

Lancaster City Schools



New high school rendering - Construction to begin Summer 2022

Popular Annual Financial Report *for the year ending June 30, 2021*

LANCASTER CITY SCHOOL DISTRICT

ADMINISTRATIVE OFFICES TELEPHONE (740) 687-7300
345 E. MULBERRY STREET FACSIMILE (740) 687-3430
LANCASTER, OHIO 43130 www.lancaster.k12.oh.us

December 15, 2021

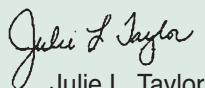
TO THE CITIZENS OF THE LANCASTER CITY SCHOOLS,

We are pleased to present the Lancaster City School District's Popular Annual Financial Report (PAFR) for the year ending June 30, 2021. This report makes our District's finances easier to understand, and communicates our financial situation in an open and accountable manner.

The PAFR summarizes the financial activities and operating results reported in the Lancaster City School District's audited Annual Comprehensive Financial Report (ACFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principle) basis, which primarily deals with full disclosure and segregated funds. The statements presented on page 3 and the pie charts on page 4 consist of the General Fund of the District. General Fund is the largest fund from which most day-to-day programs and services are provided. For more detailed financial information, including a discussion of key changes in financial data from last fiscal year, our economic condition and outlook, initiatives and accomplishments, please refer to a copy of the Comprehensive Annual Financial Report, which is available at www.lancaster.k12.oh.us.

The Lancaster City School District is proud of this report and the support offered by the Board of Education in its creation. Ultimately, we would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at (740) 687-7315 or at j_taylor@lcsschools.net.

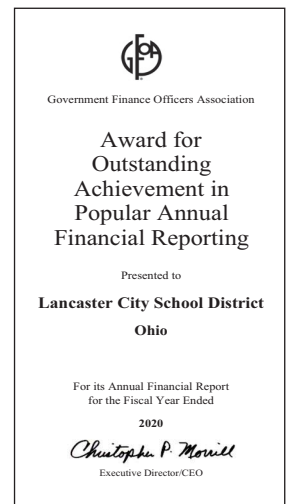
Respectfully submitted,


Julie L. Taylor
Treasurer

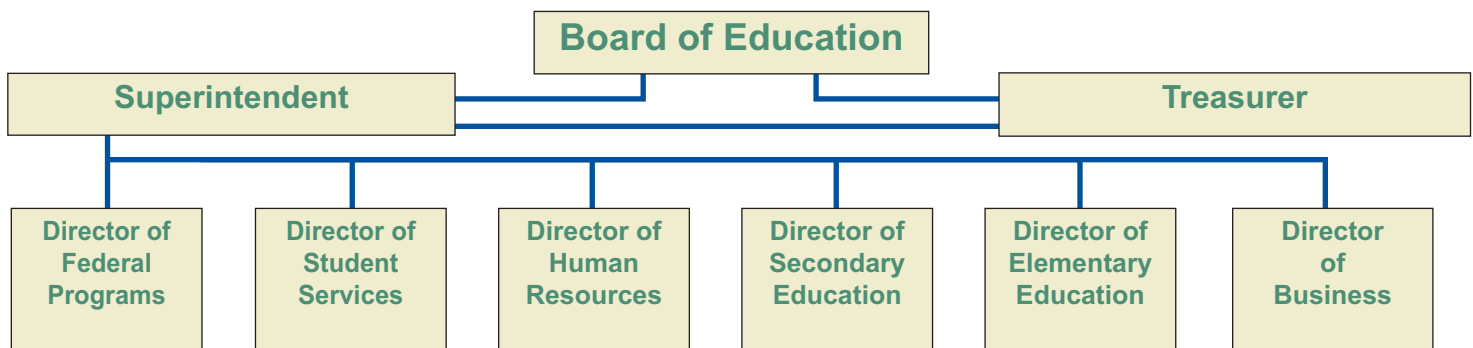
AWARD FOR OUTSTANDING ACHIEVEMENT POPULAR ANNUAL FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Lancaster City Schools for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.



LANCASTER CITY SCHOOLS: ADMINISTRATIVE STRUCTURE AS OF JUNE 30, 2021



SUMMARIZED FINANCIAL REPORTS

Readers of the Financial Activity Statement and Financial Position Statement should keep in mind that the numbers in both reports are taken from the District's Annual Comprehensive Financial Report (ACFR), but are presented in a non-GAAP format. The Comprehensive Annual Financial Report can be obtained from the Treasurer's office or <https://www.lancaster.k12.oh.us/administration/3>.

