

Lancaster City School District										
Schedule Of Revenue, Expenditures and Changes In Fund Balances										
Actual and Forecasted Operating Fund										
					ACTUAL				FORECASTED	
				Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
				2023	2024	2025	2026	2027	2028	2029
Revenue:										
1.010 - General Property Tax (Real Estate)				22,723,036	24,305,282	24,766,340	27,993,164	30,776,352	31,039,711	33,054,176
1.020 - Public Utility Personal Property				5,371,637	5,622,171	7,186,653	7,216,763	7,231,554	7,362,586	7,423,638
1.030 - Income Tax				17,231,504	17,055,115	18,532,573	19,266,491	20,037,151	20,838,637	21,672,183
1.035 - Unrestricted Grants-in-Aid				28,666,681	32,520,406	32,826,051	33,572,635	31,691,859	28,254,537	25,754,078
1.040 - Restricted Grants-in-Aid				2,655,848	3,349,998	6,821,846	6,877,285	7,043,696	6,929,777	6,848,571
1.045 - Restricted Federal Grants-in-Aid - SFSF				-	-	-	-	-	-	-
1.050 - State Reimbursement for Property Tax Credits				2,587,434	2,829,535	2,931,284	3,430,328	3,942,707	3,960,860	4,239,868
1.060 - All Other Operating Revenues				3,393,764	4,091,565	5,095,913	4,641,135	4,246,135	4,329,135	4,322,135
1.070 - Total Revenue				82,629,904	89,774,071	98,160,660	102,997,801	104,969,454	102,715,243	103,314,648
Other Financing Sources:										
2.010 - Proceeds from Sale of Notes				-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements				-	-	-	-	-	-	-
2.040 - Operating Transfers-In				16,487	17,111	17,410	18,000	18,000	18,000	18,000
2.050 - Advances-In				-	2,900,909	-	-	-	-	-
2.060 - All Other Financing Sources				72,505	35,699	12,275	13,000	13,000	13,000	13,000
2.070 - Total Other Financing Sources				88,992	2,953,719	29,685	31,000	31,000	31,000	31,000
2.080 - Total Revenues and Other Financing Sources				82,718,896	92,727,790	98,190,345	103,028,801	105,000,454	102,746,243	103,345,648
Expenditures:										
3.010 - Personnel Services				44,906,906	47,152,604	54,155,311	57,788,861	60,450,448	63,147,869	64,298,849
3.020 - Employees' Retirement/Insurance Benefits				19,698,528	21,608,505	24,602,817	26,145,875	29,053,340	32,387,659	35,908,591
3.030 - Purchased Services				6,607,260	7,372,694	8,034,583	9,849,877	10,834,865	11,918,351	13,110,186
3.040 - Supplies and Materials				3,027,071	3,861,036	3,687,520	4,346,459	4,476,853	4,611,159	4,749,493
3.050 - Capital Outlay				1,228,293	303,556	596,468	769,630	769,630	769,630	769,630
3.060 - Intergovernmental				-	-	-	-	-	-	-
Debt Service:										
4.010 - Principal-All Years				-	-	-	-	-	-	-
4.020 - Principal - Notes				-	-	-	-	-	-	-
4.030 - Principal - State Loans				-	-	-	-	-	-	-
4.040 - Principal - State Advances				-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan				-	-	-	-	-	-	-
4.055 - Principal - Other				-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges				-	-	-	-	-	-	-
4.300 - Other Objects				1,035,273	1,023,232	1,054,925	1,100,906	1,144,942	1,190,740	1,238,369
4.500 - Total Expenditures				76,503,331	81,321,627	92,131,624	100,001,608	106,730,077	114,025,407	120,075,119
Other Financing Uses										
5.010 - Operating Transfers-Out				6,887,560	4,404,068	2,599,690	8,700,000	3,972,356	3,473,553	3,470,598
5.020 - Advances-Out				2,900,909	-	-	-	-	-	-
5.030 - All Other Financing Uses				-	-	-	-	-	-	-
5.040 - Total Other Financing Uses				9,788,469	4,404,068	2,599,690	8,700,000	3,972,356	3,473,553	3,470,598
5.050 - Total Expenditures and Other Financing Uses				86,291,800	85,725,695	94,731,314	108,701,608	110,702,433	117,498,960	123,545,717
Excess of Rev & Other Financing Uses Over (Under)										
6.010 - Expenditures and Other Financing Uses				(3,572,904)	7,002,095	3,459,030	(5,672,807)	(5,701,980)	(14,752,717)	(20,200,068)
Cash Balance July 1 - Excluding Proposed Renewal/										
7.010 - Replacement and New Levies				38,069,520	34,496,616	41,498,711	44,957,741	39,284,934	33,582,954	18,830,237
7.020 - Cash Balance June 30				34,496,616	41,498,711	44,957,741	39,284,934	33,582,954	18,830,237	(1,369,832)
8.010 - Estimated Encumbrances June 30				1,637,434	1,512,826	1,642,562	2,000,000	2,000,000	2,000,000	2,000,000
Reservations of Fund Balance:										
9.010 - Textbooks and Instructional Materials				-	-	-	-	-	-	-
9.020 - Capital Improvements				-	-	-	-	-	-	-
9.030 - Budget Reserve				-	-	-	-	-	-	-
9.040 - DPIA				-	-	-	-	-	-	-
9.050 - Debt Service				-	-	-	-	-	-	-
9.060 - Property Tax Advances				-	-	-	-	-	-	-
9.070 - Bus Purchases				-	-	-	-	-	-	-
9.080 - Subtotal				-	-	-	-	-	-	-
Fund Balance June 30 for Certification										
10.010 - of Appropriations				32,859,181	39,985,885	43,315,179	37,284,934	31,582,954	16,830,237	(3,369,832)
Rev from Replacement/Renewal Levies										
11.010 - Income Tax - Renewal				-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement				-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies				-	-	-	-	-	-	-
Fund Balance June 30 for Certification										
12.010 - of Contracts, Salary and Other Obligations				32,859,181	39,985,885	43,315,179	37,284,934	31,582,954	16,830,237	(3,369,832)
Revenue from New Levies										
13.010 - Income Tax - New				-	-	-	-	-	-	-
13.020 - Property Tax - New				-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies				-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements										
15.010 - Unreserved Fund Balance June 30				32,859,181	39,985,885	43,315,179	37,284,934	31,582,954	16,830,237	(3,369,832)

