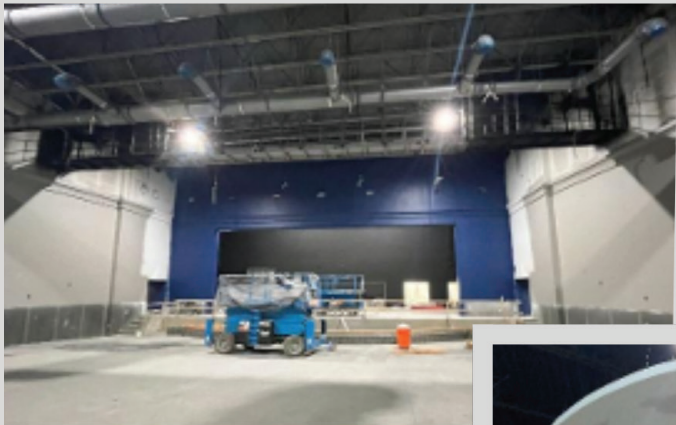


Lancaster City Schools



Construction continues on the new high school slated to open August 2026.

Popular Annual Financial Report *for the years ended June 30, 2025*

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, 2025

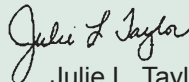
TO THE CITIZENS OF THE LANCASTER CITY SCHOOLS,

We are pleased to present the Lancaster City School District's Popular Annual Financial Report (PAFR) for the year ended June 30, 2025. 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.

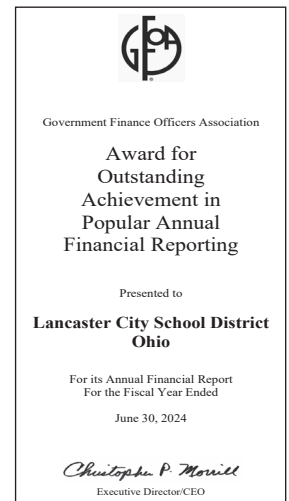
Respectfully Submitted,


Julie L. Taylor
Treasurer

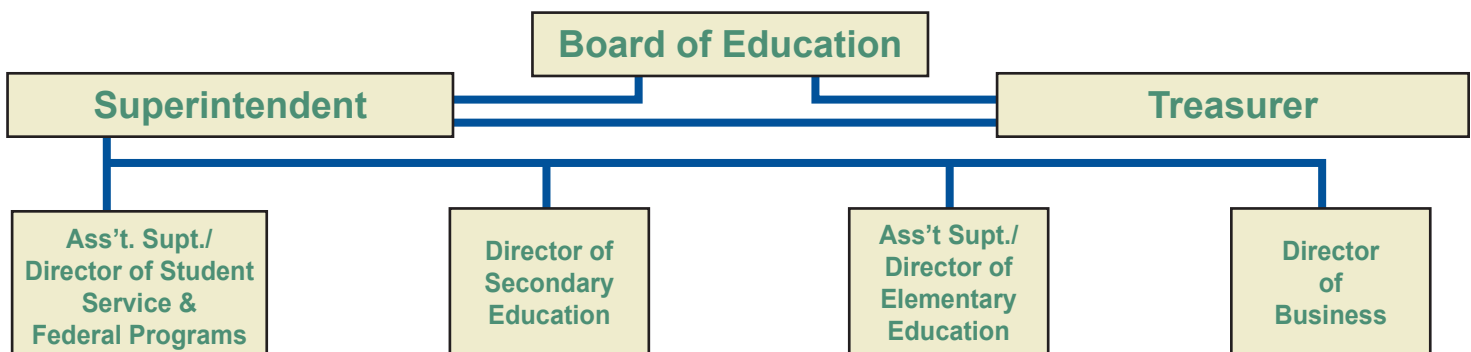
AWARD FOR OUTSTANDING ACHIEVEMENT POPULAR ANNUAL FINANCIAL REPORTING

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, 2024. 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, 2025



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 (in thousands of \$)	FY'25	FY'24	FY'23	FY'22
Taxes	\$52,546	\$46,405	\$48,079	\$41,623
State and Federal Revenue	43,085	39,437	34,106	32,155
Investment Income	3,154	2,787	1,186	(1,643)
Tuition & Fees	1,020	701	825	828
Extracurricular	137	167	154	122
Miscellaneous	311	348	373	412
Total Revenues & Resources ^	\$100,253	\$89,845	\$84,723	\$73,497

