Lancaster City Schools

Division 1 State Cross-Country Champions - Lancaster's First Girls State Title

Popular Annual Financial Report

for the year ended June 30, 2024

Lancaster City Schools • Lancaster, Ohio

Lancaster City School District

Administrative Offices
2780 Coonpath Road NE
Lancaster, Ohio 43130

telephone (740) 687-7300
facsimile (740) 687-3430
www.lancaster.k12.oh.us

December 18, 2024

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 ended June 30, 2024. 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. The 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 Annual Comprehensive 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.

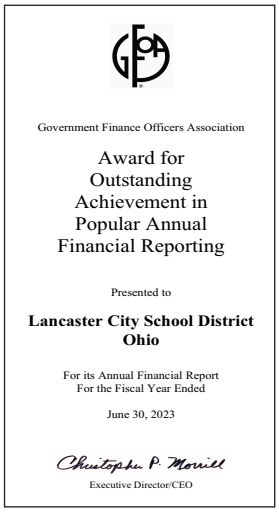
Respectfully submitted,

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, 2023. 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.


Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

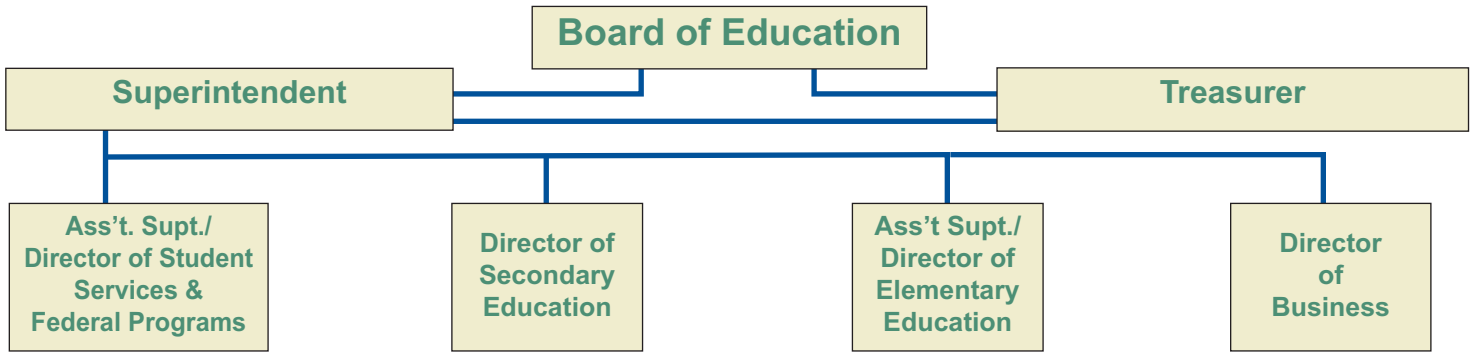
Lancaster City School District Ohio

For its Annual Financial Report For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill
Executive Director/CEO

Lancaster City Schools: Administrative Structure as of June 30, 2024



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 Annual Comprehensive 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 (shown in thousands)	FY'24	FY'23	FY'22	FY'21
Taxes	$46,405	$48,079	$41,623	$39,826
State and Federal Revenue	39,437	34,106	32,155	32,367
Investment Income	2,787	1,186	(1,643)	148
Tuition & Fees	701	825	828	1,537
Extracurricular	167	154	122	106
Miscellaneous	348	373	412	1,201
TOTAL Revenues & Resources^	$89,845	$84,723	$73,497	$75,185

Services Provided* (shown in thousands)	FY'24	FY'23	FY'22	FY'21
Instruction	$48,296	$45,904	$43,580	$46,430
Pupil Support	7,619	6,572	5,750	3,488
Instructional Support	3,740	3,076	2,877	2,930
Board/Administration/Fiscal	8,968	8,628	8,059	7,389
Business Support	457	444	393	354
Plant Operation	7,076	6,657	5,846	5,309
Transportation	3,300	4,272	3,560	3,071
Central Support	1,153	995	939	1,030
Extracurricular	1,381	1,361	1,254	1,195
Capital Outlay	173	16	56	25
Debt Service/Other Non-Instructional	192	151	140	123
TOTAL Expenditures & Service^	$82,355	$78,076	$72,454	$71,344
Revenues & Resources Over Expenditures & Services	$7,490	$6,647	$1,043	$3,841