Lancaster City Schools
FY26-FY29 Fiscal Forecast
Assumptions – September 2025

General Assumptions

This is a forecast based on the data available at the time of preparation. The District is in the first year of HB96, the biennium budget for the State of Ohio, for FY26 and FY27. Funds included in this forecast are: General (001) only. CARES Act funding designated as the Elementary and Secondary School Emergency Relief Fund 507 (ESSER) is not included in the forecast; however the funding helped defer some costs from the General Fund. FY24 was the last year ESSER funds were available to be spent; some expenditures returned to the General Fund the latter months of FY24 and are continued throughout this forecast.

Revenues:

General Property Tax

Property values are established each year by the County Auditor based on new construction and complete or updated values. The District is currently in a certified Reappraisal year - 2025 values will be collected in calendar year 2026. The next Update of district property values will be 2028 values to be collected in calendar year 2029.

- For 2024: Overall valuations increased 1.5%. Property values increased. 6% for residential/agricultural and 2.3% for commercial/industrial.
- For 2025: (Reappraisal): It is estimated that the reappraisal will increase property values 34.8% for residential/agricultural and 5.6% for commercial/industrial.
- For 2026: Growth trends are estimated to be relatively flat for residential/agriculture (+.5%) and commercial/industrial (+2%).
- For 2027: Growth trends are estimated to be relatively flat for residential/agriculture (+.5%) and commercial/industrial (+ 2%).
- For 2028: (Update): It is estimated that the Update will increase property values 13.6% for residential/agriculture and 3.6% for commercial/industrial.

Tangible Personal Property Tax

HB15, enacted in 2025, reduces the TPP assessment rates for certain new utility infrastructure beginning in Tax Year 2027. New electric generation and energy conversion property will see a rate decrease from 24% to 7%, while new transmission, distribution and pipeline infrastructure will be reduced from 88% to 25%.

For Tax Year 2025 (collections in 2026), it is estimated TPP valuation will increase \$7 million. Going forward, it is expected that the District will receive an addition \$3.5 million for TY2026 and each year after. However, due to HB15 the actual growth will be reduced by the tax break.

