



**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2012**



**Dave Yost • Auditor of State**



**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Federal Awards Receipts and Expenditures Schedule.....	1
Notes to the Federal Awards Receipts and Expenditures Schedule .....	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	3
Independent Accountants' Report on Compliance with Requirements Applicable To Each Major Federal Program, Internal Control Over Compliance in Accordance with OMB Circular A-133, and Federal Awards Receipts and Expenditures Schedule .....	5
Schedule of Findings.....	7

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**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

<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	\$ 155,041	\$ 155,041
School Breakfast Program	10.553	440,184	440,184
National School Lunch Program	10.555	1,353,207	1,353,207
Total Nutrition Cluster		<u>1,948,432</u>	<u>1,948,432</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>1,948,432</u></b>	<b><u>1,948,432</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>			
Fund for the Improvement of Education	84.215	25,773	14,799
<b><i>Passed Through Ohio Department of Education:</i></b>			
Special Education Cluster:			
Special Education_Grants to States Program	84.027	949,848	959,716
ARRA - Special Education_Grants to States Program	84.391	257,648	181,816
Special Education_Preschool Grants Program	84.173	7,400	12,343
ARRA - Special Education_Preschool Grants Program	84.392	17,135	10,001
Total Special Education Cluster		<u>1,232,031</u>	<u>1,163,876</u>
Title I Cluster:			
Title I Grants to Local Educational Agencies Program	84.010	2,324,210	2,412,677
ARRA - Title I Grants to Local Educational Agencies	84.389	121,356	104,163
Total Title I Grants Cluster		<u>2,445,566</u>	<u>2,516,840</u>
Career and Technical Education_Basic Grants to States Program	84.048	119,561	119,348
Education Technology State Grants Program	84.318	114,669	121,822
Improving Teacher Quality State Grants Program	84.367	320,274	311,513
Education Jobs Fund Program	84.410	893,701	869,115
ARRA -State Fiscal Stabilization Fund	84.394	-	761
ARRA- Race to the Top	84.395	-	4,200
<b><i>Passed Through Ohio Department of Transportation and City of Lancaster:</i></b>			
Safe Routes to Schools	20.205	8,022	8,022
<b>Total U.S. Department of Education</b>		<b><u>5,159,597</u></b>	<b><u>5,130,296</u></b>
<b>Totals</b>		<b><u>\$ 7,108,029</u></b>	<b><u>\$ 7,078,728</u></b>

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

**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (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 fair entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' 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 the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Lancaster City School District, Fairfield County, Ohio (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2012, wherein we noted the District uses generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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*.

We intend this report solely for the information and use of the Finance Review Committee, management, Board of Education, federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

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

December 11, 2012



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH 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:

### Compliance

We have audited the compliance of Lancaster City School District, Fairfield County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Lancaster City School District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

The District's basic financial statements include the operations of the Lancaster Fairfield Community School, and the Lancaster Digital Academy, which received \$46,328 and \$88,285 in federal awards, respectively, which is not included in the District's Federal Awards Expenditure Schedule for the year ended June 30, 2012. Our audit of Federal awards described below, did not include the operations of the Lancaster Fairfield Community School, and the Lancaster Digital Academy because the component units are legally separate from the primary government which this report addresses, and because they expended less than \$500,000 of Federal awards for the year ended June 30, 2012, they were not subject to OMB Circular A-133 audit requirements.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to 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 that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Lancaster City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### Federal Awards Receipts and Expenditures Schedule

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, each major fund and aggregate discretely presented component units and remaining fund information of Lancaster City School District, (the District) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 11, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to December 11, 2012. The accompanying federal awards receipts and expenditures schedule provides additional information 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 used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the Finance Review Committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Dave Yost**  
Auditor of State

December 11, 2012

**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2012**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<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	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster (CFDA #'s 84.027, 84.173, 84.391, 84.392)  Career and Technical Education Basic Grants to States (CFDA #84.048)  Education Jobs (CFDA #84.410)  Title II-A Improving Teacher Quality (CFDA #84.367)
<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

“A Community Focused on  
Student Achievement”



## Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2012

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Lancaster City School District, Ohio

Comprehensive Annual Financial Report  
(CAFR)



For the Fiscal Year Ended June 30, 2012  
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, 2012*  
**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

Transmittal Letter . . . . .	i
GFOA Certificate of Achievement . . . . .	xi
Organizational Chart . . . . .	xii
Principal Officials . . . . .	xiv

**FINANCIAL SECTION**

Independent Accountants' Report . . . . .	1
Management's Discussion and Analysis . . . . .	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets . . . . .	13
Statement of Activities . . . . .	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds . . . . .	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities . . . . .	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds . . . . .	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities . . . . .	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund . . . . .	20
Statement of Fund Net Assets – Internal Service Fund . . . . .	21
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Fund . . . . .	22
Statement of Cash Flows – Internal Service Fund . . . . .	23
Statement of Fiduciary Net Assets – Fiduciary Funds . . . . .	24
Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Fund . . . . .	25
Notes to the Basic Financial Statements . . . . .	26

(Continued)

**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2012*  
*TABLE OF CONTENTS (CONTINUED)*

Combining and Individual Fund Financial Statements and Schedules:

Nonmajor Governmental Funds:

Descriptions of the Nonmajor Governmental Funds . . . . .	59
Combining Balance Sheet – Nonmajor Governmental Funds . . . . .	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds. . . . .	61

Nonmajor Special Revenue Funds:

Descriptions of Nonmajor Special Revenue Funds. . . . .	62
Combining Balance Sheet – Nonmajor Special Revenue Funds. . . . .	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds . . . . .	68

Individual Fund Schedules of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual (Budget Basis):

Food Service Fund . . . . .	72
Scholarship Memorial Fund . . . . .	73
Community Grants Fund. . . . .	74
District Managed Student Activity Fund. . . . .	75
Auxiliary Services Fund . . . . .	76
Data Communications Fund. . . . .	77
IDEA - B Fund . . . . .	78
Title I Fund. . . . .	79
Counseling Grant Fund. . . . .	80
Reducing Class Size Fund. . . . .	81
Title II-D . . . . .	82
Miscellaneous State Grants Fund . . . . .	83
Education Jobs Fund . . . . .	84
Educational Stabilization Fund . . . . .	85
Race To The Top Fund . . . . .	86
Safe Routes To Schools Fund . . . . .	87
Vocational Education Career Development Fund . . . . .	88
Vocational Education Fund. . . . .	89
Preschool Tuition Fund . . . . .	90
Public School Preschool Fund. . . . .	91
Preschool Special Education Fund . . . . .	92
Public School Support Fund . . . . .	93

Major Capital Projects Fund:

Description of the Major Capital Projects Fund. . . . .	94
---	----

(Continued)

**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2012*  
**TABLE OF CONTENTS (CONTINUED)**

Combining and Individual Fund Financial Statements and Schedules (Continued):

Individual Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) – Permanent Improvement Fund. . . . .	95
Internal Service Fund:	
Description of the Internal Service Fund. . . . .	96
Individual Fund Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual (Budget Basis) – Employee Benefits Self Insurance Fund . . . . .	97
Fiduciary Funds:	
Description of the Fiduciary Funds . . . . .	98
Individual Fund Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual (Budget Basis) – Endowment Fund. . . . .	99
Statement of Changes in Assets and Liabilities – Agency Fund . . . . .	100

**STATISTICAL SECTION**

Statistical Section Description . . . . .	S1
Financial Trends	
Net Assets by Component . . . . .	S2
Changes in Net Assets of Governmental Activities . . . . .	S4
Program Revenues by Function . . . . .	S8
Fund Balances, Governmental Funds . . . . .	S10
Changes in Fund Balances, Governmental Funds . . . . .	S12
Revenue Capacity	
Assessed and Estimated Actual Value of Taxable Property . . . . .	S14
Property Tax Rates . . . . .	S16
Property Tax Levies and Collections . . . . .	S20
Principal Taxpayers, Real Estate Tax . . . . .	S21
Principal Taxpayers, Tangible Personal Property Tax . . . . .	S22
Principal Taxpayers, Public Utilities Tax . . . . .	S23
Debt Capacity	
Ratio of Outstanding Debt by Type . . . . .	S24
Computation of Direct and Overlapping Debt Attributable to Governmental Activities . . . . .	S27
Computation of Legal Debt Margin . . . . .	S28
Economic and Demographic Information	
Demographic and Economic Statistics . . . . .	S30
Principal Employers . . . . .	S31

(Continued)

**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2012*  
*TABLE OF CONTENTS (CONTINUED)*

---

Operating Information

School District Employees by Function/Program .....	S32
Per Pupil Cost .....	S33
Building Statistics .....	S34
Full-Time Equivalent Teachers by Education .....	S42
Teachers' Salaries .....	S43
Enrollment Statistics .....	S44
Attendance and Graduation Rates .....	S45
Average A.C.T. Scores .....	S46
Average S.A.T. Scores .....	S47
Students in Free or Reduced Price Lunch Program .....	S48

# **Introductory Section**



**Lancaster  
Gales**

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December 11, 2012

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, 2012. 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 are accurate in all material respects and are 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 kindergarten through grade twelve. During fiscal year 2012 the School District was comprised of a high school (serving 1,619 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, 2012, the citizens of Lancaster have an investment of \$10,503,165 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 controls the School District's twelve instructional facilities staffed by 252 non-certified employees, 394 certificated personnel, and 30 administrative employees who provide services to 6,083 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" and in GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units".

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 columns of the financial statements represent the activity of the Lancaster Digital Academy and the Lancaster-Fairfield Community School.

The School District participates in the following jointly governed organizations: 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 19 to the Basic Financial Statements.

The School District participates in the Ohio School Comp 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 20 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.

### **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 (City) has remained relatively stable for a number of years in population, but has changed more significantly within the past decade. The City of Lancaster Community Development Department estimated the population of Lancaster for 2012 to be 38,780 as compared to the 2010 census of 37,680, the 2000 census of 35,335, and the 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.

During late 2007 and early 2009, Lancaster has seen the largest retail expansion in over twenty years. Four large retailers constructed new buildings and opened for business at Ety Pointe Center. Those large retailers included Kohl's Department Store, Wal-Mart SuperCenter, Giant Eagle, and Menards Home Improvement Center. Some of the larger restaurant chains that opened were Sonic America's Drive-In,

Max and Erma's, Panera Bread, and Scrambler Maries. A four-unit commercial building completed in 2010 houses Aspen Dental Management, Penn Station, and Radio Shack. Lancaster has added over one million square feet of retail in the past two years and is continuing to grow that sector of its economy with projects like Dick's Sporting Goods, Golden Corral, and others currently under construction.

The City of 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. With the recent \$26 million expansion, the Fairfield Medical Center continues to be a catalyst for economic stimulus for the entire community. FMC has over 400 doctors on staff and employs over 2,000 employees and has remained Lancaster's largest employer over the years.

The Ohio University Lancaster Campus had a record 2,514 students attending the Lancaster campus in 2012 and has completed several facility expansion phases with more to come.