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

^ Taxes decreased in FY24 due to timing of property taxes. State and Federal Revenue increased in FY 24 due to an increase in education funding in the state budget. Instruction expenditures decreased in FY22 due to the state now directly funding for charter schools and open enrollment. Investment income fluctuated from FY21 to FY24 due to rapidly changing interest rates and market values. Pupil support expenditures increased in FY22 due to staff being paid out of Student Success and Wellness Funds in FY 21.

Capital Leases

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

Capital Leases	FY'24	FY'23	FY'22	FY'21
Capital Leases/Total Outstanding	$36,315	$97,174	$150,646	$183,694

The District has an outstanding agreement for leased copiers.

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.

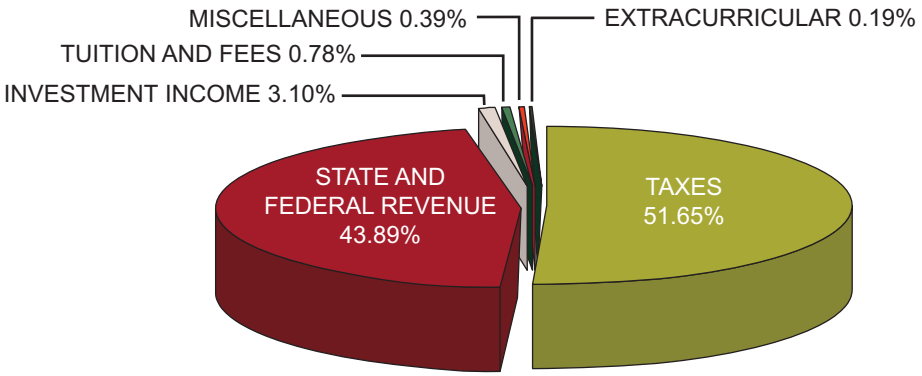
Plant Operation expenditures relate to the safe and efficient environment of the school including building maintenance, grounds and custodial services.

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 2,162 students to Lancaster City Schools and 29 students to non-public schools.

Central Support expenditures include techonology, maintenance staff, and computer network maintenance contracts.

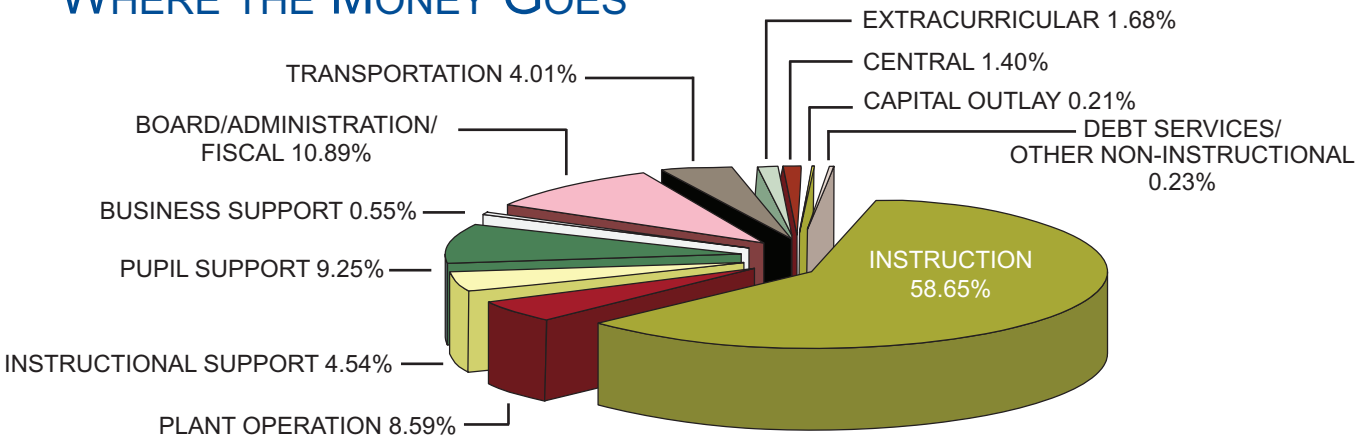
Extracurricular expenditures account for salaries, benefits, and supplies for club and athletic related activities.

