

Dave Yost • Auditor of State



**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULED OF FEEREL AWARDS RECEIPTS & EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
<b><i>Passed Through Ohio Department of Education:</i></b>			
Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	\$ 148,478	\$ 148,478
School Breakfast Program	10.553	412,867	412,867
National School Lunch Program	10.555	<u>1,224,838</u>	<u>1,224,838</u>
Total Nutrition Cluster		<u>1,786,183</u>	<u>1,786,183</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>1,786,183</u></b>	<b><u>1,786,183</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>			
<b><i>Passed Through Ohio Department of Education:</i></b>			
Special Education Cluster:			
Special Education_Grants to States Program	84.027	1,675,558	1,580,049
Special Education_Preschool Grants Program	84.173	<u>17,585</u>	<u>14,511</u>
Total Special Education Cluster		<u>1,693,143</u>	<u>1,594,560</u>
Title I Grants to Local Educational Agencies Program	84.010	2,375,274	2,208,815
Career and Technical Education_Basic Grants to States Program	84.048	123,108	102,433
Improving Teacher Quality State Grants Program	84.367	375,227	366,135
ARRA - Race to the Top	84.395	68,008	57,374
<b>Total U.S. Department of Education</b>		<b><u>4,634,760</u></b>	<b><u>4,329,317</u></b>
<b>Totals</b>		<b><u>\$ 6,420,943</u></b>	<b><u>\$ 6,115,500</u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Lancaster City School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

**NOTE D – BWC REBATE PROGRAM**

Ohio's workers' compensation system serves as an insurance program for both employers and employees alike. For those who contribute premiums, the Ohio Bureau of Workers' Compensation (BWC) covers the payment of compensation and medical costs related to industrial accidents and diseases. The BWC invested contributions over a three-year period which generated a greater than anticipated return. In May 2013, the Ohio BWC Board of Directors authorized a \$1 billion rebate for more than 210,000 public and private entities paying into Ohio's workers' compensation system. Each employer's rebate reflected 56% of what they were billed during the last policy period (2011 calendar year for public-taxing districts). Approximately \$113 million of the \$1 billion rebate went to local governments around the state. Using policy year 2011 as the base year for calculation, the District allocated its BWC rebate back to all funds, including Federal funds, providing the source of initial premium payments to BWC. The subsequent expenditure of the rebate attributable to Federal programs is reflected on the District's Schedule of Expenditures of Federal Awards.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Lancaster City School District  
Fairfield County  
345 East Mulberry Street  
Lancaster, Ohio 43130

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster City School District, Fairfield County, Ohio (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2014 wherein we noted the Lancaster Fairfield Community School, the District's discretely presented component units, closed effective June 30, 2014.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 15, 2014





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Lancaster City School District  
Fairfield County  
345 East Mulberry Street  
Lancaster, Ohio 43130

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Lancaster City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Lancaster City School District's major federal program for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Lancaster City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

### ***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133***

We have also audited the financial statements of the governmental activities, the discretely-presented component unit, each major fund and the aggregate remaining fund information of Lancaster City School District, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 15, 2014, wherein we noted the Lancaster Fairfield Community School, the District's discretely presented component unit, closed effective June 30, 2014. We conducted our audit to opine on the District's' basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America.

In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 15, 2014

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**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified.
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No.
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No.
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No.
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No.
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No.
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No.
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #84.010 Title I Grants to Local Educational Agencies.
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes.

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

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# Lancaster City School District, Ohio

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



## Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2014

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Lancaster City School District, Ohio

Comprehensive Annual Financial Report  
(CAFR)



For the Fiscal Year Ended June 30, 2014

Issued By: Treasurer's Office

Julie Taylor, Treasurer

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**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2014*  
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*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
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# **Introductory Section**



**Lancaster  
Gales**

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December 15, 2014

To the Board of Education Members and Citizens of  
Lancaster City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Lancaster City School District (School District) for the fiscal year ended June 30, 2014. This CAFR includes an opinion from the Ohio Auditor of State's Office and conforms to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District.

State law requires that an official report prepared on the GAAP basis be prepared annually within 150 days after the close of the year. The report includes the basic financial statements that provide information about the School District's financial position and the results of financial operations.

This report will provide the taxpayers of the School District with comprehensive financial data in a format that will enable them to gain a clear understanding of the School District's finances. Copies will be made available to the Fairfield County District Library and/or can be printed from the School District's website. We are proud to be one of two school districts in Fairfield County that issues a CAFR. We intend to continue financial reporting improvements based on management experience and reader input. Comments on the report are respectfully requested.

## PROFILE OF THE GOVERNMENT

**Overview of the School District:** The Lancaster City School District is located in the residential-commercial community of Lancaster, the county seat of Fairfield County, which is approximately thirty miles south of Columbus.

Lancaster was founded November 10, 1800, by Colonel Ebenezer Zane, a trail blazer who, in 1797, laid out "Zane's Trace," a trail through Ohio which stretches from Wheeling, West Virginia, to Limestone, Kentucky. His sons, Noah and John, laid out the original town from Pearl Street on the east to Front Street (now Memorial Drive) on the west and included Chestnut, Main, Wheeling, and Mulberry Streets running east and west between Pearl and Front Streets. The town was named New Lancaster at the request of the early German settlers from Lancaster, Pennsylvania, but was shortened to Lancaster in 1805.

General William Tecumseh Sherman was born in Lancaster, and his home on downtown Main Street is maintained by the State of Ohio as a Civil War Museum. Thomas Ewing, born in Lancaster in 1789, was one of the first graduates of Ohio University and later became a lawyer, a United States Senator, Secretary of the Treasury, and an advisor to President Lincoln.

Lancaster is home to the annual Lancaster Festival, Fairfield County Fair, and the Zane Square Festival as well as the Heritage Tour, an annual tour of the beautiful and historic buildings and homes in Lancaster.

The Lancaster City School District was organized in the mid 1850's and continues to operate in the picturesque and historical setting of the Lancaster area. Over the years, in order to meet the needs of a growing community, the School District has expanded many times, and particularly in the mid 1950's and 1960's. The School District educates students from preschool through grade twelve. During fiscal year 2014, the School District was comprised of a high school (serving 1,705 students in grades 9-12), a former freshman school currently used for career based intervention technology students and administration, two junior high schools (serving grades 6-8) appropriately named General Sherman Junior High and Thomas Ewing Junior High, and eight elementary schools. As of June 30, 2014, the citizens of Lancaster have an investment of \$20,439,670 net of depreciation in School District land, construction in progress, buildings, furniture and equipment, and vehicles.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services authorized by charter, and further mandated by State and Federal agencies. The School District operates under a locally elected Board of Education which consists of five members. The Board of Education controls the School District's twelve instructional facilities staffed by 270 non-certified employees, 400 certificated personnel, and 34 administrative employees who provide services to 6,218 students.

The School District provides a wide range of educational and support services as mandated by State statute or public desires. These include regular and vocational instruction, special instructional programs, student guidance services, extracurricular activities, and food service operations.

## **THE REPORTING ENTITY**

The School District's reporting entity is comprised of the primary government and other organizations which are included to ensure that the financial statements are not misleading. The reporting entity has been defined in accordance with the principles established by the Governmental Accounting Standards Board (GASB) in Statement Number 14, "The Financial Reporting Entity", in GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units", and in GASB Statement Number 61, "The Financial Reporting Entity: Omnibus".

Component units are legally separate organizations for which the School District is financially accountable. Financial accountability exists if the School District appoints a voting majority of the component unit's governing board and (1) the School District is able to significantly influence the programs or services performed or provided; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated in some manner to finance the deficits of, or provide financial support to the organization, or the School District is obligated for the debt of the organization. The Component Unit column of the financial statements represents the activity of the Lancaster-Fairfield Community School (closed June 30, 2014).

The School District participates in the following jointly governed organizations: Licking Area Computer Association, Metropolitan Educational Council, Coalition of Rural and Appalachian Schools, State Support Team Region 11, and the Fairfield County Multi-System Youth Committee. Disclosure of the jointly governed organizations is presented in Note 18 to the Basic Financial Statements.

The School District participates in the Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program, the Ohio School Plan, and the South Central Ohio Insurance Consortium, insurance purchasing pools. Information pertaining to these pools is presented in Note 19 to the Basic Financial Statements.

### **INTERNAL CONTROLS**

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgements by management.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management's discussion and analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A as they are designed to complement each other. The School District's MD&A can be found immediately following the independent auditor's report.

### **BUDGETARY CONTROLS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the School District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Any budgetary modifications at the fund level may only be made by resolution of the Board of Education. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

### **ASSESSING ECONOMIC CONDITION AND OUTLOOK**

Located in the south-central portion of the State, Lancaster, and Fairfield County of which it is a part, borders or buffers the urban expansion of Columbus (the capital city of Ohio) and the picturesque beauty of southeastern Ohio with its scenic attractions and rolling hills.

The City of Lancaster's population had remained relatively stable for a number of years, but has changed more significantly within the past decade. The City of Lancaster Community Development Department estimated the population of Lancaster for calendar year 2013 to be 39,359 as compared to the calendar year 2010 census of 37,243, the calendar year 2000 census of 35,335, and the calendar year 1990 census of 34,507. These signs of increased growth activity, which if fully realized, could have a significant impact on the School District.

**Development/Commercial/Industrial:** With the completion of the U.S. Route 33 Bypass, Lancaster is in a good position to expect some successful economic growth. This “interstate look-alike” highway with a divided four-lane cross-section in a limited-access right-of-way has lessened traffic on Memorial Drive, and thus alleviated the traffic congestion on the City’s major commercial corridor. This should attract customers to shop at the numerous businesses along this corridor, and attract new businesses to the corridor.

Retail expansion continues. Big Sandy Furniture Store opened its \$6 million, 50,000 square foot store in April 2014. Cinemark Holdings, Inc., one of the largest motion picture exhibitors, began construction in November 2013 and opened a new 10 screen all-digital movie theater in August 2014 at the River Valley Mall. Downtown Lancaster has seen several new restaurants open including the Ale House 1890, Table 1, Square Seven Coffee House, and Diamond Jim’s Pizza Downtown.

The City of Lancaster will invest approximately \$7,000,000 in renovations to an existing building in Downtown Lancaster which will house Municipal Court operations.

Lancaster is a hub for Medical services in Fairfield and surrounding counties. Fairfield Medical Center (FMC) provides full hospital services to the region with a 222 bed facility and smaller outpatient clinics throughout the City. FMC has over 400 doctors on staff and employs a total of 1,871 employees and has remained Lancaster’s largest employer over the years. In September 2013, FMC broke ground on a new \$35,000,000 facility that will include 11 operating rooms, a new surgery wing, advanced technology, family-friendly support areas, and 36 new private patient rooms. Construction is expected to be completed by December 2015. FMC continues to be a catalyst for economic stimulus for the entire community.

The Ohio University Lancaster campus is situated on 113 acres on the northern edge of Lancaster and serves students from throughout central Ohio. A variety of associate's and bachelor's degree programs can be completed on the Lancaster Campus. Lancaster/Pickerington Campus set a fall 2013 enrollment record of nearly 2,600 students.

Industrially, the infrastructure built by the City of Lancaster has begun to attract new manufacturing. Phoenix Electrotek, a Canada-based company that manufactures and distributes electronic wire, components, and cable assemblies, opened a \$2,000,000 manufacturing facility in the Rockmill Corporate Park, doubling their current space to 30,000 square feet. Precision CNC, production partner for Cyclone Power Technologies, developer of the all-fuel, clean-tech Cyclone Engine, signed a lease for a new 16,000 square foot manufacturing facility. Other expansions in 2013 included Retriev Technologies (formerly Toxco) and SRI Ohio. Retriev Technologies, a lithium battery recycling center, completed their expansion of the 70,000 square foot facility during 2013. SRI Ohio, a Canadian glass bottle decorating company, added an additional 60,000 square feet in 2013 and purchased multimillion-dollar machinery as part of their expansion.

One of the largest pipelines ever constructed in the United States made its way through Fairfield County and was completed in 2010. The REX Rocky Express Pipeline stretching nearly 1,700 miles from Colorado is a 42 inch diameter pipeline delivering approximately 1.6 billion cubic feet of natural gas per day to the Midwest and Eastern United States. The School District is benefiting from this project through property-tax collections. A subsequent smaller pipeline is anticipated to come through our School District in tax year 2015.

**An Air of Expectancy:** There continues to be an “air” of expectancy among the community in Lancaster. The growth in housing, in commerce, in industry, and in hospital/nursing homes has awakened the community to change.

Economically, we are still waiting for the re-structuring of the State of Ohio school financing mechanism so we will receive more funds from that source as indicated by the Ohio State Supreme Court decision

dated December 2002. House Bill 59, the state budget bill passed June 2013, proposed many changes to school funding but the full effect is not known at this time, especially with the current economic times. The formula is not being funded at 100 percent.

**Summary:** While there are challenges in the operation of a community and in its schools, there are also some advantages. There is a spirit of cooperation between the City, the County, the School District, and the Ohio University branch to improve the quality of life in Lancaster. Other advantages include the location of Lancaster, favorable taxation rates, excellent city services, an excellent public school system, and the optimism of its leaders and its citizens.

## **MAJOR INITIATIVES/ACCOMPLISHMENTS**

**For the Year:** The setting and reaching of either individual or “corporate” goals is a common method of striving for excellence in the Lancaster City School District and occurs in all areas of our school community. Our mission: “Lancaster City Schools, the Place to Be for Learning, Caring, Succeeding.”

There has been a significant push within the last few years to restructure our curricular programs, to replace all of our textbooks, and to bring the School District into the computer age. Large portions of the appropriations are being committed to new computer equipment and to the training of staff. This past year the School District saw continuations within all of those areas. In fiscal year 2013, ipads were ordered for every high school student to use during the school day.

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2014. Some of those were as follows:

### **Human Resources**

- Completed transition to the online teacher licensure program.
- Awarded grant funding to develop and implement a Principal Mentoring Program for new administrators.

### **Instructional Services Department**

- Completed K-12 English/Language Arts Course of Study to include Ohio’s New Learning Standards.
- Expanded learning opportunities for K-5 students via additional intervention time. A “Boot Camp” was started in February and concluded in April giving 4<sup>th</sup> and 5<sup>th</sup> grade students an extra boost in reading and math prior to the Ohio Achievement Assessment testing in May. A week-long Jump Start Kindergarten Camp was added to each building in August to orient students to the building.

### **Custodial/Maintenance Department**

- Equipped school building offices with a visual door system allowing the secretaries to view individuals at the door and they can then “buzz” them in which increases security.
- Introduced key cards to General Sherman and Thomas Ewing to increase security into the buildings.
- Removed items and readied the old North School site in preparation for the demolition of the building so construction could begin on the new Mt. Pleasant Elementary School.

### **Student Services**

- Awarded a five star rating in Ohio’s Step Up to Quality for the Preschool program. The School District’s preschool was the only preschool in Fairfield County to be awarded this high achievement in early education.
- Awarded three Straight A grants during fiscal year 2015 as part of a consortium of school districts and the Fairfield Educational Service Center: Fast Forward, Math Matters, and Growing Soil.

### **Technology Department**

- Launched a new online/blended learning program at Lancaster High School using OdysseyWare software.
- Developed a new Communications Plan for the School District.

### **Transportation Department**

- Reduced outsourcing by doing tire dismounting/mounting and wheel reconditioning “in house”.
- Generated over 70 “notices of liability” for illegally passing a school bus by utilizing the Student Guardian Monitoring System in collaboration with local law enforcement. Lancaster City School District is the first district in Ohio to adopt this program in an effort to protect our children.

### **Treasurer’s Department**

- Received an unmodified opinion on the Fiscal Year 2013 audit with no citations or recommendations noted.
- Received notice that Lancaster City Schools Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2013 qualified for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The School District has prepared a CAFR since fiscal year 1991.
- Received notice that Lancaster City Schools Popular Annual Financial Report (PAFR) for the Fiscal Year ending June 30, 2013 qualifies for the Award of Outstanding Achievement in Popular Annual Financial Reporting. This colorful easy to read document is a useful tool in educating the public and staff on what revenues and expenditures the School District receives. The School District has prepared a PAFR since Fiscal Year 2008.

### **Food Service Department**

- Successfully implemented all new federal food regulations.
- Maintained a positive operating balance that enabled the School District to maintain meal prices at the same level as the prior fiscal year.

### **Athletic Department**

- Volleyball/Wresting – Ohio Capital Conference Runners-up
- Volleyball, Boys Cross Country, and Boys Indoor Track & Field – Central District Champions
- Girls/Boys Bowling – Ohio Capital Conference Champions.

### **Lancaster High School**

- Ranked in the top 18 percent in all schools in the State (not just high schools) in academic performance.
- Increased the number of career and technical students to an all-time high. Enrollment stood at 190 students which represented a five percent increase from the previous year and a 22 percent increase from two years prior.

### **General Sherman Junior High**

- Ranked 5<sup>th</sup> in the State of Ohio out of over 2,500 schools in their Value-added measure, measuring the impact schools and teachers have on students’ academic progress rates from year to year.
- The Principal received the Principal Leadership Award from the Coalition of Rural and Appalachian Schools for outstanding contributions to academic achievement and the educational well-being of students, teachers, and staff.



### **Thomas Ewing Jr. High School**

- Ranked top 12 percent in value-added in the State of Ohio.
- Hosted over 100 veterans including five World War II survivors during a student-led assembly.

### **Cedar Heights Elementary**

- Was top fundraising School in the School District for Jump Rope for Heart, raising over \$5,600.
- Ms. Ward was recipient of OfficeMax's "Make a Day Better" award. She received office supplies for her classroom and the school.

### **East Elementary**

- Honored Vietnam War veteran Roger Sisler with a student-crafted quilt during the Cover a Veteran with Love program on Veterans Day.
- Held their third annual student Art Show. The art show has gained nationwide recognition in PTO Today, by becoming more than a show...it is an art experience.

### **Medill Elementary**

- Received an "Effective" rating from the Ohio Department of Education for the eleventh consecutive year. Medill students also met Adequate Yearly Progress, and received positive Value Added growth rating (i.e. students gained a year achievement in one year's time).
- Surpassed the 100 volunteer mark, including volunteers from the Lancaster Fire Department (Local 291) who read with students each week.

### **Sanderson Elementary**

- Received over \$18,000 from Sanderson's Parent Teacher Organization for annual family events, a motivational speaker for students, student awards, calendar magnets, programs such as COSI on Wheels and student scholarships.
- Student Council was busy this year and accomplished a number of service projects including: charity fund raisers, a food drive, and mitten/glove collection. In addition, they decorated and delivered wooden pumpkins, Christmas cards, and potted flowers to patients at the Pickering House. They also organized the buildings monthly School Spirit Days.

### **South Elementary**

- Awarded nearly 900 certificates to students at quarterly student recognition assemblies this year. Students were recognized under the following categories: Good Citizenship, Most Improved, Reading Achievement, and Above and Beyond.
- Participated in the Ohio Association of Elementary School Administrators Instructional Leadership Academy. The principal and two teachers attended a two-day long event to discuss topics relevant to education. The South team also took four classes through Concordia University/Chicago to deepen understanding of the topics.

### **Tallmadge Elementary**

- Provided new early literacy extended day learning program.
- Received Books for Schools Award from Target.

### **Chief Tarhe Elementary**

- Earned all eight indicators on the Ohio Department of Education Report Card for second year in a row.
- Earned the Heart Safe School Accreditation. All fourth and fifth graders were trained in compression only CPR and a team of staff members were trained to use the defibrillator machine.

### **West Elementary**

- Ran a total of 7,957 miles this year in the West School Feelin' Good Mileage Club. There were 273 students who ran 10 miles or more. 116 of those students ran a marathon of 26.2 miles or more. 21 students were in the 40-49 Mile Club, 10 students were in the 50-59 Mile Club, and one student ran a total of 64 miles throughout the year.
- Raised \$3,306 for the Jump Rope for Your Heart campaign.

Along with the major initiatives listed above, all teachers and administrators have set goals for their classrooms and buildings or departments. All of the goals, whether individual or School District-wide, have one common purpose---excellence in education for the students of the School District.

**For the Future:** The School District will continue to have to seek ways to be more efficient, do more with less, while continuing to offer an excellent education to all children who attend Lancaster City Schools. State funding of schools in Ohio is always an uncertainty; therefore, the School District needs to remain flexible to the changes that most likely will come due to the State government's lack of focus and responsibility to fund schools adequately in Ohio. In the future, the School District will continue to deal with the unconstitutional funding formula, increased costs of educating students, and increased open enrollment.

### **LONG-TERM FINANCIAL PLANNING**

In the November, 2006 general election, the School District electorate approved a 1.5 percent earned income tax initiative. This issue was expected to generate approximately \$8,698,676 annually according to the Ohio Department of Taxation. The School District began receiving full year collections in fiscal year 2008 in the amount of \$9,260,589. The income tax earnings have continued to rise. The School District has received \$9,623,513 in fiscal year 2009, \$9,779,684 in fiscal year 2010, \$10,074,785 in fiscal year 2011, \$10,297,991 in fiscal year 2012, \$10,447,432 in fiscal year 2013, and \$10,977,817 in fiscal year 2014. Due to the approval of the 1.5 percent earned income tax levy, the School District opted not to renew the 3.9 mill emergency levy which concluded in August, 2007. The School District plans to place the income tax renewal levy on the November 2015 ballot.

The Board of Education Standing Finance Committee has reviewed the five year forecast so that the School District's Board of Education's directive to maintain a 12 percent operating cash carryover has been met two years out of the forecast.

Over the last 10 years, the School District has experienced increases and decreases in enrollment; however, fiscal year 2014 enrollment was up 230 students from fiscal year 2005. Kindergarten enrollment was particularly higher in fiscal years 2010, 2012, 2013, and 2014. Open enrollment from other school districts continues to increase student numbers, which impacts the State funding revenue. Students attending community schools have decreased due to the closure of the School District's sponsored community school, Lancaster Digital Academy, as of June 30, 2013 and the closure of the Lancaster-Fairfield Community School as of June 30, 2014.

The School District's outdated and aging buildings continue to be a burden on the general fund. All of the instructional buildings in the School District are at least 40 years old or older except for the modulars at Tarhe Elementary School which were installed in 2005 and 2009 and modulars at General Sherman and Thomas Ewing which were installed in 2009.

Through the Ohio Facilities Construction Commission, the School District has begun to receive part of the approximately \$28 million in State funding to construct five new elementary buildings which will replace the existing eight elementary buildings. Three of the five new elementary schools are being constructed and plan to open in the fall of 2015. The remaining two elementary buildings are in the design phase. By replacing eight smaller elementary schools with five new larger schools, the School District is expecting to reduce operating costs for maintenance and transportation. The total project is estimated to be \$90 million. Voters approved a 3.6 mill, 37 year bond issue on March 6, 2012 along with

a 0.5 mill classroom facilities maintenance continuing levy. The School Facilities Construction and Improvement Bonds were sold on August 21, 2012.

There are needs in the School District that have been allocated in the current five year forecast. These include:

- Purchasing of new textbooks
- Updating computer hardware and software
- Updating library books and reference materials
- Maintenance of building and grounds
- Salaries and benefits are negotiated items within the union contracts

The School District, in the past, has met these challenges and it is hoped, will continue to meet the challenges in the future for its students. After all, WE ARE THE PLACE TO BE FOR LEARNING, CARING, and SUCCEEDING.

### **FINANCIAL INFORMATION**

**Relevant Financial Policies:** The School District will strive to ensure that the budget is structurally balanced so that current year revenues are sufficient to fund current year expenditures without the use of one-time revenue sources. One-time revenue sources may be used for one-time expenditures, such as capital projects. School buildings and departments are encouraged to maximize the use of State and federal revenues so as to help preserve general revenues for other needs. The Board of Education passed a cash reserve resolution in Fiscal Year 2010 that will help ensure a 12 percent operating cash carryover be maintained at least two years out into the five year forecast.

Budgetary appropriations may not exceed estimated resources, with a balanced budget maintained in each fund. The budget may be amended or supplemented at any time during the year upon formal action of the Board of Education. Transfers of cash between funds require the Board of Education's authorization. The basis of accounting and various funds the School District utilizes are fully described in Note 2 to the Basic Financial Statements. Additional information on the School District's budgetary accounting can also be found in Notes 2 and 4.

The Treasurer manages the investments of the School District by adhering to the Investment and Depository Policy as authorized by the School District's Investment Policy and in keeping with ORC Section 135.35. The policy details the objectives and allowable rules for the safekeeping of School District funds. More information regarding investments is available in Note 5 to the Basic Financial Statements.

The School District's capital assets policy is designed to provide personnel accountability and control over the School District's capital assets and to assist building and department in gathering and maintaining information needed for the preparation of the financial statements.

### **INDEPENDENT AUDIT**

In compliance with State statute, the basic financial statements have been audited by the Ohio Auditor of State's Office. The independent auditor concluded that the School District's financial statements for the year ended June 30, 2014, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

## AWARDS AND ACKNOWLEDGMENTS

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, with contents conforming to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Lancaster City School District has received a Certificate of Achievement for twenty-one years out of the last twenty-two years. The School District did not submit a CAFR for the fiscal year ended June 30, 1995. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

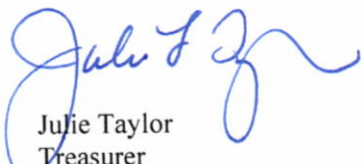
In addition, the School District received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for the year ended June 30, 2013. The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the School District's financial condition. This was the sixth year the School District produced a PAFR and received the award.


**Acknowledgments:** The publication of this report is a major step toward the commitment to professionalizing the financial reporting of the Lancaster City School District and significantly increases the accountability of the School District to the taxpayers.

The accomplishment of this report would not have been possible without the assistance, support, and efforts of the staff of the Treasurer's office, Superintendent's office, and various administrators and employees of the School District. A special thank you is extended to State Auditor Dave Yost's office for its guidance in preparing this financial report.

Finally, sincere appreciation is extended to the Board of Education, where the commitment to excellence begins. Without their support, this CAFR would not have been possible.

Respectfully Submitted,

  
Julie Taylor  
Treasurer  
Lancaster City School District

  
Steve Wigton  
Superintendent  
Lancaster City School District



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**Lancaster City School District  
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For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

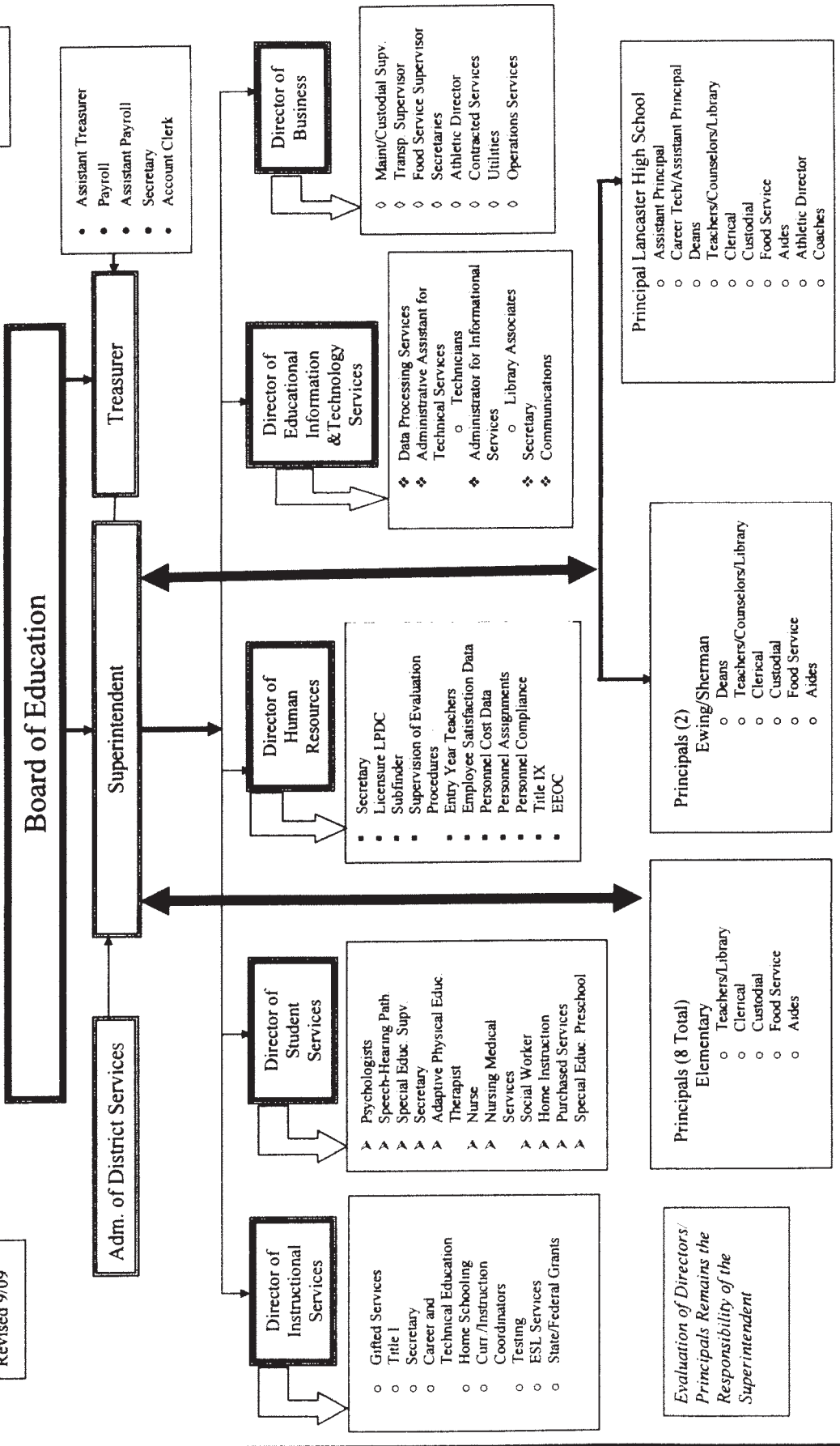
**June 30, 2013**

Executive Director/CEO

# Lancaster City Schools' Organizational Chart

Revised 9/09

File: CCA



**LANCASTER CITY SCHOOL DISTRICT, OHIO**

*ORGANIZATIONAL CHART*

*(Continued)*

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CENTRAL OFFICE  
ADMINISTRATORS

- Secretary
- Custodian

PRINCIPALS, ASSISTANT PRINCIPALS  
VOCATIONAL DIRECTOR

- Teachers
- Guidance Counselors
- Deans
- Librarians
- Tutors
- Secretaries
- Educational Assistants
- Custodians

TREASURER

- Assist. Treasurer
- Payroll Clerk
- Assist. Payroll Clerk
- Account Clerk
- Secretary

SPECIAL EDUCATION

- School Psychologists
- Supervisors, Special  
Education
- Coordinators, Special  
Education
- Adaptive Physical  
Education Teacher
- Nurses
- Secretary

DIRECTORS, SUPERVISORS  
COORDINATORS

- Secretary

FOOD SERVICE  
SUPERVISOR

- Managing Cooks
- Cooks
- Cashiers
- Secretary
- Account Clerk

MAINTENANCE/CUSTODIAL SUPERVISOR

- Journeyman
- Maintenance II
- Maintenance I
- Secretary
- Security Personnel

TRANSPORTATION SUPERVISOR

- Bus Driver
- Mechanic
- Wash Rack Attendant
- Secretary

**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
*PRINCIPAL OFFICIALS*  
*JUNE 30, 2014*

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BOARD OF EDUCATION

Ms. Amy Eyman . . . . . President  
Ms. Lise Ricketts . . . . . Vice President  
Ms. Kathy Kittredge . . . . . Member  
Mr. Tom Shaffer . . . . . Member  
Mr. Thom Pearce . . . . . Member

Treasurer

Julie Taylor, Treasurer

Administration

Steve Wigton . . . . . Superintendent  
Jerry Rainey . . . . . Director of Business  
Kevin Snyder . . . . . Director of Educational Information and Technology  
Jenny O’Hare . . . . . Director of Instructional Services  
Donna McCance . . . . . Director of Student Services  
Nathan Hale . . . . . Director of Human Resources



# **Financial Section**



**Lancaster  
Gales**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Lancaster City School District  
Fairfield County  
345 East Mulberry Street  
Lancaster, Ohio 43130

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster City School District, Fairfield County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506

Phone: 614-466-3402 or 800-443-9275

[www.ohioauditor.gov](http://www.ohioauditor.gov)

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster City School District, Fairfield County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As described in Note 24 D to the financial statements, the Lancaster Fairfield Community School, the District's discretely presented component unit, closed effective June 30, 2014. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The Schedule of Federal Award Receipts and Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 15, 2014

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**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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As management of the Lancaster City School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements.