Anchor Hocking has remained the largest manufacturing employer within the School District over the years. Anchor Hocking was sold in 2007 to Monomoy Capital Partners. Monomoy Capital Partners secured assistance from the Ohio Department of Development to finance a \$32 million capital investment. This expansion project is expected to add 150 new workers. Diamond Power, a commercial electronic systems manufacturer, Mondi Packaging, a paper packaging manufacturer, both undertook recent building expansions. Fox Mechanical, Inc. completed a new facility and moved in April 2008. U.S. Corrugated built a new 317,000 square foot facility, opening November 2008, expecting to provide 100+ new jobs. In 2011 and 2012, Lancaster saw major efforts to clean up abandoned manufacturing sites. The sites will offer new opportunities for other development.

One of the largest pipelines ever constructed in the United States made its way through Fairfield County and was completed in 2010. The REX Rockies 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 the Eastern United States. The School District is benefiting from this project through property-tax collections.

**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.

**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 districts, and the Ohio University Lancaster Campus to improve the quality of life in Lancaster. Other advantages are the location of Lancaster, favorable tax 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. We are a "Community Focused on Student Achievement".

There has been a significant thrust within the last few years to restructure our curricular programs, to replace all of our textbooks, to bring the School District into the computer age with large portions of the appropriations going to new computer equipment and to the training of staff, and to acknowledge and prepare for the growth that is anticipated to come to the School District. This past year we saw continuations within all of those areas. In fiscal year 2013, every high school student will receive an iPad for use during the school day.

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2012. Some of those were as follows:

#### **Human Resources**

- Piloted the Ohio Teacher Evaluation System in two schools; researched teacher evaluation systems; selected Ohio Teacher Evaluation Model; developed and orientated staff to the new system, developed a list of potential student growth measures; and agreed to a School District-wide practice program for 2012-2013.
- Completed classified jobs description project and developed draft evaluations for next year.

#### **Instructional Services Department**

- Many new courses of study were adopted throughout the year, including the addition or adoption of new textbooks including; Social Studies, Health, Guidance, Forensic Science, Principles of Science, Science Seminar, Marketing CT, and Personal Finance.
- Lancaster City Schools received various federal grants (including stimulus grants). These grants were used to hire teachers, educational assistants, paraprofessionals, technology mentors, family coordinators/counselors, math coaches, and data analysis personnel. Professional Development represented a major expenditure of Title I and Title II-A funding.

#### **Custodial/Maintenance Department**

- The School District's buildings have been re-keyed with a new key system.
- Additional cameras are being added to our two middle schools to increase security both inside and outside of the buildings.

#### **Student Services**

- Professional development for every special education teacher was provided on Autism.
- Collaboration between Curriculum Department and Student Services Department occurred to align professional development and resources with the School District's Comprehensive Continuous Improvement Plan in order to meet the needs of all students.

#### **Technology Department**

- Installed a robust wireless network at Lancaster High School and Stanbery Career Center which supports public and private access.
- Implemented the Transforming Teaching and Learning Grant at Lancaster High School. LHS was one of 16 high schools in Ohio to be awarded this grant. The grant team used Project-Based Learning activities with students to increase student achievement. The grant provided \$114,000 for professional development and the purchase of iPads for the teachers and students to accomplish their learning goals.

#### **Transportation Department**

- Brought services in-house to save money including undercoating of the buses, rather than outsourcing this process, which is expected to save approximately \$150 per bus; purchased tools for tire mounting and dismounting which is anticipated to save hundreds of dollars over the course of a school year; and the cost to repair bus seats have been kept to a minimum since the School District purchased an industrial sewing machine. To date the School District has spent under \$1,500 on a fleet with 912 seats that travel annually approximately 400K miles per year. In the past, the School District paid up to \$20,000 to an outside company to bring the bus seats up to standard after each school year.
- Continued training to better understand and address student behavior to aid bus drivers in more effective communications with students.

### **Treasurer's Department**

- Received an unqualified opinion on the fiscal year 2011 audit with no citations or recommendations noted.
- Received notice that Lancaster City Schools Comprehensive Annual Financial Report (CAFR) for Fiscal Year June 30, 2011 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 Fiscal Year June 30, 2011 qualified 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**

- Instituted many of the new dietary regulations before they were required. Examples include: spinach in the salads; offering both fruits and vegetables every day; skim chocolate milk; and the addition of legumes to menu.
- Upgraded School District meal software which improves the efficiency of daily work as well as adding the availability of on-line free/reduced applications.

### **Athletic Department**

- Wrestling OCC Ohio Division Champions and Sectional Champions.
- Boys Bowling-OCC Champions.

### **Lancaster High School**

- The Marketing Education Program earned the highest number of state qualifiers in their history during the annual DECA School District competition.
- Three students from the Building and Property Trades Program and one student from the Carpentry Program competed in the SkillsUSA Ohio Team Works Competition. The team qualified for the State Competition by finishing third in the Regional.

### **General Sherman Junior High**

- Rated Excellent with Distinction for the 2010-2011 school year, the highest rating a school in Ohio can achieve. General Sherman Junior High was 1 of 311 schools to receive this honor.
- Science Olympiad students participated in one invitational, held at Maysville Local School District, placing as follows: first place in Mousetrap Vehicles, third place in Bottle Rockets and Keep the Heat, fourth place in Towers, fifth place in Crimebusters and Road scholar, and sixth place in Experimental Design, Reach for the Stars and Rocks & Minerals. At regionals, six teams received awards including second place in Mousetrap Vehicles and Meteorology, third place in Food Science, fourth place in Disease Detective, and sixth place in Awesome Aquifer and Water Quality.

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

- Hosted over forty-five active and retired servicemen and women as part of our annual student-led Veterans' Day Assembly.
- Paid tribute to and celebrated the life of Tori Fisher, member of Thomas Ewing's Class of 2012. The tribute included marathons; a fourteenth birthday party; the release of balloons; and the sale of bracelets and t-shirts. Over \$1,000 was collected and donated to the Cystic Fibrosis Association in Tori's memory.

### **Cedar Heights Elementary**

- Cedar Heights had their first evening art walk event which highlighted the students artistic abilities.
- Mr. Shupp's gym classes at Cedar Heights raised over \$3,825 for the American Heart Association to help fight heart disease and stroke.

### **East Elementary**

- East Elementary earned the Ohio Department of Education award for being "Excellent with Distinction" for our testing results during the 2010-11 school year. East is the first elementary building to earn this distinction within the School District.
- Lisa Schisler, fourth grade teacher, was selected to be a presenter for the George Washington – Mount Vernon Teacher Institute during the summer of 2012. Mrs. Schisler's lesson plan was selected as one of the best in the nation from a pool of prior Institute participants.

### **Medill Elementary**

- Medill Elementary received an "Effective" rating from the Ohio Department of Education for the ninth consecutive year. Medill students also met Adequate Yearly Progress, and received a positive Value Added growth rating (i.e. students gained a year achievement in one year's time).
- Medill Elementary continues to be nationally recognized as an Official Core Knowledge School, and is currently the only official school in the entire State of Ohio. The Core Knowledge curriculum is integrated with State Academic Content Standards, and is gaining even more attention with the national acceptance of Core Content Standards.

### **Sanderson Elementary**

- Sanderson students love to check books out of the library and read: as of the end of fiscal year 2012, 16,026 books were circulated for the year and 6,451 Accelerated Reader quizzes were taken.
- Mrs. Trimmer's students submitted creative writing projects in a local contest hoping to place and earn money to help fund a day-long visit from Alley Park. Their projects were entitled, "What My Family Means to Me." Two students won first and second place, and they earned a combined \$300 for the in-house fieldtrip.

### **South Elementary**

- Members of the Lancaster High School Wrestling Team arrived at South several times a week to read with kindergarten and first grade students. This extra assistance allowed many students to receive individual attention to practice their reading skills.
- The eight week after school program, *POWER UP*, was offered to third, fourth, and fifth grade girls in an attempt to empower them to stand up to bullying. The Girl Scouts selected South Elementary as the only site in Lancaster City Schools to offer the program.

### **Tallmadge Elementary**

- Organized and supported a holiday fundraiser affectionately referred to as the "Coin War" to raise money for needy families in the Tallmadge attendance area. This year, enough money was raised to provide gifts and food for a holiday dinner to five families.
- Tallmadge Elementary participated in a program with grade level teaching teams, allowing the small group to administer assessments, discuss and analyze data and select interventions to address areas of weakness in student achievement.

### **Chief Tarhe Elementary**

- Tarhe Elementary is once again very happy to earn its second “Excellent” rating on the Ohio Department of Education Report Card.
- The biggest and possibly most exciting achievement this year is that there will be a new Tarhe Elementary (and 4 other new elementary schools) constructed over the next two years via the passage of a Bond Issue and partnership with the Ohio School Facilities Commission. This is a major undertaking and will change the face of the City of Lancaster and provide a 21<sup>st</sup> century education for many generations to come.

### **West Elementary**

- Students collected 2,364 canned goods and nonperishable items and donated these to the Salvation Army as well as hats and mittens for the Foundation Shelter. Likewise, forty-seven students donated \$1,650 for Jump Rope for Your Heart and the staff donated \$400 to the Foundation Shelter.
- West Elementary piloted a STAR Math and STAR Reading Universal Screener for all students-kindergarten through the fifth grade. Intervention groups were established based on these screener results.

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 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 2009 with a cash distribution of \$10,238,850. Since then the School District has received \$9,848,566 in fiscal year 2010, \$9,977,806 in fiscal year 2011, and \$10,277,179 in fiscal year 2012. Due to the approval of the 1.5 percent earned income tax levy, the School District chose not to renew the 3.9 mill emergency levy which concluded in August, 2007.

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 in the forecast. The School District has reinstated some reductions but will most likely never return to the level of staffing prior to the budget cuts.

Historically, over the last 10 years, the School District has experienced a decline in enrollment; however, the School District has seen some increase in enrollment over the last several fiscal years. Kindergarten enrollment is higher in fiscal year 2012. Open enrollment into other school districts and community schools continues to increase in student numbers, which impacts the State funding revenue.

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 the General Sherman Junior High and the Thomas Ewing Junior High which were installed in 2009.

Through the Ohio School Facilities Commission, the School District is eligible to receive approximately \$28 million in State funding to construct five new elementary buildings to replace the existing eight elementary buildings. By replacing eight older and smaller elementary schools with five newer and larger schools, the School District is expecting to reduce operating costs for maintenance, transportation, and personnel related areas. 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 in the amount of \$60,410,000. See Note 26 for additional information.

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 A SCHOOL DISTRICT FOCUSED ON STUDENT ACHIEVEMENT.

## 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 5.

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 about investments is available in Note 6 to the Basic Financial Statements.

The School District's capital assets policy is designed to provide accountability and control over the school's capital assets and to assist buildings and departments 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, 2012, are fairly presented in conformity with GAAP. The independent accountants' 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, 2011. 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 nineteen years out of the last twenty 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.

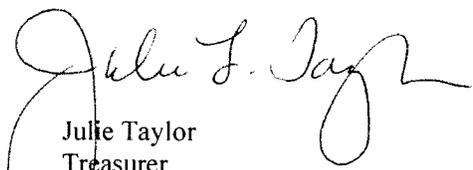
In addition, the School District received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for the year ended June 30, 2011. The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the School District's financial condition. This was the third year the School District produced a PAFR and received the award.