Our Revenues and Resources FY24:
Where the General Fund Money Comes from



Total Revenues: $89,845
(Shown in thousands)

Our Expenditures and Services FY24:
Where the Money Goes



Total Services and Expenditures: $82,355
(Shown in thousands)

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'24	FY'23	FY'22	FY'21
Cash and Investments	$41.50	$32.22	$37.48	$44.54
Receivables	40.00	42.82	33.41	31.33
Other Assets	0.88	0.58	0.62	0.59
Total Financial Benefits^	$82.38	$75.62	$71.51	$76.46

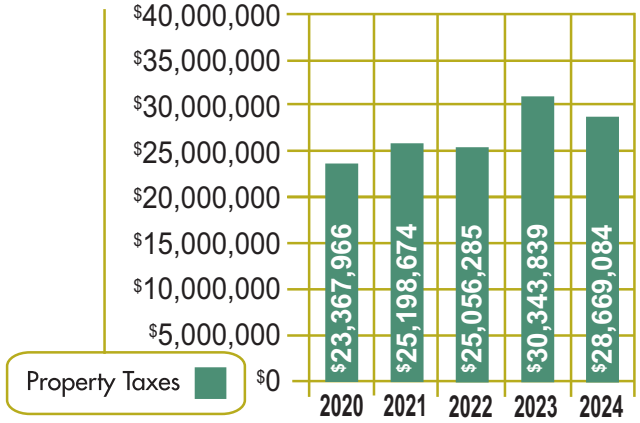
Financial Detriments (shown in millions of $)	FY'23	FY'23	FY'22	FY'21
Amount Owed to Employees and Vendors	$9.80	$9.11	$8.45	$7.43
Short Term Debt	0.20	0.43	0.18	0.36
Other Liabilities	32.03	29.41	26.40	24.88
Total Financial Detriments^	$42.03	$38.95	$35.03	$32.67
Benefits over Detriments	$40.35	$36.67	$36.48	$43.79

^Receivables increased in FY 23 due to an increase in taxes receivable. Other liabilities increased in FY23 and FY24 due to timing of tax receipts. Cash and Investments increased in FY24 due to increased State and Federal Revenue.

Sources of Funding: Where Does the Money Come From?

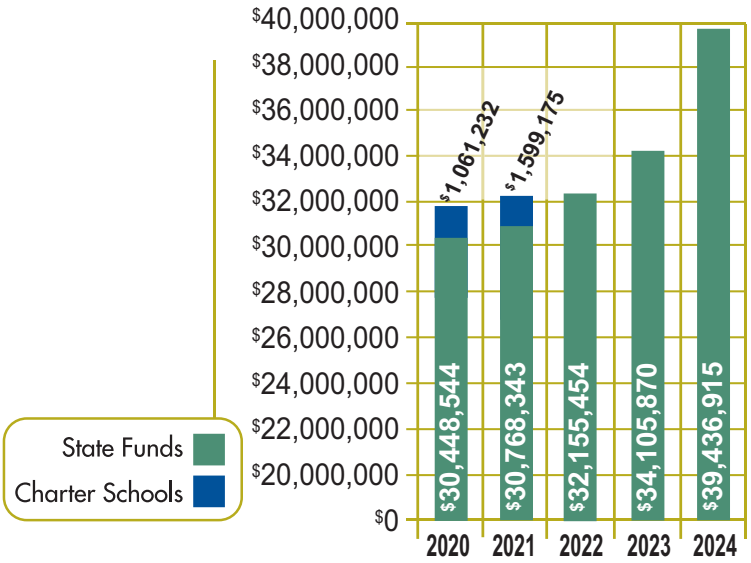
Property Taxes

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 decreased in FY24 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.



