

Lancaster City School District
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED			
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Revenue:							
1.010 - General Property Tax (Real Estate)	22,723,036	24,305,282	24,766,340	28,192,616	26,690,684	28,450,320	29,913,418
1.020 - Public Utility Personal Property	5,371,637	5,622,171	7,186,653	6,904,024	6,671,187	6,892,767	7,107,008
1.030 - Income Tax	17,231,504	17,055,115	18,532,573	19,267,213	20,037,902	20,839,418	21,672,994
1.035 - Unrestricted Grants-in-Aid	28,666,681	32,520,406	32,826,051	33,964,607	32,185,734	28,247,259	24,914,388
1.040 - Restricted Grants-in-Aid	2,655,848	3,349,998	6,821,846	6,491,750	6,386,797	6,138,029	5,918,421
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-
1.050 - State Reimb Prop Tax Credits	2,587,434	2,829,535	2,931,284	3,391,627	3,865,521	3,884,036	4,148,243
1.060 - All Other Operating Revenues	3,393,764	4,091,565	5,095,913	4,658,135	4,263,135	4,346,135	4,339,135
1.070 - Total Revenue	82,629,904	89,774,071	98,160,660	102,869,972	100,100,959	98,797,963	98,013,607
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	102,900,972	100,131,959	98,828,963	98,044,607
Expenditures:							
3.010 - Personnel Services	44,906,906	47,152,604	54,155,311	57,791,830	60,375,589	62,980,120	64,035,020
3.020 - Employees' Retirement/Insurance Benefits	19,698,528	21,608,505	24,602,817	26,146,352	29,041,310	32,360,701	35,866,193
3.030 - Purchased Services	6,607,260	7,372,694	8,034,583	9,889,877	10,838,865	11,966,751	13,163,426
3.040 - Supplies and Materials	3,027,071	3,861,036	3,687,520	4,846,459	4,441,853	4,575,109	4,712,362
3.050 - Capital Outlay	1,228,293	303,556	596,468	969,630	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	100,745,054	106,612,189	113,843,050	119,785,000
Other Financing Uses							
5.010 - Operating Transfers-Out	6,887,560	4,404,068	2,599,690	8,800,000	4,182,356	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	8,800,000	4,182,356	3,473,553	3,470,598
5.050 - Total Expenditures and Other Financing Uses	86,291,800	85,725,695	94,731,314	109,545,054	110,794,545	117,316,603	123,255,598
Excess of Rev & Other Financing Uses Over (Under)							
6.010 - Expenditures and Other Financing Uses	(3,572,904)	7,002,095	3,459,030	(6,644,082)	(10,662,585)	(18,487,640)	(25,210,991)
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	38,313,659	27,651,074	9,163,434
7.020 - Cash Balance June 30	34,496,616	41,498,711	44,957,741	38,313,659	27,651,074	9,163,434	(16,047,557)
8.010 - Estimated Encumbrances June 30	1,637,434	1,512,826	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
15.010 - Unreserved Fund Balance June 30	32,859,181	39,985,885	42,957,741	36,313,659	25,651,074	7,163,434	(18,047,557)

Lancaster City Schools
FY26-FY29 Fiscal Forecast
Assumptions – February 2026 Update

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 just completed 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): Property values increased 32.15% for residential/agricultural and 45.55% 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 13.5% for residential/agriculture and 3.0% for commercial/industrial.

***NOTE:** The Ohio Department of Taxation, County Auditor, and other state partners are actively working through the interpretation and implementation of recent property tax changes. As details are finalized, assumptions may change and forecast updates may be necessary.*

HB 124: Modifies the process for property tax sales-assessment ratio studies

HB 129: Revises the 20-mill floor calculation and generally includes fixed-sum levies

HB 186: Limits increases associated with the 20-mill and 2-mill floors to inflation

HB 309: Expands county budget commission authority related to property taxation

HB 335: Caps revenue increases from inside millage to inflation

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), TPP valuation increased just under \$450,000, well below historic levels which averaged \$6.5 million over the last five years. 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.

Lancaster City Schools
FY26-FY29 Fiscal Forecast
Assumptions – February 2026 Update

Revenues (continued):

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. After the first three quarters of fiscal year 2027, the District is reporting a 3.9% increase.

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 \$7 per student in FY28 and \$5 per student in FY29 **.

**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 5,865 District K-12 Educated Enrollment (actual):
FY26 5,776 (based on 2/1/26 enrollment – down 89 students);
FY27 5,750 (down 26 students);
FY28 5,750 (flat);
FY29 5,750 (flat).

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.

Lancaster City Schools
FY26-FY29 Fiscal Forecast
Assumptions – February 2026 Update

Revenues (continued):

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 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 2025 meeting plus any appropriation amendments that were passed since. 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%.

Lancaster City Schools
FY26-FY29 Fiscal Forecast
Assumptions – February 2026 Update

Expenditures (continued):

Personal Services (continued)

Due to current and expected decreases in student enrollment, additional personnel have been removed in fiscal years 2027 through 2029. The District hopes to offset additional staff needed to meet special education/curriculum class size requirements through attrition in other areas.

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 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. A 5-year \$500,000 textbook adoption was moved to the end of FY26; however, the District will see savings over the five year period due to change in curriculum.

Lancaster City Schools
FY26-FY29 Fiscal Forecast
Assumptions – February 2026 Update

Expenditures (continued):

Supplies and Materials (continued)

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. Since the September forecast adoption, the fiscal year 2026 budget for capital outlay was increased \$200,000 for a Network Server and new equipment for the Career Tech programs in the new high school. This additional budget is not carried forward in the forecast.

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.

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. Since the September forecast adoption, the fiscal year 2026 budget for transfers was increased \$100,000 to cover the BWC true-up payment. This additional budget is not carried forward in the forecast. Increased severance expenditures are expected in FY27 and will be backed out in FY28.

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