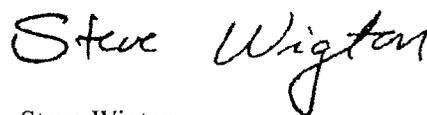
**Acknowledgments:** The publication of this report is a major step toward the commitment to professionalizing the financial reporting of the Lancaster City School District and significantly increases the accountability of the School District to the taxpayers.

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Lancaster City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

President

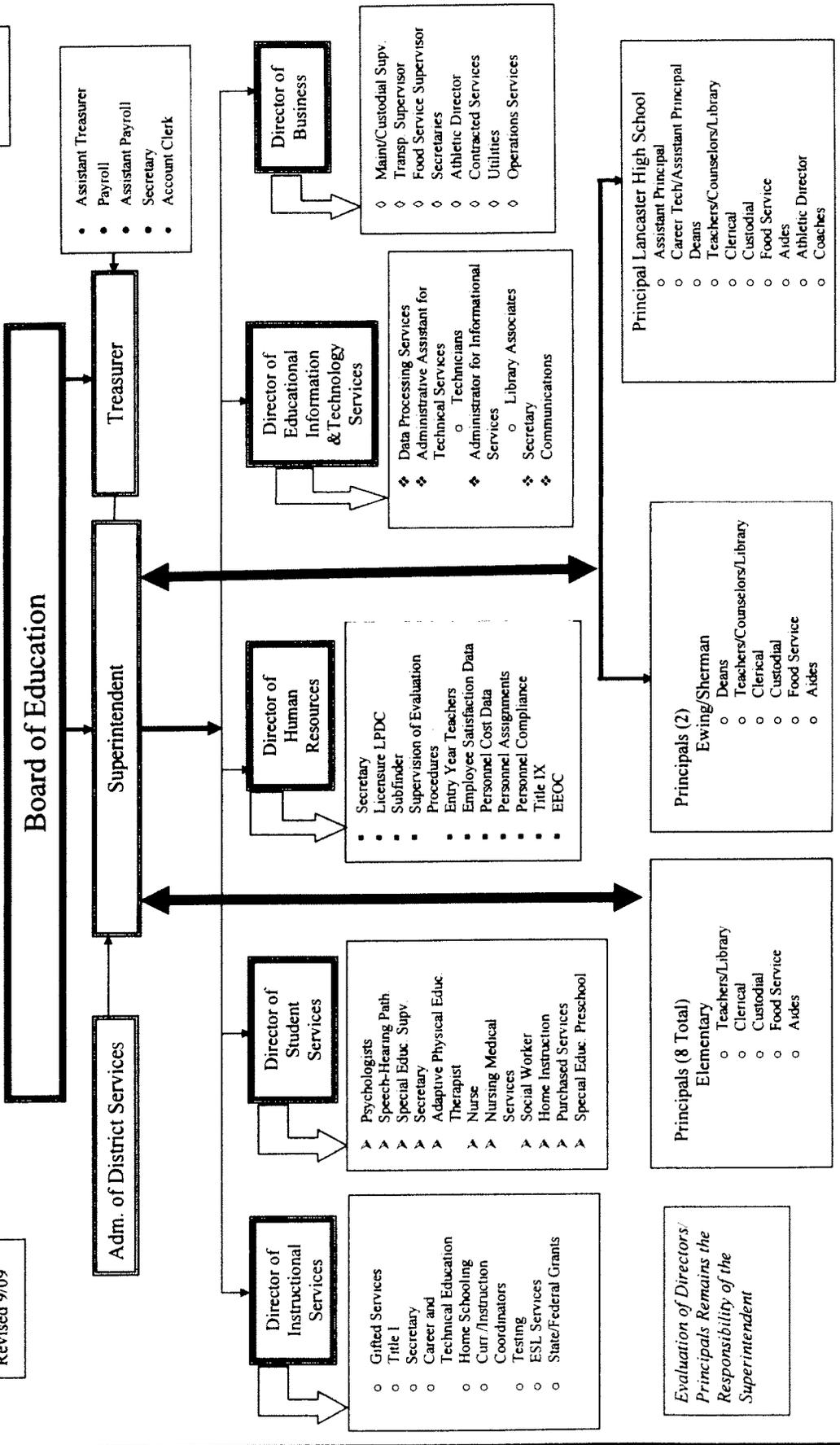
*Jeffrey R. Enow*

Executive Director

# 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
- 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, 2012*

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BOARD OF EDUCATION

Ms. Amy Eyman . . . . . President  
Ms. Lise Ricketts . . . . . Vice President  
Ms. Kathy Kittredge. . . . . Member  
Mr. Gary Mauller. . . . . Member  
Mr. Tom Shaffer. . . . . Member

Treasurer

Julie Taylor, Treasurer

Administration

Rob Walker (until August 1, 2012) . . . . . Superintendent  
Steve Wigton (beginning August 1, 2012) . . . . . 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  
Steve Wigton (until August 1, 2012). . . . . Director of Human Resources  
Nathan Hale (beginning August 1, 2012) . . . . . Director of Human Resources

# **Financial Section**



**Lancaster  
Gales**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Lancaster City School District, Fairfield County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate discretely presented component units, and remaining fund information of Lancaster City School District, Fairfield County, Ohio as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Phone: 614-466-3402 or 800-443-9275 Fax: 614-728-7199

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

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise 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 provide additional analysis and are not a required part of the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is 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.



**Dave Yost**  
Auditor of State

December 11, 2012

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*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, 2012. 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 2012 are as follows:

- Net assets of governmental activities increased \$2,796,295.
- General revenues accounted for \$53,996,045 in revenue or 82 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$11,634,359 or 18 percent of total revenues of \$65,630,404.
- Total assets of governmental activities increased \$4,699,170 or 6 percent. The primary items that impacted the change were increases in cash and cash equivalents in the amount of \$2,765,835 and in property taxes receivables in the amount of \$2,389,100. The increase in cash and cash equivalents was due mainly to revenues exceeding expenses for the fiscal year. The increase in property taxes receivable was due to an increase in assessed values, an increase in delinquent taxes receivable, and an increase due to the approval by voters for a 3.6 mill bond levy and a 0.5 mill classroom facilities maintenance levy.
- Total liabilities of governmental activities increased \$1,902,875 or 6 percent. The majority of the increase is reflected in other liabilities due to an increase in deferred revenue which was offset by a decrease in accrued salaries and benefits payable. Deferred revenue increased in the amount of \$3,082,044 due to an increase in property taxes receivable related to increases in assessed values and the approval of the 3.6 mill bond levy and 0.5 mill classroom facilities maintenance levy. Accrued salaries and benefits payable decreased in the amount of \$1,332,632 due to an overall decrease in accrued salaries for nine month employees related to the number of pay periods being accrued. Long-term liabilities such as capital leases and compensated absences payable make up 10 percent of the total liabilities.
- The School District had \$62,834,109 in expenses related to governmental activities; only \$11,634,359 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues in the amount of \$53,996,045 were adequate to provide for these activities.
- The School District has two major funds, the general fund and the permanent improvement fund. The general fund had \$55,802,614 in revenues, \$53,239,374 in expenditures, and \$3,596 in other financing sources (uses). The general fund's balance increased \$2,566,836. The permanent improvement fund had \$2,021 in revenues and expenditures in the amount of \$536,417. The permanent improvement fund's balance decreased \$534,396.

### **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.

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

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The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The Statement of Net Assets 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 Assets 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 2012?" The Statement of Net Assets 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 assets and changes in those assets. This change in net assets 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 Assets 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 9. 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 permanent improvement 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 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

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets 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 one agency fund.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2012 compared to 2011.

**Table 1 - Net Assets**

	Governmental Activities		
	2012	2011	Change
<b>Assets</b>			
Current and Other Assets	\$76,816,605	\$71,951,007	\$4,865,598
Capital Assets	10,503,165	10,669,593	(166,428)
<b>Total Assets</b>	<b>87,319,770</b>	<b>82,620,600</b>	<b>4,699,170</b>
<b>Liabilities</b>			
Long-Term Liabilities	3,239,553	3,391,001	(151,448)
Other Liabilities	28,677,565	26,623,242	2,054,323
<b>Total Liabilities</b>	<b>31,917,118</b>	<b>30,014,243</b>	<b>1,902,875</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Debt	10,124,925	10,143,839	(18,914)
Restricted	2,413,706	2,299,642	114,064
Unrestricted	42,864,021	40,162,876	2,701,145
<b>Total Net Assets</b>	<b>\$55,402,652</b>	<b>\$52,606,357</b>	<b>\$2,796,295</b>

Total assets increased \$4,699,170. The majority of the increase in current and other assets was due mainly to an increase in cash and cash equivalents in the amount of \$2,765,835 and an increase in property taxes receivables in the amount of \$2,389,100. The increase in cash and cash equivalents was due mainly to increases in cash and cash equivalents of the general fund in the amount of \$3.4 million which was offset by a decrease in cash and cash equivalents for the permanent improvement capital projects fund in the amount of \$539,466. The general fund cash and cash equivalents increased by \$3.4 million due to revenues exceeding expenses for fiscal year 2012. The permanent improvement capital projects fund cash and cash equivalents decreased due to the School District purchasing four buses and a modular classroom for Thomas Ewing Junior High School. The increase in property taxes receivable is due mainly to an increase in assessed values, an increase in delinquent taxes receivable, and due to the voters approving a 3.6 mill bond levy for 37 years and a 0.5 mill continuing classroom facilities maintenance levy on March 6, 2012. The new tax levy collections will begin January, 2013. The School District was approved for the Exceptional Needs Program by the School Facilities Commission on July 12, 2012. The School Facilities Construction and Improvement

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

Bonds were issued on August 21, 2012. Total assessed values increased by \$6.3 million due mainly to an increase in agricultural/residential and commercial/industrial and public utility real property in the combined amount of \$5.8 million, and public utility personal increased in the amount of \$.5 million. Capital assets decreased by \$166,428 due mainly to annual depreciation exceeding capital outlay purchases in fiscal year 2012. Current year depreciation expenses were \$815,867 and deletions net depreciation were \$14,085 while capital asset additions were only \$663,524.

Total liabilities increased by \$1,902,875. The majority of the increase was in other liabilities in the amount of \$2,054,323 due to an increase in deferred revenue in the amount of \$3,082,044 which was offset by a decrease in accrued salaries and benefits payable in the amount of \$1,332,632. Deferred revenue increased due to an increase in property taxes receivable as a result of an increase in the assessed valuations and the approval of a 3.6 mill bond levy and a 0.5 mill classroom facilities maintenance levy during fiscal year 2012. The collection of property taxes for the two new levies will begin in January, 2013. Accrued salaries and benefits payable decreased due to the School District's accrual of four payrolls as of fiscal year-end 2011 and only three payrolls being accrued as of fiscal year-end 2012 for nine month employees. The School District had 27 pays in fiscal year 2012 as opposed to the usual 26 pays. All other liabilities remained fairly consistent. The decrease in long-term liabilities in the amount of \$151,448 was due to principal payments for capital leases in the amount of \$147,514, a decrease in intergovernmental payable in the amount of \$1,948, and a decrease in compensated absences payable in the amount of \$1,986.