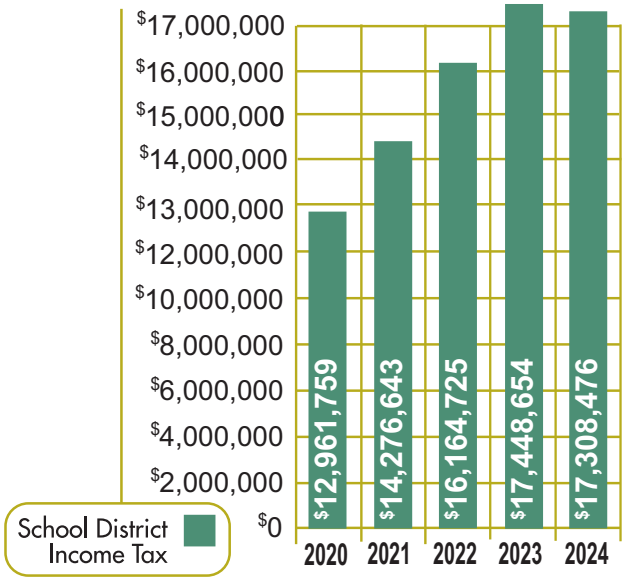
State Funding

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. Starting in FY22, the state began funding charter schools directly.



School District Income Tax

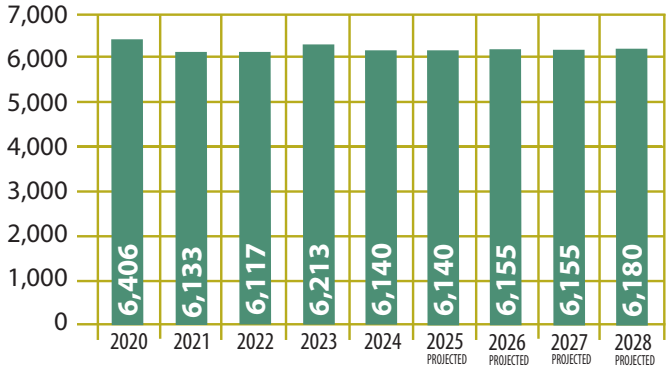
In November 2006, voters approved a one and one half percent earned income tax effective for 10 years. The income tax was renewed on a continuous basis in November 2015. The Ohio Department of Taxation administers the monitoring, auditing, and collecting of this tax. Years are presented on a June 30 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 6,117 and 6,406 over the last five years. Enrollment is expected to remain flat for 2025 but slowly increase over the following three 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
2024	$995,120,290	$280,762,040	$94,927,410	$1,370,809,740
2023	$988,205,180	$277,196,500	$92,042,540	$1,357,444,220
2022	$777,936,630	$262,973,600	$87,461,130	$1,128,371,360
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

* Increases in assessed values in FY17 through FY24 are due to an improved real estate market and growth as well as trienennial valuation updates.

Unbundling the Tax Rate

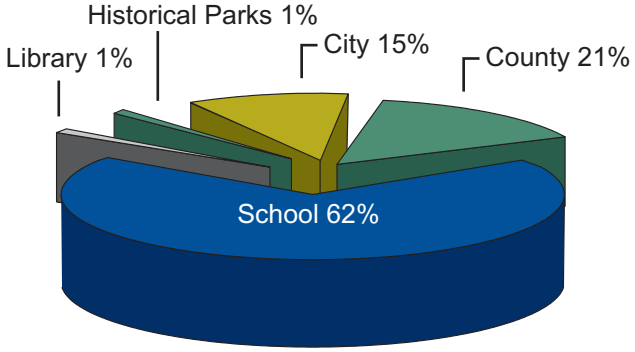
Type	Gross Rate**	Effective Rate**	Year Approved	Length Approved
Inside-Operating*	4.00	4.00*	N/A	Permanent
Voted-Operating*	60.60	16.00*	Various	Permanent
Voted-Permanent Improvement*	0.50	0.33	2012	Permanent
Voted-Bond Retirement*	2.40	2.40	2012	37 year
Voted-Bond Retirement*	3.10	3.10	2019	37 year
TOTAL RATES	70.60	25.83	—	—

* Rates are for the 2023 tax year collected in the year 2024.

