented as of July 1 each fiscal year.
- (3) Computation of per capita personal income multiplied by population presented on a calendar year.
- (4) Includes the School Facilities Construction and Improvement Refunding Bonds, Series 2016 B, 2017, 2019, and 2020 and School Improvement Refunding Bonds, Series 2021.

TABLE 11

Energy Conservation Notes	Total Debt Outstanding	Ratio of Total Debt to Personal Income	Total Debt Per Capita
\$1,215,000	\$63,836,351	6.93%	\$1,643
815,000	62,889,671	6.43	1,622
410,000	93,011,462	9.25	2,334
0	91,323,061	8.99	2,267
0	89,266,777	8.86	2,235
0	157,634,521	15.43	3,892
0	156,175,915	15.26	3,851
0	152,040,558	14.78	3,730
0	148,117,428	13.03	3,597
0	144,375,167	11.52	3,485

TABLE 12

**Lancaster City School District, Ohio**

*Ratio of General Obligation Bonded Debt to Estimated  
True Value and General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years*

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Obligation Bonded Debt (3)	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2015	38,854	\$2,661,487,417	\$62,161,873	2.34%	\$1,600
2016	38,780	2,682,646,783	61,870,442	2.31%	1,595
2017	39,848	2,766,069,394	91,855,667	3.32%	2,305
2018	40,280	2,771,078,486	90,827,415	3.28%	2,255
2019	39,942	2,824,802,720	89,043,087	3.15%	2,229
2020	40,505	3,202,643,863	157,406,357	4.91%	3,886
2021	40,552	3,262,797,331	155,992,221	4.78%	3,847
2022	40,763	3,323,873,749	151,889,912	4.57%	3,726
2023	41,174	3,983,603,531	148,020,254	3.72%	3,595
2024	41,422	4,025,087,726	144,338,852	3.59%	3,485

**Sources:** (1) Lancaster City Community Development Department estimates as reported in the City of Lancaster Annual Comprehensive Financial Report presented on a calendar year basis for years 2015 - 2019. The U.S. Census Bureau for years 2020 - 2024 as reported on a calendar year basis.

(2) Fairfield County Auditor presented on a calendar year.

(3) Although the bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal; therefore, these resources are not reflected as a deductior from general obligation bonded debt.

TABLE 13

**Lancaster City School District, Ohio**  
*Computation of Direct and Overlapping*  
*Debt Attributable to Governmental Activities*  
*June 30, 2024*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
<b>Direct Debt</b>			
Lancaster City School District as of June 30, 2024			
General Obligation and Refunding Bonds	\$144,338,852	100.00%	\$144,338,852
Leases	<u>36,315</u>	100.00%	<u>36,315</u>
Total Direct Debt	<u>144,375,167</u>		<u>144,375,167</u>
<b>Overlapping Debt:</b>			
Payable from Property Taxes as of December 31, 2023:			
Greenfield Township General Obligation Bonds	864,000	18.97%	163,922
Hocking Township Firehouse Note	202,920	72.41%	146,926
Fairfield County General Obligation Bonds	35,057,410	23.07%	8,087,744
Fairfield County Long Term Loans	175,000	23.07%	40,373
Fairfield County Leases and Subscriptions	1,186,071	23.07%	273,627
City of Lancaster General Obligation			
Bond Anticipation Notes	1,614,520	98.55%	1,591,109
City of Lancaster General Obligation Bonds	6,714,770	98.55%	6,617,406
City of Lancaster Installment Loans	532,819	98.55%	525,093
City of Lancaster Leases	266,953	98.55%	263,082
Payable from Other Sources as of December 31, 2023:			
Fairfield County Special Assessment Bonds	103,000	23.07%	23,762
Fairfield County Leases	23,117	23.07%	5,333
City of Lancaster Ohio Water Development Authority Loan	180,185	98.55%	177,572
City of Lancaster State Infrastructure Bank Loan	<u>146,259</u>	98.55%	<u>144,138</u>
Total Overlapping Debt	<u>47,067,024</u>		<u>18,060,087</u>
Total Direct and Overlapping Debt	<u>\$191,442,191</u>		<u>\$162,435,254</u>

**Source:** Fairfield County Auditor, School District records, City of Lancaster, and the townships of Berne, Greenfield, Hocking, and Pleasant. Townships of Pleasant and Berne had no debt outstanding as of December 31, 2023.

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2023 collection year.