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2012, and comparisons to fiscal year 2011.

**Table 2 - Changes in Net Assets**

	Governmental Activities		
	2012	2011	Change
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services	\$2,517,602	\$2,469,674	\$47,928
Operating Grants, Contributions, and Interest	9,115,701	9,472,098	(356,397)
Capital Grants and Contributions	1,056	6,367	(5,311)
<b>Total Program Revenues</b>	<b>11,634,359</b>	<b>11,948,139</b>	<b>(313,780)</b>
<b>General Revenue</b>			
Property Taxes	19,355,151	20,337,720	(982,569)
Income Taxes	10,297,991	10,074,785	223,206
Grants and Entitlements	23,877,920	25,647,701	(1,769,781)
Gain on Sale of Capital Assets	6,324	11,898	(5,574)
Payment in Lieu of Taxes	99,473	53,200	46,273
Unrestricted Contributions	15,130	2,747	12,383
Investment Earnings	279,429	355,164	(75,735)
Miscellaneous	64,627	157,225	(92,598)
<b>Total General Revenues</b>	<b>53,996,045</b>	<b>56,640,440</b>	<b>(2,644,395)</b>
<b>Total Revenues</b>	<b>\$65,630,404</b>	<b>\$68,588,579</b>	<b>(\$2,958,175)</b>

(Continued)

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

	Governmental Activities		
	2012	2011	Change
<b>Program Expenses</b>			
Instruction			
Regular	\$27,582,357	\$25,267,226	\$2,315,131
Special	6,734,872	6,774,046	(39,174)
Vocational	1,861,495	1,988,929	(127,434)
Student Intervention Services	89,895	387,025	(297,130)
Support Services			
Pupil	3,816,291	3,803,695	12,596
Instructional Staff	4,143,502	4,536,035	(392,533)
Board of Education	159,360	138,662	20,698
Administration	4,363,280	3,989,703	373,577
Fiscal	1,223,058	1,225,020	(1,962)
Business	276,541	301,490	(24,949)
Operation and Maintenance of Plant	4,858,140	4,732,028	126,112
Pupil Transportation	1,898,371	1,814,524	83,847
Central	897,022	1,028,761	(131,739)
Operation of Non-Instructional Services:			
Food Service Operations	2,604,226	2,442,927	161,299
Other	1,051,937	1,053,992	(2,055)
Extracurricular Activities	1,236,389	1,198,641	37,748
Interest and Fiscal Charges	37,373	48,045	(10,672)
Total Program Expenses	<u>62,834,109</u>	<u>60,730,749</u>	<u>2,103,360</u>
<i>Change in Net Assets</i>	<u>\$2,796,295</u>	<u>\$7,857,830</u>	<u>(\$5,061,535)</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 29 percent of revenues for governmental activities for the School District in fiscal year 2012. The State still has not fixed the funding system. The Governors Blue Ribbon Task Force created as a result of DeRolf IV is expected to make recommendations.

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 16 percent of revenues for governmental activities for the School District in fiscal year 2012.

Program revenues decreased by 3 percent and general revenues decreased by 5 percent from fiscal year 2011 to fiscal year 2012. General revenues decreased by \$2.6 million mainly due to the decrease in property taxes revenue in the amount of \$1.0 million and the decrease in grants and entitlements in the amount of \$1.8. The decrease in grants and entitlements was mainly due to the elimination of the education stabilization funding at the end of fiscal year 2012. The elimination of the education stabilization funding resulted in a decrease of \$1.5 million. The decrease in property taxes was due mainly to a decrease in the amount available as an advance from fiscal year 2011 to fiscal year 2012 which are reflected as property taxes revenue. The Fairfield County Auditor mailed out the second half of 2012 tax bills on June 29 which was later than in years past. As a result, less money was available as an advance to the School District as of fiscal year-end 2012 as compared to fiscal year 2011.

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

Instruction comprises approximately 58 percent of governmental program expenses, support services make up approximately 34 percent of the program expenses, operation of non-instructional services make up approximately 6 percent of program expenses, and the remaining 2 percent of program expenses is related to extracurricular activities of the School District.

As reflected in table two, the School District's expenses increased by approximately \$2.1 million which was due primarily to the increases in regular instruction. The increase in regular instruction was due to increased expenses for textbooks and increased expenses related to open enrollment to other school districts and community schools. 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.

**Table 3 - Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2012	2012	2011	2011
<b>Program Expenses</b>				
Instruction:				
Regular	\$27,582,357	\$25,701,253	\$25,267,226	\$24,068,453
Special	6,734,872	4,895,478	6,774,046	4,295,491
Vocational	1,861,495	892,492	1,988,929	1,454,190
Student Intervention Services	89,895	89,895	387,025	312,566
Support Services:				
Pupil	3,816,291	3,217,395	3,803,695	2,509,053
Instructional Staff	4,143,502	2,644,867	4,536,035	2,848,836
Board of Education	159,360	159,360	138,662	138,662
Administration	4,363,280	4,053,408	3,989,703	3,722,134
Fiscal	1,223,058	1,223,058	1,225,020	1,225,020
Business	276,541	276,541	301,490	301,490
Operation and Maintenance of Plant	4,858,140	4,728,889	4,732,028	4,606,738
Pupil Transportation	1,898,371	1,768,966	1,814,524	1,654,583
Central	897,022	872,285	1,028,761	993,238
Operation of Non-Instructional Services:				
Food Service Operations	2,604,226	(148,361)	2,442,927	(197,464)
Other	1,051,937	(110,098)	1,053,992	(61,983)
Extracurricular Activities	1,236,389	896,949	1,198,641	863,558
Interest and Fiscal Charges	37,373	37,373	48,045	48,045
<b>Totals</b>	<b>\$62,834,109</b>	<b>\$51,199,750</b>	<b>\$60,730,749</b>	<b>\$48,782,610</b>

The above schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. For 2012, 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.

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

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**The School District's Major Funds**

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

**General Fund** - The general fund had total revenues of \$55,802,614, expenditures of \$53,239,374, and other financing sources (uses) of \$3,596 which resulted in an increase in fund balance of \$2,566,836. In November 2006, the School District voters approved a 1.5 percent earned income tax levy. During fiscal year 2012, the School District recognized its fifth full year of income tax revenues; therefore, the School District was able to reinstate some programs that had been cut during the fiscal year 2007 budget reductions. The general fund's beginning fund balance for fiscal year 2012 was \$25,665,584. After reinstating some of the previously eliminated programs, the School District was still able to increase the general fund balance by \$2,566,836 and ended the fiscal year with a general fund balance of \$28,232,420. Revenues decreased in the amount of \$446,463 from fiscal year 2011 to 2012. The main decrease in revenues was due to the decrease in property taxes revenue in the amount of \$780,993. The primary decrease in property taxes revenue was due to the amount available as an advance for fiscal year 2012 being \$1.4 million less than the amount available as an advance in fiscal year 2011. This decrease was due to the Fairfield County tax bills not being mailed out until June 29, 2012 for the second half tax billing. Historically, the tax bills are mailed out earlier in June each year. The decrease in property tax revenues were offset by increases in income taxes and intergovernmental revenues in the amount of \$282,647 and \$91,620, respectively. Expenditures increased by \$3,254,118 from fiscal year 2011 to 2012. The increase in expenditures during fiscal year 2012 was due mainly to increases in the area of instruction and support services. Regular instruction increased by \$1,676,103, support services pupils increased by \$710,938, and support services operation and maintenance increased by \$908,294. This increase in expenditures is partially due to the elimination of the Education Stabilization funding in fiscal year 2012. During fiscal year 2011, the School District was able to pay \$1,567,622 in necessary expenditures from the Education Stabilization special revenue fund that would have otherwise been paid from the general fund. During fiscal year 2012, those expenditures became part of the general fund once again. The School District realizes that prudent financial planning for the future is still needed.

**Permanent Improvement Fund** – The permanent improvement fund had total revenues of \$2,021 and expenditures in the amount of \$536,417. This resulted in a decrease in fund balance of \$534,396. During fiscal year 2012, the School District purchased four buses and a modular classroom for Thomas Ewing Junior High School. The School District is planning to address additional necessary capital asset improvements or replacements in the near future from this fund. The School District is constantly faced with the reality of aging buildings and the School District set aside money for the future needed improvements that the School District will be facing.

***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 2012, 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.

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

The general fund had original and final revenue budget estimates including other financing sources of \$56,365,000. Actual revenues were \$1,109,136 over the final budgeted estimates. The main reason for the \$1.1 million increase in the actual revenues over the final revenue budget was in the area of income taxes. The School District received \$1,070,479 more income tax revenue than was anticipated for the fiscal year. Fiscal year 2012 was the fifth full year of collection for the income tax levy. The School District had used a conservative budgeting approach for estimating income tax revenues due to the decline in the economy.

Original appropriations plus prior year encumbrances were \$55,644,310. The appropriations were increased to a final budget amount of \$56,194,310. Actual expenditures were under appropriations by \$434,712.

The School District's ending unobligated fund balance was \$27,802,794 which improved from the beginning balance of \$23,820,501.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2012, the School District had \$10,503,165 invested in land, buildings, furniture and equipment, vehicles, and construction in progress. Table 4 shows fiscal year 2012 compared to 2011.

**Table 4 - Capital Assets at June 30, 2012**  
**(Net of Depreciation)**

	<u>Government Activities</u>	
	<u>2012</u>	<u>2011</u>
Land	\$523,846	\$523,846
Construction in Progress	5,750	66,338
Land Improvements	1,677,604	1,737,874
Buildings and Improvements	5,165,181	5,115,299
Furniture and Equipment	1,982,008	2,243,729
Vehicles	1,148,776	982,507
<b>Totals</b>	<u><u>\$10,503,165</u></u>	<u><u>\$10,669,593</u></u>

Beginning in fiscal year 2008, the School District began to update land improvements and building improvements and replacing outdated equipment and vehicles. Prior to the passage of the income tax levy, the School District faced financial difficulties which limited purchasing to items that were deemed to be necessary. During fiscal years 2008 through 2012, the School District began to replace and update items that were put on hold in prior years. The \$166,428 decrease in capital assets, net of depreciation, was due to depreciation in the amount of \$815,867 and deletions net of depreciation of \$14,085 exceeding capital asset additions of \$663,524. See Note 10 for more detailed information of the School District's capital assets.

***Debt***

During fiscal year 2010, the School District acquired copier equipment through a capital lease with an original acquisition cost in the amount of \$757,246. As of fiscal year end 2011, \$525,754 remained outstanding. During fiscal year 2012, \$147,514 of the outstanding debt was repaid leaving a remaining balance of \$378,240. See Notes 15 and 16 for more detailed information of the School District's outstanding debt.