**Financial Highlights**

Key financial highlights for fiscal year 2014 are as follows:

- Net position of governmental activities increased \$2,622,784.
- General revenues accounted for \$60,451,070 in revenue or 82 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$13,588,321 or 18 percent of total revenues of \$74,039,391.
- Total assets of governmental activities increased \$829,744. Current and other assets decreased in the amount of \$6,467,514 due to a decrease in intergovernmental receivables in the amount of \$10,850,724 due to the School District receiving \$9,377,601 in revenues from the Ohio Facilities Construction Commission during fiscal year 2014 which decreased the total outstanding receivable. This decrease in intergovernmental receivables was offset by an increase in cash and cash equivalents, cash and cash equivalents with fiscal agents, and investments. The decrease in current and other assets was offset by the increase in capital assets in the amount of \$7,297,258 due to House Bill 264 building improvements and construction for the Ohio Facilities Construction Commission project for the five new elementary buildings.
- Total liabilities of governmental activities decreased \$65,774. Long-term liabilities decreased in the amount of \$2,280,841 due to principal payments and bond premium amortization during fiscal year 2014 in the amount of \$2,578,424 on outstanding bonds, notes, capital leases, and intergovernmental payable which were offset by an increase in compensated absences in the amount of \$297,583. Other liabilities increased in the amount of \$2,215,067 due mainly to an increase in contracts payable in the amount of \$1,699,282, an increase in accrued salaries and benefits payable in the amount of \$279,023, and an increase in intergovernmental payables in the amount of \$255,929.
- The School District had \$71,416,607 in expenses related to governmental activities; only \$13,588,321 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues in the amount of \$60,451,070 were adequate to provide for these activities.
- The School District has two major funds, the general fund and the classroom facilities fund. The general fund had \$62,398,869 in revenues, \$57,432,328 in expenditures, and (\$19,072) in other financing sources (uses). The general fund's balance increased \$4,947,469. The classroom facilities fund had \$9,573,290 in revenues and expenditures in the amount of \$5,784,731. The classroom facilities fund's balance increased \$3,788,559.

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**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The statement of net position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a long-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's most significant funds with all non-major funds presented in total in one column.

***Reporting the School District as a Whole***

*Statement of Net Position and Statement of Activities*

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, extracurricular activities, intergovernmental, and interest and fiscal charges.

***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for multiple financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the classroom facilities fund.

***Governmental Funds*** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using an accounting method called modified accrual



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accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds** When the School District charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the employees of the School District, the services are reported as an internal service fund. The School District has one internal service fund to account for employee medical, surgical, prescription drug, and dental claims.

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the School District's programs. The School District has one private purpose trust fund and two agency funds.

**The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2014 compared to 2013.

**Table 1 - Net Position**

	Governmental Activities		
	2014	2013	Change
<b>Assets</b>			
Current and Other Assets	\$166,693,765	\$173,161,279	(\$6,467,514)
Capital Assets	20,439,670	13,142,412	7,297,258
Total Assets	<u>187,133,435</u>	<u>186,303,691</u>	<u>829,744</u>
<b>Liabilities</b>			
Long-Term Liabilities	67,667,272	69,948,113	(2,280,841)
Other Liabilities	10,807,788	8,592,721	2,215,067
Total Liabilities	<u>78,475,060</u>	<u>78,540,834</u>	<u>(65,774)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes not Levied to Finance Current Year Operations	<u>21,146,715</u>	<u>22,873,981</u>	<u>(1,727,266)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	16,476,059	11,590,278	4,885,781
Restricted	25,971,112	29,898,542	(3,927,430)
Unrestricted	45,064,489	43,400,056	1,664,433
<b>Total Net Position</b>	<u><u>\$87,511,660</u></u>	<u><u>\$84,888,876</u></u>	<u><u>\$2,622,784</u></u>

Total assets increased \$829,744. Current and other assets decreased in the amount of \$6,467,514 due to a decrease in intergovernmental receivables in the amount of \$10,850,724. The decrease was due mainly to the School District receiving \$9,377,601 in revenues from the Ohio Facilities Construction Commission during fiscal year 2014 which decreased the total outstanding receivable. This decrease in intergovernmental receivable was offset by an increase in cash and cash equivalents, cash and cash equivalents with fiscal agents, and investments in the amount of \$4,079,749. This increase in cash and investments is due mainly to

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an increase in the amount of Ohio Facilities Construction Commission monies on hand as of fiscal year-end. The decrease in current and other assets was offset by the increase in capital assets in the amount of \$7,297,258 due mainly to House Bill 264 building improvements and due to construction in progress for the Ohio Facilities Construction Commission project for the construction of five new elementary buildings. The additions for fiscal year 2014 in the amount of \$8,239,558 were offset by current year depreciation expenses in the amount of \$942,300.

Total liabilities decreased by \$65,774. Long-term liabilities decreased in the amount of \$2,280,841 due to principal payments and bond premium amortization during fiscal year 2014 in the amount of \$2,578,424 on outstanding bonds, notes, capital leases, and intergovernmental payables which were offset by an increase in compensated absences in the amount of \$297,583. Other liabilities increased in the amount of \$2,215,067 due mainly to an increase in contracts payable in the amount of \$1,699,282, an increase in accrued salaries and benefits payable in the amount of \$279,023, and an increase in intergovernmental payable in the amount of \$255,929. Contracts payable increased due to the Ohio Facilities Construction Commission project. During fiscal year 2014, there was an increase in construction activity on the project as compared to fiscal year 2013. Accrued salaries and benefits payable and intergovernmental payable increased during fiscal year 2014 due to an increase of twenty new staff positions.

Deferred inflows of resources for property taxes decreased due to the amount available as an advance for fiscal year 2014 being \$1.7 million more than the amount available as an advance in fiscal year 2013. The tax bills were mailed out on June 16, 2014 compared to June 29, 2013 in the prior year which resulted in an increase in the amount available as an advance which in turn decreased the deferred inflows of resources for property taxes.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2014, and comparisons to fiscal year 2013.

**Table 2 - Changes in Net Position**

	Governmental Activities		
	2014	2013	Change
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$2,541,300	\$2,530,927	\$10,373
Operating Grants, Contributions, and Interest	11,043,318	10,198,723	844,595
Capital Grants and Contributions	3,703	437,981	(434,278)
Total Program Revenues	<u>13,588,321</u>	<u>13,167,631</u>	<u>420,690</u>
General Revenue			
Property Taxes	25,358,372	22,329,297	3,029,075
Income Taxes	10,977,817	10,447,432	530,385
Grants and Entitlements	23,270,370	50,183,166	(26,912,796)
Gain on Sale of Capital Assets	24,884	23,138	1,746
Payment in Lieu of Taxes	119,261	168,385	(49,124)
Unrestricted Contributions	5,358	6,403	(1,045)
Investment Earnings	575,118	188,017	387,101
Miscellaneous	119,890	286,099	(166,209)
Total General Revenues	<u>60,451,070</u>	<u>83,631,937</u>	<u>(23,180,867)</u>
Total Revenues	<u>\$74,039,391</u>	<u>\$96,799,568</u>	<u>(\$22,760,177)</u>

(Continued)

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	Governmental Activities (Continued)		
	2014	2013	Change
<b>Program Expenses</b>			
Instruction			
Regular	\$29,848,634	\$27,890,107	\$1,958,527
Special	10,217,253	7,794,149	2,423,104
Vocational	1,974,580	1,758,521	216,059
Student Intervention Services	174,512	3,174	171,338
Support Services			
Pupil	3,597,290	3,282,144	315,146
Instructional Staff	2,279,993	4,068,497	(1,788,504)
Board of Education	67,899	192,292	(124,393)
Administration	4,315,917	4,466,574	(150,657)
Fiscal	1,518,643	1,338,643	180,000
Business	302,839	297,066	5,773
Operation and Maintenance of Plant	6,567,218	6,118,563	448,655
Pupil Transportation	1,982,221	1,888,965	93,256
Central	1,147,639	930,175	217,464
Operation of Non-Instructional Services:			
Food Service Operations	2,579,805	2,595,416	(15,611)
Other	1,004,579	1,205,901	(201,322)
Extracurricular Activities	1,280,481	1,260,333	20,148
Interest and Fiscal Charges	2,557,104	2,222,824	334,280
<b>Total Program Expenses</b>	<u>71,416,607</u>	<u>67,313,344</u>	<u>4,103,263</u>
<i>Change in Net Position</i>	2,622,784	29,486,224	(26,863,440)
Net Position Beginning of Year	84,888,876	55,402,652	29,486,224
<b>Net Position End of Year</b>	<u>\$87,511,660</u>	<u>\$84,888,876</u>	<u>\$2,622,784</u>

The DeRolf IV Ohio Supreme Court decision has not eliminated the dependence on property taxes. The fundamental reliance on property taxes is still inherent with public schools in Ohio. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. Basically, the mills collected decrease as the real property valuation increases thus generating about the same revenue. Property taxes made up approximately 34 percent of revenues for governmental activities for the School District in fiscal year 2014. The State still has not fixed the funding system. In November 2006, the voters in the School District passed the 1.5 percent earned income tax levy for a ten year period. The first distribution was received by the School District during fiscal year 2007. Income taxes made up approximately 15 percent of revenues for governmental activities for the School District in fiscal year 2014.

Program revenues increased by 3 percent and general revenues decreased by 28 percent from fiscal year 2013 as compared to fiscal year 2014. Capital grants and contributions decreased during fiscal year 2014 in the amount of \$434,278 due mainly to the donation of land received from a local community member valued at \$425,000 during fiscal year 2013 on which Gorsuch West Elementary will be constructed. General revenues decreased by \$23.2 million mainly due to the decrease in grants and entitlements revenue in the amount of \$26.9 million, the increase in property taxes in the amount of \$3.0 million, and an increase in income taxes in the amount of \$.5 million. The decrease in grants and entitlements was due mainly to the School District being awarded the Ohio Facilities Construction Commission project during fiscal year 2013 in the amount of \$28,359,219. The full grant award was reflected as an intergovernmental receivable and recognized as grants revenue during fiscal year 2013. The increase in property taxes was due to a slight increase in the assessed valuations from fiscal year 2013 to 2014. Property taxes also reflected an increase of \$1,660,266 in the amount available as an advance which is presented as an increase in property taxes revenue

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during fiscal year 2014, which was the first full year of collection for the new 3.6 mill bond levy and the new 0.5 mill classroom facilities maintenance levy for the Ohio Facilities Construction Commission project for the construction of five new elementary buildings.

Instruction comprises approximately 59 percent of governmental program expenses, support services make up approximately 30 percent of the program expenses, operation of non-instructional services make up approximately 5 percent of program expenses, extracurricular activities make up approximately 2 percent, and the remaining 4 percent of program expenses is related to interest and fiscal charges of the School District.

As reflected in table two, the School District's expenses increased by approximately \$4.1 million which was due primarily to the increases in regular and special instruction, pupil support services, operation and maintenance of plant, and interest and fiscal charges. The increase in regular instruction, a portion of special instruction, and pupil support services was due to an increase in student enrollment and related expenditures. The majority of the increase in special instruction was due to the reclassification of classified positions from instructional staff support services to special instruction as required by the State; therefore, instructional staff support services reflected a decrease in the amount of \$1,788,504. Operation and maintenance of plant increased for fiscal year 2014 due to the increase in maintenance of the School District's aging buildings and due to some improvements under the House Bill 264 project that were not considered capitalized items. Interest and fiscal charges have increased during fiscal year 2014 due to the interest payments on school facilities construction and improvement general obligation bonds, long-term energy conservation notes, and capital leases. The School District understands the importance of being financially stable in today's economy; therefore, the School District's Board has been monitoring expenses each year and has taken an overall conservative spending approach.

The statement of activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

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**Table 3 - Governmental Activities**

	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
<b>Program Expenses</b>				
Instruction:				
Regular	\$29,848,634	\$28,451,328	\$27,890,107	\$26,342,988
Special	10,217,253	4,215,831	7,794,149	3,445,411
Vocational	1,974,580	1,529,847	1,758,521	1,201,343
Student Intervention Services	174,512	68,288	3,174	3,174
Support Services:				
Pupil	3,597,290	3,370,607	3,282,144	3,024,172
Instructional Staff	2,279,993	2,033,548	4,068,497	2,962,985
Board of Education	67,899	67,899	192,292	192,292
Administration	4,315,917	3,779,983	4,466,574	3,981,978
Fiscal	1,518,643	1,110,104	1,338,643	1,120,499
Business	302,839	302,839	297,066	295,281
Operation and Maintenance of Plant	6,567,218	6,456,802	6,118,563	5,928,078
Pupil Transportation	1,982,221	1,805,816	1,888,965	1,684,969
Central	1,147,639	1,147,639	930,175	905,600
Operation of Non-Instructional Services:				
Food Service Operations	2,579,805	(82,558)	2,595,416	(185,903)
Other	1,004,579	51,755	1,205,901	97,799
Extracurricular Activities	1,280,481	961,454	1,260,333	922,223
Interest and Fiscal Charges	2,557,104	2,557,104	2,222,824	2,222,824
<b>Totals</b>	<u><u>\$71,416,607</u></u>	<u><u>\$57,828,286</u></u>	<u><u>\$67,313,344</u></u>	<u><u>\$54,145,713</u></u>

The prior schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. For 2014, only 19 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services, grants, contributions, and interest. The remaining 81 percent is provided through taxes and entitlements.

**The School District's Major Funds**

The School District's major funds (the general fund and the classroom facilities fund) are accounted for using the modified accrual basis of accounting.

**General Fund** - The general fund had total revenues of \$62,398,869, expenditures of \$57,432,328, and other financing sources (uses) of (\$19,072) which resulted in an increase in fund balance of \$4,947,469. In November 2006, the School District voters approved a 1.5 percent earned income tax levy. During fiscal year 2014, the School District recognized its seventh full year of income tax revenues; therefore, the School District was able to continue some programs that had been cut during the fiscal year 2007 budget reductions. The general fund's beginning fund balance for fiscal year 2014 was \$30,800,216. Revenues increased \$4,682,014 from fiscal year 2013 to 2014. The increase in revenues was mainly due to the an increase in property taxes revenue in the amount of \$2,069,725, an increase in income taxes revenue in the amount of \$450,412, an increase in intergovernmental revenue in the amount of \$1,855,126, and an increase in tuition and fees revenue in the amount of \$171,295. The increase in property taxes revenue was primarily due to a slight increase in assessed values from fiscal year 2013 to fiscal year 2014 and due to the amount available as

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an advance for fiscal year 2014 being \$1.4 million more than the amount available as an advance in fiscal year 2013. The property tax revenue for fiscal year 2014 was higher due to the timing of collections in fiscal year 2014 as compared to fiscal year 2013. The tax bills were mailed out on June 16, 2014 compared to June 29, 2013 in the prior year; therefore, the property taxes available for advance as of June 30, 2014 were higher compared to June 30, 2013 which resulted in an increase in the property tax revenues during fiscal year 2014. Income taxes reflect an increase from fiscal year 2013 to 2014 due to a slight increase in population within the City of Lancaster and due to improvements in the economy. Intergovernmental revenues increased during fiscal year 2014 due to increases in State foundation funding due to a 10.5 percent increase in funding over fiscal year 2013 as well as an increase in student enrollment of 193 students. Expenditures increased by \$1,225,620 from fiscal year 2013 to 2014. The increase in expenditures during fiscal year 2014 was due mainly to increases in the area of instruction due mainly to an increase in student enrollment and programming. The School District realizes that prudent financial planning for the future is still needed.

**Classroom Facilities Fund** – The classroom facilities fund had total revenues of \$9,573,290 and expenditures of \$5,784,731. Ending fund balance was \$60,027,217. Fiscal year 2013 was the first year for the classroom facilities fund. During fiscal year 2014, the School District spent funds on architectural services, site preparation, and construction for the Ohio Facilities Construction Commission project.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2014, the School District amended its general fund budget. The School District closely monitors its resources and uses and if necessary, modifies appropriations on a timely basis. The general fund had an original revenue budget estimate including other financing sources of \$57,787,784. The final revenue budget estimate including other financing sources was \$60,728,292. The majority of the increases in budgeted revenues were in the areas of property taxes, income taxes, and intergovernmental revenues. Actual revenues including other financing sources were close to the final budgeted revenue with actual revenues exceeding final budgeted estimates by \$360,394, the majority of the difference was in intergovernmental revenues. Original appropriations including other financing uses plus prior year encumbrances were \$60,208,876. The appropriations were decreased to a final budget amount of \$59,706,301. The reduction in appropriations from the original budget to the final budget was reflected in the various functions. Actual expenditures were under final appropriations by \$1,417,703. The School District's ending unobligated fund balance was \$34,576,743 and reflected an increase from the beginning balance of \$29,404,033.

**Capital Assets and Debt Administration**

**Capital Assets** At the end of fiscal year 2014, the School District had \$20,439,670 invested in land, construction in progress, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2014 compared to 2013.

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**Table 4 - Capital Assets at June 30, 2014**  
**(Net of Depreciation)**

	Government Activities	
	2014	2013
Land	\$1,511,579	\$1,511,579
Construction in Progress	8,215,320	1,848,461
Land Improvements	1,435,990	1,562,322
Buildings and Improvements	6,167,666	5,136,291
Furniture and Equipment	1,602,968	1,797,266
Vehicles	1,506,147	1,286,493
<b>Totals</b>	<b>\$20,439,670</b>	<b>\$13,142,412</b>

The majority of the change in capital assets during fiscal year 2014 is reflected in construction in progress and buildings. During fiscal year 2014, the School District made House Bill 264 improvements to the existing buildings and continued to incur construction expenses for the Ohio Facilities Construction Commission project in which five new elementary buildings will be constructed. See Note 9 for more detailed information of the School District's capital assets.

**Debt** At June 30, 2014, the School District had \$62,433,304 outstanding in school facilities construction and improvement general obligation bonds series 2012 (including premiums), with \$175,000 due within in one year. The bonds were issued for the purpose of constructing five new elementary buildings. Maturity of the outstanding bonds is scheduled for fiscal year 2050. The School District also had \$1,610,000 outstanding in energy conservation long-term notes series 2013, with \$395,000 being due within one year. Maturity of the outstanding notes is scheduled for fiscal year 2018. The School District had \$564,908 outstanding in capital leases payable for copier equipment and ipads. See Notes 14 and 15 for more detailed information of the School District's outstanding debt.

**Economic Factors**

During fiscal year 2014, the School District increased net position by \$2,622,784. The main reason for this increase is due to the Ohio Facilities Construction Commission project and the values the project is adding to the School District's capital assets. The School District received its seventh year of income tax revenues from the passage of the 1.5 percent earned income tax levy. The School District will continue to be conservative in the area of expenses in the future. The School District continues to utilize a Board Finance Committee created during fiscal year 2005. This Committee's job is to monitor the School District's financial stability and to meet once a month and report to the Board of Education any finance related recommendations. In March 2010, the Board passed a resolution to maintain a cash reserve balance of 12 percent of operating expenses which is necessary in the interest of sound fiscal management and affirm that tax levies shall be pursued, and/or the School District's finances otherwise managed to ensure the cash reserve. The Board of Education and administration of the School District must continue to maintain careful financial planning and prudent fiscal management in order to preserve the opportunities our students have come accustomed to.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information you may contact Julie Taylor, Treasurer, Lancaster City School District, 345 East Mulberry Street, Lancaster, Ohio 43130. Or E-Mail at [J\\_TAYLOR@LANCASTER.K12.OH.US](mailto:J_TAYLOR@LANCASTER.K12.OH.US).

## **BASIC FINANCIAL STATEMENTS**



**Lancaster City School District, Ohio**

*Statement of Net Position*

*June 30, 2014*

	Primary Government	Component Unit
	Governmental Activities	Lancaster-Fairfield Community School
<b>Assets</b>		
Cash and Cash Equivalents	\$58,558,201	\$58,558
Cash and Cash Equivalents with Fiscal Agents	4,920,975	0
Investments	57,917,584	0
Materials and Supplies Inventory	201,349	0
Inventory Held for Resale	57,020	0
Accounts Receivable	36,827	499
Accrued Interest Receivable	60,871	4
Income Taxes Receivable	4,006,769	0
Due from Component Unit	2,225	0
External Party Receivable	337	0
Intergovernmental Receivable	15,135,001	37,096
Prepays	217,467	0
Property Taxes Receivable	25,456,846	0
Payment in Lieu of Taxes Receivable	122,293	0
Nondepreciable Capital Assets	9,726,899	0
Depreciable Capital Assets, Net	10,712,771	0
<i>Total Assets</i>	<u>187,133,435</u>	<u>96,157</u>
<b>Liabilities</b>		
Accounts Payable	572,332	617
Matured Capital Leases Payable	14,396	0
Matured Interest Payable	391	0
Accrued Interest Payable	641,328	0
Accrued Salaries and Benefits Payable	4,412,893	0
Contracts Payable	2,199,244	0
Retainage Payable	137,030	0
Matured Compensated Absences Payable	171,880	0
Due to Primary Government	0	2,225
Claims Payable	691,900	0
Intergovernmental Payable	1,966,394	93,315
Long-Term Liabilities:		
Due Within One Year	952,397	0
Due In More Than One Year	66,714,875	0
<i>Total Liabilities</i>	<u>78,475,060</u>	<u>96,157</u>
<b>Deferred Inflows of Resources</b>		
Property Taxes	21,146,715	0
<b>Net Position</b>		
Net Investment in Capital Assets	16,476,059	0
Restricted for:		
Classroom Facilities Construction	22,362,386	0
Capital Projects	9,781	0
Debt Service	716,983	0
Classroom Facilities Maintenance	752,867	0
District Managed Student Activities	153,612	0
Auxiliary Services	76,104	0
IDEA - B	317,303	0
Title I	216,280	0
Food Service	1,214,943	0
Other Purposes	150,853	0
Unrestricted	45,064,489	0
<i>Total Net Position</i>	<u>\$87,511,660</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$29,848,634	\$867,120	\$530,186	\$0
Special	10,217,253	300,429	5,700,993	0
Vocational	1,974,580	78,097	366,636	0
Student Intervention Services	174,512	0	106,224	0
Support Services:				
Pupil	3,597,290	6,302	220,381	0
Instructional Staff	2,279,993	0	246,445	0
Board of Education	67,899	0	0	0
Administration	4,315,917	120,294	415,640	0
Fiscal	1,518,643	0	408,539	0
Business	302,839	0	0	0
Operation and Maintenance of Plant	6,567,218	110,416	0	0
Pupil Transportation	1,982,221	20,545	152,160	3,700
Central	1,147,639	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	2,579,805	573,579	2,088,784	0
Other	1,004,579	146,532	806,292	0
Extracurricular Activities	1,280,481	317,986	1,038	3
Interest and Fiscal Charges	2,557,104	0	0	0
<i>Total Primary Government</i>	<u>\$71,416,607</u>	<u>\$2,541,300</u>	<u>\$11,043,318</u>	<u>\$3,703</u>
<b>Component Unit</b>				
Lancaster-Fairfield Community School	<u>\$364,786</u>	<u>\$0</u>	<u>\$322,239</u>	<u>\$0</u>

**General Revenues**

Property Taxes Levied for General Purposes  
    General Purpose  
    Debt Service  
    Classroom Facilities Maintenance  
Income Taxes Levied for General Purposes  
Grants and Entitlements not Restricted to Specific Programs  
Gain on Sale of Capital Assets  
Payment in Lieu of Taxes  
Unrestricted Contributions  
Investment Earnings  
Miscellaneous  
*Total General Revenues*  
Special Item  
*Change in Net Position*  
*Net Position Beginning of Year*  
*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Lancaster-Fairfield Community School
(\$28,451,328)	\$0
(4,215,831)	0
(1,529,847)	0
(68,288)	0
(3,370,607)	0
(2,033,548)	0
(67,899)	0
(3,779,983)	0
(1,110,104)	0
(302,839)	0
(6,456,802)	0
(1,805,816)	0
(1,147,639)	0
82,558	0
(51,755)	0
(961,454)	0
(2,557,104)	0
(57,828,286)	0
0	(42,547)
21,853,496	0
3,081,621	0
423,255	
10,977,817	0
23,270,370	31,616
24,884	0
119,261	0
5,358	
575,118	42
119,890	299
60,451,070	31,957
0	(49,567)
2,622,784	(60,157)
84,888,876	60,157
\$87,511,660	\$0

**Lancaster City School District, Ohio**

*Balance Sheet  
Governmental Funds  
June 30, 2014*

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$36,847,322	\$12,689,334	\$8,118,519	\$57,655,175
Investments	0	49,436,896	8,480,688	57,917,584
Receivables:				
Property Taxes	22,214,446	0	3,242,400	25,456,846
Payment in Lieu of Taxes	122,293	0	0	122,293
Income Taxes	4,006,769	0	0	4,006,769
Accounts	24,326	0	12,501	36,827
Due from Component Unit	2,225	0	0	2,225
Intergovernmental	84,369	13,769,848	1,280,784	15,135,001
Accrued Interest	39,719	16,339	4,813	60,871
Interfund	61,777	0	0	61,777
External Party Receivable	337	0	0	337
Prepays	84,205	6,553	126,709	217,467
Inventory Held for Resale	0	0	57,020	57,020
Materials and Supplies Inventory	188,060	0	13,289	201,349
<i>Total Assets</i>	<u>\$63,675,848</u>	<u>\$75,918,970</u>	<u>\$21,336,723</u>	<u>\$160,931,541</u>
<b>Liabilities</b>				
Accounts Payable	\$515,129	\$2,224	\$54,979	\$572,332
Contracts Payable	0	1,978,734	220,510	2,199,244
Retainage Payable	0	124,616	12,414	137,030
Accrued Salaries and Benefits Payable	3,899,343	0	513,550	4,412,893
Intergovernmental Payable	1,688,728	0	277,666	1,966,394
Matured Compensated Absences Payable	171,880	0	0	171,880
Interfund Payable	0	0	61,777	61,777
Matured Capital Leases Payable	14,396	0	0	14,396
Matured Interest Payable	391	0	0	391
<i>Total Liabilities</i>	<u>6,289,867</u>	<u>2,105,574</u>	<u>1,140,896</u>	<u>9,536,337</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	18,481,236	0	2,665,479	21,146,715
Unavailable Revenue	3,157,060	13,786,179	1,000,071	17,943,310
<i>Total Deferred Inflows of Resources</i>	<u>21,638,296</u>	<u>13,786,179</u>	<u>3,665,550</u>	<u>39,090,025</u>
<b>Fund Balances</b>				
Nonspendable	272,265	6,553	139,998	418,816
Restricted	0	60,020,664	11,595,365	71,616,029
Committed	959,770	0	124,935	1,084,705
Assigned	791,069	0	4,797,228	5,588,297
Unassigned (Deficit)	33,724,581	0	(127,249)	33,597,332
<i>Total Fund Balances</i>	<u>35,747,685</u>	<u>60,027,217</u>	<u>16,530,277</u>	<u>112,305,179</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$63,675,848</u>	<u>\$75,918,970</u>	<u>\$21,336,723</u>	<u>\$160,931,541</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2014*

<b>Total Governmental Fund Balances</b>		\$112,305,179
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,439,670
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources - unavailable revenue in the funds:		
Property Taxes	2,533,846	
Income Taxes	803,599	
Payment in Lieu of Taxes	122,293	
Accrued Interest	47,577	
Grants	<u>14,435,995</u>	17,943,310
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		5,132,101
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(641,328)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds Payable	(59,010,000)	
Premium on Bonds Issued	(3,423,304)	
Long-Term Notes Payable	(1,610,000)	
Capital Leases Payable	(564,908)	
Compensated Absences Payable	<u>(3,059,060)</u>	<u>(67,667,272)</u>
Net Position of Governmental Activities		<u><u>\$87,511,660</u></u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2014*