**Lancaster City School District, Ohio**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	2015	2016	2017	2018
Assessed Valuation (1)	<u>\$912,119,900</u>	<u>\$918,310,630</u>	<u>\$946,317,460</u>	<u>\$947,382,430</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$82,090,791</u>	<u>\$82,647,957</u>	<u>\$85,168,571</u>	<u>\$85,264,419</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds for School Facilities				
Construction	58,835,000	58,640,000	59,565,000	50,455,000
Refunding Bonds, Series 2017 and 2020 for				
School Facilities Construction	0	0	0	8,595,000
Construction Bonds and Refunding Bonds,				
Series 2021 Income Tax Backed	0	0	27,000,000	26,240,000
Energy Conservation Notes	1,215,000	815,000	410,000	0
Less Amount Available in Debt Service	<u>(1,227,845)</u>	<u>(1,393,707)</u>	<u>(2,812,844)</u>	<u>(2,212,818)</u>
Totals	<u>58,822,155</u>	<u>58,061,293</u>	<u>84,162,156</u>	<u>83,077,182</u>
Exemptions:				
Income Tax Backed	0	0	(27,000,000)	(26,240,000)
Energy Conservation Notes	<u>(1,215,000)</u>	<u>(815,000)</u>	<u>(410,000)</u>	<u>0</u>
Totals	<u>(1,215,000)</u>	<u>(815,000)</u>	<u>(27,410,000)</u>	<u>(26,240,000)</u>
Amount of Debt Subject to Limit	<u>57,607,155</u>	<u>57,246,293</u>	<u>56,752,156</u>	<u>56,837,182</u>
Legal Debt Margin	<u>\$24,483,636</u>	<u>\$25,401,664</u>	<u>\$28,416,415</u>	<u>\$28,427,237</u>
Legal Debt Margin as a Percentage of the				
Debt Limit	29.83%	30.73%	33.36%	33.34%
Unvoted Debt Limit - .10% of Assessed Value (1)	\$912,120	\$918,311	\$946,317	\$947,382
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$912,120</u>	<u>\$918,311</u>	<u>\$946,317</u>	<u>\$947,382</u>
Unvoted Legal Debt Margin as a Percentage of				
the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation				
Long-Term Notes				
Debt Limit - .9% of Assessed Value (1)	\$8,209,079	\$8,264,796	\$8,516,857	\$8,526,442
Amount of Debt Subject to Limit				
Energy Conservation Long-Term Notes	<u>(1,215,000)</u>	<u>(815,000)</u>	<u>(410,000)</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$6,994,079</u>	<u>\$7,449,796</u>	<u>\$8,106,857</u>	<u>\$8,526,442</u>
Unvoted Legal Debt Margin as a Percentage of				
the Unvoted Debt Limit	85.20%	90.14%	95.19%	100.00%

**Source:** Fairfield County Auditor and School District Financial Records

- (1) In 2006, HB 530 changed the assessed valuation utilized in the legal debt margin calculation to exclude general business tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.
- (3) Net indebtedness exceeds the 9% limitation due to debt issued to fund the School District's portion of the costs of a school facilities project under Ohio Revised Code Chapter 3318, and, as a result, such debt is not subject to State consents or special needs approval pursuant to Ohio Revised Code Section 133.06(I).

**Note:** The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts.

TABLE 14

2019	2020 (3)	2021	2022	2023	2024
\$963,570,960	\$1,092,620,220	\$1,110,128,910	\$1,128,371,360	\$1,357,444,220	\$1,370,809,740
\$86,721,386	\$98,335,820	\$99,911,602	\$101,553,422	\$122,169,980	\$123,372,877
49,940,000	68,070,000	67,445,000	65,240,000	63,000,000	61,390,000
8,400,000	55,737,912	55,148,031	54,804,135	54,518,904	54,130,285
25,405,000	24,555,000	25,525,000	24,155,000	22,865,000	21,550,000
0	0	0	0	0	0
(1,514,909)	(3,083,880)	(4,003,612)	(4,051,756)	(5,586,228)	(6,379,570)
82,230,091	145,279,032	144,114,419	140,147,379	134,797,676	130,690,715
(25,405,000)	(24,555,000)	(25,525,000)	(24,155,000)	(22,865,000)	(21,550,000)
0	0	0	0	0	0
(25,405,000)	(24,555,000)	(25,525,000)	(24,155,000)	(22,865,000)	(21,550,000)
56,825,091	120,724,032	118,589,419	115,992,379	111,932,676	109,140,715
\$29,896,295	(\$22,388,212)	(\$18,677,817)	(\$14,438,957)	\$10,237,304	\$14,232,162
34.47%	-22.77%	-18.69%	-14.22%	8.38%	11.54%
\$963,571	\$1,092,620	\$1,110,129	\$1,128,371	\$1,357,444	\$1,370,810
0	0	0	0	0	0
<u>\$963,571</u>	<u>\$1,092,620</u>	<u>\$1,110,129</u>	<u>\$1,128,371</u>	<u>\$1,357,444</u>	<u>\$1,370,810</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8,672,139	\$9,833,582	\$9,991,160	\$10,155,342	\$12,216,998	\$12,337,288
0	0	0	0	0	0
<u>\$8,672,139</u>	<u>\$9,833,582</u>	<u>\$9,991,160</u>	<u>\$10,155,342</u>	<u>\$12,216,998</u>	<u>\$12,337,288</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

TABLE 15

**Lancaster City School District, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Calendar Year	Estimated Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate Fairfield County
2014	38,854	\$920,878,654	\$23,701	5.00%
2015	38,780	978,419,400	25,230	4.30
2016	39,848	1,005,365,040	25,230	4.20
2017	40,280	1,016,264,400	25,230	4.30
2018	39,942	1,007,736,660	25,230	4.00
2019	40,505	1,021,941,150	25,230	3.70
2020	40,552	1,023,126,960	25,230	4.30
2021	40,763	1,028,450,490	25,230	2.90
2022	41,174	1,136,896,488	27,612	3.10
2023 (3)	41,422	1,253,098,344	30,252	3.10

**Sources:** Ohio Bureau of Employment Services  
 U.S. Census Bureau  
 City of Lancaster

(1) Population is estimated by the City of Lancaster Community Development Department estimates as reported in the City of Lancaster Annual Comprehensive Financial Report presented on a calendar year basis for years 2014 - 2018. The U.S. Census Bureau for years 2019 - 2023 as reported on a calendar year basis.

(2) U.S. Census Bureau presented on a calendar year.

(3) Calendar year 2023 is the latest information available.