**Lancaster City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*  
*Unaudited*

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**Economic Factors**

During fiscal year 2012, the School District was able to increase net assets by \$2,796,295. This was due mainly to the School District receiving its fifth 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 Assets*

*June 30, 2012*

	Primary Government	Component Units	
	Governmental Activities	Lancaster Digital Academy	Lancaster-Fairfield Community School
<b>Assets</b>			
Cash and Cash Equivalents	\$40,652,241	\$705,050	\$4,291
Cash and Cash Equivalents with Fiscal Agents	5,777,027	8,339	0
Materials and Supplies Inventory	174,773	0	0
Inventory Held for Resale	35,679	0	0
Accounts Receivable	37,794	590	0
Accrued Interest Receivable	47,795	223	0
Income Taxes Receivable	3,808,057	0	0
Due from Component Unit	3,524	0	0
Intergovernmental Receivable	2,068,583	148,832	47,963
Prepays	37,168	1,146	2,294
Property Taxes Receivable	24,060,765	0	0
Payment in Lieu of Taxes Receivable	113,199	0	0
Nondepreciable Capital Assets	529,596	0	0
Depreciable Capital Assets, Net	9,973,569	12,947	617
<i>Total Assets</i>	<u>87,319,770</u>	<u>877,127</u>	<u>55,165</u>
<b>Liabilities</b>			
Accounts Payable	452,252	3,666	0
Accrued Interest Payable	648	0	0
Accrued Salaries and Benefits Payable	4,136,817	0	0
Contracts Payable	1,800	0	0
Matured Capital Leases Payable	12,277	321	0
Matured Interest Payable	2,510	76	0
Matured Compensated Absences Payable	377,892	0	0
Retirement Incentive Payable	3,500	0	0
Due to Primary Government	0	3,524	0
Claims Payable	813,368	0	0
Intergovernmental Payable	1,941,182	11,310	0
Deferred Revenue	20,935,319	0	0
Long-Term Liabilities:			
Due Within One Year	434,390	1,352	0
Due In More Than One Year	2,805,163	6,218	0
<i>Total Liabilities</i>	<u>31,917,118</u>	<u>26,467</u>	<u>0</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	10,124,925	9,354	617
Restricted for:			
District Managed Student Activities	154,599	0	0
Auxiliary Services	177,517	0	0
IDEA - B	829,513	0	0
Title I	145,829	0	0
Food Service	832,212	0	0
Other Purposes	274,036	0	0
Unrestricted	42,864,021	841,306	54,548
<i>Total Net Assets</i>	<u>\$55,402,652</u>	<u>\$850,660</u>	<u>\$55,165</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2012

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$27,582,357	\$938,378	\$942,726	\$0
Special	6,734,872	108,523	1,730,871	0
Vocational	1,861,495	48,254	920,749	0
Student Intervention Services	89,895	0	0	0
Support Services:				
Pupil	3,816,291	28,577	570,319	0
Instructional Staff	4,143,502	46	1,498,589	0
Board of Education	159,360	0	0	0
Administration	4,363,280	1,767	308,105	0
Fiscal	1,223,058	0	0	0
Business	276,541	0	0	0
Operation and Maintenance of Plant	4,858,140	129,251	0	0
Pupil Transportation	1,898,371	17,179	112,226	0
Central	897,022	0	24,737	0
Operation of Non-Instructional Services:				
Food Service Operations	2,604,226	737,163	2,015,424	0
Other	1,051,937	170,080	991,955	0
Extracurricular Activities	1,236,389	338,384	0	1,056
Interest and Fiscal Charges	37,373	0	0	0
<i>Total Primary Government</i>	<u>\$62,834,109</u>	<u>\$2,517,602</u>	<u>\$9,115,701</u>	<u>\$1,056</u>
<b>Component Units</b>				
Lancaster Digital Academy	\$657,463	\$0	\$648,412	\$0
Lancaster-Fairfield Community School	347,608	0	294,970	0
<i>Total Component Units</i>	<u>\$1,005,071</u>	<u>\$0</u>	<u>\$943,382</u>	<u>\$0</u>

**General Revenues**

Property Taxes Levied for General Purposes  
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*

*Change in Net Assets*

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government	Component Units		
Governmental Activities	Lancaster Digital Academy	Lancaster-Fairfield Community School	
(\$25,701,253)	\$0	\$0	
(4,895,478)	0	0	
(892,492)	0	0	
(89,895)	0	0	
(3,217,395)	0	0	
(2,644,867)	0	0	
(159,360)	0	0	
(4,053,408)	0	0	
(1,223,058)	0	0	
(276,541)	0	0	
(4,728,889)	0	0	
(1,768,966)	0	0	
(872,285)	0	0	
148,361	0	0	
110,098	0	0	
(896,949)	0	0	
(37,373)	0	0	
(51,199,750)	0	0	
0	(9,051)	0	
0	0	(52,638)	
0	(9,051)	(52,638)	
19,355,151	0	0	
10,297,991	0	0	
23,877,920	158,326	18,106	
6,324	0	0	
99,473	0	0	
15,130			
279,429	5,874	56	
64,627	700	0	
53,996,045	164,900	18,162	
2,796,295	155,849	(34,476)	
52,606,357	694,811	89,641	
\$55,402,652	\$850,660	\$55,165	

**Lancaster City School District, Ohio**

*Balance Sheet  
Governmental Funds  
June 30, 2012*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$30,645,981	\$7,437,851	\$1,482,534	\$39,566,366
Receivables:				
Property Taxes	22,373,895	0	1,686,870	24,060,765
Payment in Lieu of Taxes	113,199	0	0	113,199
Income Taxes	3,808,057	0	0	3,808,057
Accounts	17,416	70	20,308	37,794
Due from Component Unit	3,524	0	0	3,524
Intergovernmental	206,494	0	1,862,089	2,068,583
Accrued Interest	46,840	0	955	47,795
Interfund	81,229	0	0	81,229
Prepays	35,276	0	1,892	37,168
Inventory Held for Resale	0	0	35,679	35,679
Materials and Supplies Inventory	156,925	0	17,848	174,773
<i>Total Assets</i>	<u>\$57,488,836</u>	<u>\$7,437,921</u>	<u>\$5,108,175</u>	<u>\$70,034,932</u>
<b>Liabilities</b>				
Accounts Payable	\$380,679	\$0	\$71,573	\$452,252
Contracts Payable	1,800	0	0	1,800
Accrued Salaries and Benefits Payable	3,611,529	0	525,288	4,136,817
Intergovernmental Payable	1,701,631	0	239,551	1,941,182
Matured Compensated Absences Payable	377,892	0	0	377,892
Interfund Payable	0	0	81,229	81,229
Retirement Incentive Payable	3,500	0	0	3,500
Matured Capital Leases Payable	12,277	0	0	12,277
Matured Interest Payable	2,510	0	0	2,510
Deferred Revenue	23,164,598	0	2,932,344	26,096,942
<i>Total Liabilities</i>	<u>29,256,416</u>	<u>0</u>	<u>3,849,985</u>	<u>33,106,401</u>
<b>Fund Balances</b>				
Nonspendable	192,201	0	19,740	211,941
Restricted	0	0	1,274,814	1,274,814
Committed	1,487,757	0	129,304	1,617,061
Assigned	2,663,482	7,437,921	0	10,101,403
Unassigned (Deficit)	23,888,980	0	(165,668)	23,723,312
<i>Total Fund Balances</i>	<u>28,232,420</u>	<u>7,437,921</u>	<u>1,258,190</u>	<u>36,928,531</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$57,488,836</u>	<u>\$7,437,921</u>	<u>\$5,108,175</u>	<u>\$70,034,932</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2012*

<b>Total Governmental Fund Balances</b>		<b>\$36,928,531</b>
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		10,503,165
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	2,820,853	
Income Taxes	766,482	
Payment in Lieu of Taxes	113,199	
Accrued Interest	45,741	
Grants and Revenues from the City of Lancaster	1,415,348	5,161,623
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 assets.		6,049,534
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(648)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital Leases Payable	(378,240)	
Intergovernmental Payable	(4,361)	
Compensated Absences Payable	(2,856,952)	(3,239,553)
Net Assets of Governmental Activities		<b>\$55,402,652</b>