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$22,402,732	\$0	\$3,417,529	\$25,820,261
Payment in Lieu of Taxes	156,129	0	0	156,129
Income Taxes	10,919,272	0	0	10,919,272
Intergovernmental	26,838,077	9,377,601	8,036,455	44,252,133
Interest	343,564	195,689	39,188	578,441
Tuition and Fees	1,306,343	0	27,684	1,334,027
Charges for Services	0	0	573,579	573,579
Rent	111,739	0	0	111,739
Extracurricular Activities	170,575	0	351,380	521,955
Gifts and Donations	39,457	0	28,514	67,971
Miscellaneous	110,981	0	13,209	124,190
<i>Total Revenues</i>	<u>62,398,869</u>	<u>9,573,290</u>	<u>12,487,538</u>	<u>84,459,697</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	28,491,224	0	521,762	29,012,986
Special	6,790,443	0	3,035,787	9,826,230
Vocational	1,672,582	0	172,541	1,845,123
Student Intervention Services	31,212	0	142,084	173,296
Support Services:				
Pupils	3,275,114	0	233,286	3,508,400
Instructional Staff	1,849,290	0	460,637	2,309,927
Board of Education	67,899	0	0	67,899
Administration	3,945,424	0	383,551	4,328,975
Fiscal	1,431,588	0	68,611	1,500,199
Business	293,807	0	0	293,807
Operation and Maintenance of Plant	4,778,122	0	0	4,778,122
Pupil Transportation	1,750,109	0	361,983	2,112,092
Central	1,060,086	0	0	1,060,086
Operation of Non-Instructional Services:				
Food Service Operations	7,555	0	2,492,307	2,499,862
Other Non-Instructional Services	91,859	0	885,809	977,668
Extracurricular Activities	978,056	0	235,679	1,213,735
Capital Outlay	197,198	5,784,731	3,402,616	9,384,545
Debt Service:				
Principal Retirement	689,580	0	1,790,000	2,479,580
Interest and Fiscal Charges	31,180	0	2,633,919	2,665,099
<i>Total Expenditures</i>	<u>57,432,328</u>	<u>5,784,731</u>	<u>16,820,572</u>	<u>80,037,631</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,966,541</u>	<u>3,788,559</u>	<u>(4,333,034)</u>	<u>4,422,066</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	22,102	0	2,782	24,884
Transfers In	0	0	470,230	470,230
Transfers Out	(41,174)	0	(429,056)	(470,230)
<i>Total Other Financing Sources (Uses)</i>	<u>(19,072)</u>	<u>0</u>	<u>43,956</u>	<u>24,884</u>
<i>Net Change in Fund Balances</i>	4,947,469	3,788,559	(4,289,078)	4,446,950
<i>Fund Balances Beginning of Year</i>	30,800,216	56,238,658	20,819,355	107,858,229
<i>Fund Balances End of Year</i>	<u>\$35,747,685</u>	<u>\$60,027,217</u>	<u>\$16,530,277</u>	<u>\$112,305,179</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2014*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$4,446,950</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
Capital Asset Additions	8,239,558
Depreciation Expense	<u>(942,300)</u>
	7,297,258
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:	
Miscellaneous	(4,300)
Grants and Ohio School Facilities Revenue	(10,003,451)
Delinquent Taxes	(461,889)
Income Taxes	58,545
Interest	1,837
Payment in Lieu of Taxes	<u>(36,868)</u>
	(10,446,126)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated Absences Payable	(297,583)
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. The amortization of premiums and discounts are reported on the statement of activities.	
Premium Amortization	96,431
Accrued Interest Payable	<u>11,564</u>
	107,995
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General Obligation Bonds Payable	1,400,000
Long-Term Energy Conservation Notes	390,000
Capital Leases Payable	<u>689,580</u>
	2,479,580
Repayment of an intergovernmental payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is reflected net.	
	2,413
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	<u>(967,703)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$2,622,784</u></u>
See accompanying notes to the basic financial statements	

**Lancaster City School District, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund**  
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$19,951,843	\$20,967,085	\$20,971,770	\$4,685
Payment in Lieu of Taxes	145,893	153,316	156,129	2,813
Income Taxes	10,255,463	10,777,308	10,777,308	0
Intergovernmental	25,365,984	26,649,608	26,925,621	276,013
Interest	209,871	220,550	237,558	17,008
Tuition and Fees	1,209,894	1,265,699	1,323,177	57,478
Rent	104,674	110,000	108,849	(1,151)
Extracurricular Activities	91,828	96,500	94,730	(1,770)
Gifts and Donations	5,234	5,500	5,358	(142)
Miscellaneous	242,909	268,159	281,517	13,358
<i>Total Revenues</i>	<u>57,583,593</u>	<u>60,513,725</u>	<u>60,882,017</u>	<u>368,292</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	23,897,354	24,255,217	23,995,532	259,685
Special	6,519,495	6,864,175	6,721,892	142,283
Vocational	1,718,168	1,710,223	1,645,464	64,759
Student Intervention Services	69,000	77,553	56,166	21,387
Other	5,524,635	5,110,802	5,040,605	70,197
Support Services:				
Pupils	3,260,031	3,390,169	3,344,412	45,757
Instructional Staff	2,674,479	2,157,966	2,030,663	127,303
Board of Education	222,925	180,733	151,069	29,664
Administration	4,119,744	4,049,378	3,918,806	130,572
Fiscal	1,398,778	1,484,209	1,443,648	40,561
Business	456,469	408,773	385,100	23,673
Operation and Maintenance of Plant	5,268,799	5,314,801	5,159,332	155,469
Pupil Transportation	1,677,817	1,816,716	1,779,922	36,794
Central	1,128,745	1,094,698	1,083,077	11,621
Operation of Non-Instructional Services	3,946	2,200	2,129	71
Extracurricular Activities	874,703	1,026,017	981,963	44,054
Capital Outlay	713,788	528,906	507,644	21,262
<i>Total Expenditures</i>	<u>59,528,876</u>	<u>59,472,536</u>	<u>58,247,424</u>	<u>1,225,112</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,945,283)</u>	<u>1,041,189</u>	<u>2,634,593</u>	<u>1,593,404</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	28,547	30,000	22,102	(7,898)
Advances In	175,644	184,567	184,567	0
Advances Out	(200,000)	(192,500)	0	192,500
Transfers Out	(480,000)	(41,265)	(41,174)	91
<i>Total Other Financing Sources (Uses)</i>	<u>(475,809)</u>	<u>(19,198)</u>	<u>165,495</u>	<u>184,693</u>
<i>Net Change in Fund Balance</i>	<u>(2,421,092)</u>	<u>1,021,991</u>	<u>2,800,088</u>	<u>1,778,097</u>
<i>Fund Balance Beginning of Year</i>	<u>29,404,033</u>	<u>29,404,033</u>	<u>29,404,033</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>2,372,622</u>	<u>2,372,622</u>	<u>2,372,622</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$29,355,563</u>	<u>\$32,798,646</u>	<u>\$34,576,743</u>	<u>\$1,778,097</u>

See accompanying notes to the basic financial statements



**Lancaster City School District, Ohio**  
*Statement of Fund Net Position*  
*Internal Service Fund*  
*June 30, 2014*

	Employee Benefits Self Insurance
<b>Current Assets</b>	
Cash and Cash Equivalents	\$903,026
Cash and Cash Equivalents with Fiscal Agents	4,920,975
<i>Total Assets</i>	5,824,001
<b>Current Liabilities</b>	
Claims Payable	691,900
<b>Net Position</b>	
Unrestricted	\$5,132,101

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Revenues,  
Expenses, and Changes in Fund Net Position  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2014*

	Employee Benefits Self Insurance
<b>Operating Revenues</b>	
Charges for Services	\$7,863,050
<b>Operating Expenses</b>	
Purchased Services	1,904,207
Claims	6,927,482
<i>Total Operating Expenses</i>	8,831,689
<i>Operating Loss</i>	(968,639)
<b>Non-Operating Revenue</b>	
Interest	936
<i>Change in Net Position</i>	(967,703)
<i>Net Position Beginning of Year</i>	6,099,804
<i>Net Position End of Year</i>	\$5,132,101

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2014

	Employee Benefits Self Insurance
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Interfund Services Provided	\$7,863,050
Cash Payments to Vendors for Services	(1,904,207)
Cash Payments for Claims	(7,037,282)
<i>Net Cash Used for Operating Activities</i>	<i>(1,078,439)</i>
<b>Cash Flows from Investing Activities:</b>	
Interest	936
<i>Net Decrease in Cash and Cash Equivalents</i>	<i>(1,077,503)</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	6,901,504
<i>Cash and Cash Equivalents End of Year</i>	<i>\$5,824,001</i>
 <b>Reconciliation of Operating Loss to</b>	
<b>Net Cash Used for Operating Activities:</b>	
Operating Loss	(\$968,639)
<b>Adjustments to Reconcile</b>	
<b>Operating Loss to Net</b>	
<b>Cash Used for Operating Activities</b>	
<b>Changes in Assets and Liabilities:</b>	
Decrease in Claims Payable	(109,800)
<i>Net Cash Used for Operating Activities</i>	<i>(\$1,078,439)</i>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**

*Statement of Fiduciary Net Position*

*Fiduciary Funds*

*June 30, 2014*

	Private Purpose	
	Trust	
	Endowment	Agency
<b>Assets</b>		
Cash and Cash Equivalents	\$40,214	\$127,380
Accrued Interest Receivable	32	0
<i>Total Assets</i>	<u>40,246</u>	<u>\$127,380</u>
<b>Liabilities</b>		
Due to Others	0	\$9,207
External Party Payable	0	337
Due to Students	0	117,836
<i>Total Liabilities</i>	<u>0</u>	<u>\$127,380</u>
<b>Net Position</b>		
Held in Trust for Scholarships	<u>\$40,246</u>	

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Endowment
<b>Additions</b>	
Interest	\$189
<b>Deductions</b>	
Scholarships Awarded	1,500
<i>Change in Net Position</i>	(1,311)
<i>Net Position Beginning of Year</i>	41,557
<i>Net Position End of Year</i>	\$40,246
See accompanying notes to the basic financial statements	

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 1 - Description of the School District and Reporting Entity**

Lancaster City School District (the “School District”), created in the 1850’s, is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The Board controls the School District’s twelve instructional facilities staffed by 270 non-certificated employees, 400 certificated personnel, and 34 administrative employees who provide services to 6,218 students and other community members.

*Reporting Entity*

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, agencies and offices that are not legally separate from the School District. For Lancaster City School District, this includes general operations, food service, and student related activities of the School District.

The following activities are included within the reporting entity:

**Private Schools** - William V. Fisher Catholic School, Saint Bernadette School, Faith Academy, Fairfield Christian Academy, Seventh Day Adventist School, and Saint Mary’s School are private schools operated within the School District boundaries. Current State legislation provides funding to these private schools. These monies are received and disbursed on behalf of the private schools by the Treasurer of the School District, as directed by the private schools. This activity is presented in a special revenue fund.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

**Discretely Presented Component Unit.** The component unit information on the statement of net position and the statement of activities identifies the financial data of the School District’s Component Unit, Lancaster-Fairfield Community School. It is reported separately to emphasize that it is legally separate from the School District.

**Lancaster-Fairfield Community School.** Lancaster-Fairfield Community School (LFCS) is a legally separate community school created under Ohio Revised Code Chapter 3314 and incorporated under Chapter 1702. The LFCS’s mission, under a contractual agreement with the School District, is to utilize a holistic approach to the education of at-risk students, offering students a variety of programs that address the physical, social, emotional, and educational needs of the students. The LFCS feels it is necessary to

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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assist at-risk youth in developing positive behaviors and attitudes and become successful learners. The LFCS serves students within the School District. The LFCS is operated under the direction of a five-member Board of Directors from the public sector appointed by the School District. The School District appoints the board and is able to impose its will on the LFCS. The School District can suspend the LFCS's operations for any of the following reasons: 1) The LFCS's failure to meet student performance requirements stated in its contract with the School District, 2) The LFCS's failure to meet generally accepted standards of fiscal management, 3) The LFCS's violation of any provisions of the contract with the School District or applicable state or federal law, or 4) Other good cause. Separately issued financial statements can be obtained from the Lancaster-Fairfield Community School, 345 East Mulberry Street, Lancaster, Ohio 43130. On June 4, 2014, the LFCS Board of Education agreed with the Sponsor's Board of Education to close LFCS by terminating the contract between LFCS and Lancaster City School District's Board of Education one year early. On June 9, 2014, the Sponsor's Board of Education terminated the sponsorship agreement as of June 30, 2014. On June 30, 2014 all operations ceased, see Note 24 for additional information.

The School District participates in five jointly governed organizations and three pools. These organizations are the Licking Area Computer Association, Metropolitan Educational Council, Coalition of Rural and Appalachian Schools, State Support Team Region 11, Fairfield County Multi-System Youth Committee, the Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program, the Ohio School Plan, and the South Central Ohio Insurance Consortium. These organizations are presented in Notes 18 and 19 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

***A. Basis of Presentation***

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities that are governmental and those that are considered business-type activities; however, the School District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to

**Lancaster City School District, Ohio**  
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be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental financial statements is on major funds. The School District's major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

***B. Fund Accounting***

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

***Governmental Funds*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following is a description of the School District's major governmental funds:

***General Fund*** The general fund accounts for and reports all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose, provided it is expended or transferred according to the general laws of Ohio.

***Classroom Facilities Fund*** The classroom facilities fund is used to account for the receipts and expenditures from the Ohio Facilities Construction Commission and debt issuance for the construction of five new elementary school buildings.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

***Proprietary Fund Types*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

***Internal Service Fund*** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounted for the operation of the School District's self-insurance program for employee medical, surgical, prescription drug, and dental claims.



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***Fiduciary Fund Type*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for student activities and tournament activities.

***C. Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (revenues) and decreases (expenses) in total net position.

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

The private purpose trust fund is reported using the economic resources measurement focus.

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflow of resources, and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-Exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

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Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. Revenue from income taxes is recognized in the period in which the income is earned. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, income taxes, interest, tuition, grants, fees, and rentals.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding that results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The School District currently doesn't have any deferred outflows of resources.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The purpose of the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***E. Cash and Cash Equivalents***

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "cash and cash equivalents" on the financial statements.

**Lancaster City School District, Ohio**  
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During 2014, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), United States treasury notes, federal agency securities, nonparticipating certificates of deposit, and commercial paper.

Except for nonparticipating investment contracts, the School District reports investments at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold for on June 30, 2014.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$343,564, which includes \$60,792 assigned from other School District funds.

"Cash and Cash Equivalents with Fiscal Agent" represents monies on hand at the fiscal agent for medical and dental insurance cash balances for the self-insurance program which began on July 1, 2007 with the South Central Ohio Insurance Consortium.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the fiscal year in which services are consumed.

***G. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used.

Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

***H. Capital Assets***

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-index to deflate the costs to the acquisition year or

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estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	15-50 years
Buildings and Improvements	20-80 years
Machinery and Equipment	5-20 years
Furniture and Fixtures	5-20 years
Vehicles	5-10 years

***I. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated on the statement of net position. On the statements, receivables and payables between the primary government and the fiduciary funds, for which the School District is the fiscal agent, for services rendered are presented as "External Party Receivables" and "External Party Payables".

***J. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for vacation time when earned.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified and certified employees after ten years of current service with the School District.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which these payments will be made.

***K. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term notes, and capital leases are recognized as a liability on the fund financial statements when due.

***L. Internal Activity***

Transfers within governmental activities are eliminated on the government wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***M. Bond Premium***

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are recorded in the year the bonds are issued.

***N. Fund Balance Reserves***

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

**Nonspendable:** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, prepaids, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

**Restricted:** The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation (School District resolutions).

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Enabling legislation authorizes the School District to access, levy, charge, or otherwise mandates payment of resources (from external resources providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the School District's Board of Education. Those committed amounts cannot be used for any other purpose unless the School District's Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District's Board of Education or a School District official delegated that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The School District's Board of Education assigned fund balance to cover a gap between estimated revenue and appropriations in fiscal year 2015's appropriated budget.

**Unassigned:** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used.

***O. Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for scholarships, preschool services, non-public schools, community involvement, and state and federal grants restricted to expenditures for specified purposes.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Lancaster City School District, Ohio**  
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***P. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

***Q. Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***R. Budgetary Data***

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the amended certificate at the time the permanent appropriations were passed. The amounts reported as the final budgeted amounts in the budgetary statement reflect the final amended certificate approved.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Some of the School District's funds are separate for budgeting purposes then they are combined on the GAAP basis. The public school support and termination benefits special revenue funds are budgeted individually on a cash basis but are combined with the general fund on a GAAP basis. The preschool tuition, public school preschool, and preschool special education special revenue funds are budgeted individually on a cash basis but they are combined on a GAAP basis and presented as the preschool special revenue fund.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 3 – Accountability**

The following fund had deficit fund balances as of June 30, 2014:

<u>Special Revenue Funds:</u>	<u>Deficit Fund Balances</u>
Title I	(\$18,962)
Reducing Class Size	(7,919)

The deficits in the special revenue funds were a result of the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Note 4 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (budget basis) for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Fair market value adjustments, prepaid items, and negative cash interfund advances are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
4. Encumbrances are treated as expenditures (budget basis) rather than as committed or assigned fund balance (GAAP basis).
5. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
6. Budgetary revenues and expenditures of the public school support fund and termination benefits fund are reclassified to the general fund for GAAP Reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.



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<b>Net Change in Fund Balance</b>	
GAAP Basis	\$4,947,469
Net Adjustment for Revenue Accruals	(1,351,215)
Net Adjustment for Expenditure Accruals	347,018
Beginning:	
Fair Value of Investments	(155,665)
Prepaid Items	50,780
Ending:	
Negative cash interfund advances	59,858
Fair Value of Investments	41,174
Prepaid Items	(84,205)
To reclassify excess of revenues and other sources of financial resources under expenditures and other uses of financial resources into financial statement fund types	485,787
Advances In	184,567
Adjustment for Encumbrances	<u>(1,725,480)</u>
Budget Basis	<u><u>\$2,800,088</u></u>

**Note 5 - Deposits and Investments**

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;

**Lancaster City School District, Ohio**  
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4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

At June 30, 2014, the School District's internal service fund had a balance of \$4,920,975 with fiscal agents. \$59,054 was with the Jefferson Health Plan (formally known as Ohio Mid Eastern Regional Education Service Agency Health Benefits Program (OME-RESA), a risk sharing, claims servicing, and insurance purchasing pool (See Note 19). \$4,785,835 was with the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (See Note 19) and \$76,086 was a deposit in transit. The balances were held by Jefferson Health Plan and SCOIC in pooled accounts which are representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, Treasurer, Jefferson County ESC, 2023 Sunset Blvd. Steubenville, Ohio 43952. Disclosures for SCOIC as a whole may be obtained from the fiscal agent, Liberty Union-Thurston Local School District, 1108 South Main Street, Baltimore, Ohio 43105-9700.

**Deposits** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$2,720,491 of the School District's bank balance of \$28,639,485 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirement, could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments** As of June 30, 2014, the School District had the following investments:

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	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$185	Average 51 Days
Toyota Motor Credit, Incorporated Commercial Paper	8,749,038	7/29/14
Toyota Motor Credit, Incorporated Commercial Paper	8,816,296	9/24/14
Toyota Motor Credit, Incorporated Commercial Paper	4,496,130	11/18/14
Toyota Motor Credit, Incorporated Commercial Paper	399,536	12/22/14
US Bank Commercial Paper	475,000	7/28/14
United States Treasury Note	1,901,632	10/31/15
United States Treasury Note	1,501,524	10/15/16
Federal Home Loan Bank Discount Note	1,999,974	7/16/14
Federal Home Loan Mortgage Discount Note	1,944,692	10/23/14
Federal Farm Credit Bank Notes	2,518,933	7/30/15
Federal Farm Credit Bank Notes	2,611,295	11/14/14
Federal Farm Credit Bank Notes	1,401,584	11/5/15
Federal Farm Credit Bank Notes	2,304,175	12/17/15
Federal National Mortgage Association Notes	2,599,422	3/30/16
Federal National Mortgage Association Notes	598,505	5/20/16
Federal National Mortgage Association Notes	1,731,801	7/5/16
Federal National Mortgage Association Notes	2,830,623	11/21/16
Federal National Mortgage Association Notes	2,487,133	3/28/17
Federal Home Loan Mortgage Notes	1,000,904	9/19/14
Federal Home Loan Mortgage Notes	4,324,458	12/5/14
Federal Home Loan Mortgage Notes	2,569,168	3/18/15
Federal Home Loan Mortgage Notes	1,873,623	9/4/15
Federal Home Loan Mortgage Notes	1,154,088	3/15/16
Federal Home Loan Mortgage Notes	2,936,265	5/13/16
Federal Home Loan Mortgage Notes	585,037	10/5/16
Federal Home Loan Mortgage Notes	1,757,436	11/25/16
Federal Home Loan Mortgage Notes	1,518,278	6/29/17
Federal Home Loan Bank Notes	3,407,353	2/20/15
Federal Home Loan Bank Notes	3,040,298	2/26/15
Federal Home Loan Bank Notes	1,101,942	3/13/15
Federal Home Loan Bank Notes	1,619,368	7/17/15
Federal Home Loan Bank Notes	4,670,318	2/19/16
Federal Home Loan Bank Notes	2,298,571	6/24/16
Federal Home Loan Bank Notes	1,696,479	11/28/16
Federal Home Loan Bank Notes	1,511,871	5/19/17
Federal Home Loan Bank Notes	2,270,084	4/30/18
Total	<u>\$88,703,019</u>	

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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Interest Rate Risk

The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years except for commercial paper and bankers' acceptances which will be limited to 180 days. The Treasurer cannot make investments which she does not reasonably believe can be held until the maturity date.

Credit Risk

STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Toyota Motor Credit and US Bank Commercial Papers are rated P-1/A-1+ by Moody's and Standard and Poor's. The United States Treasury Notes, Federal Farm Credit Bank Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Notes, and Federal Home Loan Bank Notes, all carried a rating by Moody's of Aaa and a rating by Standard and Poor's of AA+. The Federal Home Loan Mortgage Discount Notes and Federal Home Loan Bank Discount Notes all carried a rating by Moody's of P-1 and a rating by Standard and Poor's of A-1+. The School District has no investment policy that addresses credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Toyota Motor Credit and US Bank Commercial Papers are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2014:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Commercial Paper	25.86
United States Treasury Notes	3.84
Federal Home Loan Bank - Discount Note	2.25
Federal Home Loan Mortgage - Discount Notes	2.19
Federal Farm Credit Bank Notes	9.96
Federal National Mortgage Association Notes	11.55
Federal Home Loan Mortgage Notes	19.98
Federal Home Loan Bank Notes	24.37

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 6 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property (used in business) located in the School District. Real property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Public utility real property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Fairfield County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2014 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows or resources for property taxes.

The amount available as an advance at June 30, 2014, was \$1,776,285. \$1,528,764 was available to the general fund, \$33,449 was available to the classroom facilities special revenue fund, and \$214,072 was available to the bond retirement debt service fund. The amount available as an advance at June 30, 2013, was \$97,802 in the general fund, \$15,997 was available to the classroom facilities special revenue fund, and \$2,220 was available to the bond retirement debt service fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second- Half Collections		2014 First- Half Collections		2014 Effective Tax Rates (per \$1,000 of assessed valuation)
	Amount	Percent	Amount	Percent	
	Agricultural/ Residential	\$618,293,410	68%	\$614,184,870	
Commerical/Industrial and Public Utility Real	247,941,310	27%	252,145,190	28%	28.5345
Public Utility Personal	48,644,050	5%	48,977,450	5%	68.3000
Total	<u>\$914,878,770</u>	<u>100%</u>	<u>\$915,307,510</u>	<u>100%</u>	
Tax rate per \$1,000 of assessed valuation		\$68.70		\$68.30	

The decrease in the tax rates was due to an adjustment in the bond levy rates. Tax rates are adjusted according to the amount necessary for debt service retirement.

**Note 7 - Income Tax**

The School District levies a voted tax of one and one half percent for general operations on the earned income of residents and of estates. The tax was effective on January 1, 2007 and remains in effect until December 31, 2016. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

**Note 8 - Receivables**

Receivables at June 30, 2014, consisted of property taxes, income taxes, accounts (rent, student fees and tuition), intergovernmental grants, payment in lieu of taxes, interfund, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Delinquent property taxes as of June 30, 2014 were \$2,533,846.

A summary of principal items of intergovernmental receivables follows:

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
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	<u>Amounts</u>
<b>Governmental Activities</b>	
Catastrophic Special Education	\$23,424
Motor Vehicle Fuel Tax	2,296
Medicaid Reimbursement	23,611
Early Childhood Grant	3,483
State Foundation Statement Adjustments	35,038
Miscellaneous State Grants - Security and Early Literacy	64,494
Carl Perkins Secondary Grant	14,029
Delinquent Title I-D Grant	46,113
Title II-A Grant	126,800
Race To the Top	957
Title I Grant	403,041
Idea, Part B Grant	364,052
Classroom Facilities	13,769,848
School Lunch and Breakfast Program	257,815
Total	<u>\$15,135,001</u>

Payment in Lieu of Taxes

**Windsor Equity** The School District entered into a ten year Enterprise Zone Agreement (Agreement) in 2004. The purpose of the Agreement was for Windsor Equity to construct a 45,000 square foot state of the art medical office building within the boundaries of the Enterprise Zone. The Agreement was amended in June 2007 and the first payment was received in September 2007 per the Agreement for the first year. Payments after the first year will be based on a percentage of Windsor Equity's yearly Enterprise Zone tax savings. During fiscal year 2014, the School District received \$26,479 which represents fiscal years 2013 and 2014 payment in lieu of taxes. As of June 30, 2014, a receivable for \$14,179 has been recorded which represents the payment anticipated for fiscal year 2015.

**Ety Pointe Centre** The School District entered into a ten year Tax Increment Financing Agreement (TIF) in 2006. The purpose of the TIF was for the construction of Ety Pointe Centre, a shopping center, and public infrastructure improvements. The School District began receiving payments in fiscal year 2010. During fiscal year 2014, a payment in the amount of \$121,404 was received. As of June 30, 2014, a receivable for \$99,868 has been recorded which represents the payment anticipated for fiscal year 2015.

**Fairfield Metropolitan Housing Authority** The School District receives payment in lieu of taxes each year from Fairfield Metropolitan Housing Authority (Metro Housing). Due to Ohio Revised Code Section 3735.35, Metro Housing must remit payment in lieu of taxes to the county treasurer. These payments must be distributed to the taxing subdivisions levying taxes in the subdivisions in which the Metro Housing property is located. During fiscal year 2014, a payment in the amount of \$8,246 was received. As of June 30, 2014, a receivable for \$8,246 has been recorded which represents the payment anticipated for fiscal year 2015.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
<b>Nondepreciable Capital Assets</b>				
Land	\$1,511,579	\$0	\$0	\$1,511,579
Construction in Progress	1,848,461	6,366,859	0	8,215,320
Total Capital Assets not being depreciated	<u>3,360,040</u>	<u>6,366,859</u>	<u>0</u>	<u>9,726,899</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	2,556,984	0	0	2,556,984
Buildings and Improvements	18,923,981	1,258,598	0	20,182,579
Furniture and Equipment	6,917,015	174,210	(15,230)	7,075,995
Vehicles	3,531,677	439,891	(197,102)	3,774,466
Total at Historical Cost	<u>31,929,657</u>	<u>1,872,699</u>	<u>(212,332)</u>	<u>33,590,024</u>
Less Accumulated Depreciation				
Land Improvements	(994,662)	(126,332)	0	(1,120,994)
Buildings and Improvements	(13,787,690)	(227,223)	0	(14,014,913)
Furniture and Equipment	(5,119,749)	(368,508)	15,230	(5,473,027)
Vehicles	(2,245,184)	(220,237)	197,102	(2,268,319)
Total Accumulated Depreciation	<u>(22,147,285)</u>	<u>(942,300)</u>	<u>212,332</u>	<u>(22,877,253)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>9,782,372</u>	<u>930,399</u>	<u>0</u>	<u>10,712,771</u>
Governmental Activities Capital Assets, Net	<u>\$13,142,412</u>	<u>\$7,297,258</u>	<u>\$0</u>	<u>\$20,439,670</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$238,262
Special	54,831
Vocational	81,213
Support Services:	
Pupil	21,909
Instructional Staff	40,617
Administration	37,822
Fiscal	4,556
Business	1,217
Operation and Maintenance	96,811
Pupil Transportation	210,213
Central	15,826
Extracurricular	64,645
Operation of Non-Instructional Services:	
Food Service Operations	46,403
Other	27,975
Total Depreciation Expense	<u>\$942,300</u>



**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 10 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2014, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool, for insurance coverage. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP. (See Note 19)

The types and amounts of coverage provided are as follows:

Coverage	Amount	Deductible
Building and Personal Property - replacement cost	\$163,631,046	\$1,000
Boiler and Machinery	100,000,000	1,000
Flood	1,000,000	25,000
Earthquake	1,000,000	5%
Automobile Liability	2,000,000	500
Auto Medical Payments	5,000	0
Uninsured/Underinsured Motorists	1,000,000	500
Educational General Liability Coverage:		
General Aggregate	4,000,000	0
Sexual Abuse Injury	2,000,000	0
Products/Completed Operations Aggregate	2,000,000	0
Personal and Advertising Injury	2,000,000	0
Fiduciary Liability for Each Fiduciary Claim	2,000,000	2,500
Fiduciary Liability Aggregate Limit	4,000,000	2,500
Employer's Liability for Each Accident	2,000,000	0
Educational Liability for Errors and Omissions Injury Limit	2,000,000	2,500
Educational Liability for Errors and Omissions Injury Aggregate	4,000,000	2,500
Employment Practices Injury Limit	2,000,000	2,500
Employment Practices Injury Aggregate Limit	4,000,000	2,500

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

***B. Workers' Compensation***

The School District participates in the workers' compensation program provided by the State of Ohio. The School District participates in the Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (Program), an insurance purchasing pool (Note 19). The Program is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for participants. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can either receive a premium refund or assessment. Employers will pay experience or based rated premiums under the same terms as if they were not in a retro group. The total premium for the entire group is the standard premium of the

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
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group. The standard premium serves as the benchmark that is adjusted up and down retroactively. In order to allocate the savings derived by formation of the Program, the Program's executive committee annually calculates the group-retrospective premium based on developed incurred claim losses for the whole group. The new premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, a refund will be distributed to the employers of the group. If the retrospective premium is higher, an assessment will be charged to each participant.

Participation in the Program is limited to school districts that can meet the Program's selection criteria. The firm of Comp Management, Inc. serves as the third party administrator of the Program and provides administrative, cost control, and actuarial services. Each year, the School District pays an enrollment fee to the Program to cover the cost of administering the Program.

The School District may withdraw from the Program if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Program prior to withdrawal.

***C. Medical and Dental***

The School District provides a medical, prescription drug, and dental insurance program for its employees. The School District joined the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (Note 19), on November 1, 2006. As of November 1, 2006, the School District's medical, prescription drug, and dental were all considered self insured programs due to the School District retaining the risk. Claims are paid by the School District to the SCOIC. SCOIC contracted with Jefferson Health Plan, formally known as the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), for all claims servicing until June 1, 2013. Jefferson Health Plan contracted with Employee Benefits Management Corporation to service the claims of SCOIC members. On June 1, 2013, SCOIC contracted directly with Employee Benefits Management Corporation for claims servicing of claims up to \$100,000. The School District had shared risk pool coverage with the Jefferson Health Plan which covered individual claims in excess of \$100,000 up to \$500,000 per employee per year for medical and prescription claims. The School District also had a stop loss coverage insurance policy through Jefferson Health Plan which covered individual claims in excess of \$500,000 per employee per year for medical and prescription claims. The School District has no stop loss coverage for the dental claims. The maximum dental benefit per covered person is \$1,500 per calendar year. The premiums paid into the internal service fund are used for claims, claim reserves, and administrative costs. The internal service fund presented in the financial statements reflects the premiums paid into the self-insurance internal service fund by the same funds that pay the employees' salaries. The School District pays monthly medical premiums of up to \$1,839 for certified and classified employees for family coverage and up to \$731 for certified and classified employees for single coverage of which the employees are responsible for 20 percent of the medical premium. The School District pays monthly dental premiums of up to \$71 for family and single coverage for certified and classified employees.