Income Tax

A ten year 1.5% earned income tax went into effective on January 1, 2007. The District renewed the income tax on a continuing basis the fall of 2015. Income tax revenue increased an unprecedented 13% in FY22 and 12.6% in FY23. However, those fiscal years included an additional \$1.3 million in delinquent collections. The state experienced a slowdown in growth in FY24 and, as predicted, delinquent collections dropped significantly. The District experienced a 1% decrease in collections for FY24, but rebounded to an 8.66% increase in FY25. The District is expecting an increase of 4% annually for FY26-FY29.

Lancaster City Schools
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Assumptions – September 2025

Revenues (continued):

Unrestricted Grants in Aid

With HB 110, FY22 & FY23 unrestricted grants in aid funds are based on a phase in of the new Fair School Funding method. Subsequent budgets phased in the funding as follows:

- FY22 - FY23: Funding per HB110 phases in the new Fair School Funding method at 16.67% for FY22 and 33.33% for FY23. This is the first time in many years the District is formula funded (meaning the District loses state dollars for every student who leaves, but gains state dollars for every student who enters the District).
- FY24 - FY25: Funding per HB33, the Fair School Funding method continues to be phased in at 50% for FY24 and 66.67% for FY25.
- FY26 - FY27: Funding per HB96, the Fair School Funding method was continued through its full phase in at 83.33% in FY26 and 100% in FY27; however, there were no updates to the cost inputs (still based on FY22)**.
- FY28 - FY29: Funding is expected to increase 1% based on not changing from the Fair School Funding method**.

**K-12 Enrollment is expected to decline over the forecast; however, there are several housing developments emerging in our District that should help offset this decline:

FY25 5,867 District K-12 Educated Enrollment (actual);
FY26 5,824 (based on 9/1/25 enrollment – down 43 students);
FY27 5,791 (down 33 students);
FY28 5,743 (down 48 students);
FY29 5,707 (down 36 students).

Starting in FY13, the District began receiving casino revenue to supplement current state aid to schools districts. It is not supposed to supplant. The amount Lancaster City Schools receives is approximately \$70 per student based on enrollment.

Catastrophic special education payments are also classified as unrestricted. The Ohio Department of Education increased the pool for Catastrophic cost reimbursement: thus, the District has recently seen an increase in this funding. However, Districts are now required to fund the state pool for Catastrophic cost reimbursement, which is an offset. Lancaster City Schools usually breaks about even with this funding.

Restricted Grants in Aid

In FY22, the Fair School Funding Plan added some new categories to this line: Student Wellness and Success, Gifted Funding, English Learners Funding, and Career Awareness & Exploration Funds. Prior to FY22, Economically disadvantaged student aid and Career Tech funding were in this category.

Economically disadvantaged student aid funding must be spent towards an extended school day and school year, reading improvement and intervention, instructional technology or blended learning, professional development in reading instruction for teachers of students in kindergarten through third grade, dropout prevention, school safety and security measures, community learning centers that address barriers to learning, and/or academic interventions for students in any of grades six through twelve. This funding increased drastically in FY25 due to the District signing up to

Lancaster City Schools
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Assumptions – September 2025

Revenues (continued):

be a CEP District. HB96 modified the calculation of economically disadvantaged student aid, moving to a more accurate count of economically disadvantaged students. FY26 is based on 75% of FY25 ED ADM + 25% of FY26 Directly Certified ADM and FY27 is based on 65% of FY25 ED ADM + 35% of FY27 Directly Certified ADM.

Career Tech funding, including Career Awareness funds are also listed as restricted. HB96 reduced the per-pupil amount to \$3 (vs \$10) for Career Awareness and Exploration in FY26.

Property Tax Allocation

Rollback and homestead reimbursements from the State of Ohio are categorized in this line. Rollback and homestead reimbursements will generally grow with new construction, reappraisals, updates and new levies.

All Other Revenues

The largest revenue items in this category are as follows:

- Tuition for students from other districts.
- Interest income.
- Pay-to-participate fees for athletics, fine arts and clubs.
- In Lieu of Taxes payments.
- CAFS/Medicaid reimbursements.

Expenditures:

Note: Fiscal year 2026 expenditures mirror the Permanent Appropriation Measure also approved by the Board of Education at the September meeting. See our website for details of our expenditures in the FY26 Budget Document.