TABLE 16

## Lancaster City School District, Ohio

*Principal Employers*  
*Current Year and Nine Years Ago*

Employer	Nature of Business	Calendar Year 2023		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	1,705	1	9.12%
Anchor Acquisition LLC	Manufacturing	1,638	2	8.76%
MAGNA	Manufacturing	1,120	3	5.99%
Fairfield County	County Government	936	4	5.01%
Lancaster City Schools	Education	844	5	4.51%
Kroger - Lancaster Locations	Grocer	606	6	3.24%
Group Management Services	Employment Services	429	7	2.29%
State of Ohio	Government	415	8	2.22%
Daily Services	Employment Services	408	9	2.18%
Electrical Specialists, Inc.	Services	310	10	1.66%
Total		<u>8,411</u>		<u>44.98%</u>
Total Employment within the School District		<u>18,700</u>		
Employer	Nature of Activity	Calendar Year 2014		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	1,864	1	10.90%
Anchor Hocking Corporation	Manufacturing	900	2	5.26%
Fairfield County	County Government	816	3	4.77%
Lancaster City School District	Education	720	4	4.21%
City of Lancaster	City Government	430	5	2.52%
Ralston Foods, Incorporated	Manufacturing	341	6	1.99%
Kroger Company	Grocer	262	7	1.53%
Diamond Power	Manufacturing	240	8	1.40%
Crestview	Medical Services	212	9	1.24%
Fairfield Homes	Construction	194	10	1.14%
Total		<u>5,979</u>		<u>34.96%</u>
Total Employment within the School District		<u>17,100</u>		

**Source:** Total employment is from the Ohio Labor Market Information website provided on a calendar year basis. Company information is from the Fairfield County Economic Development webpage, compiled as of May 2023 as the latest data available, information from Fairfield County payroll office compiled on a calendar year basis, and information from the Lancaster City Schools payroll department compiled on a fiscal year basis.

TABLE 17

**Lancaster City School District, Ohio**  
*School District Employees by Function/Program*  
*Last Ten Fiscal Years*

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Regular Instruction										
Classified Employees	0	0	0	0	0	0	0	12	5	3
Certified Employees	267	261	263	264	263	263	268	289	289	287
Special Instruction										
Classified Employees	62	61	68	63	67	77	64	74	61	76
Certified Employees	91	91	96	100	100	103	103	104	106	116
Vocational Instruction										
Classified Employees	1	1	1	1	0	0	0	0	0	0
Certified Employees	17	17	16	16	16	16	16	17	14	15
Student Intervention Services										
Certified Employees	3	3	3	3	4	3	3	3	3	3
Pupil Support Services										
Classified Employees	27	27	24	25	26	25	32	28	41	35
Certified Employees	26	30	34	34	31	33	33	28	37	45
Administrators	0	0	0	0	5	7	8	10	10	10
Instructional Staff										
Classified Employees	16	17	17	17	18	17	16	15	15	13
Certified Employees	4	4	4	6	7	9	9	9	12	13
Administrators	1	1	1	1	1	5	5	4	1	1
Administration										
Classified Employees	19	20	22	23	23	23	22	23	22	26
Administrators	24	26	27	28	29	32	29	31	32	32
Fiscal										
Classified Employees	4	4	4	4	4	4	4	4	4	5
Administrators	2	2	2	2	2	2	2	2	2	2
Business										
Classified Employees	2	2	2	2	2	2	2	1	2	2
Administrators	1	1	1	1	1	1	1	1	1	1
Operation and Maintenance of Plant										
Classified Employees	47	46	45	47	48	43	44	45	43	50
Administrators	1	1	1	1	1	1	1	1	1	1
Pupil Transportation										
Classified Employees	39	42	45	50	57	60	53	45	43	38
Administrators	1	1	1	1	1	1	1	1	1	2
Central										
Classified Employees	6	6	6	6	6	6	6	6	6	9
Administrators	2	2	2	2	2	1	1	1	1	1
Food Service Program										
Classified Employees	51	58	56	56	56	56	55	55	55	54
Administrators	1	1	1	1	1	1	1	1	1	1
Non-Instructional Services										
Certified Employees	3	2	1	1	1	1	1	1	1	1
Extracurricular Activities										
Classified Employees	1	1	1	1	1	1	1	1	1	1
Administrators	1	1	1	1	1	1	1	1	1	1
Totals	<u>720</u>	<u>729</u>	<u>745</u>	<u>757</u>	<u>774</u>	<u>794</u>	<u>782</u>	<u>813</u>	<u>811</u>	<u>844</u>

**Source:** Lancaster City School District Personnel Records

**Method:** The figures include only the full-time employees

TABLE 18

**Lancaster City School District, Ohio**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Fiscal Year	General Fund Expenditures	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2015	\$57,181,378	6,245	\$9,156	N/A	411	15.2
2016	59,163,624	6,299	9,393	2.58%	408	15.4
2017	65,236,549	6,354	10,267	9.31%	411	15.5
2018	66,846,854	6,302	10,607	3.31%	414	15.2
2019	67,890,069	6,403	10,603	-0.04%	416	15.4
2020	70,270,896	6,406	10,970	3.46%	425	15.1
2021	71,343,984	6,133	11,633	6.04%	430	14.3
2022	72,457,116	6,117	11,845	1.82%	451	13.6
2023	78,075,544	6,213	12,566	6.09%	450	13.8
2024	82,354,984	6,191	13,302	5.86%	471	13.1