The claims liability of \$691,900 reported in the internal service fund at June 30, 2014, is based on an estimate provided by an actuary for medical and dental claims. The full amount of claims payable is presented as current liabilities because it is expected to be paid within the following fiscal year. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years, including medical, surgical, prescription drug, and dental are as follows:

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
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	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2013	\$813,368	\$6,799,095	\$6,810,763	\$801,700
2014	801,700	6,927,482	7,037,282	691,900

**Note 11 - Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who work 260 days per year earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation is unlimited. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit up to a maximum of 65 days for classified and certified employees. If a certified employee retires within their first year of eligibility for retirement, then the maximum retirement payment is 100 days.

***B. Life Insurance***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through American United Life Insurance Company an amount of \$50,000 to \$75,000 depending upon the employee's position.

***C. Deferred Compensation***

School District employees participate in a statewide deferred compensation plan that was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**Note 12 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

Plan Description - The School District participates to the School Employees Retirement System (SERS), a cost-sharing multiple-employer pension plan. SERS provides retirement, disability benefits and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**Lancaster City School District, Ohio**  
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Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For fiscal year ended June 30, 2014, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$994,624, \$887,049, and \$993,895, respectively. For fiscal year 2014, 81.82 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

***B. State Teachers Retirement System***

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased one percent each year beginning July 1, 2013, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2014, plan members were

**Lancaster City School District, Ohio**  
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required to contribute 11 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$3,747,374 and \$110,153 for the fiscal year ended June 30, 2014, \$3,100,364 and \$111,376 for the fiscal year ended June 30, 2013, and \$3,484,180 and \$94,384 for the fiscal year ended June 30, 2012. For fiscal year 2014, 79.37 percent has been contributed for the DB plan and for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2014 was \$68,990 made by the School District and \$54,207 made by the plan members. In addition, member contributions of \$86,549 were made for fiscal year 2014 for the defined contribution portion of the Combined Plan.

***Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2014, one member of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages.

**Note 13 - Postemployment Benefits**

***A. School Employees Retirement System***

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2014, 0.14 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2014, this amount was \$20,250. During fiscal year 2014, the School District paid \$125,536 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
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The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$159,768, \$149,735, and \$178,505, respectively. For fiscal year 2014, 5.29 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012, were \$57,955, \$49,504, and \$57,630 respectively. For fiscal year 2014, 81.82 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

***B. State Teachers Retirement System***

**Plan Description** – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy** – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2014, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$302,040, \$252,009, and \$279,500 respectively. For fiscal year 2014, 79.37 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012. The STRS Board voted to discontinue the current one percent allocation to the health care fund effective July 1, 2014.

**Note 14 – Capital Leases – Lessee Disclosure**

In prior fiscal years, the School District entered into capital leases for copier equipment. During fiscal year 2013, the School District entered into a capital lease for the purchase of Apple iPads and Apps Volume Vouchers from Apple Incorporated. These leases meet the criteria of a capital lease which is when a lease transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements. The copier equipment acquired by lease has been capitalized in the government-wide statements in the amount of \$757,246 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide statements. The Apple iPads and Apps Volume Vouchers acquired by lease in the amount of \$1,036,010 have not been capitalized but a capital leases payable has been recorded in the government-wide statements. The capitalized leased assets are reflected net of accumulated depreciation in the amount of \$199,829 for equipment. Principal payments toward all capital leases during 2014 totaled \$689,580.

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The agreement provides for minimum annual lease payments as follows:

Year	Principal	Interest	Total
2015	\$45,455	\$611	\$46,066
2016	256,924	11,333	268,257
2017	262,529	5,727	268,256
Total	\$564,908	\$17,671	\$582,579

**Note 15 - Long Term Obligations**

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/2013	Additions	Deductions	Principal Outstanding 6/30/2014	Due in One Year
<b>Governmental Activities</b>					
School Facilities Construction and Improvement General Obligation Bonds Series 2012					
Serial Bonds 1.50% - 4.00%	\$11,450,000	\$0	\$1,400,000	\$10,050,000	\$175,000
Term Bonds 3.75% - 5.00%	48,960,000	0	0	48,960,000	0
Bond Premium	3,519,735	0	96,431	3,423,304	0
Energy Conservation Long-Term Notes, Series 2013 1.90%					
	2,000,000	0	390,000	1,610,000	395,000
Capital Leases Payable	1,254,488	0	689,580	564,908	45,455
Intergovernmental Payable	2,413	0	2,413	0	0
Compensated Absences Payable	2,761,477	883,057	585,474	3,059,060	336,942
Total Governmental Activities Long-Term Obligations	\$69,948,113	\$883,057	\$3,163,898	\$67,667,272	\$952,397

*School Facilities Construction and Improvement General Obligation Bonds* – On August 21, 2012, the School District issued \$60,410,000 in School Facilities Construction and Improvement General Obligation Bonds, Series 2012, at a variable interest rate. The bonds were issued for a thirty-seven year period with a final maturity at October 1, 2049. The bond proceeds represented the local share for the School District's construction of five new elementary instruction buildings for grades preschool through fifth. The bond issue included serial and term bonds in the amount of \$11,450,000 and \$48,960,000 respectively. The bonds were issued at a premium in the amount of \$3,567,951. Issuance costs associated with the bonds were \$832,000.

The term bonds due October 1, 2027, 2037, 2037, 2042, 2042, 2049, and 2049 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the respective principal amounts as follows:

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Calendar	Issue						
Year	\$ 2,505,000	\$ 1,000,000	\$ 7,650,000	\$ 6,800,000	\$ 5,500,000	\$ 20,505,000	\$ 5,000,000
2025	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	875,000	-	-	-	-	-	-
2033	-	175,000	1,350,000	-	-	-	-
2034	-	185,000	1,400,000	-	-	-	-
2035	-	200,000	1,550,000	-	-	-	-
2036	-	215,000	1,650,000	-	-	-	-
2038	-	-	-	1,220,000	985,000	-	-
2039	-	-	-	1,285,000	1,030,000	-	-
2040	-	-	-	1,345,000	1,090,000	-	-
2041	-	-	-	1,440,000	1,165,000	-	-
2043	-	-	-	-	-	2,330,000	565,000
2044	-	-	-	-	-	2,600,000	635,000
2045	-	-	-	-	-	2,755,000	670,000
2046	-	-	-	-	-	2,910,000	715,000
2047	-	-	-	-	-	3,125,000	760,000
2048	-	-	-	-	-	3,300,000	805,000
Total mandatory sinking fund payments	1,575,000	775,000	5,950,000	5,290,000	4,270,000	17,020,000	4,150,000
Amount due at stated maturity	930,000	225,000	1,700,000	1,510,000	1,230,000	3,485,000	850,000
<b>Total</b>	<b>\$ 2,505,000</b>	<b>\$ 1,000,000</b>	<b>\$ 7,650,000</b>	<b>\$ 6,800,000</b>	<b>\$ 5,500,000</b>	<b>\$ 20,505,000</b>	<b>\$ 5,000,000</b>
Stated Maturity	10/1/2027	10/1/2037	10/1/2037	10/1/2042	10/1/2042	10/1/2049	10/1/2049

Principal and interest requirements to retire the School Facilities Construction and Improvement General Obligation Bonds outstanding at June 30, 2014 are as follows:

Fiscal Year	Principal	Interest
Ending June 30,		
2015	\$175,000	\$2,579,113
2016	195,000	2,574,438
2017	215,000	2,569,363
2018	270,000	2,565,188
2019	295,000	2,560,213
2020-2024	2,405,000	12,616,313
2025-2029	4,145,000	11,985,925
2030-2034	6,380,000	11,035,381
2035-2039	9,330,000	9,298,331
2040-2044	12,990,000	6,968,651
2045-2049	18,275,000	3,396,270
2050	4,335,000	105,825
<b>Total</b>	<b>\$59,010,000</b>	<b>\$68,255,011</b>



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*Energy Conservation Long-Term Notes* – On February 21, 2013, the School District issued \$2,000,000 in unvoted Energy Conservation Notes, Series 2013, at an interest rate of 1.90 percent, for the purpose of purchasing and installing energy conservation measures, under the authority of Ohio Revised Code section 3313.46(B)(3). These notes were issued for a five year period with final maturity during fiscal year 2018. The debt will be retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements. The permanent improvement fund will transfer money to the bond retirement debt service fund to meet current fiscal year obligations. Issuance costs associated with the bonds were \$1,000.

Principal and interest requirements to retire the Energy Conservation Long-Term Notes outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2015	\$395,000	\$30,590
2016	400,000	23,085
2017	405,000	15,485
2018	410,000	7,790
Total	\$1,610,000	\$76,950

Capital leases payable will be paid from the general fund.

Compensated absences will be paid from the general fund and the food service special revenue fund.

The School District owes special assessments to the City of Lancaster for sidewalk and street improvements in front of the School District office building. The special assessments were paid off during fiscal year 2014.

The School District's overall legal debt margin was \$24,411,786, with an unvoted debt margin of \$915,308 at June 30, 2014.

**Note 16 - Interfund Balances and Activity**

Interfund balances at June 30, 2014 consist of the following individual interfund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Fund:		
General	\$61,777	\$0
Other Governmental Funds:		
District Managed Activities	0	1,149
Miscellaneous State Grants	0	58,494
Vocational Educaion	0	2,134
Total Other Governmental Funds	0	61,777
Total All Funds	\$61,777	\$61,777

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The interfund receivables/payables are due to the lag between the dates interfund goods and services are provided and when payments between funds are made. The general fund also made advances to other non-major governmental funds to subsidize negative cash balances. The interfund payables are anticipated to be repaid within one year.

Interfund transfers during 2014, consisted of the general fund transferring \$41,174 to the community grants special revenue fund other governmental fund, and the permanent improvement capital projects fund transferring \$429,056 to the bond retirement debt service fund, both funds are considered other governmental funds. The transfers were for the purpose of paying expenses out of the fund from which it was required to be paid.

**Note 17 – Related Party Transactions**

During fiscal year 2014, the School District did not receive or pay any money to the Lancaster-Fairfield Community School; however, as of June 30, 2014, the School District was owed \$2,225 from the Lancaster-Fairfield Community School for a reimbursement of expenses.

**Note 18 - Jointly Governed Organizations**

***Licking Area Computer Association*** – The School District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association which services over thirty entities within the boundaries of Licking, Muskingum, Fairfield, Perry, Knox, and Medina Counties. These entities consist of public school districts, private schools, and educational service centers. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating school districts. The continued existence of LACA is not dependent on the School District’s continued participation and no equity interest exists.

The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association’s capital assets. The School District’s total payments to LACA for fiscal year 2014 were \$85,596. Financial statements for LACA can be obtained from their fiscal agent the Career and Technology Education Center of Licking County, 145 North Quentin Road, Newark, OH 43055.

***Metropolitan Educational Council*** - The School District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 280 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 57 counties in Central Ohio. The MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The School District participates in the insurance purchasing pool. The governing board of MEC is composed of a school administrator, a designated representative or a member of the board of education for each participating school district in Franklin County, and one representative from each county outside Franklin County. The governing board exercises total control over the operations of MEC including budgeting, appropriating, contracting, and designating management. MEC is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for MEC. Financial statements for MEC can be obtained from the Metropolitan Educational Council, at 2100 Citygate Drive, Columbus, Ohio 43219. The School District made membership payments to MEC in fiscal year 2014 in the amount of \$2,541.

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***Coalition of Rural and Appalachian Schools*** - The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 130 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members, one elected and one appointed member from each of the seven regions into which the 35 Appalachian counties are divided, and three from Ohio University College of Education. The Board exercises total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member school districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. During fiscal year 2014, the School District's paid \$325 to the Coalition for membership fees and \$60 for professional development.

***State Support Team Region 11*** - The School District participates in the State Support Team Region 11 (SSTR11) a jointly governed organization operated by a Regional Advisory Council that is composed of entities within Delaware, Fairfield, Franklin, Licking, Madison, Pickaway, and Union counties. The purpose of SSTR11 is to provide professional development and technical assistance services to school districts, community schools, career centers, educational service centers, information technology centers, board of developmental disabilities, chartered nonpublic schools, and colleges and universities within the region by supporting State and district initiatives. The SSTR11 is governed by an advisory council, which is the advisory body for the educational entities within the region, who identifies regional needs and priorities for educational services and develops recommendations to coordinate the delivery of services. They are also charged with the responsibility of monitoring the implementation of State and regional initiatives and school improvement efforts. The Advisory Council is made up of the director of the SSTR11, the superintendent of each educational service center within the region, the superintendent of the region's largest and smallest school district, the director and an employee from each education technology center, one representative of a four-year institution of higher education and appointed by the Ohio Board of Regents, one representative of a two-year institution of higher education and appointed by the Ohio Association of Community Colleges, three board of education members (one each from a city, exempted village, and local school district within the region), and one business representative. The Advisory Council exercises total control over the operations of SSTR11 including budgeting, appropriating, contracting, and designating management. The degree of control exercised by any participating educational entity is limited to its representation on the Advisory Council. Financial information can be obtained from the State Support Team – Region 11, 2080 Citygate Drive, Columbus, Ohio 43219. The School District made no payments to SSTR11 during fiscal year 2014.

***Fairfield County Multi-System Youth Committee*** - The Fairfield County Multi-System Youth Committee is a group of agencies that coordinate the provision of services to multi-need youth in the area. Members of the Committee include representatives of the Fairfield County Youth Services, Fairfield County Board of Developmental Disabilities, Fairfield County Alcohol, Drug Addiction, and Mental Health Board, Fairfield County Children Services, Fairfield Department of Health, New Horizons, the local office of Rehabilitation Services Commission, Fairfield County Drug and Alcohol Recovery Services, and the Lancaster City Schools. The Committee received no additional monies from the School District during fiscal year 2014. Operations were paid from the previous existing balance that had accumulated from State and federal grants. No debt is currently outstanding. The Committee is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Committee. The Fairfield County Multi-System Youth Committee is located at 108 West Main Street Suite B, Lancaster, Ohio 43130.

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**Note 19 – Pools**

***Ohio SchoolComp Workers’ Compensation Group Retrospective Rating Program*** - The Ohio SchoolComp Workers’ Compensation Group Retrospective Rating Program (Program) is a shared risk pool among school districts in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers’ compensation rating purposes. The Program is governed by the Ohio School Board Association (OSBA) Executive Committee that consists of seven members as follows: the president of OSBA, Immediate Past President of OSBA, and five representatives elected from the participating school districts.

The Program, a Bureau of Workers’ Compensation certified sponsor, established the program based upon guidelines set forth by the Bureau of Workers’ Compensation (BWC). The Program created a group of school districts that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can receive either a premium refund or assessment. The Program’s third party administrator (TPA), Comp Management, Inc., provides administrative, cost control, and actuarial services to the Program. The cost of the TPA will be paid by each school district in proportion to its payroll to the total payroll of the group.

The School District began participating in the program effective January 1, 2011. The School District paid \$16,665 in enrollment fees to the Program as of June 30, 2014 and \$234,921 in workers’ compensation premiums.

***Ohio School Plan*** – The School District participates in the Ohio School Plan (OSP), and insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP’s business and affairs are conducted by a twelve member Board of Directors consisting of school district superintendents and treasurers. Hylant Administrative Services, LLC is the Administrator of the OSP and is responsible for providing underwriting, claims management, risk management, accounting, system support services, sales, and marketing.

***South Central Ohio Insurance Consortium*** - The School District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC’s primary purpose and object is establishing and carrying out a cost effective cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the SCOIC. Members include the following school districts and governmental entities: Amanda Clearcreek Local School District, Berne Union Local School District, Bloom-Carroll Local School District, Canal Winchester Local School District, City of Lancaster, Fairfield County Educational Service Center, Fairfield Union Local School District, Lancaster City School District, Liberty Union-Thurston Local School District, Miami Trace Local School District, Logan-Hocking Schools, Zane Trace Local School District, Hocking Valley Community Hospital, and Washington Court House City Schools. The Liberty Union-Thurston Local School District serves as the fiscal agent for the SCOIC.

SCOIC contracted with the Jefferson Health Plan, formally known as the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), a risk sharing, claims servicing, and insurance purchasing pool, for medical, dental, and prescription drug coverage on a self-insured basis. Prior to June 1, 2013,

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SCOIC members were considered self insured and paid a monthly premium to the Jefferson Health Plan that was actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee was paid for participation in the internal pool that was based on the claims of the internal pool in aggregate and was not based on individual claims experience. In the event of a deficiency in the internal pool, participants were charged a higher rate for participation, and in the event of a surplus, the internal pool paid dividends to the participants. The School District, member of SCOIC, participated in the shared risk pool through Jefferson Health Plan for individual claims from \$100,000 to \$500,000. SCOIC members were then covered under stop loss coverage for claims over \$500,000 through the Jefferson Health Plan. Jefferson Health Plan contracted with Employee Benefits Management Corporation to service the claims of SCOIC members.

On June 1, 2013, SCOIC updated their contract with the Jefferson Health Plan. SCOIC began to service the claims up to \$100,000. SCOIC contracts with Employee Benefits Management Corporation to service those claims of SCOIC members. SCOIC continued to contract with the Jefferson Health Plan for the internal pool, stop loss insurance and the procurement of contracts, policies and other plans of insurance.

In the event that the School District would withdraw from SCOIC, the School District would be required to give a one hundred eighty day notice prior to the end of their three year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Liberty Union-Thurston Local School District, 1108 South Main Street, Baltimore, Ohio 43105-9700.

**Note 20 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2014, if applicable, cannot be determined at this time.

***B. Litigation***

The School District currently is not a party to any lawsuits.

**Note 21 - Set asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

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	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2013	\$0
Current Year Set-aside Requirement	997,206
Current Year Offsets	(3,188,225)
Qualifying Disbursements	(1,563,898)
Total	(\$3,754,917)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

The School District had qualifying disbursements during the fiscal year that reduced the capital improvements set-aside amounts below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future years.

**Note 22 – Significant Commitments**

**A. Encumbrances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds:	
General Fund	\$ 1,725,480
Classroom Facilities Fund	36,936,983
Nonmajor Governmental Funds	3,938,236
Total Governmental Funds	42,600,699
Private Purpose Trust Fund:	
Endowment Fund	300
Total	\$42,600,999

**B. Contractual Commitments**

Vendor	Original Contract	Paid to Date	Amount Remaining
Schorr Architects	\$4,797,552	\$3,082,591	\$1,714,961
Four Seasons Environmental, Incorporated	89,702	2,332	87,370
Lend Lease Construction, Incorporated	1,644,361	438,810	1,205,551
Monarch Construction Company	11,361,000	1,234,168	10,126,832
Professional Service Industries	191,654	59,602	132,052
Stockmeister Enterprises, Incorporated	10,932,840	667,821	10,265,019
Turner Construction Company	12,740,729	908,283	11,832,446
Total	\$41,757,838	\$6,393,607	\$35,364,231

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**Note 23 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Classroom Facilities	Other Governmental Funds	Total
<u><b>Nonspendable:</b></u>				
Prepays	\$84,205	\$6,553	\$126,709	\$217,467
Materials and Supplies Inventory	188,060	0	13,289	201,349
<i>Total Nonspendable</i>	<u>272,265</u>	<u>6,553</u>	<u>139,998</u>	<u>418,816</u>
<u><b>Restricted for:</b></u>				
Food Service Operations	0	0	1,327,165	1,327,165
Student Achievements	0	0	18,378	18,378
Department Clubs	0	0	153,612	153,612
Auxiliary Services	0	0	71,827	71,827
Teacher Development	0	0	2,858	2,858
Classroom Facilities Maintenance	0	0	727,529	727,529
Vocational Education	0	0	2,625	2,625
Bond Retirement	0	0	1,044,110	1,044,110
Capital Improvements	0	60,020,664	8,247,261	68,267,925
<i>Total Restricted</i>	<u>0</u>	<u>60,020,664</u>	<u>11,595,365</u>	<u>71,616,029</u>
<u><b>Committed to:</b></u>				
Scholarships	0	0	27,577	27,577
Preschool	0	0	97,358	97,358
Termination Benefits	535,997	0	0	535,997
Purchases on Order	423,773	0	0	423,773
<i>Total Committed</i>	<u>959,770</u>	<u>0</u>	<u>124,935</u>	<u>1,084,705</u>
<u><b>Assigned to:</b></u>				
Capital Improvements	0	0	4,797,228	4,797,228
Public School Support	111,057	0	0	111,057
Purchases on Order	680,012	0	0	680,012
<i>Total Assigned</i>	<u>791,069</u>	<u>0</u>	<u>4,797,228</u>	<u>5,588,297</u>
Unassigned (Deficit):	33,724,581	0	(127,249)	33,597,332
<i>Total Fund Balances</i>	<u><u>\$35,747,685</u></u>	<u><u>\$60,027,217</u></u>	<u><u>\$16,530,277</u></u>	<u><u>\$112,305,179</u></u>

On March 22, 2010, the Board of Education approved a resolution to maintain a cash reserve balance of twelve percent of operating expenses for the purpose of sound fiscal management. This minimum cash balance is required for the first two years of the rolling five year forecast period. If the Treasurer finds that the twelve percent cash reserve is not maintainable within those first two years of the five year forecast, the Treasurer and Superintendent will report this to the Board of Education so that they may consider what options the School District must implement. The minimum cash reserve balance as of June 30, 2014 was \$6,789,453 which was based on the May, 2014 five year forecast. The School District's general fund cash balances were adequate for the minimum cash reserve balance; therefore, no action was needed by the Board of Education for fiscal year 2014. This twelve percent cash reserve balance is reported as unassigned in the general fund.

**Note 24 – Lancaster-Fairfield Community School Component Unit**

**A. Basis of Presentation**

The Lancaster-Fairfield Community School (LFCS) prepares their financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. Under this method of accounting, revenues and expenses are identified within specific periods of time and are recorded as incurred, along with acquired assets, without regard to the date of receipt or the payment of cash.

**B. Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, LFCS's deposits may not be returned. LFCS do not have a deposit policy for custodial credit risk.

At June 30, 2014, the bank balance of LFCS's deposits was \$58,558. All of LFCS's bank balance was covered by federal depository insurance. There are no significant statutory restrictions regarding the deposit and investment of funds by the nonprofit corporation.

**C. Capital Assets**

Property and equipment are recorded at cost if purchased or at estimated fair market value at the date of donation. Expenditures for major additions and improvements are capitalized. Minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. All of LFCS's reported capital assets were depreciated using the straight-line method over six years of useful life.

LFCS had no capital assets recorded on the statement of net position as of June 30, 2014 due to the closure of LFCS. The remaining balance of capital assets, net, in the amount of \$3,106 was removed from the statement of net position and is also included in the special item on the statement of revenues, expenses, and changes in net position.

**D. Special Item – Closure of Lancaster-Fairfield Community School**

On June 9, 2014, Lancaster City School District Board of Education approved the closure and discontinuation of the contract between the School District and LFCS a year early, effective at the end of the fiscal year-end June 30, 2014. This closure was deemed necessary by the School District in order for the School District to be able to pursue a more efficient and effective holistic model of educational and support services for the adjudicated at-risk students of Fairfield County.

LFCS is reporting a special item representing costs directly related to the closure. This amount includes the remaining cash balances which will be returned to the Ohio Department of Education (ODE) after the collection of all receivables and the payment of all liabilities according to ODE closing procedures. ODE will allocate the remaining balance to the Sponsor, the School District, due to all of the students in LFCS belonging to the School District. This amount is included in intergovernmental payable on the statement of net position. Also due to the closure, unspent State and federal grant money was returned to the grantor. Capital assets no longer being used will be disposed of in accordance with the community school



**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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closure process set by ODE. A summary of principal items included as a special item on the statement of revenues, expenses, and changes in net position follows:

	<u>Amounts</u>
Money Returned to ODE	\$43,475
State and Federal Grant Money	2,986
Capital Assets:	
Disposals	<u>3,106</u>
Total Special Item	<u><u>\$49,567</u></u>

**Note 25 – Change in Reporting Entity**

Lancaster City School District served as the sponsor school district for the Lancaster Digital Academy (LDA). In prior fiscal years, the LDA was reported as a discretely presented component unit of the Lancaster City School District in prior years based upon the criteria set forth in GASB Statements 14, 39, and 61. During fiscal year 2013, Lancaster City School District approved the closure of LDA as of June 30, 2013; therefore, due to the closure, the School District will no longer present any financial information for the LDA.

**Lancaster City School District, Ohio**

*Combining and Individual Fund Financial Statements and Schedules*

## Lancaster City School District, Ohio

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### *Nonmajor Governmental Fund Types*

#### *Special Revenue Funds*

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

#### *Debt Service Fund*

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general obligation debt. For fiscal year 2014, there was only one debt service fund, bond retirement, which is considered a nonmajor fund.

#### *Capital Projects Funds*

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust.

**Lancaster City School District, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$2,491,253	\$830,038	\$4,797,228	\$8,118,519
Investments	0	0	8,480,688	8,480,688
Receivables:				
Property Taxes	418,338	2,824,062	0	3,242,400
Accounts	12,501	0	0	12,501
Intergovernmental	1,280,784	0	0	1,280,784
Accrued interest	1,108	0	3,705	4,813
Prepays	125,887	0	822	126,709
Inventory Held for Resale	57,020	0	0	57,020
Materials and Supplies Inventory	13,289	0	0	13,289
<i>Total Assets</i>	<u>\$4,400,180</u>	<u>\$3,654,100</u>	<u>\$13,282,443</u>	<u>\$21,336,723</u>
<b>Liabilities</b>				
Accounts Payable	\$54,475	\$0	\$504	\$54,979
Contracts Payable	0	0	220,510	220,510
Retainage Payable	0	0	12,414	12,414
Accrued Salaries and Benefits Payable	513,550	0	0	513,550
Intergovernmental Payable	277,666	0	0	277,666
Interfund Payable	61,777	0	0	61,777
<i>Total Liabilities</i>	<u>907,468</u>	<u>0</u>	<u>233,428</u>	<u>1,140,896</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes not Levied to Finance				
Current Year Operations	359,551	2,305,928	0	2,665,479
Unavailable Revenue	692,305	304,062	3,704	1,000,071
<i>Total Deferred Inflows of Resources</i>	<u>1,051,856</u>	<u>2,609,990</u>	<u>3,704</u>	<u>3,665,550</u>
<b>Fund Balances</b>				
Nonspendable	139,176	0	822	139,998
Restricted	2,303,994	1,044,110	8,247,261	11,595,365
Committed	124,935	0	0	124,935
Assigned	0	0	4,797,228	4,797,228
Unassigned (Deficit)	(127,249)	0	0	(127,249)
<i>Total Fund Balances</i>	<u>2,440,856</u>	<u>1,044,110</u>	<u>13,045,311</u>	<u>16,530,277</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$4,400,180</u>	<u>\$3,654,100</u>	<u>\$13,282,443</u>	<u>\$21,336,723</u>

**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$427,330	\$2,990,199	\$0	\$3,417,529
Intergovernmental	7,680,253	356,202	0	8,036,455
Interest	6,199	0	32,989	39,188
Tuition and Fees	27,684	0	0	27,684
Charges for Services	573,579	0	0	573,579
Extracurricular Activities	351,380	0	0	351,380
Gifts and Donations	24,811	0	3,703	28,514
Miscellaneous	12,562	0	647	13,209
<i>Total Revenues</i>	<u>9,103,798</u>	<u>3,346,401</u>	<u>37,339</u>	<u>12,487,538</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	521,762	0	0	521,762
Special	3,035,787	0	0	3,035,787
Vocational	172,541	0	0	172,541
Student Intervention Services	142,084	0	0	142,084
Support Services:				
Pupils	233,286	0	0	233,286
Instructional Staff	460,637	0	0	460,637
Administration	383,551	0	0	383,551
Fiscal	8,854	59,757	0	68,611
Pupil Transportation	9,722	0	352,261	361,983
Operation of Non-Instructional Services:				
Food Service Operations	2,492,307	0	0	2,492,307
Other Non-Instructional Services	885,809	0	0	885,809
Extracurricular Activities	235,436	0	243	235,679
Capital Outlay	21,000	0	3,381,616	3,402,616
Debt Service:				
Principal	0	1,790,000	0	1,790,000
Interest and Fiscal Charges	0	2,633,919	0	2,633,919
<i>Total Expenditures</i>	<u>8,602,776</u>	<u>4,483,676</u>	<u>3,734,120</u>	<u>16,820,572</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	<u>501,022</u>	<u>(1,137,275)</u>	<u>(3,696,781)</u>	<u>(4,333,034)</u>
<b>Other Financing Sources (Use)</b>				
Proceeds from Sale of Captial Assets	2,782	0	0	2,782
Transfers In	41,174	429,056	0	470,230
Transfers Out	0	0	(429,056)	(429,056)
<i>Total Other Financing Sources (Use)</i>	<u>43,956</u>	<u>429,056</u>	<u>(429,056)</u>	<u>43,956</u>
<i>Net Change in Fund Balances</i>	544,978	(708,219)	(4,125,837)	(4,289,078)
<i>Fund Balances Beginning of Year</i>	<u>1,895,878</u>	<u>1,752,329</u>	<u>17,171,148</u>	<u>20,819,355</u>
<i>Fund Balances End of Year</i>	<u>\$2,440,856</u>	<u>\$1,044,110</u>	<u>\$13,045,311</u>	<u>\$16,530,277</u>

## Lancaster City School District, Ohio

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### *Nonmajor Special Revenue Funds*

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Following is a description of the School Districts' nonmajor special revenue funds:

Food Service Fund – To account for and report charges for services and operating grants restricted to the food service operations of the School District.

Scholarship Memorial Fund – To account for and report monies donated to the School District without conditions or limitations that are committed for student scholarships.

Community Grants Fund - To account for and report grants received from a private foundation and monies from local businesses which provide restricted funds for the development of teaching staff and extracurricular activities for students.

Classroom Facilities Maintenance Fund – To account for levy proceeds from a half mill levy for maintenance of facilities passed in March 2012.

District Managed Student Activity Fund - To account for and report restricted student activity programs which have student participation in the activity but do not have student management of programs.

Auxiliary Services Fund - To account for and report restricted State grant monies that provide services and materials to pupils attending non-public schools within the School District.

Data Communications Fund - To account for and report restricted State grant monies awarded to the School District to provide for data communication.

IDEA - B Fund – To account for and report restricted Federal grant monies used to assist in the education of children with disabilities.

Title I Fund – To account for and report restricted Federal grant monies used to assist the School District in providing financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

Reducing Class Size Fund – To account for and report restricted Federal grant monies awarded to the School District by the Federal Government for the specific purpose of reducing class size at the primary level.

