

Lancaster City School District

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2030

	Actual			Forecasted			
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues							
1.010 General Property Tax (Real Estate)	24,305,282	24,766,340	27,697,237	27,048,532	28,741,361	30,073,081	31,098,572
1.020 Tangible Personal Property Tax	5,622,171	7,186,653	6,571,241	7,014,526	6,799,685	6,848,437	6,898,606
1.030 Income Tax	17,055,115	18,532,573	19,179,763	19,944,551	20,744,518	21,581,285	22,437,515
1.035 Unrestricted State Grants-in-Aid	32,520,406	32,826,051	33,886,312	32,129,381	27,705,367	23,950,141	23,527,180
1.040 Restricted State Grants-in-Aid	3,349,998	6,821,846	6,523,158	6,487,209	6,182,104	5,943,137	5,891,562
1.045 Restricted Federal Grants-in-Aid - SFSF							
1.050 State Reimb Prop Tax Credits	2,829,535	2,931,284	3,307,471	3,701,025	3,718,750	3,984,068	4,250,707
1.060 All Other Revenues	4,091,565	5,095,913	4,860,474	4,263,135	4,346,135	4,339,135	4,606,135
1.070 Total Revenues	89,774,072	98,160,660	102,025,656	100,588,359	98,237,920	96,719,284	98,710,277
Other Financing Sources							
2.010 Proceeds from Sale of Notes							
2.020 State Emergency Loans and Advancements (Approved)							
2.040 Operating Transfers-In	17,111	17,410	16,543	18,000	18,000	18,000	18,000
2.050 Advances-In	2,900,909						
2.060 All Other Financing Sources	35,699	12,275	67,191	13,000	13,000	13,000	13,000
2.070 Total Other Financing Sources	2,953,719	29,685	83,734	31,000	31,000	31,000	31,000
2.080 Total Revenues and Other Financing Sources	92,727,791	98,190,345	102,109,390	100,619,359	98,268,920	96,750,284	98,741,277
Expenditures							
3.010 Personal Services	47,152,604	54,155,311	57,160,625	60,375,589	62,980,120	64,035,020	64,940,179
3.020 Employees' Retirement/Insurance Benefits	21,608,505	24,602,817	26,264,572	29,041,310	32,360,701	35,866,193	39,848,017
3.030 Purchased Services	7,372,694	8,034,583	9,051,523	10,828,864	11,911,750	13,102,925	14,413,217
3.040 Supplies and Materials	3,861,036	3,687,520	3,705,011	4,441,853	4,575,109	4,712,362	4,853,733
3.050 Capital Outlay	303,556	596,468	586,340	769,630	769,630	769,630	769,630
3.060 Intergovernmental							
Debt Service:							
4.010 Principal-Aid (Historical Only)							
4.020 Principal-Notes							
4.030 Principal-State Loans							
4.040 Principal-State Advancements							
4.050 Principal-HB 264 Loans							
4.055 Principal-Other							
4.060 Interest and Fiscal Charges							
4.300 Other Objects	1,023,232	1,054,925	1,079,717	1,144,942	1,190,740	1,238,369	1,287,904
4.500 Total Expenditures	81,321,627	92,131,624	97,847,788	106,602,188	113,788,050	119,724,499	126,112,680
Other Financing Uses							
5.010 Operating Transfers-Out	4,404,068	2,599,690	8,768,387	2,692,357	2,633,553	2,630,598	2,634,238
5.020 Advances-Out							
5.030 All Other Financing Uses							
5.040 Total Other Financing Uses	4,404,068	2,599,690	8,768,387	2,692,357	2,633,553	2,630,598	2,634,238
5.050 Total Expenditures and Other Financing Uses	85,725,695	94,731,314	106,616,175	109,294,545	116,421,603	122,355,097	128,746,918
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	7,002,096	3,459,031	4,506,785	8,675,186	18,152,683	25,604,813	30,005,641
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	34,496,539	41,498,635	44,957,666	40,450,881	31,775,695	13,623,012	11,981,801
7.020 Cash Balance June 30	41,498,635	44,957,666	40,450,881	31,775,695	13,623,012	11,981,801	41,987,442
8.010 Estimated Encumbrances June 30	1,512,826	1,642,562	2,807,522	2,000,000	2,000,000	2,000,000	2,000,000
9.080 Budget Reserves							
10.010 Fund Balance June 30 for Certification of Appropriations	39,985,809	43,315,104	37,643,359	29,775,695	11,623,012	13,981,801	43,987,442

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

Lancaster City Schools
FY27-FY30 Fiscal Forecast
Assumptions – August 2026

General Assumptions

This is a forecast based on the data available at the time of preparation. The District is in the second 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 were 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.
- For 2029: Growth trends are estimated to be relatively flat for residential/agriculture (+.5%) and commercial/industrial (+ 2%).

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%.

Lancaster City Schools
FY27-FY30 Fiscal Forecast
Assumptions – August 2026

Revenues (continued):

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 was expected that the District would 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 with an 8.66% increase in FY25 and a 3.49% increase in FY26. The District is expecting an increase of 4% annually for FY27-FY30.

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 declined 117 students last year (FY26). Going forward the enrollment is expected to remain flat at this reduced number; however, there are several housing developments emerging in our District that should help offset this in the future:

FY26 5,748 District K-12 Educated Enrollment (actual) -down 117 students;
FY27 5,750 (+2 students);
FY28 5,750 (flat);
FY29 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.

Lancaster City Schools
FY27-FY30 Fiscal Forecast
Assumptions – August 2026

Revenues (continued):

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; however, in fiscal year 2026 the District had a \$246,360 net loss (revenue was less than set-aside deductions).

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 2027 expenditures reflect amounts per the February 2026 forecast less \$1.5M in anticipated reduced transfers needed during the fiscal year. Enrollment and final staffing numbers are not known at this time.

Lancaster City Schools
FY27-FY30 Fiscal Forecast
Assumptions – August 2026

Expenditures (continued):

Personal Services

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%.
FY30 budget includes average raises 0% and average step increases of 1.5%.

Due to recent declines in student enrollment, additional personnel that were originally forecasted have been removed in fiscal years 2027 through 2030. 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 2% in FY27. 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) also increased 2% for FY27.

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 FY27 and going forward especially with the new high school opening this 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.

Lancaster City Schools
FY27-FY30 Fiscal Forecast
Assumptions – August 2026

Expenditures (continued):

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.

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.

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. Note: Transfers to fund the Capital Plan have been put on hold for FY27 throughout the end of this forecast due to anticipated funds being left over/generated via interest income which can be used for these purposes.

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. The transfer to the BWC Fund in FY27 has been reduced \$150,000 due to an anticipated BWC rebate.

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