**Source:** School District Records and the Ohio Department of Education and Workforce.

**Lancaster City School District, Ohio**

*Building Statistics*

*Last Ten Fiscal Years*

	2015	2016	2017
<b>Cedar Heights Elementary School</b>			
Constructed in 1939, addition in 1973			
Total Building Square Footage	31,100	N/A	N/A
Enrollment Grades K-5 for 2015, building closed in 2016	380	N/A	N/A
Student Capacity	460	N/A	N/A
Instruction Classrooms	22	N/A	N/A
Teaching Stations	31	N/A	N/A
Administrators	2	N/A	N/A
Certified Staff	27	N/A	N/A
Classified Staff	13	N/A	N/A
<b>East Elementary School</b>			
Constructed in 1939			
Total Building Square Footage	37,518	37,518	N/A
Enrollment Grades K-5 for 2015-2016, building closed during 2017	363	264	N/A
Student Capacity	314	314	N/A
Instruction Classrooms	20	20	N/A
Teaching Stations	24	24	N/A
Administrators	1	2	N/A
Certified Staff	23	22	N/A
Classified Staff	13	12	N/A
<b>Medill Elementary School</b>			
Constructed in 1960, addition in 1965, 1966, and 1973			
Total Building Square Footage	31,500	N/A	N/A
Enrollment Grades K-5 for 2015, building closed in 2016	413	N/A	N/A
Student Capacity	337	N/A	N/A
Instruction Classrooms	25	N/A	N/A
Teaching Stations	30	N/A	N/A
Administrators	1	N/A	N/A
Certified Staff	25	N/A	N/A
Classified Staff	15	N/A	N/A
<b>Sanderson Elementary School</b>			
Constructed in 1968, addition in 1973 and 1996			
Total Building Square Footage	31,233	31,233	N/A
Enrollment Grades K-5 2015-2016, building closed during 2017	295	289	N/A
Student Capacity	308	308	N/A
Instruction Classrooms	20	20	N/A
Teaching Stations	24	24	N/A
Administrators	1	1	N/A
Certified Staff	20	19	N/A
Classified Staff	13	8	N/A

TABLE 19

(Continued)

**Lancaster City School District, Ohio**

*Building Statistics*

*Last Ten Fiscal Years (Continued)*

	2015	2016	2017
<b>South Elementary School</b>			
Constructed in 1931			
Total Building Square Footage	29,055	N/A	N/A
Enrollment Grades K-5 for 2015, building closed in 2016	330	N/A	N/A
Student Capacity	149	N/A	N/A
Instruction Classrooms	17	N/A	N/A
Teaching Stations	21	N/A	N/A
Administrators	2	N/A	N/A
Certified Staff	21	N/A	N/A
Classified Staff	11	N/A	N/A
<b>Tallmadge Elementary School</b>			
Constructed in 1956, addition in 1959, 1966, and 1973			
Total Building Square Footage	37,000	N/A	N/A
Enrollment Grades K-5 for 2015, building closed in 2016	449	N/A	N/A
Student Capacity	345	N/A	N/A
Instruction Classrooms	20	N/A	N/A
Teaching Stations	29	N/A	N/A
Administrators	3	N/A	N/A
Certified Staff	25	N/A	N/A
Classified Staff	16	N/A	N/A
<b>Tarhe Elementary School</b>			
Constructed in 1968, addition in 1973			
Modular Classrooms - Constructed in 2004			
Total Building Square Footage	25,200	25,200	25,200
Total Modular Square Footage	9,000	9,000	9,000
Enrollment Grades K-5 for 2015, Preschool only in 2016-2024	418	184	196
Student Capacity	445	445	445
Instruction Classrooms	20	20	20
Teaching Stations	17	17	17
Administrators	2	0	1
Certified Staff	26	10	10
Classified Staff	9	10	13
<b>West Elementary School</b>			
Constructed in 1928, addition in 1960			
Total Building Square Footage	46,404	46,404	N/A
Enrollment Grades K-5 2015-2016, building closed in 2017	459	553	N/A
Student Capacity	428	428	N/A
Instruction Classrooms	24	24	N/A
Teaching Stations	28	28	N/A
Administrators	2	2	N/A
Certified Staff	32	37	N/A
Classified Staff	18	18	N/A

TABLE 19

2018	2019	2020	2021	2022	2023	2024
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
25,200	25,200	25,200	25,200	25,200	25,200	25,200
9,000	9,000	9,000	9,000	9,000	9,000	9,000
200	192	204	146	187	203	263
445	445	445	445	445	445	445
20	20	20	20	20	20	20
17	17	17	17	17	17	17
1	1	1	1	1	1	4
12	12	17	16	19	21	28
11	14	17	17	17	21	24
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						
N/A						

(Continued)