Race To The Top Fund – To account for federal grant funding awarded to encourage and stimulate education innovation and reform.

Miscellaneous State Grants Fund – To account for miscellaneous grants from the State for security related programs and early literacy programs.

Vocational Education Fund – To account for and report restricted Federal and State grant funds for the development of vocational education programs.

(Continued)

## Lancaster City School District, Ohio

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### *Nonmajor Special Revenue Funds (Continued)*

Preschool Fund – To account for and report committed tuition monies and restricted Federal and State revenues awarded to the School District for the improvement and expansion of services provided for preschool children and handicapped preschool children. This fund includes the preschool tuition, public school preschool, and preschool special education funds for GAAP reporting purposes.

Public School Support Fund - To account for and report specific local revenue sources (other than taxes) generated by individual school buildings. Expenditures include field trips, assemblies, materials and other items to supplement co-curricular and extra-curricular programs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Termination Benefits Fund – To account for and report cash committed for paying termination benefits or for paying salaries when the number of pay periods exceeds the usual and customary for a year. This fund is included with the general fund for GAAP reporting as it does not have a restricted revenue source. This fund was established by fund transfers from the general fund.

**Lancaster City School District, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2014*

	Food Service	Scholarship Memorial	Community Grants	Classroom Facilities Maintenance	District Managed Student Activity	Auxiliary Services
<b>Assets</b>						
Cash and Cash Equivalents	\$1,232,158	\$27,571	\$9,597	\$694,080	\$177,768	\$112,450
Receivables:						
Property Taxes	0	0	0	418,338	0	0
Accounts	0	0	11,975	0	176	0
Intergovernmental	257,815	0	0	0	0	0
Accrued Interest	995	22	0	0	0	91
Prepays	0	0	0	0	0	4,210
Inventory Held for Resale	57,020	0	0	0	0	0
Materials and Supplies Inventory	13,289	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,561,277</u>	<u>\$27,593</u>	<u>\$21,572</u>	<u>\$1,112,418</u>	<u>\$177,944</u>	<u>\$116,751</u>
<b>Liabilities</b>						
Accounts Payable	\$2,284	\$0	\$0	\$0	\$23,183	\$12,944
Accrued Salaries and Benefits Payable	124,259	0	0	0	0	19,625
Intergovernmental Payable	93,543	0	3,194	0	0	8,078
Interfund Payable	0	0	0	0	1,149	0
<i>Total Liabilities</i>	<u>220,086</u>	<u>0</u>	<u>3,194</u>	<u>0</u>	<u>24,332</u>	<u>40,647</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	0	0	0	359,551	0	0
Unavailable Revenue	737	16	0	25,338	0	67
<i>Total Deferred Inflows of Resources</i>	<u>737</u>	<u>16</u>	<u>0</u>	<u>384,889</u>	<u>0</u>	<u>67</u>
<b>Fund Balances:</b>						
Nonspendable	13,289	0	0	0	0	4,210
Restricted	1,327,165	0	18,378	727,529	153,612	71,827
Committed	0	27,577	0	0	0	0
Unassigned (Deficits)	0	0	0	0	0	0
<i>Total Fund Balances (Deficits)</i>	<u>1,340,454</u>	<u>27,577</u>	<u>18,378</u>	<u>727,529</u>	<u>153,612</u>	<u>76,037</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$1,561,277</u>	<u>\$27,593</u>	<u>\$21,572</u>	<u>\$1,112,418</u>	<u>\$177,944</u>	<u>\$116,751</u>



IDEA - B	Title I	Reducing Class Size	Race To The Top	Miscellaneous State Grants	Vocational Education	Preschool	Total Nonmajor Special Revenue Funds
\$63,157	\$46,733	\$17,113	\$3,633	\$0	\$0	\$106,993	\$2,491,253
0	0	0	0	0	0	0	418,338
32	0	0	0	0	0	318	12,501
364,052	449,154	126,800	957	64,494	14,029	3,483	1,280,784
0	0	0	0	0	0	0	1,108
78,400	43,277	0	0	0	0	0	125,887
0	0	0	0	0	0	0	57,020
0	0	0	0	0	0	0	13,289
<u>\$505,641</u>	<u>\$539,164</u>	<u>\$143,913</u>	<u>\$4,590</u>	<u>\$64,494</u>	<u>\$14,029</u>	<u>\$110,794</u>	<u>\$4,400,180</u>
\$5,488	\$0	\$519	\$1,732	\$0	\$8,325	\$0	\$54,475
135,812	204,878	19,806	0	0	0	9,170	513,550
47,038	118,006	4,707	0	0	0	3,100	277,666
0	0	0	0	58,494	2,134	0	61,777
<u>188,338</u>	<u>322,884</u>	<u>25,032</u>	<u>1,732</u>	<u>58,494</u>	<u>10,459</u>	<u>12,270</u>	<u>907,468</u>
0	0	0	0	0	0	0	359,551
294,052	235,242	126,800	0	6,000	945	3,108	692,305
<u>294,052</u>	<u>235,242</u>	<u>126,800</u>	<u>0</u>	<u>6,000</u>	<u>945</u>	<u>3,108</u>	<u>1,051,856</u>
78,400	43,277	0	0	0	0	0	139,176
0	0	0	2,858	0	2,625	0	2,303,994
0	0	0	0	0	0	97,358	124,935
(55,149)	(62,239)	(7,919)	0	0	0	(1,942)	(127,249)
<u>23,251</u>	<u>(18,962)</u>	<u>(7,919)</u>	<u>2,858</u>	<u>0</u>	<u>2,625</u>	<u>95,416</u>	<u>2,440,856</u>
<u>\$505,641</u>	<u>\$539,164</u>	<u>\$143,913</u>	<u>\$4,590</u>	<u>\$64,494</u>	<u>\$14,029</u>	<u>\$110,794</u>	<u>\$4,400,180</u>

**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
For the Fiscal Year Ended June 30, 2014

	Food Service	Scholarship Memorial	Community Grants	Classroom Facilities Maintenance
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$427,330
Intergovernmental	2,083,917	0	0	52,337
Interest	4,954	130	0	0
Tuition and Fees	0	0	0	0
Charges for Services	573,579	0	0	0
Extracurricular Activities	0	0	60,193	0
Gifts and Donations	0	500	0	0
Miscellaneous	0	0	11,975	0
<i>Total Revenues</i>	<u>2,662,450</u>	<u>630</u>	<u>72,168</u>	<u>479,667</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	10,675	0
Special	0	0	0	0
Vocational	0	0	88,928	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	8,854
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	2,492,307	0	0	0
Other Non-Instructional Services	0	1,474	2,300	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	11,000	0
<i>Total Expenditures</i>	<u>2,492,307</u>	<u>1,474</u>	<u>112,903</u>	<u>8,854</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>170,143</u>	<u>(844)</u>	<u>(40,735)</u>	<u>470,813</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Capital Assets	2,782	0	0	0
Transfer In	0	0	41,174	0
<i>Total Other Financing Sources</i>	<u>2,782</u>	<u>0</u>	<u>41,174</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	172,925	(844)	439	470,813
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,167,529</u>	<u>28,421</u>	<u>17,939</u>	<u>256,716</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$1,340,454</u>	<u>\$27,577</u>	<u>\$18,378</u>	<u>\$727,529</u>

District Managed Student Activity	Auxiliary Services	Data Communications	IDEA - B	Title I	Reducing Class Size	Race To The Top
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	759,693	21,600	1,565,452	2,312,188	358,732	61,560
0	1,115	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
291,187	0	0	0	0	0	0
24,311	0	0	0	0	0	0
587	0	0	0	0	0	0
<u>316,085</u>	<u>760,808</u>	<u>21,600</u>	<u>1,565,452</u>	<u>2,312,188</u>	<u>358,732</u>	<u>61,560</u>
0	0	0	0	199,294	125,367	0
0	0	0	1,002,407	1,932,210	0	0
0	0	0	0	0	0	0
0	0	0	140,820	1,264	0	0
0	0	0	131,425	68,586	0	0
0	0	21,600	24,364	104,227	218,184	46,551
0	0	0	312,931	1,606	17,244	12,151
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
97,779	752,855	0	22,664	1,686	7,051	0
235,436	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>333,215</u>	<u>752,855</u>	<u>21,600</u>	<u>1,634,611</u>	<u>2,308,873</u>	<u>367,846</u>	<u>58,702</u>
<u>(17,130)</u>	<u>7,953</u>	<u>0</u>	<u>(69,159)</u>	<u>3,315</u>	<u>(9,114)</u>	<u>2,858</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>(17,130)</u>	<u>7,953</u>	<u>0</u>	<u>(69,159)</u>	<u>3,315</u>	<u>(9,114)</u>	<u>2,858</u>
<u>170,742</u>	<u>68,084</u>	<u>0</u>	<u>92,410</u>	<u>(22,277)</u>	<u>1,195</u>	<u>0</u>
<u>\$153,612</u>	<u>\$76,037</u>	<u>\$0</u>	<u>\$23,251</u>	<u>(\$18,962)</u>	<u>(\$7,919)</u>	<u>\$2,858</u>

(Continued)

**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (Continued)*  
For the Fiscal Year Ended June 30, 2014

	Miscellaneous State Grants	Vocational Education	Preschool	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$427,330
Intergovernmental	238,306	104,042	122,426	7,680,253
Interest	0	0	0	6,199
Tuition and Fees	0	0	27,684	27,684
Charges for Services	0	0	0	573,579
Extracurricular Activities	0	0	0	351,380
Gifts and Donations	0	0	0	24,811
Miscellaneous	0	0	0	12,562
<i>Total Revenues</i>	<u>238,306</u>	<u>104,042</u>	<u>150,110</u>	<u>9,103,798</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	186,426	0	0	521,762
Special	0	0	101,170	3,035,787
Vocational	0	83,613	0	172,541
Student Intervention Services	0	0	0	142,084
Support Services:				
Pupils	7,380	0	25,895	233,286
Instructional Staff	34,500	8,385	2,826	460,637
Administration	0	7,443	32,176	383,551
Fiscal	0	0	0	8,854
Pupil Transportation	0	8,522	1,200	9,722
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	2,492,307
Other Non-Instructional Services	0	0	0	885,809
Extracurricular Activities	0	0	0	235,436
Capital Outlay	10,000	0	0	21,000
<i>Total Expenditures</i>	<u>238,306</u>	<u>107,963</u>	<u>163,267</u>	<u>8,602,776</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(3,921)</u>	<u>(13,157)</u>	<u>501,022</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Capital Assets	0	0	0	2,782
Transfer In	0	0	0	41,174
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,956</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>(3,921)</u>	<u>(13,157)</u>	<u>544,978</u>
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>6,546</u>	<u>108,573</u>	<u>1,895,878</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$0</u>	<u>\$2,625</u>	<u>\$95,416</u>	<u>\$2,440,856</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Food Service Fund**  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,050,000	\$1,677,624	(\$372,376)
Interest	2,000	5,267	3,267
Charges for Services	721,390	575,706	(145,684)
Miscellaneous	0	8,395	8,395
<i>Total Revenues</i>	<u>2,773,390</u>	<u>2,266,992</u>	<u>(506,398)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Central	930	0	930
Non-Instructional Services:			
Food Service Operations	<u>2,752,847</u>	<u>2,361,289</u>	<u>391,558</u>
<i>Total Expenditures</i>	<u>2,753,777</u>	<u>2,361,289</u>	<u>392,488</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	19,613	(94,297)	(113,910)
<b>Other Financing Sources</b>			
Proceeds from Sale of Capital Assets	<u>0</u>	<u>2,782</u>	<u>2,782</u>
<i>Net Change in Fund Balance</i>	19,613	(91,515)	(111,128)
<i>Fund Balance Beginning of Year</i>	1,283,637	1,283,637	0
<i>Prior Year Encumbrances Appropriated</i>	<u>19,995</u>	<u>19,995</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,323,245</u></u>	<u><u>\$1,212,117</u></u>	<u><u>(\$111,128)</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Scholarship Memorial Fund*  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$136	\$137	\$1
Gifts and Donations	515	500	(15)
<i>Total Revenues</i>	651	637	(14)
<b>Expenditures</b>			
Current:			
Non-Instructional Services:			
Community Services	4,560	3,005	1,555
<i>Net Change in Fund Balance</i>	(3,909)	(2,368)	1,541
<i>Fund Balance Beginning of Year</i>	27,308	27,308	0
<i>Prior Year Encumbrances Appropriated</i>	1,560	1,560	0
<i>Fund Balance at End of Year</i>	<u>\$24,959</u>	<u>\$26,500</u>	<u>\$1,541</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Community Grants Fund**  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$75,944	\$72,404	(\$3,540)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	13,175	10,675	2,500
Vocational	95,685	88,649	7,036
Support Services:			
Pupils	21	21	0
Operation of Non-Instructional Services			
Other	2,340	2,300	40
Capital Outlay	11,000	11,000	0
<i>Total Expenditures</i>	<u>122,221</u>	<u>112,645</u>	<u>9,576</u>
<i>Excess of Revenues Under Expenditures</i>	(46,277)	(40,241)	6,036
<b>Other Financing Sources</b>			
Operating Transfers In	37,913	41,174	3,261
<i>Net Change in Fund Balance</i>	(8,364)	933	9,297
<i>Fund Balance Beginning of Year</i>	7,248	7,248	0
<i>Prior Year Encumbrances Appropriated</i>	1,116	1,116	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$9,297</u>	<u>\$9,297</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Classroom Facilities Maintenance Fund  
For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$409,878	\$409,878	\$0
Intergovernmental	55,122	52,337	(2,785)
<i>Total Revenues</i>	465,000	462,215	(2,785)
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	10,000	8,854	1,146
<i>Net Change in Fund Balance</i>	455,000	453,361	(1,639)
<i>Fund Balance Beginning of Year</i>	240,719	240,719	0
<i>Fund Balance at End of Year</i>	\$695,719	\$694,080	(\$1,639)



**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*District Managed Student Activity Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$297,027	\$291,262	(\$5,765)
Gifts and Donations	40,625	24,160	(16,465)
Miscellaneous	1,600	587	(1,013)
<i>Total Revenues</i>	<u>339,252</u>	<u>316,009</u>	<u>(23,243)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Central	3,000	0	3,000
Non-Instructional Services:			
Other	110,307	96,766	13,541
Extracurricular Activities	278,824	248,713	30,111
<i>Total Expenditures</i>	<u>392,131</u>	<u>345,479</u>	<u>46,652</u>
<i>Net Change in Fund Balance</i>	(52,879)	(29,470)	23,409
<i>Fund Balance Beginning of Year</i>	158,169	158,169	0
<i>Prior Year Encumbrances Appropriated</i>	13,255	13,255	0
<i>Fund Balance at End of Year</i>	<u>\$118,545</u>	<u>\$141,954</u>	<u>\$23,409</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Auxiliary Services Fund*  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$848,522	\$759,693	(\$88,829)
Interest	1,116	1,147	31
Miscellaneous	1,800	1,549	(251)
<i>Total Revenues</i>	851,438	762,389	(89,049)
<b>Expenditures</b>			
Current:			
Non-Instructional Services:			
Community Services	882,742	825,213	57,529
<i>Net Change in Fund Balance</i>	(31,304)	(62,824)	(31,520)
<i>Fund Balance Beginning of Year</i>	31,875	31,875	0
<i>Prior Year Encumbrances Appropriated</i>	96,730	96,730	0
<i>Fund Balance at End of Year</i>	\$97,301	\$65,781	(\$31,520)

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Data Communications Fund**  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$21,600	\$21,600	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Central	21,600	21,600	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**IDEA - B Fund**  
*For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,039,610	\$1,675,558	(\$364,052)
Miscellaneous	7,194	7,195	1
<i>Total Revenues</i>	<u>\$2,046,804</u>	<u>\$1,682,753</u>	<u>(\$364,051)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special	1,286,671	944,164	342,507
Student Intervention Services	156,530	122,980	33,550
Support Services:			
Pupils	178,004	165,420	12,584
Instructional Staff	29,760	28,108	1,652
Administration	316,291	315,145	1,146
Non-Instructional Services:			
Community Services	40,001	22,713	17,288
<i>Total Expenditures</i>	<u>2,007,257</u>	<u>1,598,530</u>	<u>408,727</u>
<i>Excess of Revenues Over Expenditures</i>	39,547	84,223	44,676
<b>Other Financing Uses</b>			
Advances Out	(32,352)	(32,352)	0
<i>Net Change in Fund Balance</i>	7,195	51,871	44,676
<i>Fund Balance (Deficit) Beginning of Year</i>	(135,423)	(135,423)	0
<i>Prior Year Encumbrances Appropriated</i>	135,423	135,423	0
<i>Fund Balance at End of Year</i>	<u>\$7,195</u>	<u>\$51,871</u>	<u>\$44,676</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,824,427	\$2,375,274	(\$449,153)
Miscellaneous	14,922	14,922	0
<i>Total Revenues</i>	<u>\$2,839,349</u>	<u>\$2,390,196</u>	<u>(\$449,153)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	164,119	164,119	0
Special	2,130,209	1,888,287	241,922
Other	58,514	28,508	30,006
Support Services:			
Pupils	71,395	64,570	6,825
Instructional Staff	247,041	122,480	124,561
Administration	6,960	0	6,960
Pupil Transportation	5,850	0	5,850
Non-Instructional Services:			
Community Services	1,643	1,470	173
<i>Total Expenditures</i>	<u>2,685,731</u>	<u>2,269,434</u>	<u>416,297</u>
<i>Excess of Revenues Over Expenditures</i>	153,618	120,762	(32,856)
<b>Other Financing Uses</b>			
Advances Out	(119,727)	(119,727)	0
<i>Net Change in Fund Balance</i>	33,891	1,035	(32,856)
<i>Fund Balance (Deficit) Beginning of Year</i>	(52,218)	(52,218)	0
<i>Prior Year Encumbrances Appropriated</i>	52,218	52,218	0
<i>Fund Balance at End of Year</i>	<u>\$33,891</u>	<u>\$1,035</u>	<u>(\$32,856)</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Reducing Class Size Fund*  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$504,928	\$375,227	(\$129,701)
Miscellaneous	2,461	2,461	0
<i>Total Revenues</i>	<u>\$507,389</u>	<u>\$377,688</u>	<u>(\$129,701)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	137,223	122,783	14,440
Support Services:			
Instructional Staff	346,058	245,732	100,326
Administration	17,162	17,162	0
Non-Instructional Services:			
Community Services	7,146	7,197	(51)
<i>Total Expenditures</i>	<u>507,589</u>	<u>392,874</u>	<u>114,715</u>
<i>Net Change in Fund Balance</i>	(200)	(15,186)	(14,986)
<i>Fund Balance (Deficit) Beginning of Year</i>	(19,122)	(19,122)	0
<i>Prior Year Encumbrances Appropriated</i>	24,683	24,683	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$5,361</u>	<u>(\$9,625)</u>	<u>(\$14,986)</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Race to the Top Fund*  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$69,507	\$68,008	(\$1,499)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	405	405	0
Support Services:			
Instructional Staff	49,409	47,258	2,151
Administration	12,151	12,151	0
<i>Total Expenditures</i>	<u>61,965</u>	<u>59,814</u>	<u>2,151</u>
<i>Excess of Revenues Over Expenditures</i>	<u>7,542</u>	<u>8,194</u>	<u>652</u>
<b>Other Financing Uses</b>			
Advances Out	(7,542)	(7,000)	542
<i>Net Change in Fund Balance</i>	0	1,194	1,194
<i>Fund Balance (Deficit) Beginning of Year</i>	(405)	(405)	0
<i>Prior Year Encumbrances Appropriated</i>	405	405	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$1,194</u>	<u>\$1,194</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Miscellaneous State Grants Fund*  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$239,600	\$179,812	(\$59,788)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	186,200	186,562	(362)
Support Services:			
Pupils	8,400	7,380	1,020
Instructional Staff	35,000	34,500	500
Capital Outlay	10,000	10,000	0
<i>Total Expenditures</i>	<u>239,600</u>	<u>238,442</u>	<u>1,158</u>
<i>Net Change in Fund Balance</i>	0	(58,630)	(58,630)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>(\$58,630)</u>	<u>(\$58,630)</u>



**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Vocational Education Fund**  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$139,346	\$123,108	(\$16,238)
Miscellaneous	37	37	0
<i>Total Revenues</i>	<u>\$139,383</u>	<u>\$123,145</u>	<u>(\$16,238)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Vocational	92,631	91,638	993
Support Services:			
Instructional Staff	8,401	8,599	(198)
Administration	7,511	7,499	12
Pupil Transportation	8,800	7,752	1,048
<i>Total Expenditures</i>	<u>117,343</u>	<u>115,488</u>	<u>1,855</u>
<i>Excess of Revenues Over Expenditures</i>	22,040	7,657	(14,383)
<b>Other Financing Uses</b>			
Advances Out	(22,039)	(22,039)	0
<i>Net Change in Fund Balance</i>	1	(14,382)	(14,383)
<i>Fund Balance (Deficit) Beginning of Year</i>	(11,629)	(11,629)	0
<i>Prior Year Encumbrances Appropriated</i>	11,629	11,629	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$1</u>	<u>(\$14,382)</u>	<u>(\$14,383)</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Preschool Tuition Fund*  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$27,500	\$27,366	(\$134)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	30,670	16,685	13,985
Support Services:			
Pupils	26,938	16,173	10,765
Administration	27,592	21,289	6,303
<i>Total Expenditures</i>	<u>85,200</u>	<u>54,147</u>	<u>31,053</u>
<i>Net Change in Fund Balance</i>	(57,700)	(26,781)	30,919
<i>Fund Balance Beginning of Year</i>	112,757	112,757	0
<i>Prior Year Encumbrances Appropriated</i>	7,200	7,200	0
<i>Fund Balance at End of Year</i>	<u>\$62,257</u>	<u>\$93,176</u>	<u>\$30,919</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Public School Preschool Fund*  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$115,000	\$113,065	(\$1,935)
Miscellaneous	0	708	708
<i>Total Revenues</i>	<u>115,000</u>	<u>113,773</u>	<u>(1,227)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special	92,679	83,620	9,059
Support Services:			
Pupils	12,000	12,000	0
Instructional Staff	3,000	2,931	69
Administration	6,908	6,908	0
<i>Total Expenditures</i>	<u>114,587</u>	<u>105,459</u>	<u>9,128</u>
<i>Net Change in Fund Balance</i>	413	8,314	7,901
<i>Fund Balance Beginning of Year</i>	1,483	1,483	0
<i>Prior Year Encumbrances Appropriated</i>	39	39	0
<i>Fund Balance at End of Year</i>	<u>\$1,935</u>	<u>\$9,836</u>	<u>\$7,901</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Preschool Special Education Fund  
For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$21,135	\$17,586	(\$3,549)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	4,287	4,140	147
Support Services:			
Pupils	3,921	3,921	0
Instructional Staff	3,000	39	2,961
Administration	5,212	5,212	0
Pupil Transportation	1,200	1,200	0
<i>Total Expenditures</i>	<u>17,620</u>	<u>14,512</u>	<u>3,108</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,515</u>	<u>3,074</u>	<u>(441)</u>
<b>Other Financing Uses</b>			
Advances Out	(3,449)	(3,449)	0
<i>Net Change in Fund Balance</i>	66	(375)	(441)
<i>Fund Balance (Deficit) Beginning of Year</i>	(222)	(222)	0
<i>Prior Year Encumbrances Appropriated</i>	222	222	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$66</u>	<u>(\$375)</u>	<u>(\$441)</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Rent	\$2,000	\$1,323	(\$677)
Extracurricular Activities	121,870	75,813	(46,057)
Gifts and Donations	31,261	34,099	2,838
<i>Total Revenues</i>	<u>155,131</u>	<u>111,235</u>	<u>(43,896)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	36,248	27,821	8,427
Vocational	2,190	1,830	360
Support Services:			
Instructional Staff	6,833	6,832	1
Non-Instructional Services:			
Other	144,128	97,197	46,931
Extracurricular Activities	1,563	1,194	369
<i>Total Expenditures</i>	<u>190,962</u>	<u>134,874</u>	<u>56,088</u>
<i>Net Change in Fund Balance</i>	(35,831)	(23,639)	12,192
<i>Fund Balance Beginning of Year</i>	119,082	119,082	0
<i>Prior Year Encumbrances Appropriated</i>	12,118	12,118	0
<i>Fund Balance at End of Year</i>	<u>\$95,369</u>	<u>\$107,561</u>	<u>\$12,192</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Termination Benefits Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	319,695	282,717	36,978
Special	39,103	39,103	0
Vocational	26,271	26,271	0
Support Services:			
Pupils	32,305	32,305	0
Administration	42,750	42,390	360
Operation and Maintenance of Plant	31,403	30,381	1,022
Pupil Transportation	8,500	7,089	1,411
Operation of Non-Instructional Services:			
Food Service	7,632	7,555	77
Community Services	71	71	0
<i>Total Expenditures</i>	507,730	467,882	39,848
<i>Net Change in Fund Balance</i>	(507,730)	(467,882)	39,848
<i>Fund Balance Beginning of Year</i>	1,003,879	1,003,879	0
<i>Fund Balance at End of Year</i>	\$496,149	\$535,997	\$39,848

## Lancaster City School District, Ohio

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### *Nonmajor Debt Service Fund*

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general obligation debt. Following is a description of the non major debt service fund:

Bond Retirement Fund – This fund accounts for levy proceeds to pay for general obligation bonded debt.

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Bond Retirement Fund**  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$2,778,347	\$2,778,347	\$0
Intergovernmental	356,202	356,202	0
<i>Total Revenues</i>	<u>3,134,549</u>	<u>3,134,549</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	67,081	59,757	7,324
Debt Service:			
Principal	1,790,000	1,790,000	0
Interest	2,633,919	2,633,919	0
<i>Total Expenditures</i>	<u>4,491,000</u>	<u>4,483,676</u>	<u>7,324</u>
<i>Excess of Revenues Under Expenditures</i>	(1,356,451)	(1,349,127)	7,324
<b>Other Financing Sources</b>			
Transfer In	429,056	429,056	0
<i>Net Change in Fund Balance</i>	(927,395)	(920,071)	7,324
<i>Fund Balance Beginning of Year</i>	<u>1,750,109</u>	<u>1,750,109</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$822,714</u></u>	<u><u>\$830,038</u></u>	<u><u>\$7,324</u></u>



## Lancaster City School District, Ohio

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### *Capital Projects Funds*

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust. Following is a description of the major capital projects fund:

#### *Major Capital Projects Fund*

Classroom Facilities Fund - To account for the receipts and expenditures from the Ohio Facilities Construction Commission and debt issuance for the construction of five new elementary school buildings.

#### *Nonmajor Capital Projects Funds*

Permanent Improvement Fund – To account for and report the funds assigned for acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds. This fund receives minor donations and extracurricular revenues used for capital related purposes but the majority of the fund balance is from transfers from the general fund.

Elementary Building Projects Fund – To account for the bond proceeds used for the upgrades in construction of five new elementary school buildings being built through the Ohio Facilities Construction Commission project.

House Bill 264 Improvement Projects Fund - To account for the note proceeds used to complete energy improvements under House Bill 264.

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Classroom Facilities Fund**  
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$15,320,500	\$9,377,601	(\$5,942,899)
Interest	156,500	150,646	(5,854)
<i>Total Revenues</i>	15,477,000	9,528,247	(5,948,753)
<b>Expenditures</b>			
Capital Outlay	71,981,476	40,893,796	31,087,680
<i>Net Change in Fund Balance</i>	(56,504,476)	(31,365,549)	25,138,927
<i>Fund Balance Beginning of Year</i>	52,041,885	52,041,885	0
<i>Prior Year Encumbrances Appropriated</i>	4,481,476	4,481,476	0
<i>Fund Balance at End of Year</i>	\$18,885	\$25,157,812	\$25,138,927

**Lancaster City School District, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2014*

	Permanent Improvement	Elementary Building Projects	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$4,797,228	\$0	\$4,797,228
Investments	0	8,480,688	8,480,688
Accrued Interest Receivable	0	3,705	3,705
Prepaid Items	0	822	822
<i>Total Assets</i>	<u>\$4,797,228</u>	<u>\$8,485,215</u>	<u>\$13,282,443</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$504	\$504
Contracts Payable	0	220,510	220,510
Retainage Payable	0	12,414	12,414
<i>Total Liabilities</i>	<u>0</u>	<u>233,428</u>	<u>233,428</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	3,704	3,704
<b>Fund Balances</b>			
Nonspendable	0	822	822
Restricted	0	8,247,261	8,247,261
Assigned	4,797,228	0	4,797,228
<i>Total Fund Balances</i>	<u>4,797,228</u>	<u>8,248,083</u>	<u>13,045,311</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$4,797,228</u>	<u>\$8,485,215</u>	<u>\$13,282,443</u>

**Lancaster City School District, Ohio**  
*Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2014*

	Permanent Improvement	Elementary Building Projects	House Bill 264 Improvement Projects	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Interest	\$0	\$32,989	\$0	\$32,989
Gifts and Donations	3,703	0	0	3,703
Miscellaneous	647	0	0	647
<i>Total Revenues</i>	<u>4,350</u>	<u>32,989</u>	<u>0</u>	<u>37,339</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil Transportation	352,261	0	0	352,261
Extracurricular Activities	243	0	0	243
Capital Outlay	1,011,380	574,755	1,795,481	3,381,616
<i>Total Expenditures</i>	<u>1,363,884</u>	<u>574,755</u>	<u>1,795,481</u>	<u>3,734,120</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,359,534)</u>	<u>(541,766)</u>	<u>(1,795,481)</u>	<u>(3,696,781)</u>
<b>Other Financing Uses</b>				
Transfers Out	(429,056)	0	0	(429,056)
<i>Total Other Financing Uses</i>	<u>(429,056)</u>	<u>0</u>	<u>0</u>	<u>(429,056)</u>
<i>Net Change in Fund Balances</i>	(1,788,590)	(541,766)	(1,795,481)	(4,125,837)
<i>Fund Balances Beginning of Year</i>	<u>6,585,818</u>	<u>8,789,849</u>	<u>1,795,481</u>	<u>17,171,148</u>
<i>Fund Balances End of Year</i>	<u>\$4,797,228</u>	<u>\$8,248,083</u>	<u>\$0</u>	<u>\$13,045,311</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Permanent Improvement Fund  
For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Gifts and Donations	\$3,950	\$3,703	(\$247)
Miscellaneous	550	647	97
<i>Total Revenues</i>	<u>4,500</u>	<u>4,350</u>	<u>(150)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupil Transportation	359,800	352,261	7,539
Extracurricular Activities	10,000	243	9,757
Capital Outlay	1,207,238	1,079,556	127,682
<i>Total Expenditures</i>	<u>1,577,038</u>	<u>1,432,060</u>	<u>144,978</u>
<i>Excess of Revenues Under Expenditures</i>	(1,572,538)	(1,427,710)	144,828
<b>Other Financing Uses</b>			
Operating Transfers Out	(429,056)	(429,056)	0
<i>Net Change in Fund Balance</i>	(2,001,594)	(1,856,766)	144,828
<i>Fund Balance Beginning of Year</i>	6,579,724	6,579,724	0
<i>Prior Year Encumbrances Appropriated</i>	6,094	6,094	0
<i>Fund Balance at End of Year</i>	<u>\$4,584,224</u>	<u>\$4,729,052</u>	<u>\$144,828</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Elementary Building Projects Fund  
For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$24,250	\$24,160	(\$90)
<b>Expenditures</b>			
Capital Outlay	6,573,911	4,027,410	2,546,501
<i>Net Change in Fund Balance</i>	(6,549,661)	(4,003,250)	2,546,411
<i>Fund Balance Beginning of Year</i>	8,803,270	8,803,270	0
<i>Prior Year Encumbrances Appropriated</i>	15,493	15,493	0
<i>Fund Balance at End of Year</i>	<u>\$2,269,102</u>	<u>\$4,815,513</u>	<u>\$2,546,411</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*House Bill 264 Improvement Projects Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay	1,999,000	1,999,000	0
<i>Net Change in Fund Balance</i>	(1,999,000)	(1,999,000)	0
<i>Fund Balance Beginning of Year</i>	1,461,582	1,461,582	0
<i>Prior Year Encumbrances Appropriated</i>	537,418	537,418	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

## Lancaster City School District, Ohio

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### *Internal Service Fund*

The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis.