SERVICES PROVIDED* (in thousands of \$)	FY'25	FY'24	FY'23	FY'22
Instruction	\$54,796	\$48,296	\$45,904	\$43,580
Pupil Support	9,409	7,619	6,572	5,750
Instructional Support	4,373	3,740	3,076	2,877
Board/Administration/Fiscal	10,572	8,968	8,628	8,059
Business Support	434	457	444	393
Plant Operation	7,863	7,076	6,657	5,846
Transportation	4,117	3,300	4,272	3,560
Central	1,459	1,153	995	939
Extracurricular	1,378	1,381	1,361	1,254
Capital Outlay	66	173	16	56
Debt Service/Other Non-Instructional	198	192	151	140
Total Expenditures & Services ^	\$94,665	\$82,355	\$78,076	\$72,454
Revenues & Resources Over Expenditures & Services	\$5,588	\$7,490	\$6,647	\$1,043

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

^ Taxes increased in FY25 due to increase in property valuation. State and Federal Revenue increased in FY 25 due to an increase in education funding in the state budget.

^ Expenditures increased in FY25 due to many staff being paid out of Covid Relief Grant funds in recent years.

^ Investment income fluctuated from FY22 to FY25 due to rapidly changing interest rates and the market values.

CAPITAL LEASES

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

Capital Leases	FY'25	FY'24	FY'23	FY'22
Total Outstanding	\$ -	\$36,315	\$97,174	\$150,646

The District had an agreement for leased copiers that was paid off during FY25.

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.

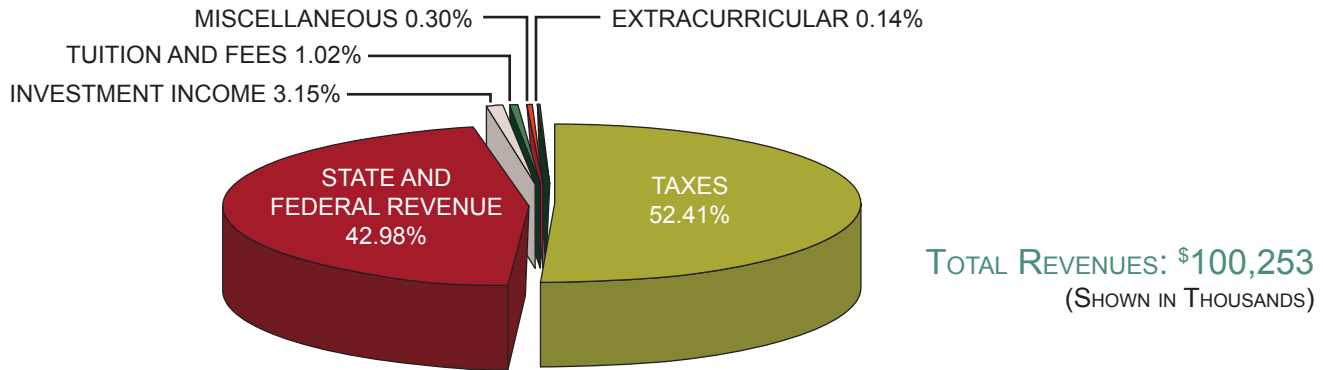
PLANT OPERATION expenditures relate to the safe and efficient environment of the school including building maintenance, grounds and custodial services.

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 2,090 students to Lancaster City Schools and 39 students to non-public schools.