** 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 2024 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 $1,447.05 is the annual amount the owner of a $100,000 home would pay in taxes.



Annual Cost	
County	$299.29
School	903.99
Library	11.18
Historical Parks	8.59
City	224.00
TOTAL	$1,447.05

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 construct five new elementary buildings. Three buildings opened in fiscal year 2016 and the remaining two opened in fiscal year 2017. The project came in on time and under budget.

The School District extended its partnership with the OFCC and co-funded a $48 million project to construct two new junior high school buildings. Those 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). This project also came in on time and under budget.

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 is also being co-funded in partnership with OFCC. The District held a groundbreaking ceremony in October 2022 for this $100+ million project. The estimated completion date is August 2026.

Finance:

Lancaster City School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for thirty-one years out of the last thirty-two 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 sixteen years.

Buildings/Departments:

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2024*:

- Governor Dewine visited Lancaster City Schools to view a model elementary literacy program at Medill Elementary School.
- The Maintenance Department completed 4,021 work orders during the school year and an additional 1,166 work orders in the summer months of June, July and August 2023.
- Added a new poured-in-place soft surface and new accessible playground equipment at the preschool.
- The Technology Department instituted 2-Factor Authentication for our risk-based users to protect accounts and student information.
- The Food Service Department completed a 5 year Administrative Review with the Ohio Department of Education and Workforce without any findings.
- Won 10 OCC Buckeye Division Championships this school year (previous record was 8) - Girls Tennis, Boys and Girls Cross Country, Boys Swimming, Wrestling, Gymnastics, Boys Tennis, Softball and Boys and Girls Track & Field.

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

2023-2024 State-Issued Report Card

Ohio School Report Cards

3.5
Meets state standards

2023 - 2024 Report Card for

Lancaster City

Districts and schools receive an overall rating of 1 to 5 stars in half-star increments. The overall rating is comprised of five rated components. The College, Career, Workforce and Military Readiness Component is report only and does not contribute to the overall rating on the 2024 Ohio School Report Cards.

Achievement

★★★☆☆ Meets state standards in academic achievement.

This component represents whether student performance on state tests met established thresholds and how well students performed on tests overall.

Performance Index 72.1%

Progress

★★★★☆ Significant evidence that the district exceeded student growth expectations

This component looks closely at the growth all students are making based on their past performances.

Overall

Gap Closing

★★★★☆ Exceeds state standards in closing educational gaps

The Gap Closing Component is a measure of the reduction in educational gaps for student groups.

Annual Performance Goals 47.5%

Graduation

★★★☆☆ Meets state standards in graduation rates

The Graduation Component is a measure of the four-year adjusted cohort graduation rate and the five-year adjusted cohort graduation rate.

89.9% of students graduated in 4 years
93.3% of students graduated in 5 years

Early Literacy

★★★☆☆ Meets state standards in early literacy (K-3).

The Early Literacy Component is a measure of reading improvement and proficiency for students in kindergarten through third grade.

Improving K-3 Literacy	**35.3%**
Third Grade Reading Proficiency	**65.7%**
Promotion to Fourth Grade	**99.8%**

College, Career, Workforce and Military Readiness

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.

Students who are Ready 69.9%

Lancaster City School District

Tarhe Preschool
Grade K
Opened August 2015 Enrollment: 263

Gorsuch West Elementary
Grades K-5
Opened August 2015 Enrollment: 580

Medill Elementary
Grades K-5
Opened January 2017 Enrollment: 553

Mt. Pleasant Elementary
Grades K-5
Opened August 2015 Enrollment: 519

Tallmadge Elementary
Grades K-5
Opened August 2016 Enrollment: 484

Tarhe Trails Elementary
Grades K-5
Opened August 2015 Enrollment: 613

General Sherman Junior High
Grades 6-8
Opened August 2020 Enrollment: 662

Thomas Ewing Junior High
Grades 6-8
Opened January 2020 Enrollment: 668

Lancaster High School
Grades 9-12
Opened August 1963 Enrollment: 1,849

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

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