REVENUES AND RESOURCES OVER EXPENDITURES AND SERVICES

The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the District.

Resources Taken In <small>(shown in thousands)</small>	FY'21	FY'20	FY'19	FY'18
Taxes	\$39,826	\$36,674	\$33,663	\$35,727
State and Federal Revenue	\$32,367	\$31,510	\$32,600	\$31,875
Investment Income	\$148	\$1,803	\$1,790	\$588
Tuition & Fees	\$1,537	\$1,400	\$1,334	\$1,334
Extracurricular	\$106	\$136	\$170	\$174
Miscellaneous	\$1,201	\$1,058	\$885	\$766
TOTAL Revenues & Resources[^]	\$75,185	\$72,581	\$70,442	\$70,464

Services Provided* <small>(shown in thousands)</small>	FY'21	FY'20	FY'19	FY'18
Instruction	\$46,430	\$45,100	\$42,322	\$42,243
Pupil Support	\$3,488	\$3,923	\$4,719	\$4,539
Instructional Support	\$2,930	\$3,026	\$2,688	\$2,352
Board/Administration/Fiscal	\$7,389	\$7,386	\$6,745	\$6,585
Business Support	\$354	\$335	\$343	\$333
Plant Operation	\$5,309	\$4,972	\$5,265	\$5,125
Transportation	\$3,071	\$2,809	\$3,052	\$2,975
Central Support	\$1,030	\$1,145	\$1,166	\$1,133
Extracurricular	\$1,195	\$1,156	\$1,153	\$1,130
Capital Outlay	\$25	\$69	\$36	\$25
Debt Service/Other Non-Instructional	\$123	\$350	\$401	\$407
TOTAL Expenditures & Service[^]	\$71,344	\$70,271	\$67,890	\$66,847
Revenues & Resources Over Expenditures & Services	\$3,841	\$2,310	\$3,617	\$2,098

* Please refer to the definitions to the right of this chart.

[^] Property taxes decreased in FY19 due to a decrease in the amount available as of fiscal year end due to timing of the property tax collection dates set by the County Auditor. State and Federal Revenue decreased in FY20 due to a statewide reduction in school funding due to the COVID-19 pandemic. Instruction expenditures increased in FY20 due to payroll and benefit cost increases and large curriculum supply purchases. Investment income decreased in FY21 due to the lower interest rates offered on investments. Pupil support expenditures decreased in FY21 due to staff being paid out of Student Success and Wellness Funds.

CAPITAL LEASES

The chart below captures the District's long-term capital lease obligations:

Capital Leases	FY'21	FY'20	FY'19	FY'18
Capital Leases/Total Outstanding	\$183,694	\$228,164	\$223,690	\$495,646

During FY13, the District entered into a four year lease obligation for equipment and accessories necessary for implementation of the 1:1 iPad initiative at Lancaster High School. In FY15, the District entered into a five year lease for new copier equipment. During FY17, the District entered into a four year lease for new chromebooks.

OUR EXPENDITURES AND SERVICES: DEFINITIONS

INSTRUCTION is the largest expenditure category and relates to the direct instruction of our students. Students are directly impacted by expenditures from this category.

PUPIL SUPPORT areas comprise all guidance services, lunchroom aides, speech, hearing, occupational therapy, physical therapy, and psychological services.

INSTRUCTIONAL SUPPORT costs include library services, technology integration, curriculum development, instrumental staff training, and audio-visual services.

BOARD/ADMINISTRATION/FISCAL costs represent those of the administration and Board of Education's operation of the District. Also included in this category are school building secretarial support, financial services, such as payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits administration.

BUSINESS SUPPORT costs include business services such as risk management, construction, management, and courier services.