**Lancaster City School District, Ohio**

*Building Statistics*

*Last Ten Fiscal Years (Continued)*

	2015	2016	2017
<b>Mount Pleasant Elementary</b>			
Constructed in 2015			
Total Building Square Footage	N/A	73,913	73,913
Enrollment Grades K-5 for 2016 - 2024	N/A	586	593
Student Capacity	N/A	578	578
Instruction Classrooms	N/A	29	29
Teaching Stations	N/A	35	35
Administrators	N/A	2	2
Certified Staff	N/A	35	36
Classified Staff	N/A	20	26
<b>Gorsuch West Elementary</b>			
Constructed in 2015			
Total Building Square Footage	N/A	78,632	78,632
Enrollment Grades K-5 for 2016 - 2024	N/A	613	615
Student Capacity	N/A	623	623
Instruction Classrooms	N/A	33	33
Teaching Stations	N/A	39	39
Administrators	N/A	2	2
Certified Staff	N/A	41	37
Classified Staff	N/A	25	23
<b>Tarhe Trails Elementary</b>			
Constructed in 2015			
Total Building Square Footage	N/A	75,573	75,573
Enrollment Grades K-5 for 2016 - 2024	N/A	665	697
Student Capacity	N/A	625	625
Instruction Classrooms	N/A	31	31
Teaching Stations	N/A	37	37
Administrators	N/A	2	2
Certified Staff	N/A	39	40
Classified Staff	N/A	19	19
<b>Tallmadge Elementary</b>			
Constructed in 2016			
Total Building Square Footage	N/A	N/A	69,276
Enrollment Grades K-5 for 2017 - 2024	N/A	N/A	559
Student Capacity	N/A	N/A	578
Instruction Classrooms	N/A	N/A	27
Teaching Stations	N/A	N/A	33
Administrators	N/A	N/A	2
Certified Staff	N/A	N/A	33
Classified Staff	N/A	N/A	17

TABLE 19

2018	2019	2020	2021	2022	2023	2024
73,913	73,913	73,913	73,913	73,913	73,913	73,913
542	542	549	538	478	517	519
578	578	578	578	578	578	578
29	29	29	29	29	29	29
35	35	35	35	35	35	35
2	2	3	3	2	2	2
35	37	39	38	37	36	43
18	21	21	21	25	18	18
78,632	78,632	78,632	78,632	78,632	78,632	78,632
581	590	573	530	551	588	580
623	623	623	623	623	623	623
33	33	33	33	33	33	33
39	39	39	39	39	39	39
2	2	3	3	3	3	2
36	42	42	41	44	46	45
22	25	26	25	26	25	26
75,573	75,573	75,573	75,573	75,573	75,573	75,573
608	596	583	562	619	619	613
625	625	625	625	625	625	625
31	31	31	31	31	31	31
37	37	37	37	37	37	37
2	2	2	2	2	3	4
36	35	34	34	38	40	40
16	15	17	17	21	19	24
69,276	69,276	69,276	69,276	69,276	69,276	69,276
558	572	560	523	471	481	484
578	578	578	578	578	578	578
27	27	27	27	27	27	27
33	33	33	33	33	33	33
2	2	2	2	2	2	3
34	34	37	36	37	34	36
16	16	18	16	16	17	20

(Continued)

**Lancaster City School District, Ohio**

*Building Statistics*

*Last Ten Fiscal Years (Continued)*

	2015	2016	2017
<b>Medill Elementary</b>			
Constructed in 2017			
Total Building Square Footage	N/A	N/A	87,764
Enrollment Grades K-5 for 2017 - 2024	N/A	N/A	539
Student Capacity	N/A	N/A	750
Instruction Classrooms	N/A	N/A	33
Teaching Stations	N/A	N/A	39
Administrators	N/A	N/A	2
Certified Staff	N/A	N/A	37
Classified Staff	N/A	N/A	25
<b>General Sherman Junior High School</b>			
Constructed in 1957, addition in 1973 - closed in June of 2020			
Modular Classrooms - Constructed in 2010			
Total Building Square Footage	64,394	64,394	64,394
Total Modular Square Footage	9,000	9,000	9,000
Enrollment Grades 6-8	695	682	669
Student Capacity	484	484	484
Instruction Classrooms	23	23	23
Teaching Stations	29	29	29
Administrators	2	2	2
Certified Staff	40	41	41
Classified Staff	18	23	22
<b>Thomas Ewing Junior High School</b>			
Constructed in 1957 and Demolished in June of 2020			
Modular Classrooms - Constructed in 2010 and 2012			
Total Building Square Footage	63,308	63,308	63,308
Total Modular Square Footage	18,000	18,000	18,000
Enrollment Grades 6-8 for 2015-2018, closed in January of 2019	686	681	693
Student Capacity	493	493	493
Instruction Classrooms	27	27	27
Teaching Stations	34	34	34
Administrators	2	2	2
Certified Staff	43	39	42
Classified Staff	19	18	16
<b>Thomas Ewing Junior High School</b>			
Constructed in 2019			
Total Building Square Footage	N/A	N/A	N/A
Enrollment Grades 6-8 for 2020-2024	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Instruction Classrooms	N/A	N/A	N/A
Teaching Stations	N/A	N/A	N/A
Administrators	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A

TABLE 19

2018	2019	2020	2021	2022	2023	2024
87,764	87,764	87,764	87,764	87,764	87,764	87,764
630	681	682	617	615	601	553
750	750	750	750	750	750	750
33	33	33	33	33	33	33
39	39	39	39	39	39	39
2	2	2	2	2	3	3
41	45	43	44	47	46	41
27	25	27	28	30	26	29
64,394	64,394	64,394	N/A	N/A	N/A	N/A
9,000	9,000	9,000	N/A	N/A	N/A	N/A
686	702	717	N/A	N/A	N/A	N/A
484	484	484	N/A	N/A	N/A	N/A
23	23	23	N/A	N/A	N/A	N/A
29	29	29	N/A	N/A	N/A	N/A
2	2	2	N/A	N/A	N/A	N/A
42	43	46	N/A	N/A	N/A	N/A
22	21	21	N/A	N/A	N/A	N/A
63,308	63,308	N/A	N/A	N/A	N/A	N/A
18,000	18,000	N/A	N/A	N/A	N/A	N/A
694	728	N/A	N/A	N/A	N/A	N/A
493	493	N/A	N/A	N/A	N/A	N/A
27	27	N/A	N/A	N/A	N/A	N/A
34	34	N/A	N/A	N/A	N/A	N/A
2	2	N/A	N/A	N/A	N/A	N/A
41	41	N/A	N/A	N/A	N/A	N/A
19	19	N/A	N/A	N/A	N/A	N/A
N/A	N/A	105,863	105,863	105,863	105,863	105,863
N/A	N/A	726	728	700	696	668
N/A	N/A	750	750	750	750	750
N/A	N/A	42	42	42	42	42
N/A	N/A	13	13	13	13	13
N/A	N/A	3	3	3	3	2
N/A	N/A	42	45	48	51	50
N/A	N/A	17	22	23	19	21