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, 2012*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$18,670,963	\$0	\$0	\$18,670,963
Payment in Lieu of Taxes	90,883	0	0	90,883
Income Taxes	10,274,903	0	0	10,274,903
Intergovernmental	25,062,005	0	7,852,727	32,914,732
Interest	196,980	0	4,647	201,627
Tuition and Fees	1,044,909	0	37,230	1,082,139
Charges for Services	0	0	737,163	737,163
Rent	130,816	0	0	130,816
Extracurricular Activities	232,519	0	334,965	567,484
Gifts and Donations	36,394	1,056	51,196	88,646
Miscellaneous	62,242	965	1,420	64,627
<i>Total Revenues</i>	<u>55,802,614</u>	<u>2,021</u>	<u>9,019,348</u>	<u>64,823,983</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	25,909,832	0	1,415,878	27,325,710
Special	5,317,426	0	1,465,540	6,782,966
Vocational	1,639,171	0	156,882	1,796,053
Student Intervention Services	88,813	0	0	88,813
Support Services:				
Pupils	3,220,602	0	556,862	3,777,464
Instructional Staff	2,849,439	0	1,223,376	4,072,815
Board of Education	159,360	0	0	159,360
Administration	3,907,040	0	246,251	4,153,291
Fiscal	1,211,820	0	0	1,211,820
Business	272,601	0	0	272,601
Operation and Maintenance of Plant	4,679,532	0	0	4,679,532
Pupil Transportation	1,674,767	339,268	16,821	2,030,856
Central	858,340	0	24,891	883,231
Operation of Non-Instructional Services:				
Food Service Operations	4,266	0	2,555,885	2,560,151
Other Non-Instructional Services	152,031	0	905,012	1,057,043
Extracurricular Activities	947,190	9,361	221,216	1,177,767
Capital Outlay	162,905	187,788	0	350,693
Debt Service:				
Principal Retirement	147,514	0	0	147,514
Interest and Fiscal Charges	36,725	0	0	36,725
<i>Total Expenditures</i>	<u>53,239,374</u>	<u>536,417</u>	<u>8,788,614</u>	<u>62,564,405</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,563,240</u>	<u>(534,396)</u>	<u>230,734</u>	<u>2,259,578</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	17,677	0	2,732	20,409
Transfers In	0	0	14,081	14,081
Transfers Out	(14,081)	0	0	(14,081)
<i>Total Other Financing Sources (Uses)</i>	<u>3,596</u>	<u>0</u>	<u>16,813</u>	<u>20,409</u>
<i>Net Change in Fund Balances</i>	<u>2,566,836</u>	<u>(534,396)</u>	<u>247,547</u>	<u>2,279,987</u>
<i>Fund Balances Beginning of Year</i>	<u>25,665,584</u>	<u>7,972,317</u>	<u>1,010,643</u>	<u>34,648,544</u>
<i>Fund Balances End of Year</i>	<u>\$28,232,420</u>	<u>\$7,437,921</u>	<u>\$1,258,190</u>	<u>\$36,928,531</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, 2012*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$2,279,987</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 depreciation exceeded capital outlay in the current period.	
Capital Asset Additions	663,524
Depreciation Expense	<u>(815,867)</u>
	(152,343)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the proceeds and the loss on disposal of assets:	
Gain on disposal of capital assets	6,324
Proceeds from sale of capital assets	<u>(20,409)</u>
	(14,085)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Interest	(9,866)
Grants and Revenue from the City of Lancaster	2,066
Delinquent Taxes	684,188
Income Taxes	23,088
Payment in Lieu of Taxes	<u>8,590</u>
	708,066
In the statement of activities interest is accrued on outstanding capital leases, whereas in governmental funds, interest is expended when due.	(648)
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	1,986
Repayment of capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	147,514
Repayment of an intergovernmental payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is reflected net.	1,948
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>(176,130)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$2,796,295</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$20,055,000	\$20,048,123	\$20,048,095	(\$28)
Payment in Lieu of Taxes	0	91,171	90,883	(288)
Income Taxes	9,211,000	9,206,700	10,277,179	1,070,479
Intergovernmental	25,122,500	25,040,672	25,069,186	28,514
Interest	182,000	182,196	195,586	13,390
Tuition and Fees	1,041,000	1,040,117	1,042,478	2,361
Rent	128,000	127,717	128,867	1,150
Extracurricular Activities	100,000	100,220	103,498	3,278
Gifts and Donations	9,000	9,375	15,130	5,755
Miscellaneous	51,500	74,415	56,263	(18,152)
<i>Total Revenues</i>	<u>55,900,000</u>	<u>55,920,706</u>	<u>57,027,165</u>	<u>1,106,459</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	21,211,757	21,892,275	21,838,357	53,918
Special	5,236,025	5,429,567	5,414,177	15,390
Vocational	1,693,069	1,740,402	1,737,036	3,366
Student Intervention Services	59,482	65,182	62,656	2,526
Other	4,206,652	5,035,104	5,029,403	5,701
Support Services:				
Pupils	3,757,559	3,292,952	3,285,716	7,236
Instructional Staff	3,543,851	3,207,278	3,180,214	27,064
Board of Education	124,174	223,052	219,610	3,442
Administration	3,814,440	3,996,740	3,976,237	20,503
Fiscal	1,225,685	1,254,990	1,251,817	3,173
Business	538,080	499,286	387,453	111,833
Operation and Maintenance of Plant	5,496,138	5,049,085	4,981,507	67,578
Pupil Transportation	1,647,142	1,750,848	1,740,525	10,323
Central	1,248,613	1,133,774	1,070,730	63,044
Operation of Non-Instructional Services	3,690	5,900	5,899	1
Extracurricular Activities	960,198	976,645	955,867	20,778
Capital Outlay	627,755	536,691	536,166	525
<i>Total Expenditures</i>	<u>55,394,310</u>	<u>56,089,771</u>	<u>55,673,370</u>	<u>416,401</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>505,690</u>	<u>(169,065)</u>	<u>1,353,795</u>	<u>1,522,860</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	15,000	15,000	17,677	2,677
Advances In	430,000	429,294	429,294	0
Advances Out	(200,000)	(75,000)	(72,147)	2,853
Transfers In	20,000	0	0	0
Transfers Out	(50,000)	(29,539)	(14,081)	15,458
<i>Total Other Financing Sources (Uses)</i>	<u>215,000</u>	<u>339,755</u>	<u>360,743</u>	<u>20,988</u>
<i>Net Change in Fund Balance</i>	720,690	170,690	1,714,538	1,543,848
<i>Fund Balance Beginning of Year</i>	23,820,501	23,820,501	23,820,501	0
<i>Prior Year Encumbrances Appropriated</i>	2,267,755	2,267,755	2,267,755	0
<i>Fund Balance End of Year</i>	<u>\$26,808,946</u>	<u>\$26,258,946</u>	<u>\$27,802,794</u>	<u>\$1,543,848</u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**

*Statement of Fund Net Assets*

*Internal Service Fund*

*June 30, 2012*

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	Employee Benefits Self Insurance
<b>Current Assets</b>	
Cash and Cash Equivalents	\$1,085,875
Cash and Cash Equivalents with Fiscal Agents	<u>5,777,027</u>
<i>Total Assets</i>	6,862,902
<b>Current Liabilities</b>	
Claims Payable	<u>813,368</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$6,049,534</u></u>

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Revenues,  
Expenses, and Changes in Fund Net Assets  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2012*

	Employee Benefits Self Insurance
<b>Operating Revenues</b>	
Charges for Services	\$7,657,952
<b>Operating Expenses</b>	
Purchased Services	1,985,260
Claims	5,940,853
<i>Total Operating Expenses</i>	7,926,113
<i>Operating Loss</i>	(268,161)
<b>Non-Operating Revenue</b>	
Interest	92,031
<i>Change in Net Assets</i>	(176,130)
<i>Net Assets Beginning of Year</i>	6,225,664
<i>Net Assets End of Year</i>	\$6,049,534

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, 2012

	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	\$7,657,952
Cash Payments to Vendors for Services	(1,985,260)
Cash Payments for Claims	(5,867,848)
<i>Net Cash Used for Operating Activities</i>	(195,156)
<b>Cash Flows from Investing Activities:</b>	
Interest	92,031
<i>Net Increase in Cash and Cash Equivalents</i>	(103,125)
<i>Cash and Cash Equivalents Beginning of Year</i>	6,966,027
<i>Cash and Cash Equivalents End of Year</i>	\$6,862,902
<b>Reconciliation of Operating Loss to</b>	
<b>Net Cash Used for Operating Activities:</b>	
Operating Loss	(\$268,161)
<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>	
Increase in Claims Payable	73,005
<i>Net Cash Used for Operating Activities</i>	(\$195,156)

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2012*

	Private Purpose	
	Trust	
	Endowment	Agency
<b>Assets</b>		
Cash and Cash Equivalents	\$42,339	\$118,785
Accrued Interest Receivable	48	0
<i>Total Assets</i>	42,387	\$118,785
<b>Liabilities</b>		
Due to Students	0	\$118,785
<b>Net Assets</b>		
Held in Trust for Scholarships	\$42,387	

See accompanying notes to the basic financial statements

**Lancaster City School District, Ohio**  
*Statement of Changes in Fiduciary Net Assets*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Endowment
<b>Additions</b>	
Interest	\$184
<b>Deductions</b>	
Scholarships Awarded	1,000
<i>Change in Net Assets</i>	(816)
<i>Net Assets Beginning of Year</i>	43,203
<i>Net Assets End of Year</i>	\$42,387

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, 2012*

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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 252 non-certificated employees, 394 certificated personnel, and 30 administrative employees who provide services to 6,083 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.

**Discretely Presented Component Units.** The component unit information on the Statement of Net Assets and the Statement of Activities identifies the financial data of the School District’s Component Units, Lancaster Digital Academy and Lancaster-Fairfield Community School. They are reported separately to emphasize that they are legally separate from the School District.

**Lancaster Digital Academy.** Lancaster Digital Academy (LDA) is a legally separate community school created under Ohio Revised Code Chapter 3314 and incorporated under Chapter 1702. The LDA’s mission, under a contractual agreement with the School District, is to enhance and facilitate student learning by combining state-of-the-art digital curriculum and instruction with access to local school resources that complement instruction and prepare students to become lifelong learners and productive citizens. The LDA serves students within the School

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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District. The LDA is operated by a five member Board of Directors appointed by the School District. The Board of Directors can consist of elected or appointed public officials, professional individuals from the public sector, community civic leaders, or parents of the students in which the LDA serves. The School District is able to impose its will on the LDA. The School District can suspend the LDA's operations for any of the following reasons: 1) The LDA's failure to meet student performance requirements stated in its contract with the School District, 2) The LDA's failure to meet generally accepted standards of fiscal management, 3) The LDA's violation of any provisions of the contract with the School District or applicable state or federal law, and 4) Other good cause. Separately issued financial statements can be obtained from the Lancaster Digital Academy, 111 South Broad Street, Lancaster, Ohio 43130.

**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 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.

The School District participates in four jointly governed organizations and three pools. These organizations are the 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 19 and 20 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. 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 assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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***Government-wide Financial Statements*** The statement of net assets 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 assets 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 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 liabilities 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.

***Permanent Improvement Fund*** The permanent improvement fund accounts for and reports the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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 assets, 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.

***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 fund accounts for student 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 assets. The statement of activities presents increases (revenues) and decreases (expenses) in total net assets.

***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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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***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, the recording of deferred revenue, 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.

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 7). 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 Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

***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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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***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.

During 2012, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), federal agency securities, 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, 2012.

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 2012 amounted to \$196,980, which includes \$49,089 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, 2012, 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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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***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 assets 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 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:

<u>Description</u>	<u>Estimated Lives</u>
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 assets.

***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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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.

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.

***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. 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.

**Restricted:** The restricted 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).

**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

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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. In the general fund, assigned amounts represent intended uses established by the School District's Board of Education or a School District official delegated that authority by resolution or by State Statute.

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

***N. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for scholarships, preschool services, 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 assets are available.

***O. 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.

***P. 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.

***Q. 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

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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.

The termination benefits special revenue fund was not budgeted because the School District did not anticipate any financial activity within this fund and none occurred.

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 vocational education career development and vocational education special revenue funds are budgeted individually on a cash basis but are combined on a GAAP basis and presented as the vocational education special revenue fund. 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. The classroom facilities maintenance special revenue fund was not budgeted because the School District did not anticipate financial activity within this fund and none occurred.

**Note 3 – Changes in Accounting Principles**

For fiscal year 2012, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53" GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the School District's financial statements.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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**Note 4 – Accountability**

The following funds had deficit fund balances as of June 30, 2012:

	<u>Deficit Fund Balances</u>
<u>Special Revenue Funds:</u>	
IDEA - B	(\$71,992)
Title I	(71,576)
Reducing Class Size	(2,516)
Title II-D	(175)
Education Jobs	(15,106)

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 5 - 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. Unrecorded cash, fair market value adjustments, and prepaid items 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 a reservation of 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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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

<b>Net Change in Fund Balance</b>	
GAAP Basis	\$2,566,836
Net Adjustment for Revenue Accruals	1,376,269
Net Adjustment for Expenditure Accruals	(908,230)
Beginning:	
Unrecorded Cash	420
Fair Value of Investments	17,407
Prepaid Items	31,540
Ending:	
Fair Value of Investments	(18,846)
Prepaid Items	(35,276)
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	2,738
Advances In	429,294
Advances Out	(72,147)
Adjustment for Encumbrances	<u>(1,675,467)</u>
Budget Basis	<u><u>\$1,714,538</u></u>

**Note 6 - 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

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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;
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, 2012, the School District's internal service fund had a balance of \$5,777,027 with fiscal agents. \$5,100,050 was with the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), a risk sharing, claims servicing, and insurance purchasing pool (See Note 20). \$676,977 was with the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (See Note 20). The balances were held by OME-RESA 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 OME-RESA Self-Insurance 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 Ohio Mid Eastern Regional Educational Service Agency Self-Insurance Plan, Treasurer, Jefferson County ESC, Steubenville, Ohio 43952. Disclosures for SCOIC as a whole may be obtained from the fiscal agent, Liberty Union-Thurston Local School District, 600 Washington Street, Baltimore, Ohio 43105.