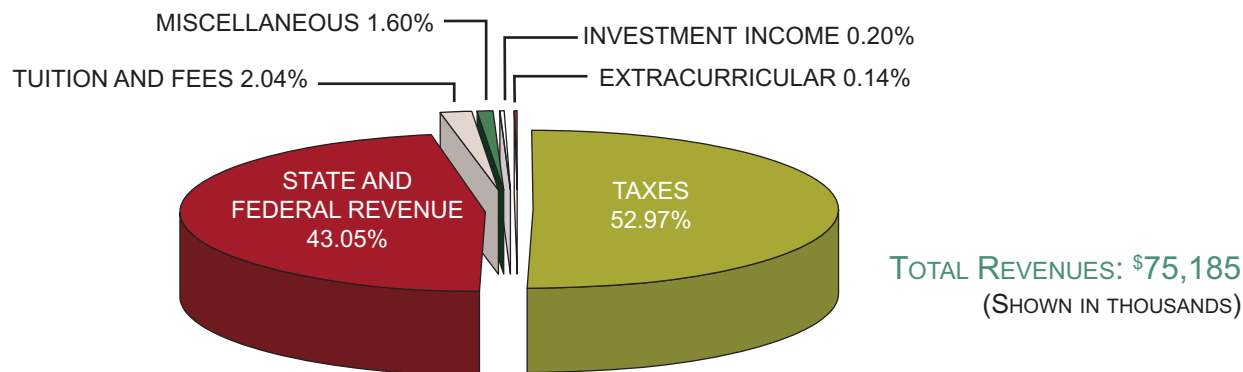
PLANT OPERATION expenditures relate to the safe and efficient environment of the school including building maintenance, grounds and custodial services.

TRANSPORTATION expenditures relate to providing transportation (mostly by bus) to all students who live in the Lancaster City School District consistent with Board of Education policies and the laws of the State of Ohio. On average the bus fleet transports approximately 746 students to Lancaster City Schools and 14 students to non-public schools.

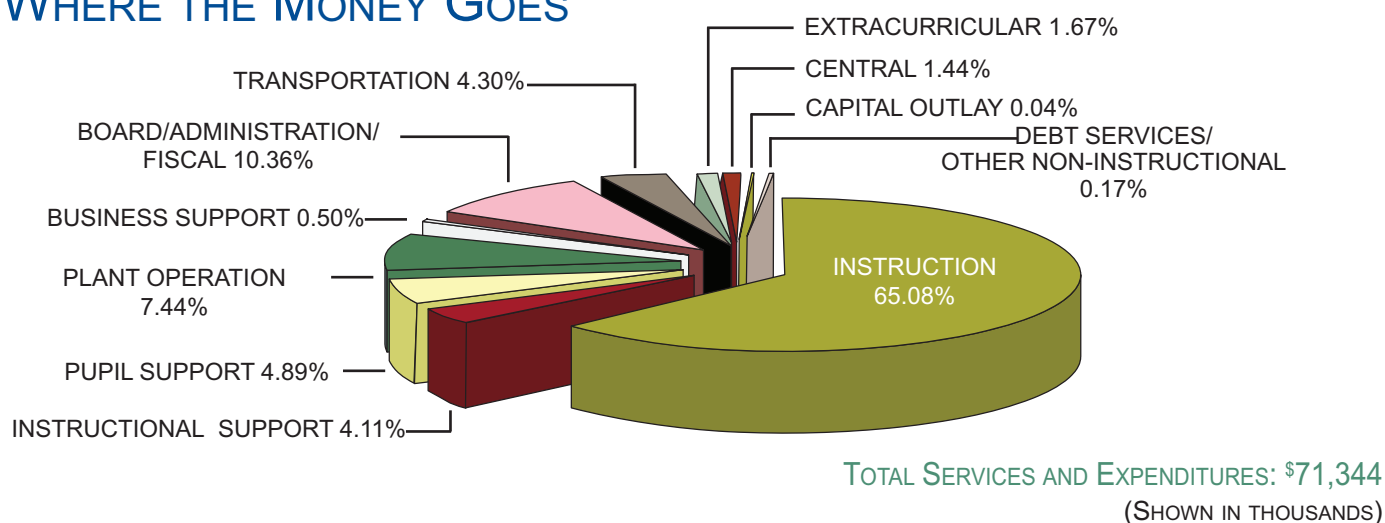
CENTRAL SUPPORT expenditures include technology, maintenance staff, and computer network maintenance contracts.

EXTRACURRICULAR expenditures account for salaries, benefits, and supplies for club and athletic related activities.