(Continued)

**Lancaster City School District, Ohio**

*Building Statistics*

*Last Ten Fiscal Years (Continued)*

	2015	2016	2017
<b>General Sherman Junior High School</b>			
Constructed in 2020			
Total Building Square Footage	N/A	N/A	N/A
Enrollment Grades 6-8 for 2021-2024	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Instruction Classrooms	N/A	N/A	N/A
Teaching Stations	N/A	N/A	N/A
Administrators	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A
<b>Stanbery School and Administration Center</b>			
Constructed in 1929, addition in 1965			
Total Building Square Footage	77,767	77,767	77,767
Enrollment for Career Based Intervention Technology Students	241	228	226
Student Capacity	509	509	509
Instruction Classrooms	28	28	28
Teaching Stations	32	32	32
Administrators	7	12	12
Certified Staff	27	22	40
Classified Staff	21	27	24
<b>Lancaster High School</b>			
Constructed in 1963, Vocational classrooms constructed in 1965			
Total Building Square Footage	192,500	192,500	192,500
Enrollment Grades 9-12	1,516	1,554	1,567
Student Capacity	1,302	1,302	1,302
Instruction Classrooms	65	65	65
Teaching Stations	102	102	102
Administrators	6	6	6
Certified Staff	102	103	102
Classified Staff	49	44	45
<b>Maintenance and Transportation Building</b>			
Constructed in 1997			
Total Building Square Footage	25,000	25,000	25,000
Administrators	3	3	3
Classified Staff	60	61	61
<b>District Administrative, Transportation, and Warehouse Complex</b>			
Purchased in 2022, Placed in use in 2023			
Total Building Square Footage	N/A	N/A	N/A
Administrators	N/A	N/A	N/A
Certified Staff	N/A	N/A	N/A
Classified Staff	N/A	N/A	N/A

**Source:** Building square footage, instructional classrooms, and teaching stations were determined from architectural drawings.

**Source:** Student enrollment is based on the final year-end count for Educational Management Information System.

**Source:** Student Capacity is based upon State standards of required square footage per child.

**Source:** Staffing was provided from payroll records maintained by the Lancaster City Schools Treasurer's Office.

N/A was used in the columns to show when a building was not in use.