The Employee Benefits Self Insurance Fund – This fund accounts for the operation of the School District’s self-insurance program for employee medical, surgical, prescription drug, and dental claims.



**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenses, and Changes*  
*in Fund Equity - Budget and Actual (Budget Basis)*  
*Employee Benefits Self Insurance Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$7,825,000	\$7,863,050	\$38,050
<b>Expenses</b>			
Current:			
Support Services:			
Central:			
Purchased Services	942,386	942,386	0
Claims	7,057,614	7,037,282	20,332
<i>Total Expenses</i>	<u>8,000,000</u>	<u>7,979,668</u>	<u>20,332</u>
<i>Net Change in Fund Balance</i>	(175,000)	(116,618)	58,382
<i>Fund Equity Beginning of Year</i>	<u>1,019,644</u>	<u>1,019,644</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$844,644</u></u>	<u><u>\$903,026</u></u>	<u><u>\$58,382</u></u>

## Lancaster City School District, Ohio

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### *Fiduciary Funds*

#### *Private Purpose Trust Fund*

Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments are therefore not available to support the School District's own programs.

Endowment Fund - To account for a college scholarship program for students.

### *Agency Funds*

Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Student Managed Activity Fund – To account for those student activity programs which have student participation in the activity and have student involvement in the management of the program.

Tournament Account Fund – To account for the receipts and expenses related to the Ohio High School Athletic Association (OHSAA) athletic tournaments.

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenses, and Changes*  
*in Fund Equity - Budget and Actual (Budget Basis)*  
*Endowment Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$190	\$201	\$11
<b>Expenses</b>			
Current:			
Non-Instructional Services:			
Community Services	3,500	1,800	1,700
<i>Net Change in Fund Balance</i>	(3,310)	(1,599)	1,711
<i>Fund Equity Beginning of Year</i>	40,013	40,013	0
<i>Prior Year Encumbrances Appropriated</i>	1,500	1,500	0
<i>Fund Equity at End of Year</i>	<u>\$38,203</u>	<u>\$39,914</u>	<u>\$1,711</u>

**Lancaster City School District, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Balance 7/1/13	Additions	Reductions	Balance 6/30/14
<b>Student Managed Activity</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$102,146	\$136,213	\$120,186	\$118,173
<b>Liabilities</b>				
External Party Payable	\$0	\$337	\$0	\$337
Due to Students	102,146	135,876	120,186	117,836
<b>Total Liabilities</b>	<b>\$102,146</b>	<b>\$136,213</b>	<b>\$120,186</b>	<b>\$118,173</b>
<b>Tournament Account</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$0	\$17,358	\$8,151	\$9,207
Cash and Cash Equivalents in Segregated Accounts	277	7,954	8,231	0
<b>Total Assets</b>	<b>\$277</b>	<b>\$25,312</b>	<b>\$16,382</b>	<b>\$9,207</b>
<b>Liabilities</b>				
Due to Others	\$277	\$25,312	\$16,382	\$9,207
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$102,146	\$153,571	\$128,337	\$127,380
Cash and Cash Equivalents in Segregated Accounts	277	7,954	8,231	0
<b>Total Assets</b>	<b>\$102,423</b>	<b>\$161,525</b>	<b>\$136,568</b>	<b>\$127,380</b>
<b>Liabilities</b>				
Due to Others	\$277	\$25,312	\$16,382	\$9,207
External Party Payable	0	337	0	337
Due to Students	102,146	135,876	120,186	117,836
<b>Total Liabilities</b>	<b>\$102,423</b>	<b>\$161,525</b>	<b>\$136,568</b>	<b>\$127,380</b>

**Statistical  
Section**



**Lancaster  
Gales**

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# Statistical Section

This part of the School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>S2-S13</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, property tax.	<b>S14-S23</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S24-S29</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>S30-S31</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S32-S48</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Lancaster City School District, Ohio**  
*Net Position by Component*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2005	2006	2007	2008
Net Investment in Capital Assets	\$6,645,029	\$6,433,483	\$6,523,237	\$7,558,424
Restricted for:				
Classroom Facilities Construction	0	0	0	0
Capital Projects	157,992	195,158	4,408	0
Debt Service	0	0	0	0
Classroom Facilities Maintenance	0	0	0	0
Bus Purchase	0	0	21,262	12,260
Public School Support	114,255	95,215	26,807	0
District Managed Student Activities	63,350	99,577	104,815	109,486
Auxiliary Services	39,361	53,297	46,368	226,215
Readiness and Emergency Management	0	0	0	319,337
Special Education	288,124	390,130	653,524	1,058,473
IDEA - B (1)	0	0	0	0
Title I (1)	0	0	0	0
Education Jobs	0	0	0	0
Food Service (2)	0	0	0	0
Other Purposes	159,094	158,011	233,655	295,245
Unrestricted (Deficits)	(3,750,980)	(2,474,439)	9,050,606	22,120,028
<b>Total Net Position</b>	<b>\$3,716,225</b>	<b>\$4,950,432</b>	<b>\$16,664,682</b>	<b>\$31,699,468</b>

- (1) - prior to 2009 these amounts were combined with special education.  
(2) - prior to 2010 these amounts were combined with Unrestricted.

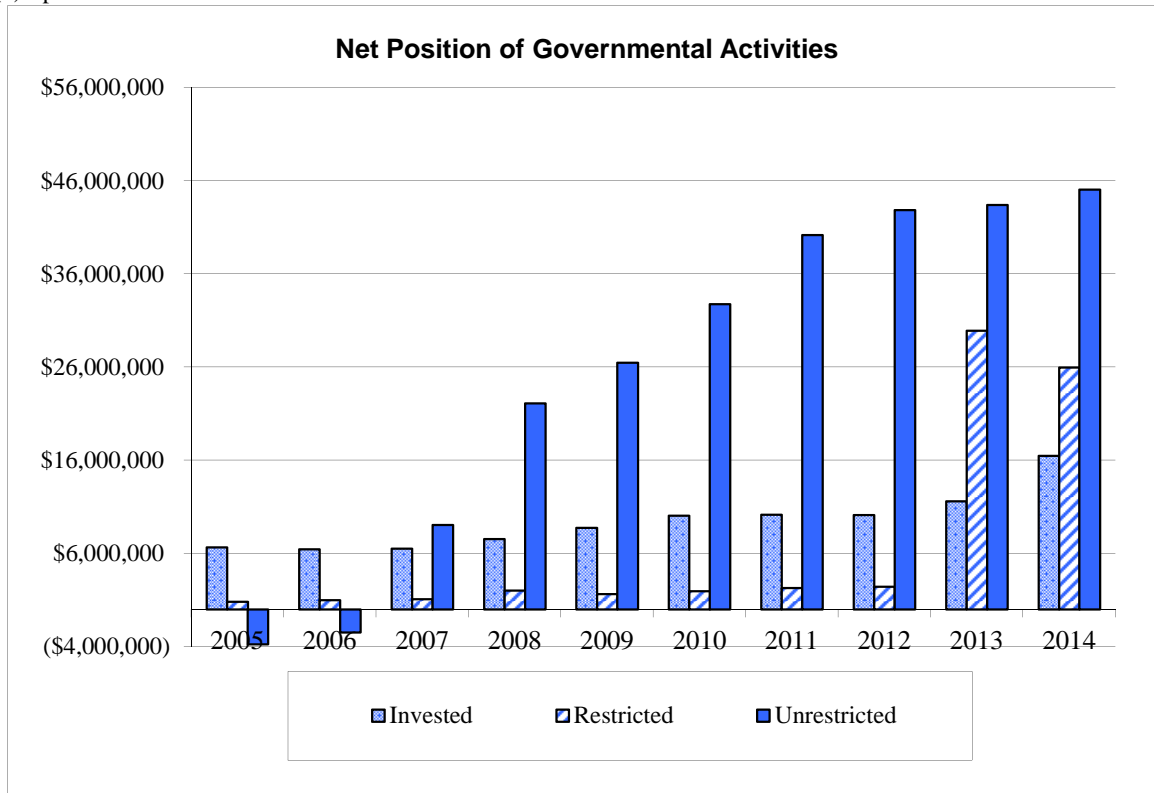




TABLE 1

2009	2010	2011	2012	2013	2014
\$8,736,629	\$10,037,560	\$10,143,839	\$10,124,925	\$11,590,278	\$16,476,059
0	0	0	0	25,597,562	22,362,386
0	0	0	0	0	9,781
0	0	0	0	1,326,932	716,983
0	0	0	0	286,129	752,867
40,693	0	0	0	0	0
27,005	20,732	0	0	0	0
79,896	103,900	139,017	154,599	170,742	153,612
79,041	129,432	90,185	177,517	68,165	76,104
0	0	0	0	0	0
937,719	0	0	0	0	0
153,941	460,456	516,083	829,513	732,038	317,303
127,580	594,882	218,108	145,829	458,680	216,280
0	0	453,316	0	0	0
0	392,252	634,988	832,212	1,046,964	1,214,943
190,796	235,660	247,945	274,036	211,330	150,853
26,469,952	32,773,653	40,162,876	42,864,021	43,400,056	45,064,489
<u>\$36,843,252</u>	<u>\$44,748,527</u>	<u>\$52,606,357</u>	<u>\$55,402,652</u>	<u>\$84,888,876</u>	<u>\$87,511,660</u>

**Lancaster City School District, Ohio**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2005	2006	2007	2008
<b>Expenses</b>				
Regular Instruction	\$23,028,446	\$22,550,491	\$21,564,861	\$22,340,411
Special Instruction	6,499,927	5,993,895	5,918,643	6,376,028
Intergovernmental	596,240	641,663	41,599	43,367
Vocational Instruction	2,555,949	2,533,090	1,560,603	1,584,128
Adult/Continuing Instruction	164,390	102,241	2,734	150
Student Intervention Services	0	0	0	0
Pupil Support Services	3,019,821	2,655,701	2,275,073	2,311,328
Instructional Staff Support Services	3,501,558	3,312,136	2,347,971	3,093,077
Board of Education Support Services	212,283	103,737	99,845	66,610
Administration Support Services	4,391,395	4,235,498	2,973,956	3,282,407
Fiscal Support Services	1,089,018	1,249,249	1,058,051	1,153,200
Business Support Services	426,089	422,329	335,644	439,019
Operation and Maintenance of				
Plant Support Services	4,656,265	4,184,164	3,419,108	4,111,162
Pupil Transportation Support Services	1,761,350	1,760,638	1,458,150	1,653,859
Central Support Services	267,753	219,509	194,775	456,405
Food Service Operations	2,077,895	2,138,195	1,886,036	2,258,702
Other Operation of Non-				
Instructional Services	1,077,936	1,045,611	1,012,075	993,610
Extracurricular Activities	891,207	826,654	770,424	786,172
Interest and Fiscal Charges	29,935	24,482	18,612	12,256
<b>Total Expenses</b>	<b>56,247,457</b>	<b>53,999,283</b>	<b>46,938,160</b>	<b>50,961,891</b>
<b>Program Revenues</b>				
Charges for Services				
Regular Instruction	860,644	752,303	834,052	946,099
Special Instruction	123,488	157,139	74,985	120,876
Vocational Instruction	125,992	166,838	76,171	72,174
Adult/Continuing Instruction	64,167	34,471	0	0
Pupil Support Services	45,224	9,593	19,091	0
Instructional Staff Support Services	0	20,708	5,701	2,044
Administration Support Services	18,464	92,514	124,342	16,472
Fiscal Support Services	18,834	146,783	119,675	0
Business Support Services	0	0	139	0
Operation and Maintenance of				
Plant Support Services	64,789	22,500	21,783	128,089
Pupil Transportation Support Services	17,858	44,342	34,162	13,733
Central Support Services	0	0	0	0
Food Service Operations	1,038,083	1,000,143	892,439	863,809
Other Operation of Non-				
Instructional Services	339	0	0	0
Extracurricular Activities	394,807	382,453	781,512	368,278
Operating Grants, Contributions, and Interest				
Regular Instruction	609,498	371,620	497,924	476,575
Special Instruction	2,680,419	2,668,530	2,749,969	2,506,651
Intergovernmental	599,990	642,866	45,490	48,611
Vocational Instruction	482,750	460,027	486,693	501,589
Student Intervention Services	\$0	\$0	\$0	\$0

TABLE 2

2009	2010	2011	2012	2013	2014
\$25,382,476	\$25,015,206	\$25,267,226	\$27,582,357	\$27,890,107	\$29,848,634
6,916,927	6,505,593	6,774,046	6,734,872	7,794,149	10,217,253
0	0	0	0	0	0
1,876,125	2,045,360	1,988,929	1,861,495	1,758,521	1,974,580
0	0	0	0	0	0
195,280	174,393	387,025	89,895	3,174	174,512
2,888,413	3,439,429	3,803,695	3,816,291	3,282,144	3,597,290
3,297,921	3,817,462	4,536,035	4,143,502	4,068,497	2,279,993
126,111	100,093	138,662	159,360	192,292	67,899
4,297,134	3,507,018	3,989,703	4,363,280	4,466,574	4,315,917
1,798,715	1,162,607	1,225,020	1,223,058	1,338,643	1,518,643
480,900	344,051	301,490	276,541	297,066	302,839
4,659,595	4,473,972	4,732,028	4,858,140	6,118,563	6,567,218
1,740,238	1,819,850	1,814,524	1,898,371	1,888,965	1,982,221
81,009	1,016,939	1,028,761	897,022	930,175	1,147,639
2,387,214	2,391,647	2,442,927	2,604,226	2,595,416	2,579,805
1,384,954	1,045,247	1,053,992	1,051,937	1,205,901	1,004,579
1,081,703	1,184,055	1,198,641	1,236,389	1,260,333	1,280,481
0	42,918	48,045	37,373	2,222,824	2,557,104
58,594,715	58,085,840	60,730,749	62,834,109	67,313,344	71,416,607
874,820	794,725	859,936	938,378	749,921	867,120
161,007	160,980	125,123	108,523	258,463	300,429
172,544	56,766	30,488	48,254	52,492	78,097
0	0	0	0	0	0
0	246	16,692	28,577	24,898	6,302
0	0	0	46	0	0
23,638	8,744	6,426	1,767	115,824	120,294
0	0	0	0	0	0
0	0	0	0	0	0
4,866	104,254	125,290	129,251	131,918	110,416
11,117	14,839	29,448	17,179	19,743	20,545
0	0	0	0	0	0
834,293	773,689	759,368	737,163	652,895	573,579
160,415	130,705	182,492	170,080	195,446	146,532
341,229	354,660	334,411	338,384	329,327	317,986
547,746	407,940	333,142	942,726	639,781	530,186
3,110,062	3,607,752	2,353,432	3,426,182	4,041,995	5,700,993
0	0	0	0	0	0
499,120	891,240	504,251	532,314	492,743	366,636
\$0	\$744	\$74,459	\$0	\$0	\$106,224

(Continued)

**Lancaster City School District, Ohio**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

(continued)	2005	2006	2007	2008
Operating Grants, Contributions, and Interest				
Adult/Continuing Instruction	\$97,979	\$146,586	\$0	\$0
Pupil Support Services	602,591	578,048	363,852	636,927
Instructional Staff Support Services	1,213,813	1,229,490	1,183,015	1,364,693
Administration Support Services	285,810	268,558	202,669	163,207
Fiscal Support Services	0	754	0	0
Operation and Maintenance of				
Plant Support Services	0	22,204	14,589	361,016
Pupil Transportation Support Services	118,576	117,443	162,185	124,744
Central Support Services	60,771	56,388	52,671	53,401
Food Service Operations	1,130,831	1,220,339	1,162,133	1,327,383
Other Operation of Non-				
Instructional Services	974,976	1,027,770	1,067,198	1,094,589
Extracurricular Activities	0	0	0	1,826
Capital Grants and Contributions				
Regular Instruction	68,925	0	41,738	0
Special Instruction	0	0	0	0
Vocational Instruction	43,620	2,307	0	0
Pupil Support Services	0	0	0	0
Instructional Staff Support Services	0	0	0	0
Administration Support Services	0	4,213	0	0
Fiscal Support Services	0	0	0	0
Business Support Services	0	0	0	0
Operation and Maintenance of				
Plant Support Services	0	0	0	0
Pupil Transportation Support Services	122,375	63,966	21,262	33,471
Central Support Services	0	0	0	0
Food Service Operations	0	0	0	0
Other Operation of Non-				
Instructional Services	0	0	0	0
Extracurricular Activities	2,452	0	0	0
<i>Total Program Revenues</i>	<u>11,868,065</u>	<u>11,710,896</u>	<u>11,035,440</u>	<u>11,226,257</u>
Net Expense	<u>(44,379,392)</u>	<u>(42,288,387)</u>	<u>(35,902,720)</u>	<u>(39,735,634)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes	25,245,138	25,211,639	25,474,906	22,331,810
Debt Service	0	0	0	0
Classroom Facilities Maintenance	0	0	0	0
Income Taxes Levied for General Purposes	0	0	2,715,588	9,260,589
Grants and Entitlements not				
Restricted to Specific Programs	17,400,697	18,000,132	18,785,514	22,233,300
Gain on Sale of Capital Assets	192,757	0	6,400	2,166
Payment in Lieu of Taxes	125,960	125,960	145,802	92,612
Unrestricted Contributions	0	0	0	0
Investment Earnings	96,361	181,572	486,989	849,581
Miscellaneous	4,422	3,291	1,771	362
<i>Total General Revenues</i>	<u>43,065,335</u>	<u>43,522,594</u>	<u>47,616,970</u>	<u>54,770,420</u>
<i>Change in Net Position</i>	<u>(\$1,314,057)</u>	<u>\$1,234,207</u>	<u>\$11,714,250</u>	<u>\$15,034,786</u>

TABLE 2 (continued)

2009	2010	2011	2012	2013	2014
\$0	\$0	\$0	\$0	\$0	\$0
373,081	506,868	1,277,950	570,319	209,826	220,381
1,121,538	875,508	1,687,199	1,498,589	1,050,092	246,445
229,436	193,400	261,143	308,105	338,369	415,640
0	0	0	0	214,574	408,539
26,452	5,185	0	0	26,989	0
111,984	114,502	130,493	112,226	153,141	152,160
51,063	190,905	35,523	24,737	21,600	0
1,544,922	1,812,966	1,881,023	2,015,424	2,096,846	2,088,784
1,083,287	1,001,083	933,483	991,955	910,871	806,292
5,485	0	0	0	1,896	1,038
0	14,800	5,695	0	157,417	0
0	0	0	0	48,280	0
0	0	0	0	11,943	0
0	0	0	0	23,248	0
0	0	0	0	55,420	0
0	0	0	0	30,403	0
0	0	0	0	3,570	0
0	0	0	0	1,785	0
0	0	0	0	31,578	0
28,433	0	0	0	31,112	3,700
0	0	0	0	2,975	0
0	0	0	0	31,578	0
0	0	0	0	1,785	0
0	8,806	672	1,056	6,887	3
11,316,538	12,031,307	11,948,139	12,941,235	13,167,631	13,588,321
(47,278,177)	(46,054,533)	(48,782,610)	(49,892,874)	(54,145,713)	(57,828,286)
19,160,191	18,019,554	20,337,720	19,355,151	20,265,836	21,853,496
0	0	0	0	1,798,935	3,081,621
0	0	0	0	264,526	423,255
9,623,513	9,779,684	10,074,785	10,297,991	10,447,432	10,977,817
23,121,048	25,370,579	25,647,701	22,571,044	50,183,166	23,270,370
6,300	21,819	11,898	6,324	23,138	24,884
0	240,995	53,200	99,473	168,385	119,261
1,000	3,932	2,747	15,130	6,403	5,358
454,476	426,821	355,164	279,429	188,017	575,118
55,433	96,424	157,225	64,627	286,099	119,890
52,421,961	53,959,808	56,640,440	52,689,169	83,631,937	60,451,070
\$5,143,784	\$7,905,275	\$7,857,830	\$2,796,295	\$29,486,224	\$2,622,784

**Lancaster City School District, Ohio**  
*Program Revenues by Function*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

<i>Function</i>	2005	2006	2007	2008
Regular Instruction	\$1,539,067	\$1,123,923	\$1,373,714	\$1,422,674
Special Instruction	2,803,907	2,825,669	2,824,954	2,627,527
Intergovernmental	599,990	642,866	45,490	48,611
Vocational Instruction	652,362	629,172	562,864	573,763
Adult/Continuing Instruction	162,146	181,057	0	0
Student Intervention Services	0	0	0	0
Pupil Support Services	647,815	587,641	382,943	636,927
Instructional Staff Support				
Services	1,213,813	1,250,198	1,188,716	1,366,737
Administration Support Services	304,274	365,285	327,011	179,679
Fiscal Support Services	18,834	147,537	119,675	0
Business Support Services	0	0	139	0
Operation and Maintenance				
of Plant Support Services	64,789	44,704	36,372	489,105
Pupil Transportation Support				
Services	258,809	225,751	217,609	171,948
Central Support Services	60,771	56,388	52,671	53,401
Food Service Operations	2,168,914	2,220,482	2,054,572	2,191,192
Other Operation of				
Non-Instructional Services	975,315	1,027,770	1,067,198	1,094,589
Extracurricular Activities	397,259	382,453	781,512	370,104
<b>Total Program Revenues</b>	<b>\$11,868,065</b>	<b>\$11,710,896</b>	<b>\$11,035,440</b>	<b>\$11,226,257</b>

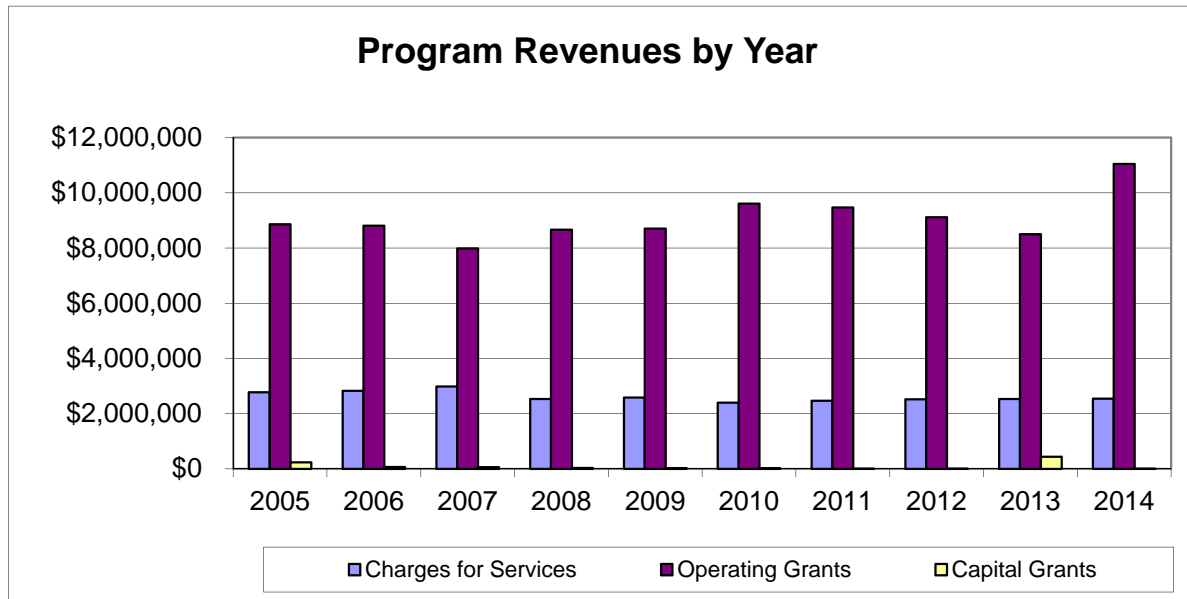


TABLE 3

2009	2010	2011	2012	2013	2014
\$1,422,566	\$1,217,465	\$1,198,773	\$1,881,104	\$1,547,119	\$1,397,306
3,271,069	3,768,732	2,478,555	3,534,705	4,348,738	6,001,422
0	0	0	0	0	0
671,664	948,006	534,739	580,568	557,178	444,733
0	0	0	0	0	0
0	744	74,459	0	0	106,224
373,081	507,114	1,294,642	598,896	257,972	226,683
1,121,538	875,508	1,687,199	1,498,635	1,105,512	246,445
253,074	202,144	267,569	309,872	484,596	535,934
0	0	0	0	218,144	408,539
0	0	0	0	1,785	0
31,318	109,439	125,290	129,251	190,485	110,416
151,534	129,341	159,941	129,405	203,996	176,405
51,063	190,905	35,523	24,737	24,575	0
2,379,215	2,586,655	2,640,391	2,752,587	2,781,319	2,662,363
1,243,702	1,131,788	1,115,975	1,162,035	1,108,102	952,824
346,714	363,466	335,083	339,440	338,110	319,027
<u>\$11,316,538</u>	<u>\$12,031,307</u>	<u>\$11,948,139</u>	<u>\$12,941,235</u>	<u>\$13,167,631</u>	<u>\$13,588,321</u>

**Lancaster City School District, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	3,313,699	3,786,420	5,203,373	4,006,686
Unreserved (Deficits)	<u>(4,551,424)</u>	<u>(4,300,295)</u>	<u>606,098</u>	<u>6,001,865</u>
<i>Total General Fund (Deficits)</i>	<u>(1,237,725)</u>	<u>(513,875)</u>	<u>5,809,471</u>	<u>10,008,551</u>
<b>Classroom Facilities</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
<b>Total Classroom Facilities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficits)	0	0	0	0
Reserved	155,045	166,614	146,744	141,585
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	761,788	751,503	1,139,729	2,355,837
Capital Projects Funds	62,777	99,908	1,295,803	7,855,297
<b>Total All Other Governmental Funds</b>	<u>979,610</u>	<u>1,018,025</u>	<u>2,582,276</u>	<u>10,352,719</u>
<b>Total Governmental Funds (Deficit)</b>	<u>(\$258,115)</u>	<u>\$504,150</u>	<u>\$8,391,747</u>	<u>\$20,361,270</u>

Note: The School District implemented Governmental Accounting Standards Board Statement No. 54 in 2011.