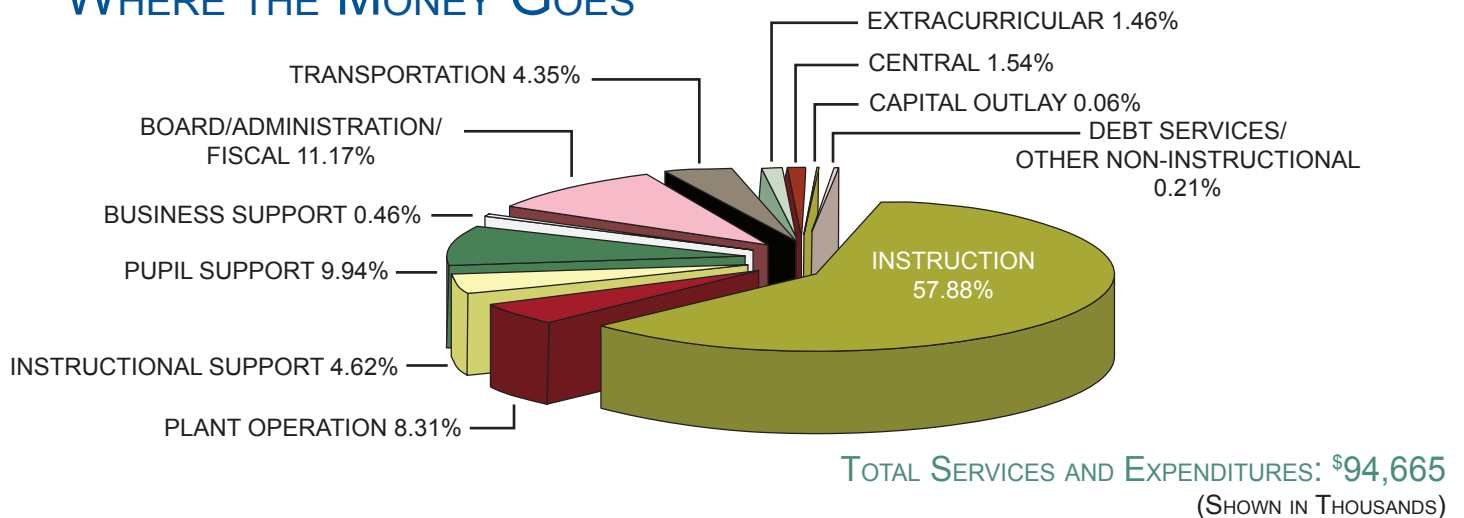
CENTRAL SUPPORT expenditures include technology, maintenance staff, and computer network maintenance contracts.

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

OUR REVENUES AND RESOURCES FY25: WHERE THE GENERAL FUND MONEY COMES FROM



OUR EXPENDITURES AND SERVICES FY25: 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 (in thousands of \$)	FY'25	FY'24	FY'23	FY'22
Cash and Investments	\$45.82	\$41.50	\$32.22	\$37.48
Receivables	45.83	40.00	42.82	33.41
Other Assets	0.79	0.88	0.58	0.62
Total Financial Benefits^	\$92.44	\$82.38	\$75.62	\$71.51

Financial Detriments (in thousands of \$)	FY'25	FY'24	FY'23	FY'22
Amount Owed to Employees and Vendors	\$11.17	\$9.80	\$9.11	\$8.45
Short Term Debt	0.35	0.20	0.43	0.18
Other Liabilities	36.70	32.03	29.41	26.40
Total Financial Detriments	\$48.22	\$42.03	\$38.95	\$35.03

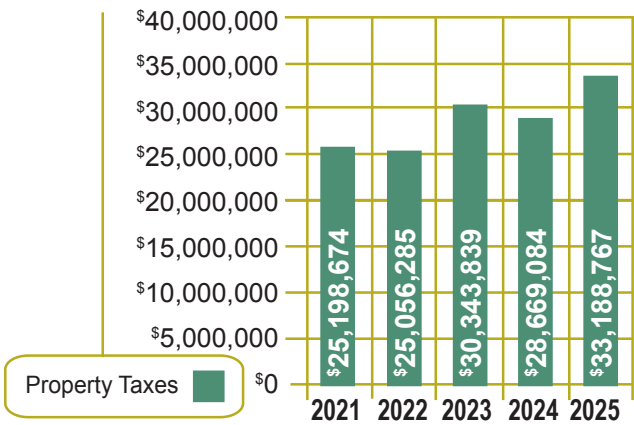
Benefits over Detriments	\$44.22	\$40.35	\$36.67	\$36.48
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^ Receivables increased in FY23 and FY25 due to an increase in taxes receivable. Other liabilities increased in FY23 to FY25 due to timing of tax receipts. Cash and Investments increased in FY24 and FY25 due to increased Tax and Intergovernmental Revenue.