OUR REVENUES AND RESOURCES FY21: WHERE THE GENERAL FUND MONEY COMES FROM



OUR EXPENDITURES AND SERVICES FY21: WHERE THE MONEY GOES



BENEFITS OVER DETRIMENTS

The Financial Position Statement, known in accounting terms as the balance sheet, reports the benefits (assets) available to provide services. Detriments (liabilities) are the amounts for which the District is obligated to pay in the future. The amount below represents the difference between the benefits of the District and the detriments which it must pay. The amount provides the net worth of the District.

Financial Benefits (shown in millions of \$)	FY'21	FY'20	FY'19	FY'18
Cash and Investments	\$44.54	\$44.39	\$43.83	\$42.10
Receivables	\$31.33	\$30.49	\$30.63	\$27.74
Other Assets	\$0.59	\$0.46	\$0.46	\$0.63
Total Financial Benefits	\$76.46	\$75.34	\$74.92	\$70.47

Financial Detriments (shown in millions of \$)	FY'21	FY'20	FY'19	FY'18
Amount Owed to Employees and Vendors	\$7.43	\$8.15	\$7.84	\$6.82
Short Term Debt	\$0.36	\$0.06	\$0.09	\$0.15
Other Liabilities	\$24.88	\$24.68	\$24.18	\$20.21
Total Financial Detriments	\$32.67	\$32.89	\$32.11	\$27.18

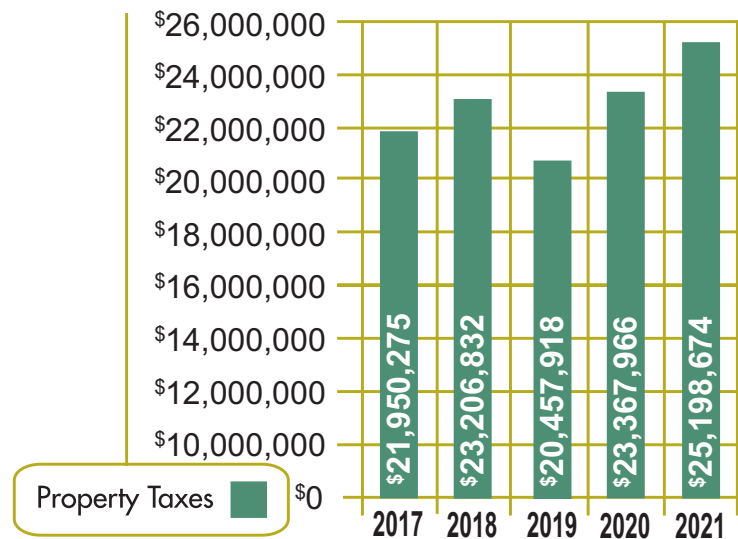
Benefits over Detriments	\$43.79	\$42.45	\$42.81	\$43.29
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^ Receivables increased in FY19 due to an increase in property taxes and income taxes receivables. Other Liabilities increased in FY19 due to an increase in deferred property tax revenue recognized in the period. Receivables increased in FY21 due to an increase in income taxes receivable. Amounts owed to Employees and Vendors decreased in F21 due to timing of payments.

SOURCES OF FUNDING: WHERE DOES THE MONEY COME FROM?