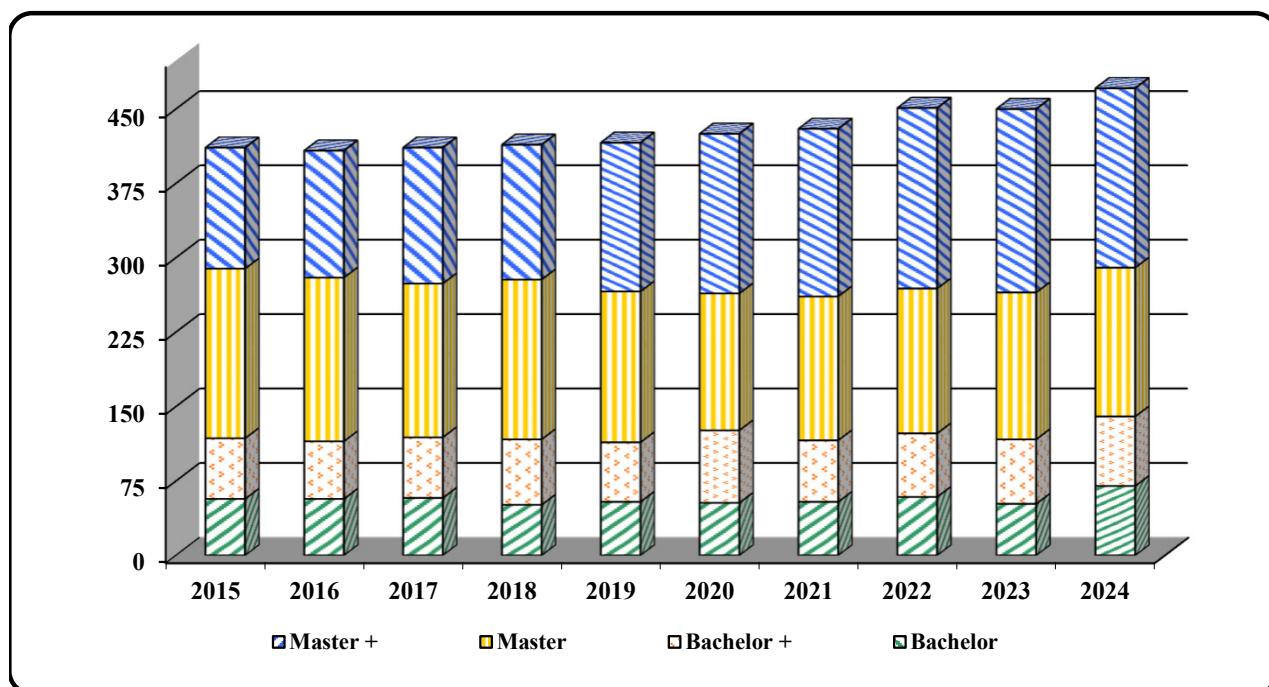
TABLE 19

2018	2019	2020	2021	2022	2023	2024
N/A	N/A	N/A	105,863	105,863	105,863	105,863
N/A	N/A	N/A	716	719	684	662
N/A	N/A	N/A	750	750	750	750
N/A	N/A	N/A	42	42	42	42
N/A	N/A	N/A	13	13	13	13
N/A	N/A	N/A	2	2	3	2
N/A	N/A	N/A	47	48	44	54
N/A	N/A	N/A	19	18	20	22
77,767	77,767	77,767	77,767	77,767	77,767	77,767
265	260	258	255	322	470	325
509	509	509	509	509	509	509
28	28	28	28	28	28	28
32	32	32	32	32	32	32
14	20	25	22	26	1	1
44	36	31	33	29	15	17
24	25	25	24	26	4	5
192,500	192,500	192,500	192,500	192,500	192,500	192,500
1,538	1,540	1,554	1,518	1,455	1,354	1,524
1,302	1,302	1,302	1,302	1,302	1,302	1,302
65	65	65	65	65	65	65
102	102	102	102	102	102	102
6	6	6	7	7	7	7
103	97	97	99	104	104	107
53	53	51	43	46	50	45
25,000	25,000	25,000	25,000	25,000	25,000	25,000
3	3	3	3	3	3	1
67	74	74	78	61	11	14
N/A	N/A	N/A	N/A	N/A	38,000	38,000
N/A	N/A	N/A	N/A	N/A	20	21
N/A	N/A	N/A	N/A	N/A	25	19
N/A	N/A	N/A	N/A	N/A	68	64

**TABLE 20**

**Lancaster City School District, Ohio**  
*Full-Time Equivalent Teachers by Education*  
*Last Ten Fiscal Years*

Degree	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Bachelor's Degree	57	57	58	51	54	53	54	59	52	70
Bachelor + 15	12	10	11	17	9	15	9	10	16	15
Bachelor + 30 (150 hours)	49	48	50	49	51	58	53	54	49	55
Master's Degree	171	165	155	161	152	138	145	146	148	150
Master's + 15	40	45	44	34	41	46	40	42	39	40
Master's + 30	56	58	66	76	79	82	94	102	102	100
Master's + 45	26	25	27	26	30	33	35	38	39	37
Ph. D.	0	0	0	0	0	0	0	0	5	4
<b>Total</b>	<b>411</b>	<b>408</b>	<b>411</b>	<b>414</b>	<b>416</b>	<b>425</b>	<b>430</b>	<b>451</b>	<b>450</b>	<b>471</b>



**Source:** Lancaster City School District Personnel Records.

TABLE 21

**Lancaster City School District, Ohio**  
*Teachers' Salaries*  
*Last Ten Fiscal Years*

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary for the School Districts (3)	Average Salary Comparable Districts (3)	Statewide Average Salary (3)
2015	\$37,137	\$81,452	\$57,770	\$59,522	\$55,913
2016	37,509	82,267	58,223	60,510	57,154
2017	38,258	83,911	59,866	60,899	58,849
2018	39,024	85,590	61,082	63,067	62,353
2019	39,804	87,301	63,007	60,624	63,916
2020	40,998	89,919	64,789	62,577	65,754
2021	42,228	92,171	68,539	65,242	67,654
2022	43,495	95,396	70,891	66,147	69,081
2023	44,800	98,259	73,044	69,306	66,399
2024	45,697	100,225	73,087	N/A	N/A

**Sources:** School District Financial Records and the Ohio Department of Education and Workforce.

(1) Starting teacher with no experience - per negotiated agreement.

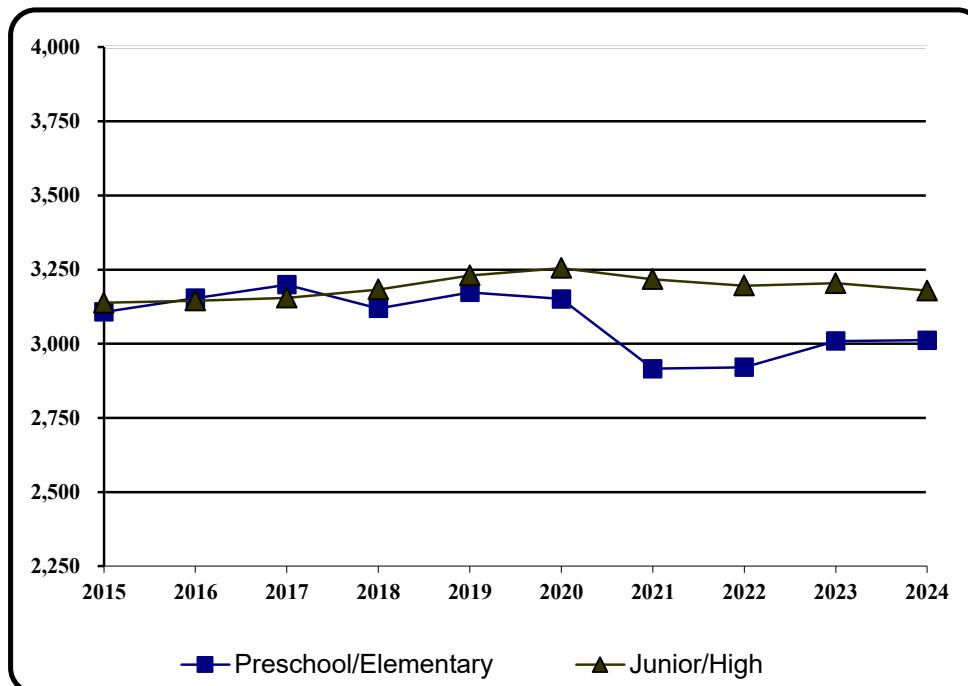
(2) Teacher with a Masters degree plus more than 45 hours of additional education - per negotiated agreement.