SOURCES OF FUNDING: WHERE DOES THE MONEY COME FROM?

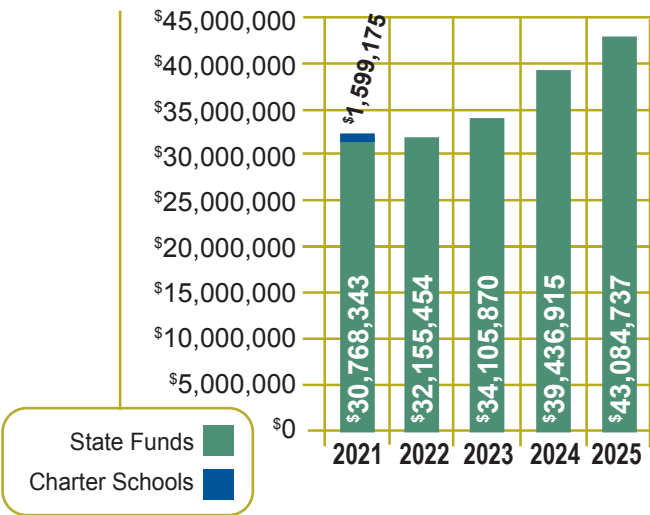
PROPERTY TAXES

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.



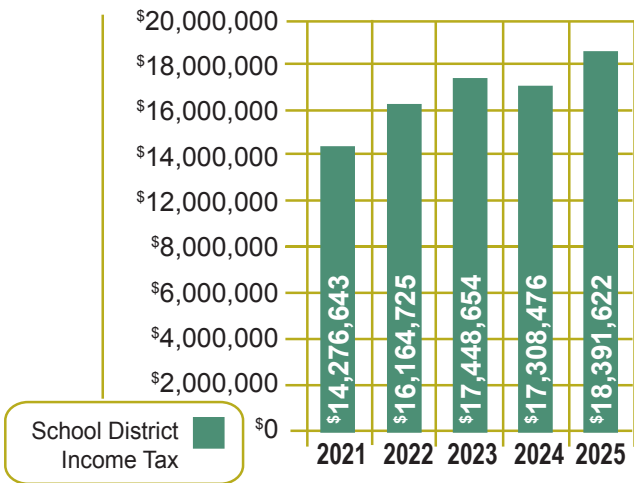
STATE FUNDING

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.



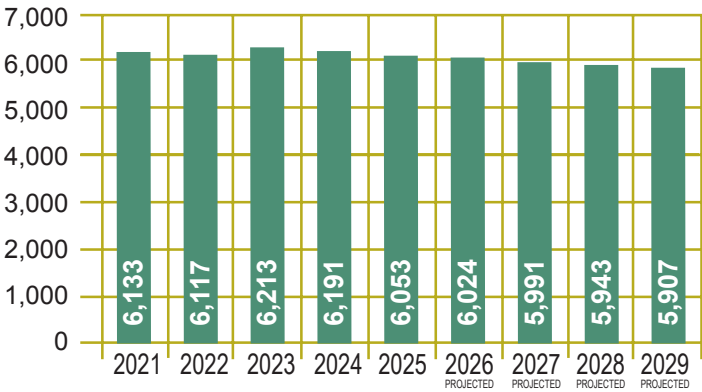
SCHOOL DISTRICT INCOME TAX

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 6,053 and 6,213 over the last five years. Enrollment is expected to decrease slightly over the next five years; however, this is based on projections not predictions as there are several housing developments emerging that may help offset this decline.



ASSESSED VALUES OF REAL AND TANGIBLE PERSONAL PROPERTY

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total
2025	\$1,001,262,060	\$287,148,950	\$102,958,390	\$1,391,369,400
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

Increases in assessed values in FY15 through FY25 are due to an improved real estate market and growth as well as triennial valuation updates.