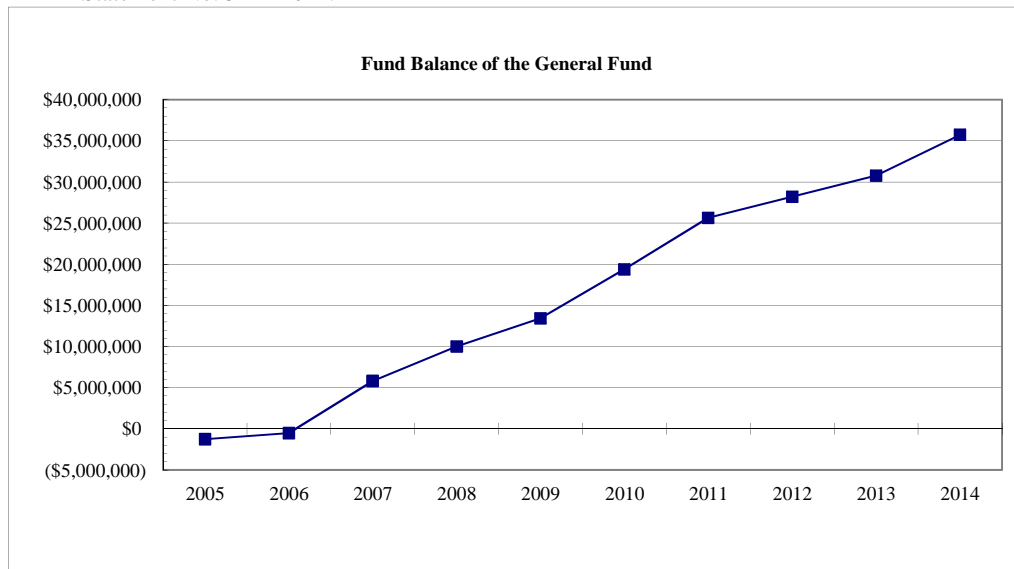




TABLE 4

2009	2010	2011	2012	2013	2014
\$0	\$152,939	\$149,498	\$192,201	\$233,871	\$272,265
0	1,366,227	1,084,681	1,487,757	1,537,138	959,770
0	1,257,839	2,055,469	2,663,482	1,574,861	791,069
0	16,627,287	22,375,936	23,888,980	27,454,346	33,724,581
3,683,265	0	0	0	0	0
9,747,000	0	0	0	0	0
13,430,265	19,404,292	25,665,584	28,232,420	30,800,216	35,747,685
0	0	0	0	0	6,553
0	0	0	0	56,238,658	60,020,664
0	0	0	0	56,238,658	60,027,217
0	90,606	125,512	19,740	134,727	139,998
0	1,037,033	904,870	1,274,814	14,010,684	11,595,365
0	114,663	133,335	129,304	141,911	124,935
0	7,972,597	7,972,317	7,437,921	6,585,818	4,797,228
0	(747)	(153,074)	(165,668)	(53,785)	(127,249)
573,455	0	0	0	0	0
1,496,164	0	0	0	0	0
7,970,676	0	0	0	0	0
10,040,295	9,214,152	8,982,960	8,696,111	20,819,355	16,530,277
\$23,470,560	\$28,618,444	\$34,648,544	\$36,928,531	\$107,858,229	\$112,305,179

**Lancaster City School District, Ohio**  
*Changes in Fund Balances, Governmental Funds (1)*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008
<b>Revenues</b>				
Property and Other Local Taxes	\$24,761,939	\$25,313,325	\$24,768,901	\$23,035,666
Payment in Lieu of Taxes	125,960	125,960	135,155	10,647
Income Taxes	0	0	2,078,535	9,211,573
Intergovernmental	26,657,356	26,669,605	26,717,228	30,117,518
Interest	107,287	196,327	508,134	774,233
Tuition and Fees	1,137,971	1,226,418	1,105,606	1,074,181
Charges for Services	1,019,233	980,965	870,220	854,438
Rent	45,133	74,120	103,658	115,849
Extracurricular Activities	593,050	563,292	955,325	490,106
Collection of a Capital Lease	75,000	31,250	31,250	31,250
Gifts and Donations	15,483	8,961	11,261	11,930
Miscellaneous	6,501	3,291	1,571	362
<i>Total Revenues</i>	<u>54,544,913</u>	<u>55,193,514</u>	<u>57,286,844</u>	<u>65,727,753</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	22,884,399	22,658,842	22,392,940	22,981,893
Special	6,592,407	6,157,372	6,216,613	6,614,211
Vocational	2,623,904	2,536,614	1,754,073	1,637,388
Adult/Continuing	164,390	102,241	2,734	150
Student Intervention Services	0	0	0	0
Support Services:				
Pupil	2,989,764	2,706,996	2,329,934	2,453,272
Instructional Staff	3,544,051	3,301,758	2,525,438	3,234,901
Board of Education	212,283	103,737	99,845	66,610
Administration	4,407,639	4,207,039	3,104,556	3,454,350
Fiscal	1,096,604	1,267,801	1,070,821	1,184,332
Business	423,449	425,682	356,339	722,966
Operation and Maintenance of Plant	4,576,132	4,198,430	3,608,794	4,245,530
Pupil Transportation	1,815,791	1,785,624	1,398,858	1,770,288
Central	255,997	210,151	209,654	457,157
Food Service Operations	2,129,614	2,126,103	1,950,649	2,288,593
Other Operation of Non-Instructional Services	1,080,378	1,052,134	1,074,427	918,849
Extracurricular Activities	828,721	793,025	759,714	751,887
Capital Outlay	700,601	8,159	350,046	629,953
Intergovernmental	596,240	641,663	41,599	43,367
Debt Service:				
Principal Retirement	128,450	133,894	139,755	297,901
Interest and Fiscal Charges	30,163	24,719	18,858	12,785
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>57,080,977</u>	<u>54,441,984</u>	<u>49,405,647</u>	<u>53,766,383</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>(2,536,064)</u>	<u>751,530</u>	<u>7,881,197</u>	<u>11,961,370</u>
<b>Other Financing Sources (Uses)</b>				
Inception of Capital Lease	0	0	0	0
Proceeds from Sale of Capital Assets	12,374	10,735	6,400	8,153
General Obligation Bonds Issued	0	0	0	0
Energy Conservation Notes Issued	0	0	0	0
Premium on Bonds Issued	0	0	0	0
Transfers In	90,787	66,629	1,126,192	7,617,029
Transfers Out	(90,787)	(66,629)	(1,126,192)	(7,617,029)
<i>Total Other Financing Sources (Uses)</i>	<u>12,374</u>	<u>10,735</u>	<u>6,400</u>	<u>8,153</u>
<i>Net Change in Fund Balances</i>	<u>(\$2,523,690)</u>	<u>\$762,265</u>	<u>\$7,887,597</u>	<u>\$11,969,523</u>
Debt Service as a Percentage of Noncapital Expenditures	0.3%	0.3%	0.3%	0.6%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

TABLE 5

2009	2010	2011	2012	2013	2014
\$18,912,036	\$18,767,854	\$19,451,956	\$18,670,963	\$22,154,415	\$25,820,261
11,092	166,498	104,608	90,883	122,423	156,129
9,569,688	9,858,713	9,992,256	10,274,903	10,468,860	10,919,272
31,931,545	35,034,320	34,494,059	32,914,732	37,282,526	44,252,133
409,591	342,864	195,117	201,627	162,021	578,441
1,088,516	993,082	1,046,528	1,082,139	1,168,376	1,334,027
834,293	773,689	759,368	737,163	652,895	573,579
122,366	104,774	126,770	130,816	133,272	111,739
538,754	528,063	537,008	567,484	576,384	521,955
31,250	0	0	0	0	0
13,741	71,277	47,028	88,646	77,331	67,971
55,433	96,424	157,225	64,627	281,799	124,190
63,518,305	66,737,558	66,911,923	64,823,983	73,080,302	84,459,697
25,878,642	26,486,501	25,053,553	27,325,710	27,812,378	29,012,986
7,054,730	6,683,180	6,727,679	6,782,966	7,772,205	9,826,230
1,889,406	2,340,419	2,017,770	1,796,053	1,780,656	1,845,123
0	0	0	0	0	0
195,280	183,208	385,243	88,813	2,058	173,296
2,874,685	3,563,711	3,775,301	3,777,464	3,289,153	3,508,400
3,384,896	3,959,734	4,475,848	4,072,815	3,994,307	2,309,927
126,111	100,093	138,662	159,360	192,292	67,899
4,003,138	3,827,631	3,961,818	4,153,291	4,368,763	4,328,975
1,778,785	1,187,136	1,220,695	1,211,820	1,327,490	1,500,199
955,566	366,104	297,106	272,601	294,612	293,807
4,784,494	4,737,066	4,656,043	4,679,532	4,882,727	4,778,122
1,654,664	2,042,037	1,809,713	2,030,856	1,971,460	2,112,092
415,395	1,113,133	1,044,765	883,231	935,544	1,060,086
2,385,640	2,460,290	2,392,623	2,560,151	2,535,560	2,499,862
1,405,157	1,102,192	1,105,593	1,057,043	1,224,423	977,668
1,004,894	1,181,301	1,146,649	1,177,767	1,192,661	1,213,735
623,832	897,077	500,396	350,693	3,016,136	9,384,545
0	0	0	0	0	0
0	95,273	136,219	147,514	159,762	2,479,580
0	42,918	48,045	36,725	1,618,796	2,665,099
0	0	0	0	833,000	0
60,415,315	62,369,004	60,893,721	62,564,405	69,203,983	80,037,631
3,102,990	4,368,554	6,018,202	2,259,578	3,876,319	4,422,066
0	757,246	11,898	20,409	1,036,010	0
6,300	22,084	0	0	39,418	24,884
0	0	0	0	60,410,000	0
0	0	0	0	2,000,000	0
0	0	0	0	3,567,951	0
28,376	19,007	14,427	14,081	52,683,081	470,230
(28,376)	(19,007)	(14,427)	(14,081)	(52,683,081)	(470,230)
6,300	779,330	11,898	20,409	67,053,379	24,884
\$3,109,290	\$5,147,884	\$6,030,100	\$2,279,987	\$70,929,698	\$4,446,950
0.0%	0.2%	0.3%	0.3%	2.7%	7.2%

**Lancaster City School District, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU	Actual Value	Assessed Value	Estimated Actual Value
2005	\$547,089,300	\$225,661,990	\$2,207,860,829	\$25,676,090	\$102,704,360
2006	561,512,210	222,642,280	2,240,441,400	25,354,560	101,418,240
2007	573,892,950	224,415,740	2,280,881,971	25,379,020	101,516,080
2008	628,950,440	258,287,400	2,534,965,257	22,601,540	90,406,160
2009	633,678,410	256,949,890	2,544,652,286	23,299,690	93,198,760
2010	634,841,800	245,888,380	2,516,371,943	24,843,910	99,375,640
2011	615,749,980	240,753,390	2,447,152,486	44,246,800	176,987,200
2012	616,978,730	245,316,740	2,463,701,343	44,756,650	179,026,600
2013	618,293,410	247,941,310	2,474,956,343	48,644,050	194,576,200
2014	614,184,870	252,145,190	2,475,228,743	48,977,450	195,909,800

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

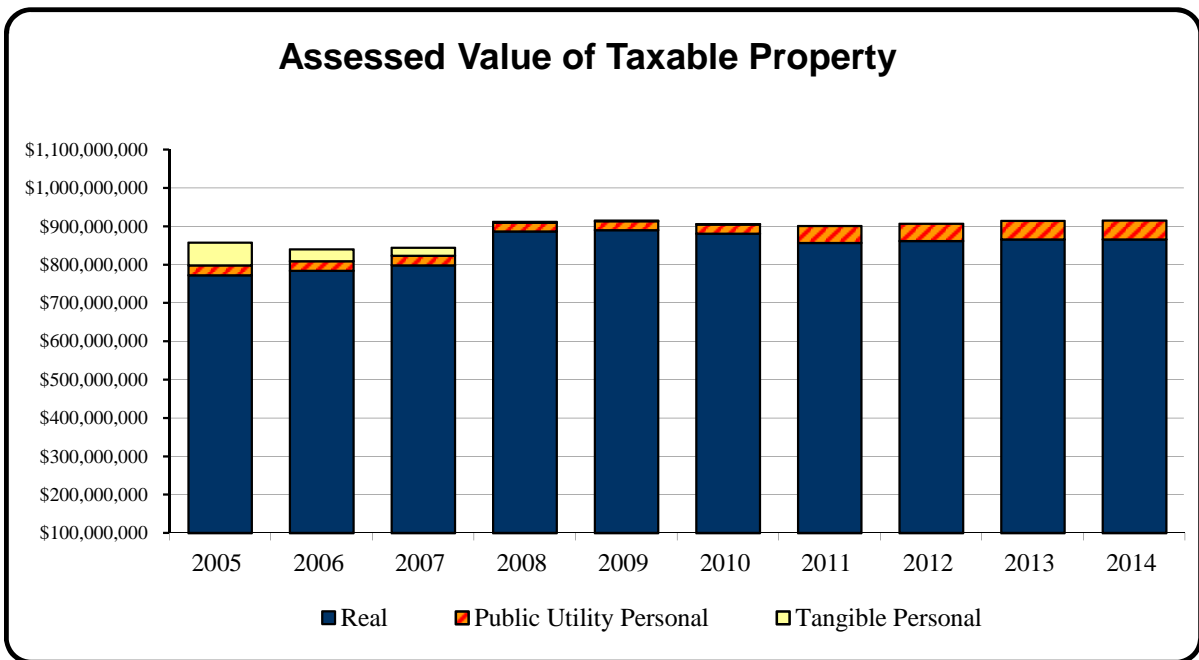
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Values are shown net of exempt property.

**Source:** Fairfield County Auditor

TABLE 6

Tangible Personal Property						
General Business		Total			Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$59,005,601	\$236,022,404	\$857,432,981	\$2,546,587,593	34%	\$68.4000	\$31.6304
30,990,035	165,280,187	840,499,085	2,507,139,827	34%	68.4000	30.2975
20,369,499	162,955,992	844,057,209	2,545,354,043	33%	68.5000	29.8137
1,761,970	28,191,520	911,601,350	2,653,562,937	34%	64.6000	22.9501
1,316,970	13,169,700	915,244,960	2,651,020,746	35%	64.6000	23.1593
644,470	12,889,400	906,218,560	2,628,636,983	34%	64.6000	23.4320
0	0	900,750,170	2,624,139,686	34%	64.6000	24.7674
0	0	907,052,120	2,642,727,943	34%	64.6000	24.6920
0	0	914,878,770	2,669,532,543	34%	68.7000	28.8821
0	0	915,307,510	2,671,138,543	34%	68.3000	28.6960



**Lancaster City School District, Ohio**

*Property Tax Rates*

(per \$1,000 of assessed value)

*Last Ten Years*

	Collection Year			
	2005	2006	2007	2008
<b>Unvoted Millage</b>				
Operating	\$4.0000	\$4.0000	\$4.0000	\$4.0000
<b>Voted Millage - by levy</b>				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	5.9843	5.9493	5.9339	5.4842
Commercial/Industrial and Public Utility Real	8.1846	8.2710	8.2493	7.0800
General Business and Public Utility Personal	31.7000	31.7000	31.7000	31.7000
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.1888	0.1877	0.1872	0.1730
Commercial/Industrial and Public Utility Real	0.2582	0.2609	0.2602	0.2233
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	1.8878	1.8768	1.8719	1.7300
Commercial/Industrial and Public Utility Real	2.5819	2.6092	2.6023	2.2335
General Business and Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1990 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	5.0380	5.0085	4.9955	4.6170
Commercial/Industrial and Public Utility Real	5.8978	5.9601	5.9444	5.1019
General Business and Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1997 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	5.6080	5.5752	5.5608	5.1394
Commercial/Industrial and Public Utility Real	5.5312	5.5896	5.5749	4.7847
General Business and Public Utility Personal	7.9000	7.9000	7.9000	7.9000
2004 Emergency (\$3,200,000) - three years				
Effective Millage Rates				
Residential/Agricultural Real	3.8000	3.8000	3.9000	0.0000
Commercial/Industrial and Public Utility Real	3.8000	3.8000	3.9000	0.0000
General Business and Public Utility Personal	3.8000	3.8000	3.9000	0.0000
2012 Permanent Improvement - continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
2012 Bond Retirement - 37 years (\$61,550,000)				
Effective Millage Rates				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
<b>Total voted millage by type of property</b>				
Residential/Agricultural Real	22.5069	22.3975	22.4493	17.1436
Commercial/Industrial and Public Utility Real	26.2537	26.4908	26.5311	19.4234
General Business and Public Utility Personal	64.4000	64.4000	64.5000	60.6000
<b>Total millage by type of property</b>				
Residential/Agricultural Real	26.5069	26.3975	26.4493	21.1436
Commercial/Industrial and Public Utility Real	30.2537	30.4908	30.5311	23.4234
General Business and Public Utility Personal	68.4000	68.4000	68.5000	64.6000
Total Direct Rate for the School District	68.4000	68.4000	68.5000	64.6000
Total Weighted Average Tax Rate	\$31.6304	\$30.2975	\$29.8137	\$22.9510

TABLE 7

Collection Year					
2009	2010	2011	2012	2013	2014
\$4.0000	\$4.0000	\$4.0000	\$4.0000	\$4.0000	\$4.0000
5.4811	5.4882	5.6827	5.6876	5.6880	5.7275
7.3574	7.6697	7.7016	7.5589	7.4563	7.5944
31.7000	31.7000	31.7000	31.7000	31.7000	31.7000
0.1729	0.1731	0.1793	0.1794	0.1795	0.1807
0.2321	0.2419	0.2430	0.2385	0.2352	0.2396
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.7291	1.7313	1.7926	1.7942	1.7946	1.8068
2.3210	2.4195	2.4295	2.3845	2.3522	2.3957
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
4.6143	4.6203	4.7840	4.7881	4.7892	4.8218
5.3017	5.5267	5.5497	5.4469	5.3730	5.4725
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.1364	5.1431	5.3253	5.3299	5.3310	5.3674
4.9722	5.1832	5.2047	5.1083	5.0390	5.1323
7.9000	7.9000	7.9000	7.9000	7.9000	7.9000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.5000	0.5000
0.0000	0.0000	0.0000	0.0000	0.4932	0.5000
0.0000	0.0000	0.0000	0.0000	0.5000	0.5000
0.0000	0.0000	0.0000	0.0000	3.6000	3.2000
0.0000	0.0000	0.0000	0.0000	3.6000	3.2000
0.0000	0.0000	0.0000	0.0000	3.6000	3.2000
17.1338	17.1559	17.7639	17.7792	21.8823	21.6042
20.1844	21.0409	21.1285	20.7371	24.5489	24.5345
60.6000	60.6000	60.6000	60.6000	64.7000	64.3000
21.1338	21.1559	21.7639	21.7792	25.8823	25.6042
24.1844	25.0409	25.1285	24.7371	28.5489	28.5345
64.6000	64.6000	64.6000	64.6000	68.7000	68.3000
64.6000	64.6000	64.6000	64.6000	68.7000	68.3000
\$23.1593	\$23.4320	\$24.7674	\$24.6920	\$28.8821	\$28.6960

**Lancaster City School District, Ohio**

*Property Tax Rates*

(per \$1,000 of assessed value)

*Last Ten Years*

	Collection Year			
	2005	2006	2007	2008
<b>Overlapping Rates by Taxing District</b>				
Berne Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	5.2176	5.2176	5.2152	4.9240
Commercial/Industrial and Public Utility Real	4.9583	4.9907	5.0396	4.8374
General Business and Public Utility Personal	7.7000	7.7000	7.7000	7.7000
Greenfield Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	10.2747	9.3594	9.4419	9.0053
Commercial/Industrial and Public Utility Real	9.2526	8.5508	8.4878	7.5227
General Business and Public Utility Personal	13.1000	11.1000	11.2000	11.2000
Hocking Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	4.3241	4.3183	4.3169	4.1691
Commercial/Industrial and Public Utility Real	3.8530	3.8556	3.8567	3.6172
General Business and Public Utility Personal	4.7000	4.7000	4.7000	4.7000
Pleasant Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	8.1348	6.4962	8.4738	8.0196
Commercial/Industrial and Public Utility Real	7.7194	6.3259	8.3159	8.0261
General Business and Public Utility Personal	9.1000	7.1000	9.1000	9.1000
Lancaster City Millage				
Effective Millage Rates				
Residential/Agricultural Real	3.4000	3.4000	3.4000	3.4000
Commercial/Industrial and Public Utility Real	3.4000	3.4000	3.4000	3.4000
General Business and Public Utility Personal	3.4000	3.4000	3.4000	3.4000
Fairfield County Library Millage				
Effective Millage Rates				
Residential/Agricultural Real	0.4609	0.4574	0.4560	0.4213
Commercial/Industrial and Public Utility Real	0.4630	0.4671	0.4658	0.4018
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.5000
Fairfield County Historic Parks Millage				
Effective Millage Rates				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
Fairfield County Millage				
Effective Millage Rates				
Residential/Agricultural Real	5.2683	7.0775	7.0615	6.7591
Commercial/Industrial and Public Utility Real	5.4259	7.1446	7.0980	6.3881
General Business and Public Utility Personal	7.5500	7.5500	7.5500	7.5500

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year

Rates may only be raised by obtaining the approval of a majority of the voters at a public election

Real property tax rates for voted levies are reduced so that inflationary increases in value do not generate additional revenue.

**Source:** Ohio Department of Taxation, Fairfield County Auditor



TABLE 7 (continued)

Collection Year					
2009	2010	2011	2012	2013	2014
4.9221	4.9293	4.9746	4.9748	4.9726	6.2286
4.8806	4.8806	4.8881	4.7892	4.7893	6.3343
7.7000	7.7000	7.7000	7.7000	7.7000	9.1000
8.9260	8.9220	8.9684	8.9731	8.9624	8.6591
8.0183	8.0334	8.0367	8.1221	8.1129	7.7885
11.2000	11.2000	11.1000	11.1000	11.1000	11.1000
4.1693	4.1671	4.1922	4.1902	4.1891	4.0665
3.6521	3.6490	3.6483	3.6478	3.8439	3.8051
4.7000	4.7000	4.7000	4.7000	4.7000	4.7000
8.0180	8.0224	8.1202	8.1227	8.1278	7.8841
8.2611	8.2668	8.3185	8.3185	8.2385	8.1975
9.1000	9.1000	9.1000	9.1000	9.1000	9.1000
3.4000	3.4000	3.4000	3.4000	3.4000	6.4000
3.4000	3.4000	3.4000	3.4000	3.4000	6.4000
3.4000	3.4000	3.4000	3.4000	3.4000	6.4000
0.4205	0.4207	0.4264	0.4265	0.4267	0.4079
0.4178	0.4322	0.4411	0.4364	0.4317	0.4343
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.0000	0.0000	0.0000	0.4000	0.4000	0.3938
0.0000	0.0000	0.0000	0.4000	0.3971	0.3950
0.0000	0.0000	0.0000	0.4000	0.4000	0.4000
6.7525	7.8337	7.9332	7.9357	7.9407	7.8574
6.5699	7.7745	7.8328	7.8343	7.7965	7.7684
7.5500	8.5500	8.5500	8.5500	8.5500	8.5500

**Lancaster City School District, Ohio**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

Calendar Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2004	\$26,371,259	\$23,169,853	87.86%	\$713,597	\$23,883,450	90.57%
2005	28,377,780	25,871,050	91.17	646,429	26,517,479	93.44
2006	27,594,726	25,082,018	90.89	826,330	25,908,348	93.89
2007	27,227,411	25,099,143	92.18	869,522	25,968,665	95.38
2008	20,669,036	19,599,961	94.83	685,407	20,285,368	98.14
2009	20,757,277	19,922,423	95.98	613,451	20,535,874	98.93
2010	20,615,080	19,811,679	96.10	607,392	20,419,071	99.05
2011	23,271,990	21,510,168	92.43	654,463	22,164,631	95.24
2012	26,434,836	25,455,153	96.29	987,323	26,442,476	100.03
2013	26,228,405	25,354,221	96.67	865,761	26,219,982	99.97

**Source:** Fairfield County Auditor's Office

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2014 information cannot be presented because all collections have not been made by June 30, 2014.
- (3) The County does not identify delinquent tax collections by tax year.

Note: The School District receives taxes from Fairfield County. Fairfield County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in that total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.



**Lancaster City School District, Ohio**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*2010 and 2005 (1)*

Name of Taxpayer	2010	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Ohio Bell	\$449,620	69.76%
Cincinnati SMSA Limited Partnership	65,400	10.15
New Par	53,730	8.34
T-Mobile Central, LLC	22,180	3.44
TWC Digital Phone, LLC	16,550	2.57
Ameritech Advanced Data Services of Ohio Incorporated	12,540	1.95
Sprintcom Incorporated	8,820	1.37
CSM Wireless, LLC	5,200	0.81
Sprint Nextel Corporation	4,580	0.71
Dieca Communications Incorporated	3,180	0.49
Total	<u>\$641,800</u>	<u>99.59%</u>
Total Assessed Valuation	<u>\$644,470</u>	
Name of Taxpayer	2005	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Anchor Hocking Glass Corporation	\$5,614,440	9.52%
RalCorp Holdings, Incorporated	5,082,420	8.61
Cyril Scott Company	3,300,880	5.59
Crown Cork & Seal Company	2,800,090	4.74
McDermott, Inc.	1,956,580	3.32
Lancaster Glass Corporation	1,905,770	3.23
Thilmany LLC	1,638,770	2.78
Mondi Packaging Akrosil LLC	1,459,310	2.47
Bob Boyd Ford Incorporated	1,356,130	2.30
Taylor Chevrolet Incorporated	1,263,610	2.14
Total	<u>\$26,378,000</u>	<u>44.70%</u>
Total Assessed Valuation	<u>\$59,005,601</u>	

(1) The amounts presented represent the assessed values upon which 2005 and 2010 collections were based. 2010 was the final year of collection for tangible personal property taxes.

Source: Fairfield County Auditor's Office

**Lancaster City School District, Ohio**  
*Principal Taxpayers*  
*Public Utilities Tax*  
*2014 and 2005 (1)*

Name of Taxpayer	2014	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$21,921,320	44.76%
Rockies Express Pipeline, LLC	18,446,710	37.66
Total	<u>\$40,368,030</u>	<u>82.42%</u>
Total Assessed Valuation	<u>\$48,977,450</u>	

Name of Taxpayer	2005	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$13,375,880	52.09%
Ohio Bell Telephone Company	5,059,610	19.71
Total	<u>\$18,435,490</u>	<u>71.80%</u>
Total Assessed Valuation	<u>\$25,676,090</u>	

(1) The amounts presented represent the assessed values upon which 2014 and 2005 collections were based.

**Source:** Fairfield County Auditor's Office

**Lancaster City School District, Ohio**  
*Ratio of Outstanding Debt by Type*  
*Last Ten Fiscal Years*

Fiscal Year	Estimated Population (1)	Per Capita Income (2)	Personal Income (3)	School Facilities Construction Bonds	Capital Leases
2005	36,380	\$30,383	\$1,105,333,540	\$0	\$571,550
2006	36,380	30,358	1,104,424,040	0	437,656
2007	36,380	30,912	1,124,578,560	0	297,901
2008	36,375	32,045	1,165,636,875	0	0
2009	36,608	32,834	1,201,987,072	0	0
2010	37,680	32,160	1,211,788,800	0	661,973
2011	37,243	32,609	1,214,456,987	0	525,754
2012	38,780	33,569	1,301,805,820	0	378,240
2013	38,880	35,929	1,396,919,520	63,929,735	1,254,488
2014	39,359	35,929	1,414,129,511	62,433,304	564,908

Source:

- (1) Lancaster City Community Development Department estimates as reported in the City of Lancaster Comprehensive Annual Financial Report presented on a calendar year.
- (2) U.S. Census Bureau presented on a calendar year.
- (3) Computation of per capita personal income multiplied by population presented on a calendar year.

TABLE 12

<u>Energy Conservation Notes</u>	<u>Total Debt Outstanding</u>	<u>Ratio of Total Debt to Personal Income</u>	<u>Total Debt Per Capita</u>
\$0	\$571,550	0.05%	\$16
0	437,656	0.04	12
0	297,901	0.03	8
0	0	0.00	0
0	0	0.00	0
0	661,973	0.05	18
0	525,754	0.04	14
0	378,240	0.03	10
2,000,000	67,184,223	4.81	1,728
1,610,000	64,608,212	4.57	1,642

**Lancaster City School District, Ohio**  
*Ratio of General Obligation Bonded Debt to Estimated  
 True Value and General Obligation Bonded Debt Per Capita  
 Last Ten Fiscal Years*

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Obligation Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2005	36,380	\$2,546,587,593	\$0	0.00%	\$0
2006	36,380	\$2,507,139,827	0	0.00%	0
2007	36,380	2,545,354,043	0	0.00%	0
2008	36,375	2,653,562,937	0	0.00%	0
2009	36,608	2,651,020,746	0	0.00%	0
2010	37,680	2,628,636,983	0	0.00%	0
2011	37,243	2,624,139,686	0	0.00%	0
2012	38,780	2,642,727,943	0	0.00%	0
2013	38,880	2,669,532,543	63,929,735	2.39%	1,644
2014	39,359	2,671,138,543	62,433,304	2.34%	1,586

**Sources:** (1) Lancaster City Community Development Department estimates as reported in the City of Lancaster Comprehensive Annual Financial Report presented on a calendar year.

(2) Fairfield County Auditor presented on a calendar year.



**Lancaster City School District, Ohio**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2014*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
<b>Direct Debt</b>			
Lancaster City School District as of June 30, 2014			
General Obligation Bonds	\$62,433,304	100.00%	\$62,433,304
Energy Conservation Notes	1,610,000	100.00%	1,610,000
Capital Leases	564,908	100.00%	564,908
Total Direct Debt	<u>64,608,212</u>		<u>64,608,212</u>
<b>Overlapping Debt:</b>			
Payable from Property Taxes as of December 31, 2013:			
Greenfield Township General Obligation Bonds	1,410,000	20.72%	292,173
Hocking Township Firehouse Note	423,522	73.90%	312,983
Hocking Township OPWC Loan	23,893	73.90%	17,657
Fairfield County General Obligation Bonds	14,684,240	27.10%	3,979,429
Fairfield County Capital Leases	500,838	27.10%	135,727
City of Lancaster General Obligation			
Bond Anticipation Notes	1,693,749	100.00%	1,693,749
City of Lancaster General Obligation Bonds	4,360,000	100.00%	4,360,000
City of Lancaster State Infrastructure Bank Loan	314,502	100.00%	314,502
City of Lancaster Housing and Urban			
Development Loan	310,000	100.00%	310,000
City of Lancaster OPWC Loan	45,646	100.00%	45,646
City of Lancaster Installment Loans	1,695,230	100.00%	1,695,230
City of Lancaster Capital Leases	114,214	100.00%	114,214
Payable from Other Sources as of December 31, 2013:			
Fairfield County Special Assessment Bonds	1,054,684	27.10%	285,819
Fairfield County General Obligation Bonds	617,144	27.10%	167,246
Fairfield County Capital Leases	8,076	27.10%	2,189
City of Lancaster Ohio Water Development Authority Loan	361,723	100.00%	361,723
City of Lancaster Special Assessment Bonds	191,000	100.00%	191,000
Total Overlapping Debt	<u>27,808,461</u>		<u>14,279,287</u>
Total Direct and Overlapping Debt	<u>\$92,416,673</u>		<u>\$78,887,499</u>

Source: Fairfield County Auditor, School District records, City of Lancaster, and the townships of Greenfield, Hocking, and Berne. Berne and Pleasant Townships had no debt outstanding as of December 31, 2013.

- (1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2014 collection year.

**Lancaster City School District, Ohio**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	2005	2006	2007	2008
Assessed Valuation (1)	\$857,432,981	\$804,825,190	\$819,793,750	\$907,576,140
Debt Limit - 9% of Assessed Value (2)	\$77,168,968	\$72,434,267	\$73,781,438	\$81,681,853
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds for School Facilities				
Construction	0	0	0	0
Energy Conservation Notes	0	0	0	0
Less Amount Available in Debt Service	0	0	0	0
Totals	0	0	0	0
Exemptions:				
Energy Conservation Notes	0	0	0	0
Totals	0	0	0	0
Amount of Debt Subject to Limit	0	0	0	0
Legal Debt Margin	\$77,168,968	\$72,434,267	\$73,781,438	\$81,681,853
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (1)	\$857,433	\$804,825	\$819,794	\$907,576
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	\$857,433	\$804,825	\$819,794	\$907,576
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Long-Term Notes				
Debt Limit - .9% of Assessed Value (1)	\$7,716,897	\$7,243,427	\$7,378,144	\$8,168,185
Amount of Debt Subject to Limit				
Energy Conservation Long-Term Notes	0	0	0	0
Unvoted Legal Debt Margin	\$7,716,897	\$7,243,427	\$7,378,144	\$8,168,185
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Source:** Fairfield County Auditor and School District Financial Records

- (1) In 2006, HB 530 changed the assessed valuation utilized in the legal debt margin calculation to exclude general business tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

**Note:** The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts.

TABLE 15

2009	2010	2011	2012	2013	2014
\$913,911,550	\$905,516,300	\$900,696,670	\$907,052,120	\$914,878,770	\$915,307,510
\$82,252,040	\$81,496,467	\$81,062,700	\$81,634,691	\$82,339,089	\$82,377,676
0	0	0	0	60,410,000	59,010,000
0	0	0	0	2,000,000	1,610,000
0	0	0	0	(1,752,329)	(1,044,110)
0	0	0	0	60,657,671	59,575,890
0	0	0	0	(2,000,000)	(1,610,000)
0	0	0	0	(2,000,000)	(1,610,000)
0	0	0	0	58,657,671	57,965,890
\$82,252,040	\$81,496,467	\$81,062,700	\$81,634,691	\$23,681,418	\$24,411,786
100.00%	100.00%	100.00%	100.00%	28.76%	29.63%
\$913,912	\$905,516	\$900,697	\$907,052	\$914,879	\$915,308
0	0	0	0	0	0
\$913,912	\$905,516	\$900,697	\$907,052	\$914,879	\$915,308
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$8,225,204	\$8,149,647	\$8,106,270	\$8,163,469	\$8,233,909	\$8,237,768
0	0	0	0	(2,000,000)	(1,610,000)
\$8,225,204	\$8,149,647	\$8,106,270	\$8,163,469	\$6,233,909	\$6,627,768
100.00%	100.00%	100.00%	100.00%	75.71%	80.46%

**Lancaster City School District, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Calendar Year	Population Lancaster City (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate Fairfield County
2004	36,380	\$1,105,333,540	\$30,383	5.30%
2005	36,380	1,104,424,040	30,358	5.30
2006	36,380	1,124,578,560	30,912	4.80
2007	36,375	1,165,636,875	32,045	5.00
2008	36,608	1,201,987,072	32,834	5.60
2009	37,680	1,211,788,800	32,160	8.50
2010	37,243	1,214,456,987	32,609	8.80
2011	38,780	1,301,805,820	33,569	7.70
2012	38,880	1,396,919,520	35,929	6.30
2013 (3)	39,359	1,414,129,511	35,929	6.40

**Sources:** Ohio Bureau of Employment Services  
U.S. Census Bureau  
City of Lancaster

(1) Population is estimated by the City of Lancaster Community Development Department as reported in the City of Lancaster Comprehensive Annual Financial Report.