**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, \$4,849,303 of the School District's bank balance of \$19,878,241 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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

**Investments** As of June 30, 2012, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$184	Average 53 Days
Toyota Motor Credit, Incorporated Commercial Paper	1,099,428	8/22/12
Toyota Motor Credit, Incorporated Commercial Paper	1,716,835	10/26/12
General Electric, Incorporated Commercial Paper	1,997,702	12/19/12
Federal Farm Credit Bank Notes	1,308,925	8/19/13
Federal National Mortgage Association	1,674,869	5/29/15
Federal National Mortgage Association	2,605,057	10/30/15
Federal Home Loan Bank Notes	1,003,697	9/14/12
Federal Home Loan Bank Notes	1,050,221	9/26/12
Federal Home Loan Bank Notes	2,151,520	5/21/13
Federal Home Loan Bank Notes	1,825,938	7/12/13
Federal Home Loan Bank Notes	1,008,370	9/13/13
Federal Home Loan Bank Notes	1,075,533	10/15/13
Federal Home Loan Bank Notes	999,407	6/27/14
Federal Home Loan Bank Notes	1,001,635	9/19/14
Federal Home Loan Bank Notes	1,096,075	3/13/15
Total	<u>\$21,615,396</u>	

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. The Toyota Motor Credit and General Electric, Incorporated Commercial Papers are rated P1/A1+ by Moody's and Standard and Poor's. The Federal Farm Credit Bank Notes, Federal National Mortgage Association, and Federal Home Loan Bank Notes all carried a rating by Moody's of Aaa. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. 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 General Electric, Incorporated Commercial Papers are exposed to custodial credit risk in that it is 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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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, 2012:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Toyota Motor Credit, Incorporated Commercial Paper	13.03
General Electric, Incorporated Commercial Paper	9.24
Federal Farm Credit Bank Notes	6.06
Federal National Mortgage Association Notes	19.80
Federal Home Loan Bank Notes	51.87

**Note 7 - 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 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, 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 2012 represents collections of calendar year 2011 taxes. Public utility real property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011, 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, 2012, are available to finance fiscal year 2012 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, public utility property, and tangible personal property taxes which were measurable as of June 30, 2012 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 revenue.

The amount available as an advance at June 30, 2012, was \$301,551 to the general fund. The amount available as an advance at June 30, 2011, was \$1,681,725 in the general fund.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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 deferred.

The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011 Second- Half Collections		2012 First- Half Collections		2012 Effective Tax Rates (per \$1,000 of assessed valuation)
	Amount	Percent	Amount	Percent	
	Agricultural/ Residential	\$615,749,980	68%	\$616,978,730	
Commerical/Industrial and Public Utility Real	240,753,390	27%	245,316,740	27%	24.7371
Public Utility Personal	44,246,800	5%	44,756,650	5%	64.6000
Total	<u>\$900,750,170</u>	<u>100%</u>	<u>\$907,052,120</u>	<u>100%</u>	

**Note 8 - 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 9 - Receivables**

Receivables at June 30, 2012, consisted of property taxes, income taxes, accounts (rent, student fees and tuition), intergovernmental grants, 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, 2012 were \$2,820,853.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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A summary of principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Governmental Activities</b>	
Tech Title II-D Grant	\$7,203
Motor Vehicle Fuel Tax	3,256
Medicaid Reimbursement	32,409
Early Childhood Grant	18,965
Resident Educator Grant	4,200
City of Lancaster Income Tax Share	170,829
Carl Perkins Secondary Grant	12,822
Delinquent Title I-D Grant	119,169
Title II-A Grant	165,544
State Lunch Reimbursement Program	257,246
Education Jobs Grant	7,749
Title I Grant	303,666
Idea, Part B Grant	965,525
Total	<u>\$2,068,583</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 2012, the School District received no payment. As of June 30, 2012, a receivable for \$22,316 has been recorded which represents the payment anticipated for fiscal year 2013.

**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 2012, a payment in the amount of \$78,675 was received. As of June 30, 2012, a receivable for \$78,675 has been recorded which represents the payment anticipated for fiscal year 2013.

**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 2012, a payment in the amount of \$12,208 was received. As of June 30, 2012, a receivable for \$12,208 has been recorded which represents the payment anticipated for fiscal year 2013.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

**Note 10 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>Nondepreciable Capital Assets</b>				
Land	\$523,846	\$0	\$0	\$523,846
Construction in Progress	66,338	53,432	(114,020)	5,750
Total Capital Assets not being depreciated	<u>590,184</u>	<u>53,432</u>	<u>(114,020)</u>	<u>529,596</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	2,512,702	64,587	0	2,577,289
Buildings and Improvements	18,708,369	251,573	0	18,959,942
Furniture and Equipment	7,049,543	49,105	(119,062)	6,979,586
Vehicles	3,027,188	358,847	(142,670)	3,243,365
Total at Historical Cost	<u>31,297,802</u>	<u>724,112</u>	<u>(261,732)</u>	<u>31,760,182</u>
Less Accumulated Depreciation				
Land Improvements	(774,828)	(124,857)	0	(899,685)
Buildings and Improvements	(13,593,070)	(201,691)	0	(13,794,761)
Furniture and Equipment	(4,805,814)	(296,741)	104,977	(4,997,578)
Vehicles	(2,044,681)	(192,578)	142,670	(2,094,589)
Total Accumulated Depreciation	<u>(21,218,393)</u>	<u>(815,867)</u>	<u>247,647</u>	<u>(21,786,613)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>10,079,409</u>	<u>(91,755)</u>	<u>(14,085)</u>	<u>9,973,569</u>
Governmental Activities Capital Assets, Net	<u>\$10,669,593</u>	<u>(\$38,323)</u>	<u>(\$128,105)</u>	<u>\$10,503,165</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$213,833
Special	44,567
Vocational	39,345
Student Intervention	1,082
Support Services:	
Pupil	21,102
Instructional Staff	61,423
Administration	26,383
Fiscal	4,151
Business	1,623
Operation and Maintenance	88,281
Pupil Transportation	196,212
Central	12,400
Extracurricular	55,913
Operation of Non-Instructional Services:	
Food Service Operations	43,112
Other	6,440
Total Depreciation Expense	<u>\$815,867</u>

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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**Note 11 - 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 2012, 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 20)

The types and amounts of coverage provided are as follows:

Coverage	Amount	Deductible
Building and Personal Property - replacement cost	\$156,771,805	\$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 20). 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*  
*For the Fiscal Year Ended June 30, 2012*

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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, surgical, 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 20), on November 1, 2006. As of November 1, 2006, the School District's medical, surgical, and prescription drug was considered traditional premium insurance while dental was considered a self insured program. Beginning July 1, 2007, medical, surgical, 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 contracts with Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) for claims servicing. OME-RESA contracts with Employee Benefits Management Corporation to service the claims of SCOIC members. 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 \$1,820 for certified and classified employees for family coverage and up to \$724 for certified and classified employees for single coverage. The School District pays monthly dental premiums of up to \$67 for family and single coverage for certified and classified employees. The premiums paid into the internal service fund are used for claims, claim reserves, and administrative costs. The School District had shared risk pool coverage with OME-RESA which covered individual claims in excess of \$50,000 up to \$500,000 per employee per year for medical claims. The School District also had a stop loss coverage insurance policy through OME-RESA which covered individual claims in excess of \$500,000 per employee per year for medical 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 claims liability of \$813,368 reported in the internal service fund at June 30, 2012, 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*  
*For the Fiscal Year Ended June 30, 2012*

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	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2011	\$715,206	\$5,293,271	\$5,268,114	\$740,363
2012	740,363	5,940,853	5,867,848	813,368

**Note 12 - 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 13 - 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 and disability 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**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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, 2012, the allocation to pension and death benefits was 12.7 percent. The remaining 1.3 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, 2012, 2011, and 2010, were \$993,895, \$793,738, and \$1,137,853, respectively. For fiscal year 2012, 76 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

***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 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, plan members were required to contribute 10 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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$3,484,180 and \$94,384 for the fiscal year ended June 30, 2012, \$3,229,536 and \$95,244 for the fiscal year ended June 30, 2011, and \$3,202,933 and \$85,717 for the fiscal year ended June 30, 2010. For fiscal year 2012, 81 percent has been contributed for the DB plan and 81 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2012 was \$54,940 made by the School District and \$39,243 made by the plan members. In addition, member contributions of \$67,417 were made for fiscal year 2012 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, 2012, one member of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages.

**Note 14 - 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 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 2012, 0.55 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 2012, this amount was \$35,800. During fiscal year 2012, the School District paid \$108,706 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.

The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$178,505, \$297,180, and \$7,904, respectively. For fiscal year 2012, 10 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010, were \$57,630, \$54,250, and \$58,149 respectively. For fiscal year 2012, 76 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

**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 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$279,500, \$248,426, and \$257,729 respectively. For fiscal year 2012, 81 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

**Note 15 – Capital Leases – Lessee Disclosure**

In prior fiscal years, the School District entered into several new capital leases for copier equipment. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which 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 capitalized leased assets are reflected net of accumulated depreciation in the amount of \$452,244 for equipment. Principal payments toward all capital leases during 2012 totaled \$147,514.

The agreement provides for minimum annual lease payments as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$159,766	\$24,490	\$184,256
2014	173,023	11,223	184,246
2015	45,451	611	46,062
Total	<u>\$378,240</u>	<u>\$36,324</u>	<u>\$414,564</u>

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

**Note 16 - Long Term Obligations**

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

	Principal Outstanding 6/30/2011	Additions	Deductions	Principal Outstanding 6/30/2012	Due in One Year
<b>Governmental Activities</b>					
Capital Leases Payable	\$525,754	\$0	\$147,514	\$378,240	\$159,766
Intergovernmental Payable	6,309	0	1,948	4,361	1,948
Compensated Absences Payable	2,858,938	516,929	518,915	2,856,952	272,676
Total Governmental Activities Long-Term Obligations	<u>\$3,391,001</u>	<u>\$516,929</u>	<u>\$668,377</u>	<u>\$3,239,553</u>	<u>\$434,390</u>

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 following table lists the special assessment payments required as of June 30, 2012.

Year	
2013	\$1,948
2014	2,413
Total	<u>\$4,361</u>

The School District's overall legal debt margin was \$81,634,691, with an unvoted debt margin of \$907,052 at June 30, 2012.

**Note 17 - Interfund Balances and Activity**

Interfund balances at June 30, 2012 consist of the following individual interfund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Fund:		
General	\$81,229	\$0
Other Governmental Funds:		
IDEA - B	0	1,381
Title I	0	60,162
Title II-D	0	6,112
Race to the Top	0	4,200
Vocational Educaion	0	7,701
Preschool	0	1,673
Total Other Governmental Funds	<u>0</u>	<u>81,229</u>
Total All Funds	<u>\$81,229</u>	<u>\$81,229</u>

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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The interfund receivables/payables are due to lags 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 2012, consisted of the general fund transferring \$14,081 to the community grants special revenue fund for the purpose of paying expenses out of the fund from which it was required to be paid.

**Note 18 – Related Party Transactions**

During fiscal year 2012, the School District received \$34,863 from the Lancaster Digital Academy (LDA) for rent, fiscal and administrative services, the development of web delivered services, technology relating to those services and curricular design, and for reimbursements of miscellaneous services. As of June 30, 2012, \$3,524 was payable to the School District for quarterly sponsor fees.