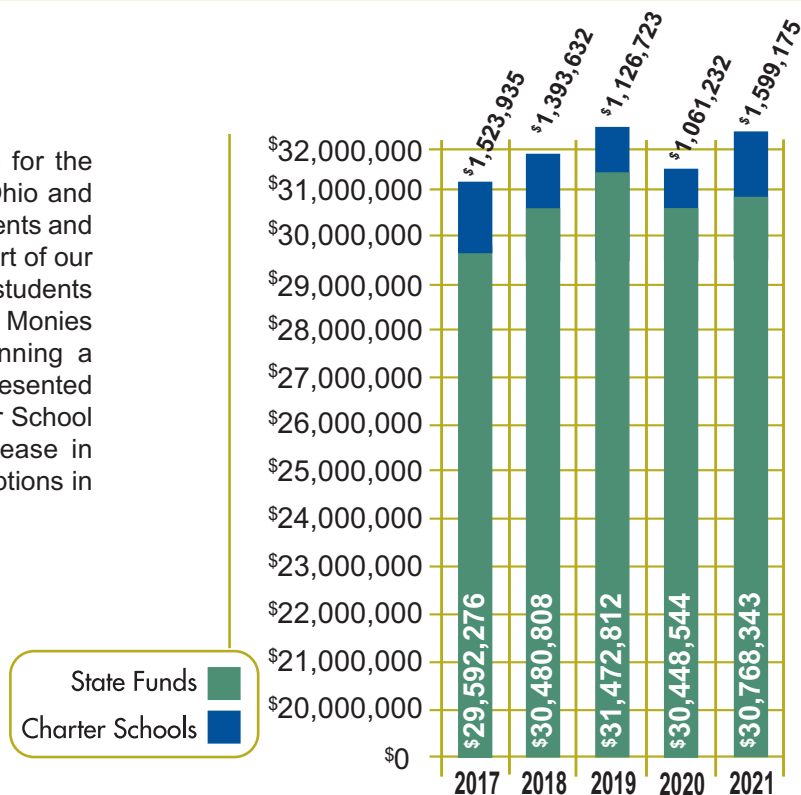
PROPERTY TAXES

To the right is a graph depicting the amount of tax collections levied by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. Property taxes increased in FY18 due to an increase in real estate property valuation and collection of delinquent taxes. Property taxes decreased in FY19 due to a decrease in the amount available as of fiscal year end due to timing of the property tax collection dates set by the County Auditor. Property taxes decreased in FY19 due to a decrease in the amount available as of fiscal year end due to timing of the property tax collection dates set by the County Auditor.



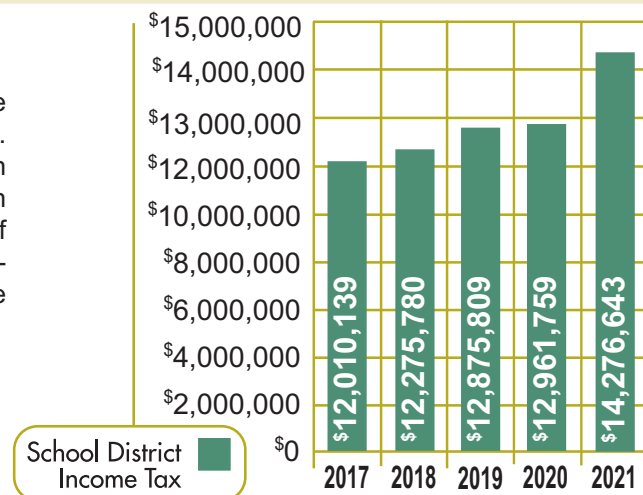
STATE FUNDING

The chart to the right depicts the revenue for the District's General Fund from the State of Ohio and the revenues deducted from our state payments and sent to charter schools. The state sends part of our state revenue to charter schools to pay for students from our district attending charter schools. Monies received from the state are critical in running a fiscally solvent school district. Years are presented on a June 30 fiscal year-end basis. Charter School revenue increased in F21 due to an increase in families searching for alternate education options in response to COVID-19.



SCHOOL DISTRICT INCOME TAX

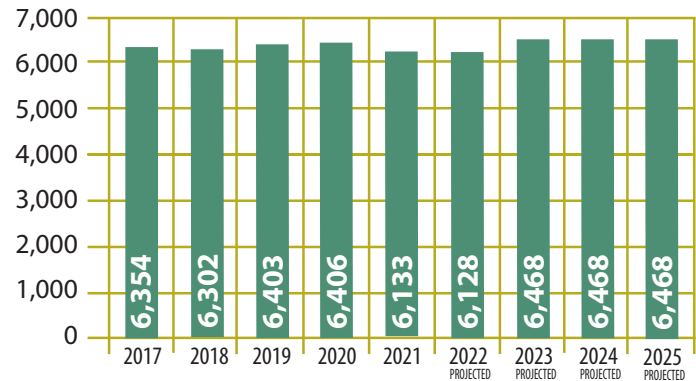
In November 2006, voters approved a one and one half percent earned income tax effective for 10 years. The income tax was renewed on a continuous basis in November 2015. The Ohio Department of Taxation administers the monitoring, auditing, and collecting of this tax. Years are presented on a June 30 fiscal year-end basis. Economic condition and outlook can be found in the ACFR's transmittal letter.