(2) Per Capita Income is available by County only (Fairfield County), Personal Income is a calculation.

(3) Calendar year 2013 is the latest information available.

TABLE 17

## Lancaster City School District, Ohio

## Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	Calendar Year 2013		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical-Hospital	1,871	1	10.57%
Anchor Hocking Corporation	Manufacturing-Glass	1,148	2	6.49%
Fairfield County	County Government	831	3	4.69%
Lancaster City School District (1)	Education	704	4	3.98%
City of Lancaster	City Government	363	5	2.05%
Ralston Foods, Incorporated	Manufacturing-Food Products	349	6	1.97%
Diamond Power	Manufacturing-Commercial Eletronics	300	7	1.69%
Kroger Company	Food	286	8	1.62%
Fairfield Homes	Construction	231	9	1.31%
Crestview	Medical Services	227	10	1.28%
Total		6,310		35.65%
Total Employment within the School District		17,700		

Employer	Nature of Activity	Calendar Year 2004		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical-Hospital	1,888	1	11.17%
Anchor Hocking Corporation	Manufacturing-Glass	944	2	5.59%
Fairfield County	County Government	799	3	4.73%
Lancaster City School District (1)	Education	716	4	4.24%
Diamond Power	Manufacturing-Commercial Eletronics	472	5	2.79%
Ralston Foods, Incorporated	Manufacturing-Food Products	425	6	2.51%
City of Lancaster	City Government	336	7	1.99%
Glassfloss	Industrial	236	8	1.40%
Crestview	Nursing Care	227	9	1.34%
Lancaster Glass	Glass Manufacturer	189	10	1.12%
Total		6,232		36.88%
Total Employment within the School District		16,900		

Source: Total employment is from the State of Ohio Work Force Informer

Company information is from the Lancaster City development records and the Fairfield County Chamber of Commerce

TABLE 18

**Lancaster City School District, Ohio**  
*School District Employees by Function/Program*  
*Last Ten Fiscal Years*

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Regular Instruction										
Certified Employees	259	259	226	240	258	267	262	266	263	262
Special Instruction										
Classified Employees (1)	28	22	17	18	0	0	0	0	0	66
Certified Employees	82	78	77	71	82	81	81	82	90	91
Vocational Instruction										
Classified Employees (1)	0	0	0	0	0	0	0	1	1	1
Certified Employees	33	30	19	19	19	21	20	17	17	17
Student Intervention Services										
Certified Employees	0	0	0	0	0	3	2	0	0	3
Pupil Support Services										
Classified Employees (1)	5	4	5	4	15	14	18	15	14	15
Certified Employees	24	21	20	31	19	21	21	22	22	22
Instructional Staff										
Classified Employees	46	47	47	55	61	77	87	63	59	16
Certified Employees	14	11	4	5	4	3	5	5	5	3
Administrators	2	2	2	2	1	1	1	1	1	1
Administration										
Classified Employees	30	28	19	20	23	23	23	21	23	20
Administrators	26	23	17	20	22	21	21	21	23	24
Fiscal										
Classified Employees	7	6	4	4	4	4	4	4	4	4
Administrators	1	1	1	1	2	2	2	2	2	2
Business										
Classified Employees	3	3	1	1	1	1	2	1	1	2
Administrators	0	0	0	1	1	1	1	1	1	1
Operation and Maintenance of Plant										
Classified Employees	55	52	47	49	50	55	52	50	50	47
Administrators	2	2	1	1	1	1	1	1	1	1
Pupil Transportation										
Classified Employees	39	39	40	39	37	39	45	38	42	41
Administrators	1	1	1	1	1	1	1	1	1	1
Central										
Classified Employees	0	1	1	1	1	3	3	4	4	6
Administrators	1	1	1	1	1	2	2	1	1	2
Food Service Program										
Classified Employees	53	50	46	47	51	52	52	52	52	51
Administrators	1	1	1	1	1	1	1	1	1	1
Non-Instructional Services										
Classified Employees	2	3	2	2	2	0	1	1	1	0
Certified Employees	2	2	2	4	2	1	2	2	2	2
Extracurricular Activities										
Classified Employees (2)	0	0	0	0	2	2	2	2	2	1
Administrators (2)	0	0	0	0	1	1	1	1	1	1
Totals	<u>716</u>	<u>687</u>	<u>601</u>	<u>638</u>	<u>662</u>	<u>698</u>	<u>713</u>	<u>676</u>	<u>684</u>	<u>704</u>

(1) During fiscal year 2009, classified employees were reclassified from special instruction to pupil support services. During fiscal year 2014, classified employees were reclassified back to special instruction.

(2) During fiscal year 2009, classified and administrators were reclassified from instructional staff to extracurricular activities.

**Source:** Lancaster City School District Personnel Records

**Method:** The figures include only the full-time employees

**Lancaster City School District, Ohio**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Fiscal Year	General Fund Expenditures	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	State Average Pupil/Teacher Ratio
2005	\$47,909,510	5,988	\$8,001	N/A	417	14.4	18.5
2006	46,289,707	6,044	7,659	-4.28%	401	15.1	18.6
2007	41,807,164	5,877	7,114	-7.12%	348	16.9	19.6
2008	45,896,169	5,909	7,767	9.19%	374	15.8	18.6
2009	49,927,913	6,007	8,312	7.01%	389	15.4	n/a
2010	51,812,526	6,134	8,447	1.63%	402	15.3	n/a
2011	49,985,256	6,028	8,292	-1.83%	398	15.1	n/a
2012	53,239,374	6,083	8,752	5.55%	394	15.4	n/a
2013	56,206,708	6,025	9,329	6.59%	399	15.1	n/a
2014	57,432,328	6,218	9,236	-0.99%	400	15.5	n/a

N/A - Information for 2009-2014 is not available. The Ohio Department of Education ceased providing the State Average Pupil/Teacher Ratio after fiscal year 2008.

Source: School District Records and the Ohio Department of Education.

**Lancaster City School District, Ohio**  
*Building Statistics*  
*Last Ten Fiscal Years*

	2005	2006	2007
<b>Cedar Heights Elementary School</b>			
Constructed in 1939, addition in 1973			
Total Building Square Footage	31,100	31,100	31,100
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	456	471	377
Student Capacity	460	460	460
Instruction Classrooms	22	22	22
Teaching Stations	31	31	31
Administrators	1	1	1
Certified Staff	30	26	19
Classified Staff	15	18	15
<b>East Elementary School</b>			
Constructed in 1939			
Total Building Square Footage	37,518	37,518	37,518
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	315	423	383
Student Capacity	314	314	314
Instruction Classrooms	20	20	20
Teaching Stations	24	24	24
Administrators	1	1	1
Certified Staff	20	26	22
Classified Staff	14	19	15
<b>Medill Elementary School</b>			
Constructed in 1960, addition in 1965, 1966, and 1973			
Total Building Square Footage	31,500	31,500	31,500
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	339	339	305
Student Capacity	337	337	337
Instruction Classrooms	25	25	25
Teaching Stations	30	30	30
Administrators	1	1	1
Certified Staff	21	19	16
Classified Staff	17	14	15
<b>North Elementary School</b>			
Constructed in 1917			
Last year building was in service was 2005			
Total Building Square Footage	43,760	closed	closed
Enrollment Grades K-6	300	closed	closed
Student Capacity	299	closed	closed
Instruction Classrooms	31	closed	closed
Teaching Stations	28	closed	closed
Administrators	1	closed	closed
Certified Staff	20	closed	closed
Classified Staff	16	closed	closed



TABLE 20

2008	2009	2010	2011	2012	2013	2014
31,100	31,100	31,100	31,100	31,100	31,100	31,100
386	369	361	383	374	381	389
460	460	460	460	460	460	460
22	22	22	22	22	22	22
31	31	31	31	31	31	31
1	1	1	1	1	2	2
24	25	24	26	24	24	26
15	12	14	19	14	14	17
37,518	37,518	37,518	37,518	37,518	37,518	37,518
368	370	386	412	381	378	385
314	314	314	314	314	314	314
20	20	20	20	20	20	20
24	24	24	24	24	24	24
1	1	1	1	1	2	1
24	22	22	21	21	21	22
17	16	17	17	16	15	16
31,500	31,500	31,500	31,500	31,500	31,500	31,500
317	333	381	368	368	353	353
337	337	337	337	337	337	337
25	25	25	25	25	25	25
30	30	30	30	30	30	30
1	1	1	1	1	1	1
19	19	22	22	24	25	25
14	15	17	17	15	15	19
closed	closed	closed	closed	closed	closed	closed
closed	closed	closed	closed	closed	closed	closed
closed	closed	closed	closed	closed	closed	closed
closed	closed	closed	closed	closed	closed	closed
closed	closed	closed	closed	closed	closed	closed
closed	closed	closed	closed	closed	closed	closed
closed	closed	closed	closed	closed	closed	closed
closed	closed	closed	closed	closed	closed	closed

(Continued)

**Lancaster City School District, Ohio**  
*Building Statistics*  
*Last Ten Fiscal Years*

	2005	2006	2007
<b>Sanderson Elementary School</b>			
Constructed in 1968, addition in 1973 and 1996			
Total Building Square Footage	31,233	31,233	31,233
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	309	337	318
Student Capacity	308	308	308
Instruction Classrooms	20	20	20
Teaching Stations	24	24	24
Administrators	1	1	1
Certified Staff	20	17	16
Classified Staff	13	14	14
<b>South Elementary School</b>			
Constructed in 1931			
Total Building Square Footage	29,055	29,055	29,055
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	276	441	298
Student Capacity	149	149	149
Instruction Classrooms	17	17	17
Teaching Stations	21	21	21
Administrators	1	1	1
Certified Staff	19	19	19
Classified Staff	13	12	14
<b>Tallmadge Elementary School</b>			
Constructed in 1956, addition in 1959, 1966, and 1973			
Total Building Square Footage	37,000	37,000	37,000
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	343	360	393
Student Capacity	345	345	345
Instruction Classrooms	20	20	20
Teaching Stations	29	29	29
Administrators	1	1	1
Certified Staff	23	18	19
Classified Staff	15	13	17
<b>Tarhe Elementary School</b>			
Constructed in 1968, addition in 1973			
Modular Classrooms - Constructed in 2004			
Total Building Square Footage	25,200	25,200	25,200
Total Modular Square Footage	9,000	9,000	9,000
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	440	472	375
Student Capacity	445	445	445
Instruction Classrooms	20	20	20
Teaching Stations	17	17	17
Administrators	1	1	1
Certified Staff	22	23	18
Classified Staff	13	15	16

TABLE 20 (Continued)

2008	2009	2010	2011	2012	2013	2014
31,233	31,233	31,233	31,233	31,233	31,233	31,233
320	326	320	300	306	323	324
308	308	308	308	308	308	308
20	20	20	20	20	20	20
24	24	24	24	24	24	24
1	1	1	1	1	1	1
19	19	18	16	19	20	19
12	12	18	13	13	13	17
29,055	29,055	29,055	29,055	29,055	29,055	29,055
315	333	320	284	296	282	304
149	149	149	149	149	149	149
17	17	17	17	17	17	17
21	21	21	21	21	21	21
1	1	1	1	1	1	2
22	20	21	21	22	22	24
12	11	17	17	14	15	18
37,000	37,000	37,000	37,000	37,000	37,000	37,000
407	421	437	445	466	432	409
345	345	345	345	345	345	345
20	20	20	20	20	20	20
29	29	29	29	29	29	29
1	1	1	1	1	2	3
21	18	24	22	26	28	28
19	18	17	15	16	19	18
25,200	25,200	25,200	25,200	25,200	25,200	25,200
9,000	9,000	9,000	9,000	9,000	9,000	9,000
387	406	442	433	447	435	433
445	445	445	445	445	445	445
20	20	20	20	20	20	20
17	17	17	17	17	17	17
1	1	1	1	1	1	2
18	19	23	23	25	26	24
14	12	13	13	13	12	15

(Continued)

**Lancaster City School District, Ohio**

*Building Statistics*

*Last Ten Fiscal Years*

	2005	2006	2007
<b>West Elementary School</b>			
Constructed in 1928, addition in 1960			
Total Building Square Footage	46,404	46,404	46,404
Enrollment Grades K-6 for 2005-2006 and K-5 for 2007-2014	430	463	379
Student Capacity	428	428	428
Instruction Classrooms	24	24	24
Teaching Stations	28	28	28
Administrators	1	1	1
Certified Staff	27	27	26
Classified Staff	20	15	15
<b>General Sherman Junior High School</b>			
Constructed in 1957, addition in 1973			
Modular Classrooms - Constructed in 2010			
Total Building Square Footage	64,394	64,394	64,394
Total Modular Square Footage	0	0	0
Enrollment Grades 7-8 for 2005-2006 and 6-8 for 2007-2014	482	460	686
Student Capacity	484	484	484
Instruction Classrooms	23	23	23
Teaching Stations	29	29	29
Administrators	2	2	1
Certified Staff	30	27	39
Classified Staff	24	21	20
<b>Thomas Ewing Junior High School</b>			
Constructed in 1957			
Modular Classrooms - Constructed in 2010 and 2012			
Total Building Square Footage	63,308	63,308	63,308
Total Modular Square Footage	0	0	0
Enrollment Grades 7-8 for 2005-2006 and 6-8 for 2007-2014	499	454	587
Student Capacity	493	493	493
Instruction Classrooms	27	27	27
Teaching Stations	34	34	34
Administrators	1	1	1
Certified Staff	28	28	34
Classified Staff	21	23	20
<b>Stanbery Freshman School</b>			
Constructed in 1929, addition in 1965			
Total Building Square Footage	77,767	77,767	77,767
Enrollment Grade 9 for 2005-2006	507	501	0
Enrollment for Career Based Intervention			
Technology students 2007-2014	0	0	56
Student Capacity	509	509	509
Instruction Classrooms	28	28	28
Teaching Stations	32	32	32
Administrators	15	16	9
Certified Staff	34	36	14
Classified Staff	43	39	15

TABLE 20 (Continued)

2008	2009	2010	2011	2012	2013	2014
46,404	46,404	46,404	46,404	46,404	46,404	46,404
381	414	436	436	441	434	478
428	428	428	428	428	428	428
24	24	24	24	24	24	24
28	28	28	28	28	28	28
1	1	1	1	1	2	2
28	31	27	32	32	32	33
14	16	21	24	22	20	21
64,394	64,394	64,394	64,394	64,394	64,394	64,394
0	0	9,000	9,000	9,000	9,000	9,000
656	691	701	653	676	707	729
484	484	484	484	484	484	484
23	23	23	23	23	23	23
29	29	29	29	29	29	29
1	1	1	1	2	2	2
41	43	39	41	42	40	40
22	27	24	28	24	21	22
63,308	63,308	63,308	63,308	63,308	63,308	63,308
0	0	9,000	9,000	18,000	18,000	18,000
594	625	681	707	709	700	709
493	493	493	493	493	493	493
27	27	27	27	27	27	27
34	34	34	34	34	34	34
1	1	1	1	2	3	3
34	34	40	42	39	41	39
21	26	25	31	26	24	29
77,767	77,767	77,767	77,767	77,767	77,767	77,767
0	0	0	0	0	0	0
47	191	260	250	203	205	194
509	509	509	509	509	509	509
28	28	28	28	28	28	28
32	32	32	32	32	32	32
9	11	11	11	12	9	9
20	37	34	26	16	14	22
17	18	26	33	26	23	21

**Lancaster City School District, Ohio**  
*Building Statistics*  
*Last Ten Fiscal Years*

	2005	2006	2007
<b>Lancaster High School</b>			
Constructed in 1963			
Vocational classrooms constructed in 1965			
Total Building Square Footage	192,500	192,500	192,500
Enrollment Grades 10-12 for 2005-2006 and 9-12 for 2007-2014	1,292	1,323	1,720
Student Capacity	1,302	1,302	1,302
Instruction Classrooms	65	65	65
Teaching Stations	102	102	102
Administrators	4	4	5
Certified Staff	123	135	106
Classified Staff	44	52	53

Building square footage, instructional classrooms, and teaching stations were determined from architectural drawings.

Student enrollment is based on the October count for Educational Management Information System

Student Capacity is based upon State standards of required square footage per child

Staffing was provided from payroll records maintained by the Lancaster City Schools Treasurer's Office

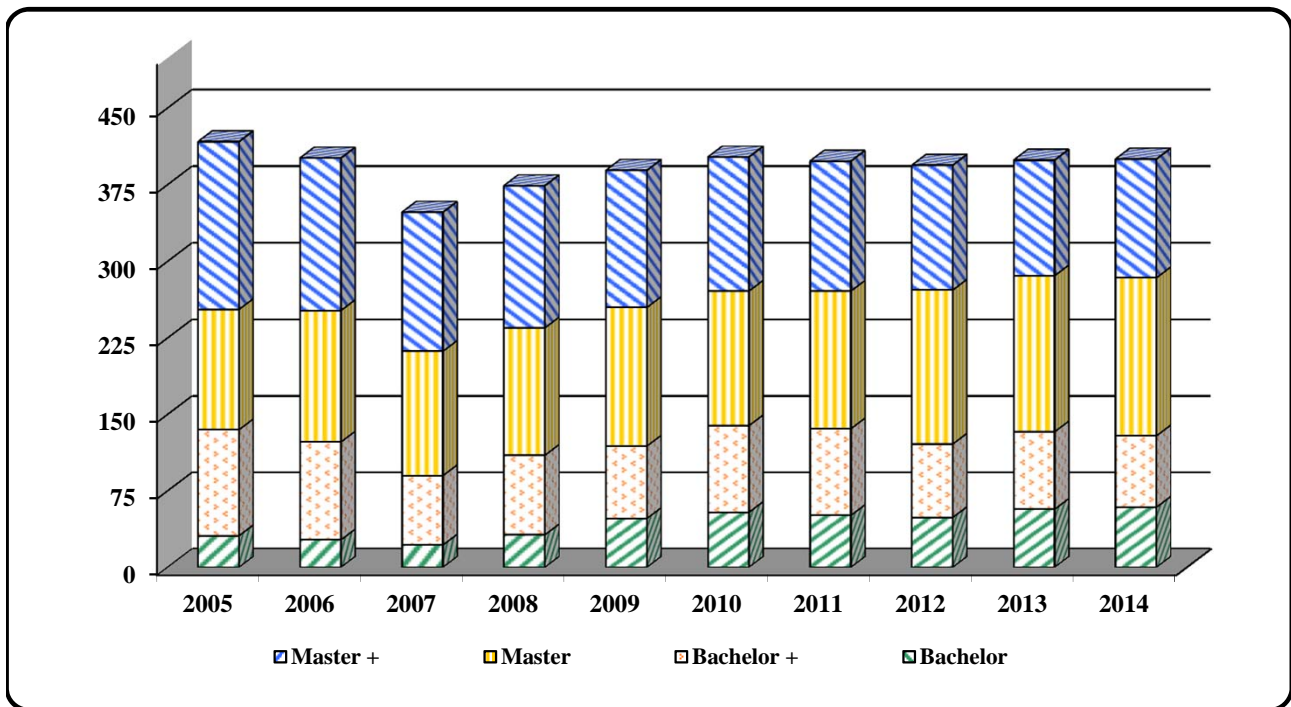
TABLE 20 (Continued)

2008	2009	2010	2011	2012	2013	2014
192,500	192,500	192,500	192,500	192,500	192,500	192,500
1,731	1,528	1,409	1,357	1,416	1,395	1,511
1,302	1,302	1,302	1,302	1,302	1,302	1,302
65	65	65	65	65	65	65
102	102	102	102	102	102	102
5	4	5	5	6	6	6
104	102	108	106	104	106	98
63	65	61	62	53	62	57

TABLE 21

**Lancaster City School District, Ohio**  
*Full-Time Equivalent Teachers by Education*  
*Last Ten Fiscal Years*

Degree	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bachelor's Degree	31	27	22	32	48	54	51	49	57	59
Bachelor + 15	7	5	3	3	2	4	6	10	14	15
Bachelor + 30 (150 hours)	97	91	65	75	69	81	79	62	62	55
Master's Degree	118	129	122	125	136	132	135	151	153	155
Master's + 15	41	34	32	38	36	35	34	31	35	40
Master's + 30	86	81	77	74	74	68	63	60	52	55
Master's + 45	35	34	27	27	24	28	30	31	26	21
Ph. D.	2	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>417</b>	<b>401</b>	<b>348</b>	<b>374</b>	<b>389</b>	<b>402</b>	<b>398</b>	<b>394</b>	<b>399</b>	<b>400</b>



Source: Lancaster City School District Personnel Records.



**Lancaster City School District, Ohio**  
*Teachers' Salaries*  
*Last Ten Fiscal Years*

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary for the School Districts (3)	Average Salary Comparable Districts (3)	Statewide Average Salary (4)
2005	\$32,344	\$66,585	n/a	\$47,188	\$49,436
2006	32,344	66,585	\$51,568	49,498	50,771
2007	32,344	66,585	52,356	51,972	53,534
2008	33,477	71,170	52,274	57,203	53,410
2009	33,477	71,170	53,344	57,586	54,656
2010	33,477	71,170	55,748	59,461	55,958
2011	35,609	78,099	55,716	60,783	56,715
2012	35,609	78,099	55,920	56,026	58,120
2013	35,609	78,099	55,703	59,539	56,307
2014	36,499	80,052	56,657	59,253	55,916

**Sources:** School District Financial Records and the Ohio Department of Education.

(1) Starting teacher with no experience - per negotiated agreement.

(2) Teacher with a Masters degree and more than 45 year's experience - per negotiated agreement.

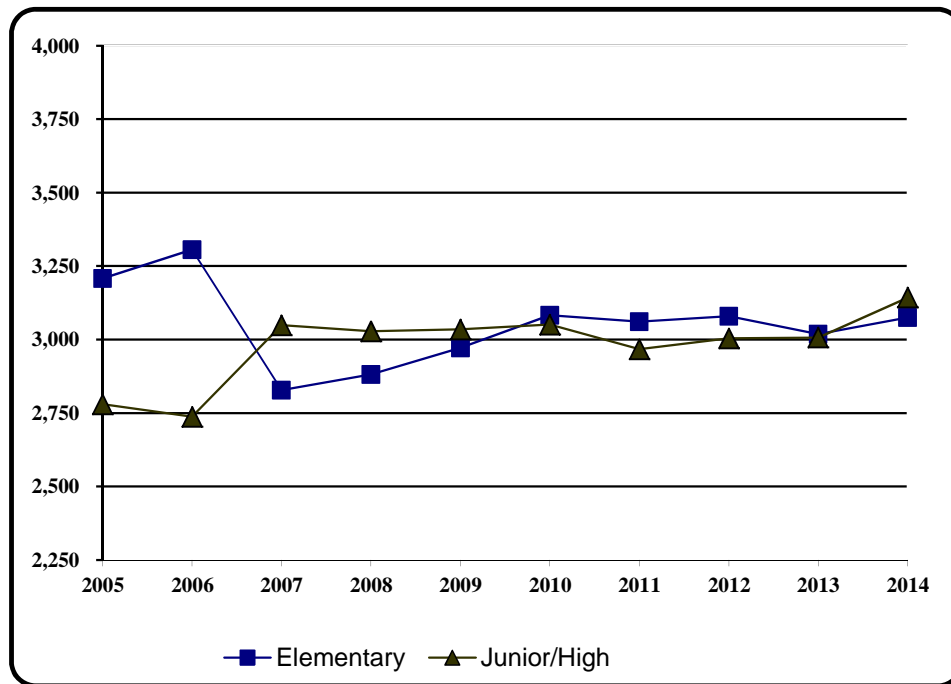
(3) Provided by the Ohio Department of Education.

(4) Provided by the Ohio Department of Education.

n/a means the information was not available

**Lancaster City School District, Ohio**  
*Enrollment Statistics*  
*Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Junior/High School	Total
2005	3,208	2,780	5,988
2006	3,306	2,738	6,044
2007 (a)	2,828	3,049	5,877
2008	2,881	3,028	5,909
2009	2,972	3,035	6,007
2010	3,083	3,051	6,134
2011	3,061	2,967	6,028
2012	3,079	3,004	6,083
2013	3,018	3,007	6,025
2014	3,075	3,143	6,218



Source: School District Records - October counts that was submitted to the Educational Management Information System.

(a) Beginning in fiscal year 2007 the sixth grade was moved from the elementary buildings to the junior high building.

**Lancaster City School District, Ohio**  
*Attendance and Graduation Rates*  
*Last Ten Fiscal Years*

Fiscal Year	Lancaster City Attendance Rate	State Average	Lancaster City Graduation Rate	State Average
2005	94.90%	94.30%	85.40%	85.90%
2006	94.60	94.10	85.50	86.20
2007	94.60	94.10	88.10	86.10
2008	94.50	94.20	91.70	86.90
2009	94.20	94.30	92.20	84.60
2010	94.60	94.30	90.80	83.00
2011	94.90	94.50	87.60	84.30
2012	95.10	94.50	88.50	84.40
2013	94.70	94.20	91.60	82.20
2014	95.90	94.30	92.50	n/a

Source: Ohio Department of Education Local Report Cards

n/a means not available at this time

**Lancaster City School District, Ohio**  
*Average A.C.T. Scores*  
*Last Ten Fiscal Years*

Year	English	Math	Reading	Science	Composite
A.C.T. - Lancaster High School (Juniors and Seniors)					
2005	20.4	21.3	21.5	21.6	21.3
2006	20.7	21.3	21.6	21.7	21.4
2007	20.8	21.4	21.8	22.2	21.7
2008	21.7	22.3	23.1	22.7	22.6
2009	21.0	21.4	22.3	22.0	21.8
2010	21.3	22.3	22.6	22.4	22.2
2011	21.1	21.9	22.7	22.2	22.1
2012	21.8	21.9	22.5	22.2	22.2
2013	20.6	21.5	22.2	22.0	21.7
2014	21.1	21.3	22.4	22.3	21.9
A.C.T. - Ohio (Graduating Class)					
2005	20.7	21.2	21.9	21.5	21.4
2006	20.8	21.3	21.9	21.5	21.5
2007	21.0	21.3	22.0	21.6	21.6
2008	21.1	21.5	22.1	21.7	21.7
2009	21.1	21.4	22.2	21.7	21.7
2010	21.2	21.5	22.1	21.8	21.8
2011	21.1	21.5	22.1	21.8	21.8
2012	21.1	21.5	22.1	21.8	21.8
2013	21.2	21.5	22.2	21.8	21.8
2014	21.4	21.7	22.4	22.0	22.0
A.C.T. - U.S.A. (Graduating Class)					
2005	20.4	20.7	21.3	20.9	20.9
2006	20.6	20.8	21.4	20.9	20.9
2007	20.7	21.0	21.5	21.0	21.1
2008	20.6	21.0	21.4	20.8	21.2
2009	20.6	21.0	21.4	20.9	21.1
2010	20.5	21.0	21.3	20.9	21.1
2011	20.6	21.1	21.3	20.9	21.1
2012	20.5	21.1	21.3	20.9	21.1
2013	20.2	20.9	21.1	20.7	20.9
2014	20.3	20.9	21.3	20.8	21.0

Note: The A.C.T. Standard Score Scale Range from 1 to 36.

A.C.T. scores were provided by ACT, Inc.

**Lancaster City School District, Ohio**  
*Average S.A.T. Scores*  
*Last Ten Fiscal Years*

Fiscal Year	Critical Reading	Math Mean	Writing Mean
S.A.T. - Lancaster High School			
2005	509	525	n/a
2006	500	522	473
2007	513	528	494
2008	525	539	527
2009	527	544	522
2010	556	569	536
2011	536	534	522
2012 (1)	n/a	n/a	n/a
2013 (1)	n/a	n/a	n/a
2014 (1)	n/a	n/a	n/a
S.A.T. - Ohio			
2005	539	543	n/a
2006	535	544	521
2007	536	542	522
2008	534	544	521
2009	537	546	523
2010	538	548	522
2011	539	545	522
2012 (1)	n/a	n/a	n/a
2013 (1)	n/a	n/a	n/a
2014 (1)	n/a	n/a	n/a
S.A.T. - U.S.A.			
2005	508	520	n/a
2006	503	518	497
2007	502	515	494
2008	502	515	494
2009	501	515	493
2010	501	516	492
2011	497	514	489
2012 (1)	n/a	n/a	n/a
2013 (1)	n/a	n/a	n/a
2014 (1)	n/a	n/a	n/a

Note: The S.A.T. Scores Range from 200-800

(1) The information for 2012 through 2014 is not available because the School District didn't have enough students test so The College Board will not process a report.

S.A.T. scores were provided by The College Board

**Lancaster City School District, Ohio**  
*Students in Free or Reduced Price Lunch Program*  
*June 30, 2014*

School	Students Receiving Free Lunch	Percentage of Students Receiving Free Lunch	Students Receiving Reduced Lunch	Percentage of Students Receiving Reduced Lunch
Cedar Heights Elementary School	259	66.58%	27	6.94%
East Elementary School	226	58.70	12	3.12
Medill Elementary School	148	41.93	19	5.38
Sanderson Elementary School	164	50.62	5	1.54
South Elementary School	230	75.66	14	4.61
Tallmadge Elementary School	257	62.84	32	7.82
Tarhe Elementary School	142	32.79	26	6.01
West Elementary School	317	66.32	21	4.39
General Sherman Junior High School	325	44.58	57	7.82
Thomas Ewing Junior High School	349	49.64	36	5.08
Lancaster High School	701	41.11	101	5.92

Source: School District Food Service Records at June 30, 2014



# Dave Yost • Auditor of State

**LANCASTER CITY SCHOOL DISTRICT**

**PUTNAM COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 29, 2015**