(3) Provided by the Ohio Department of Education and Workforce.

N/A means not available at the time this report was prepared

**Lancaster City School District, Ohio**  
*Enrollment Statistics*  
*Last Ten Fiscal Years*

Fiscal Year	Preschool/ Elementary Schools	Junior/High School	Total
2015	3,107	3,138	6,245
2016	3,154	3,145	6,299
2017	3,199	3,155	6,354
2018	3,119	3,183	6,302
2019	3,173	3,230	6,403
2020	3,151	3,255	6,406
2021	2,916	3,217	6,133
2022	2,921	3,196	6,117
2023	3,009	3,204	6,213
2024	3,012	3,179	6,191



**Source:** School District Records - Were based on year-end count.

TABLE 23

**Lancaster City School District, Ohio**  
*Attendance and Graduation Rates*  
*Last Ten Fiscal Years*

Fiscal Year	Lancaster City Attendance Rate	State Average	Lancaster City Graduation Rate	State Average
2015	94.70%	94.10%	92.50%	83.00%
2016	>95.0	94.10	91.40	83.50
2017	94.20	93.90	91.40	84.20
2018	93.80	93.70	90.20	85.30
2019	93.40	N/A	91.30	85.90
2020	95.00	N/A	92.60	87.20
2021	92.00	N/A	92.00	87.20
2022	89.10	N/A	93.30	87.30
2023	90.10	N/A	89.90	87.90
2024	90.40	N/A	N/A	N/A

**Source:** Ohio Department of Education and Workforce Local Report Cards

N/A means not available at the time this report was prepared.

The State has not provided the State Average since fiscal year 2019.

**TABLE 24****Lancaster City School District, Ohio***Average A.C.T. Scores**Last Ten Fiscal Years*

Year	English	Math	Reading	Science	Composite
<b>A.C.T. - Lancaster High School (Juniors and Seniors)</b>					
2015	21.6	22.2	22.7	22.8	22.4
2016	21.1	21.8	22.6	22.4	22.1
2017	20.8	21.7	22.9	22.6	22.1
2018	17.2	18.7	19.5	19.0	18.7
2019	17.3	18.9	19.6	19.4	19.0
2020	16.4	17.7	18.5	18.6	17.9
2021	17.0	18.4	19.5	19.6	18.8
2022	17.2	18.4	20.1	19.8	19.0
2023	16.5	17.5	18.6	18.7	18.0
2024	15.6	17.2	18.4	18.1	17.4
<b>A.C.T. - Ohio (Graduating Class)</b>					
2015	21.4	21.7	22.5	22.1	22.0
2016	21.2	21.6	22.5	22.0	22.0
2017	21.2	21.6	22.5	22.2	22.0
2018	19.3	20.3	20.8	20.4	20.3
2019	19.0	19.9	20.5	20.1	19.0
2020	N/A	N/A	N/A	N/A	19.9
2021	N/A	N/A	N/A	N/A	20.0
2022	N/A	N/A	N/A	N/A	19.6
2023	18.2	19.2	20.0	19.7	19.4
2024	17.8	18.9	19.6	19.3	19.0
<b>A.C.T. - U.S.A. (Graduating Class)</b>					
2015	20.4	20.8	21.4	20.9	21.0
2016	20.1	20.6	21.3	20.8	20.8
2017	20.3	20.7	21.4	21.0	21.0
2018	20.2	20.5	21.3	20.7	20.8
2019	20.3	20.8	21.3	20.8	20.8
2020	20.1	20.4	21.2	20.6	20.7
2021	20.1	20.4	21.2	20.6	20.7
2022	19.0	19.3	20.4	19.9	19.8
2023	18.6	19.0	20.1	19.6	19.5
2024	18.6	19.0	20.1	19.6	19.4

Note: The A.C.T. Standard Score Scale Range from 1 to 36.

**Source:** A.C.T. scores were provided by ACT, Inc.

N/A means the information is no longer being provided

TABLE 25

**Lancaster City School District, Ohio**  
*Students in Free or Reduced Price Lunch Program*  
*June 30, 2024*

School	Students Receiving Free Lunch	Percentage of Students Receiving Free Lunch	Students Receiving Reduced Lunch	Percentage of Students Receiving Reduced Lunch
Lancaster Preschool	135	51.33%	20	7.60%
Gorsuch West Elementary School	419	72.24%	51	8.79%
Medill Elementary School	289	52.26%	58	10.49%
Mount Pleasant Elementary School	318	61.27%	44	8.48%
Tallmadge Elementary School	341	70.45%	38	7.85%
Tarhe Trails Elementary School	263	42.90%	47	7.67%
General Sherman Junior High School	378	57.10%	42	6.34%
Thomas Ewing Junior High School	378	56.59%	58	8.68%
Lancaster High School	906	49.00%	109	5.90%

**Source:** School District Food Service Records at June 30, 2024

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# OHIO AUDITOR OF STATE KEITH FABER



LANCASTER CITY SCHOOL DISTRICT

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 12/31/2024

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)