ENROLLMENT – CURRENT TREND AND MOST LIKELY PROJECTION

Enrollment projections help the District as it plans for its long-range facility needs.

The District has fluctuated between 6,133 and 6,406 over the last five years. Enrollment is expected to increase slightly over the next five years; however, this is based on projections not predictions.



ASSESSED VALUES OF REAL AND TANGIBLE PERSONAL PROPERTY

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total
2021	\$771,522,750	\$258,980,770	\$79,625,390	\$1,110,128,910
2020	\$765,493,610	\$256,363,780	\$70,762,830	\$1,092,620,220
2019	\$651,189,120	\$249,606,860	\$62,774,980	\$963,570,960
2018	\$645,511,750	\$245,633,080	\$56,237,600	\$947,382,430
2017	\$639,780,840	\$252,019,550	\$54,517,070	\$946,317,460
2016	\$619,442,520	\$247,328,750	\$51,539,360	\$918,310,630
2015	\$617,354,180	\$246,263,980	\$48,501,740	\$912,119,900
2014	\$614,184,870	\$252,145,190	\$48,977,450	\$915,307,510
2013	\$618,293,410	\$247,941,310	\$48,644,050	\$914,878,770
2012	\$616,978,730	\$245,316,740	\$44,756,650	\$907,052,120
2011	\$615,749,980	\$240,753,390	\$44,246,800*	\$900,750,170

* Increases in assessed values in FY17 were due to a strong real estate market and the timing of the County's triennial update.

UNBUNDLING THE TAX RATE

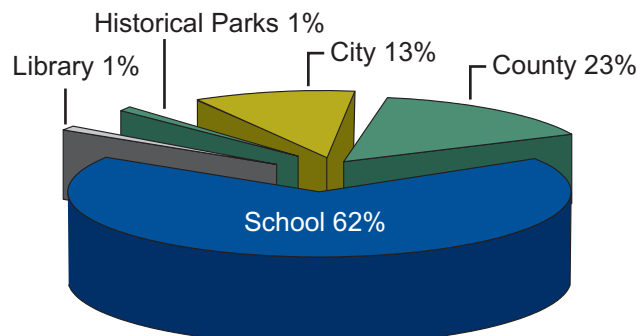
Type	Gross Rate**	Effective Rate**	Year Approved	Length Approved
Inside-Operating*	4.00	4.00*	N/A	Permanent
Voted-Operating*	60.60	16.00*	Various	Permanent
Voted-Permanent Improvement*	0.50	0.41	2012	Permanent
Voted-Bond Retirement*	2.80	2.80	2012	37 year
Voted-Bond Retirement*	3.70	3.70	2019	37 year
TOTAL RATES	71.60	26.90	—	—

* Rates are for the 2020 tax year collected in the year 2021.

**The difference between the gross and effective rate is due to tax reduction factors that generally prevent changes in voted taxes when valuation of existing real property is increased or decreased.

WHERE DOES A DOLLAR OF YOUR REAL ESTATE TAX MONEY GO?

Shown to the right are the 2021 collection year amounts that would be charged to the owner of a \$100,000 home in the largest tax district of the district. The graph represents the percentage of each dollar going to each entity. The total of \$1,530.06 is the annual amount the owner of a \$100,000 home would pay in taxes.



Annual Cost	
County	\$357.22
School	\$941.97
Library	\$14.33
Historical Parks	\$10.99
City	\$205.55
TOTAL	\$1,530.06

MAJOR INITIATIVES & ACCOMPLISHMENTS

FACILITIES:

Through a partnership with the Ohio Facilities Construction Commission (OFCC), Lancaster City School District completed a \$78.5 million project to construction of five new elementary buildings. Three buildings opened for fiscal year 2016 and the remaining two opened during fiscal year 2017. The project came in on time and under budget.

The District extended its partnership with the OFCC to construct two new junior high school buildings. The total project has not been closed out at this time but estimated to be \$55 million. The 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). One junior high opened in January 2020 and the second one opened in August 2020.

In May 2019, voters approved a 3.7 mill bond issue to construct a new high school – the final phase of the District's facility master plan. The District sold \$61M in bonds in April 2020 (during the COVID-19 pandemic). Low interest rates saved taxpayers \$41.3M over 37 year term (which was reduced from 40 years). This project will also be co-funded in partnership with OFCC. The District and OFCC completed a signed Project Agreement on December 1, 2021; although the District is approximately 50% through the planning process.