Personal Services

FY25 budget includes average raises 3% and average step increases of 1.5%.
FY26 budget includes average raises 4% and average step increases of 1.5%.
FY27 budget includes average raises 3% and average step increases of 1.5%.
FY28 budget includes average raises 3% and average step increases of 1.5%.
FY29 budget includes average raises 0% and average step increases of 1.5%.

Additional personnel have been added in fiscal years 2027 through 2029 to absorb any additional staffing needed to meet class size special education/curriculum requirements.

Note: ESSER/ ARP funding absorbed any additional personnel needed for FY22-FY24 in addition to many personnel from the General Fund (supplanted) ; however, starting late in FY24 several positions were brought back to the General Fund, as that funding stream was exhausted prior to fiscal year end. Salaries saw a significant increase in FY25 when positions were brought back or added back to the General Fund with the elimination of ARP during FY24.

Employees Retirement/Insurance Benefits

The largest expenditures in this category are health insurance and retirement system payments. Employee health insurance premiums increased 4% in FY26. An Optional PPO plan was added with an effective date of 1/1/25 to help

Lancaster City Schools
FY26-FY29 Fiscal Forecast
Assumptions – September 2025

Expenditures (continued):

reduce the rising health insurance costs. It is too early in the process to know the financial impact of this change. Estimates going forward are modeled at an increase of 15% annually. Dental insurance premiums (100% board paid) increased 5% for FY26.

Note: ESSER/ARP funding absorbed any additional personnel and their associated employee benefits needed for FY22-FY24 in addition to many personnel from the General Fund (supplanted); however, starting late in FY24 several positions and their associated employee benefits were brought back to the General Fund, as that funding stream was exhausted prior to fiscal year end. Employee benefits also saw a significant increase in FY25 when positions were brought back or added to the General Fund with the elimination of ARP funding during FY24.

Purchased Services

The expenditures in this category include, but are not limited to: all district utilities, maintenance and repairs, tuition, postage, and data processing services. The District has experienced larger than normal increases in tuition paid out for special needs students starting in FY24. In addition, utility costs are expected to rise in FY26 and going forward especially with the new high school opening next fall. Inflation in purchase services has been set at 10% each fiscal year.

FY25 saw a significant increase due to purchased services being added back to the General Fund from the exhaustion of ARP funding during FY24.

Supplies and Materials

The expenditures in this category include, but are not limited to: instructional and office supplies, fuel, library books, textbooks, and equipment valued less than \$10,000 starting in FY26 [the limit was \$5,000 prior to FY26] which do not meet our capitalization criteria. An annual increase of 3% has been applied to this line item for inflation.

Textbook, the largest expenditure out of this category, are purchased on a cycle and fluctuate between fiscal years depending on the subject.

FY25 saw a significant increase due to supplies previously paid by ARP being added back to the General Fund from the exhaustion of ARP funding during FY24.

A Capital Plan was devised and has been rolled into this forecast. Operational supplies and materials, including technology replacement costs, are included in this line item. As part of our technology plan, the District implements a K-12 1-to-1 computer program.

Capital Outlay

Expenditures in this category are for building improvements and capital assets valued over \$10,000 [the limit was \$5,000 prior to FY26]. A Capital Plan was devised and has been rolled into this forecast. Operational capital expenditures, including bus replacement costs, are included in this line item.

Other Objects

Expenditures in this category include audit fees, property tax collection fees, income tax collection fees, and dues/memberships. An annual increase of 4% has been applied to this line item for inflation.

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Assumptions – September 2025

Expenditures (continued):

Other Financing Options

A Capital Plan was been devised and has been rolled into this forecast. It is broken down into three categories that are funded by the corresponding fund: Operating (General Fund), Permanent Improvements (Permanent Improvement Fund), and Capital Projects (Capital Projects Fund). Operating expenditures are shown within the appropriate categories of the forecast. Permanent Improvement and Capital Projects expenditures are funded annually via a transfer.

With the passage of the income tax renewal levy, the District partnered with the Ohio Facilities Construction Commission to build two new junior high schools without increasing taxes. Bonds were sold in 2016 and payments are made from the General Fund over 23 years via transfers to a bond retirement fund. Payments (via transfer) out of the General Fund started in FY18.

Other transfers include populating the Board Service Fund, replenishing the Severance Fund and BWC Fund, and covering students' bad debts from the Food Service fund.

Advances Out is to cover deficits that may exist in any state or federal grant funds at fiscal yearend.