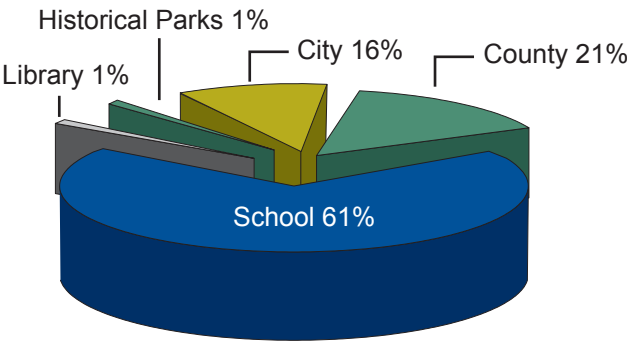
UNBUNDLING THE TAX RATE

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*	0.5	0.33	2012	Permanent
VOTED-BOND RETIREMENT*	2.10	2.10	2012	37 years
VOTED-BOND RETIREMENT*	2.70	2.70	2019	37 years
TOTAL RATES	69.90	25.13	—	—

*Rates are for the 2024 tax year collected in the year 2025.

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

Shown to the right are the 2025 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 \$1,438.14 is the annual amount the owner of a \$100,000 home would pay in taxes.



Annual Cost	
COUNTY	\$ 308.68
SCHOOL	879.44
LIBRARY	17.48
HISTORICAL PARKS	8.56
CITY	223.98
TOTAL	\$1,438.14

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-two years out of the last thirty-three 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 seventeen years.

BUILDINGS/DEPARTMENTS:

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2025*:

- Principal Walker of Tallmadge Elementary was honored with the Administrator Award for Leadership in Science Education by the Science Education Council of Ohio for her love of science among young learners.
- Medill Elementary received the Silver Award by the Ohio PBIS Network and State Support Team for Implementation of school-wide positive behavioral interventions and supports.
- Thomas Ewing Junior High's Esports Team won the State Championship.
- General Sherman Junior High received the 2024 Momentum Award from the Ohio Department of Education and Workforce for significant improvement in growth and achievement on the 2023-2024 State Report Card.
- Lancaster High School celebrated 28 students that achieved a cumulative grade point average of 4.0 or higher in their high school careers at the Summa Cum Laude Honors Banquet.
- Celebrated Girls cross country as the OHSAA Division I state Champions and the first female team state champions in school history.
- Recognized as the Ohio Capital Conference Buckeye Division All-Sports Champions and first OCC all-sports championship in school history.
- The Technology Department instituted Two-Factor Authentication on district computers for an extra layer of IT security and upgraded all Phones in the District to a new VoIP provider with new hardware.

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



School Report Cards



Meets state standards

2024 - 2025 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 up to six rated components.

Achievement

The Achievement Component is a measure of how well students performed on state tests.



Meets state standards in academic achievement.

Performance Index

73.0%

Graduation

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



Meets state standards in graduation rates.

90.9% of students graduated in 4 years

91.0% of students graduated in 5 years

Progress

The Progress Component is a measure of the growth students are making based on their past performance.



Evidence that the district met student growth expectations.

Overall

Early Literacy

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



Needs support to meet state standards in early literacy (K-3).

Improving K-3 Literacy
Third Grade Reading Proficiency
Promotion to Fourth Grade

27.6%
57.0%
99.8%

Gap Closing

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



Meets state standards in closing educational gaps.

Annual Performance Goals

38.1%

College, Career, Workforce, and Military Readiness

The College, Career, Workforce, and Military Readiness Component is a measure of how prepared Ohio's students are for future opportunities, whether training in a technical field or preparing for work or college.



Exceeds state standards in college, career, workforce, and military readiness

Students who are Ready

77.8%

LANCASTER CITY SCHOOL DISTRICT



Tarhe Preschool

Grade K

Opened August 2015 Enrollment: 254



Gorsuch West Elementary

Grades K-5

Opened August 2015 Enrollment: 521



Medill Elementary

Grades K-5

Opened January 2017 Enrollment: 515



Mt. Pleasant Elementary

Grades K-5

Opened August 2015 Enrollment: 531



Tallmadge Elementary

Grades K-5

Opened August 2016 Enrollment: 495



Tarhe Trails Elementary

Grades K-5

Opened August 2015 Enrollment: 601



General Sherman Junior High

Grades 6-8

Opened August 2020 Enrollment: 685



Thomas Ewing Junior High

Grades 6-8

Opened January 2020 Enrollment: 629



Lancaster High School

Grades 9-12

Opened August 1963 Enrollment: 1,822



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

ADMINISTRATIVE OFFICES
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