FINANCE:

Lancaster City School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for twenty-eight years out of the last twenty-nine years (the School District did not submit an application for 1995). The Certificate of

Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. Lancaster City School District has been awarded the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for the last thirteen years. In addition, the District was awarded the Ohio Auditor of State Award with Distinction for excellence in financial reporting.

BUILDINGS/DEPARTMENTS:

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2021*:

- Nearly completed the second stage of architectural design, called Design Development, for the Lancaster High School new building project. This provides a set of drawings to the Construction Manager at Risk to begin estimating the project's cost.
- Had 8 OCC Buckeye Division champion teams this year and finished second in the OCC All-sports award for our division.
- Mount Pleasant Elementary Green Gales Club collected over 1,000 pounds of caps and worked with the Recycling Center to store until we are ready to turn them in for additional recycled furniture for our courtyard area.
- Thomas Ewing Middle School Student Council provided thank you snacks to all those involved in the vaccination clinic for LCS.

*A list of initiative and accomplishments for each building and department can be found in the ACFR transmittal letter starting on page v.

2020-2021 STATE-ISSUED REPORT CARD

Starting with state report cards for the 2012-13 school year, Ohio began grading schools on an A-F scale. The A-F system replaced Ohio's previous school rating system that gave school labels like "Excellent" and "Continuous Improvement." The Ohio School Report Cards now include six major components - Achievement, Progress, Gap Closing, Graduation Rate, K-3 Literacy and Prepared for Success. Beginning with the 2017-18 report card, schools received a single, official grade that reflects their overall performance. For more detailed information, go to the Ohio Department of Education's website at www.ode.state.oh.us.

Ohio School Report Cards



2020 - 2021 Report Card for Lancaster City

Districts and schools report information for the Ohio School Report Cards on specific marks of performance, called measures, within broad categories called components. They receive grades for up to 10 measures and six components. The 2020-2021 report card will not have grades or ratings per Ohio law.

Achievement

This component represents whether student performance on state tests met established thresholds and how well students performed on tests overall.
Performance Index
58.2%
Indicators Met
NC



Component Grade

Progress

This component looks closely at the growth all students are making based on their past performances.
Value-Added
Overall
Gifted
Lowest 20% in Achievement
Students with Disabilities

NR



Component Grade

Gap Closing

This component shows how well schools are improving or meeting the performance expectations for all students in English language arts, math, graduation, and English language proficiency. The English language proficiency data is not available this year.
Annual Measurable Objectives
NC

NR
NR
NR



Component Grade

NR

Graduation Rate

This component shows the percent of students who are successfully finishing high school with a diploma in four or five years.

Graduation Rates
92.6% of students graduated in 4 years
91.9% of students graduated in 5 years



Component Grade

NR

Improving At-Risk K-3 Readers

This component looks at how successful schools are at improving reading for at-risk students in grades K-3.
Improving At-Risk K-3 Readers
NC



Component Grade

NR

Prepared for Success

This component looks at how well-prepared Ohio's students are for future opportunities, whether training in a technical field or preparing for work or college.



Component Grade

LANCASTER CITY SCHOOL DISTRICT



Tarhe Preschool

Grade K

Opened August 2015 Enrollment: 146



Gorsuch West Elementary

Grades K-5

Opened August 2015 Enrollment: 530



Medill Elementary

Grades K-5

Opened January 2017 Enrollment: 617



Mt. Pleasant Elementary

Grades K-5

Opened August 2015 Enrollment: 538



Tallmadge Elementary

Grades K-5

Opened August 2016 Enrollment: 523



Tarhe Trails Elementary

Grades K-5

Opened August 2015 Enrollment: 562



General Sherman Junior High

Grades 6-8

Opened August 2020 Enrollment: 716



Thomas Ewing Junior High

Grades 6-8

Opened January 2020 Enrollment: 728



Lancaster High School

Grades 9-12

Opened August 1963 Enrollment: 1,773



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

ADMINISTRATIVE OFFICES

345 E. MULBERRY STREET, LANCASTER, OHIO 43130
TELEPHONE (740) 687-7300 ~ FACSIMILE (740) 687-3430
www.lancaster.k12.oh.us

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