During fiscal year 2012, the School District received \$44 from the Lancaster-Fairfield Community School for advertising and postage reimbursement. As of June 30, 2012, no amounts were owed to the School District.

**Note 19 - Jointly Governed Organizations**

***Metropolitan Educational Council*** - The Metropolitan Educational Council (MEC) is a jointly governed organization. The organization is composed of over 195 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 58 counties in Central Ohio. The MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. MEC also provides a variety of services through its data processing center to public schools, educational service centers, charter/community schools, State schools, educational organizations, and private schools with the major emphasis being placed on fiscal services. MEC also provides services to the School District including pupil scheduling, attendance reporting, and grade reporting. The governing board of MEC is composed of the superintendent, 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's payments to MEC in fiscal year 2012 were \$133,211 for computer services and support.

***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

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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 2012, 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 2012.

***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 2012. 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.

**Note 20 – 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.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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 \$16,180 in enrollment fees to the Program as of June 30, 2012 and \$345,527 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, Fairfield County Educational Service Center, Fairfield Union Local School District, Lancaster City School District, City of Lancaster, Liberty Union-Thurston Local School District, Miami Trace Local School District, Logan-Hocking Schools, and Washington Court House City Schools. The Liberty Union-Thurston Local School District serves as the fiscal agent for the SCOIC.

SCOIC contracts with 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. The SCOIC members are considered self insured and pay a monthly premium to OME-RESA that is 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 is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. SCOIC members participate in the shared risk pool through OME-RESA for individual claims from \$50,000 to \$500,000. SCOIC members are then covered under stop loss coverage for claims over \$500,000. OME-RESA contracts with Employee Benefits

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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Management Corporation to service the claims of SCOIC members. 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. In the event SCOIC members would withdraw from OME-RESA, SCOIC members would be required to give a thirty day notice, be responsible for all run-out claims, and have no rights to share in any surplus funds of OME-RESA. To obtain financial information for the SCOIC, write to the fiscal agent, Liberty Union-Thurston Local School District, 600 Washington Street, Baltimore, Ohio 43105.

**Note 21 - Contingencies**

**A. Student Attendance and Grants**

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

**B. Litigation**

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

**Note 22 - 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.

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2011	\$0
Current Year Set-aside Requirement	1,004,107
Qualifying Disbursements	(1,334,198)
Total	(\$330,091)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2012

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 23 – Contractual Commitments**

Vendor	Original Contract	Paid to Date	Amount Remaining
Gene's Sign Company	\$11,500	\$5,750	\$5,750

**Note 24 – 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	Permanent Improvement	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$35,276	\$0	\$1,892	\$37,168
Materials and Supplies Inventory	156,925	0	17,848	174,773
<i>Total Nonspendable</i>	<u>192,201</u>	<u>0</u>	<u>19,740</u>	<u>211,941</u>
<u>Restricted for:</u>				
Food Service Operations	0	0	918,659	918,659
Student Achievements	0	0	21,608	21,608
Department Clubs	0	0	154,599	154,599
Auxiliary Services	0	0	176,453	176,453
Technology	0	0	3,495	3,495
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,274,814</u>	<u>1,274,814</u>
<u>Committed to:</u>				
Scholarships	0	0	29,398	29,398
Preschool	0	0	99,906	99,906
Termination Benefits	1,003,879	0	0	1,003,879
Other Purposes	483,878	0	0	483,878
<i>Total Committed</i>	<u>1,487,757</u>	<u>0</u>	<u>129,304</u>	<u>1,617,061</u>
<u>Assigned to:</u>				
Capital Improvements	107,112	7,437,921	0	7,545,033
Public School Support	140,558	0	0	140,558
Professional Development	141,943	0	0	141,943
Equipment and Repairs	162,843	0	0	162,843
Transportation	36,573	0	0	36,573
Textbooks and Supplies	387,857	0	0	387,857
Other Purposes	1,686,596	0	0	1,686,596
<i>Total Assigned</i>	<u>2,663,482</u>	<u>7,437,921</u>	<u>0</u>	<u>10,101,403</u>
Unassigned (Deficit):	23,888,980	0	(165,668)	23,723,312
<i>Total Fund Balances</i>	<u>\$28,232,420</u>	<u>\$7,437,921</u>	<u>\$1,258,190</u>	<u>\$36,928,531</u>

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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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, 2012 was \$6,588,133 which was based on the May, 2012 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 2012. This twelve percent cash reserve balance is reported as unassigned in the general fund.

**Note 25 – Lancaster Digital Academy and the Lancaster-Fairfield Community School Component Units**

**A. Basis of Presentation**

The Lancaster Digital Academy (LDA) and 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, LDA's and LFCS's deposits may not be returned. LDA and LFCS do not have a deposit policy for custodial credit risk. At June 30, 2012, the bank balance of LDA's deposits was \$778,351. Of LDA's bank balance, \$600,000 was covered by federal depository insurance and \$178,351 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 requirements could potentially subject LDA to a successful claim by the FDIC. At June 30, 2012, the bank balance of LFCS's deposits was \$13,037. 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 charged to expense 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 LDA's and LFCS's reported capital assets are depreciated using the straight-line method over six years of useful life.

The LDA's capital assets consisted of computer equipment valued at \$64,000 with accumulated depreciation of \$51,053 and a remaining book value of \$12,947.

**Lancaster City School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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The LFCS's capital assets consisted of computer equipment valued at \$3,700 with accumulated depreciation of \$3,083 and a remaining book value of \$617.

**Note 26 – Subsequent Events**

On July 12, 2012, Lancaster City School District was approved for the Exceptional Needs Program by the School Facilities Commission. On July 23, 2012, the Ohio State Controlling Board approved Lancaster City School District for State funding for the building of five new elementary school buildings. On August 24, 2012, the School District was notified that the State has awarded \$28,359,219 to the School District toward the building project.

On August 21, 2012, the School District issued \$60,410,000 in School Facilities Construction and Improvement Bonds, Series 2012 with a premium of \$3,567,950.75 to build five new elementary buildings.

**Lancaster City School District, Ohio**

*Combining and Individual Fund Financial Statements and Schedules*

## Lancaster City School District, Ohio

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### *Nonmajor Governmental Funds*

#### *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 2012, there was only one debt service fund, bond retirement, which is considered a nonmajor fund.

#### *Capital Projects Fund*

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. For fiscal year 2012, there was only one capital project, permanent improvement, which was considered a major fund.

**Lancaster City School District, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$1,482,534	\$0	\$1,482,534
Receivables:			
Property Taxes	205,650	1,481,220	1,686,870
Accounts	20,308	0	20,308
Intergovernmental	1,862,089	0	1,862,089
Accrued interest	955	0	955
Prepays	1,892	0	1,892
Inventory Held for Resale	35,679	0	35,679
Materials and Supplies Inventory	17,848	0	17,848
<i>Total Assets</i>	<u>\$3,626,955</u>	<u>\$1,481,220</u>	<u>\$5,108,175</u>
<b>Liabilities</b>			
Accounts Payable	\$71,573	\$0	\$71,573
Accrued Salaries and Benefits Payable	525,288	0	525,288
Intergovernmental Payable	239,551	0	239,551
Interfund Payable	81,229	0	81,229
Deferred Revenue	1,451,124	1,481,220	2,932,344
<i>Total Liabilities</i>	<u>2,368,765</u>	<u>1,481,220</u>	<u>3,849,985</u>
<b>Fund Balances</b>			
Nonspendable	19,740	0	19,740
Restricted	1,274,814	0	1,274,814
Committed	129,304	0	129,304
Unassigned (Deficit)	(165,668)	0	(165,668)
<i>Total Fund Balances</i>	<u>1,258,190</u>	<u>0</u>	<u>1,258,190</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,626,955</u>	<u>\$1,481,220</u>	<u>\$5,108,175</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, 2012*

	Nonmajor Special Revenue Funds
<b>Revenues</b>	
Intergovernmental	\$7,852,727
Interest	4,647
Tuition and Fees	37,230
Charges for Services	737,163
Extracurricular Activities	334,965
Gifts and Donations	51,196
Miscellaneous	1,420
<i>Total Revenues</i>	9,019,348
<b>Expenditures</b>	
Current:	
Instruction:	
Regular	1,415,878
Special	1,465,540
Vocational	156,882
Support Services:	
Pupils	556,862
Instructional Staff	1,223,376
Administration	246,251
Pupil Transportation	16,821
Central	24,891
Operation of Non-Instructional Services:	
Food Service Operations	2,555,885
Other Non-Instructional Services	905,012
Extracurricular Activities	221,216
<i>Total Expenditures</i>	8,788,614
<i>Excess of Revenues Over Expenditures</i>	230,734
<b>Other Financing Sources</b>	
Proceeds from Sale of Capital Assets	2,732
Transfers In	14,081
<i>Total Other Financing Sources</i>	16,813
<i>Net Change in Fund Balances</i>	247,547
<i>Fund Balances Beginning of Year</i>	1,010,643
<i>Fund Balances End of Year</i>	\$1,258,190

## 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. For fiscal year 2012, there was no cash activity or budget; therefore, there is no budgetary schedule presented.

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.

Counseling Grant Fund – To account for and report restricted Federal grant monies used in the counseling of students.

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.

Title II-D Fund – To account for and report restricted Federal competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21<sup>st</sup> century.

Miscellaneous State Grants Fund – To account for and report various restricted small State grants.

(Continued)

## Lancaster City School District, Ohio

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

Education Jobs Fund – To account for and report a restricted Federal program used to assist in creating or saving education jobs.

Educational Stabilization Fund – To account for and report restricted grants received from the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs. Fiscal year 2011 was the final year for this program; therefore, fiscal year 2012 only had expenditure activity on the budgetary level.

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

Safe Route To Schools Fund – To account for funding from the Federal-Aid Highway Program used by the School District to purchase new safety patrol equipment and supplies.

Vocational Education Fund – To account for and report restricted Federal and State grant funds for the development of vocational education career development programs and for adults to acquire adequate employment skills. This fund includes the vocational education career development and vocational education funds for GAAP reporting purposes.

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. In fiscal year 2012, this fund had no activity or budget; therefore, there is no budgetary schedule presented. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

**Lancaster City School District, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2012*

	Food Service	Scholarship Memorial	Community Grants	Classroom Facilities Maintenance	District Managed Student Activity	Auxiliary Services
<b>Assets</b>						
Cash and Cash Equivalents	\$851,594	\$29,398	\$8,055	\$0	\$162,831	\$239,738
Receivables:						
Property Taxes	0	0	0	205,650	0	0
Accounts	1,669	0	18,451	0	43	0
Intergovernmental	257,246	0	0	0	0	0
Accrued Interest	653	33	0	0	0	269
Prepays	169	0	0	0	0	795
Inventory Held for Resale	35,679	0	0	0	0	0
Materials and Supplies Inventory	17,848	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,164,858</u>	<u>\$29,431</u>	<u>\$26,506</u>	<u>\$205,650</u>	<u>\$162,874</u>	<u>\$240,802</u>
<b>Liabilities</b>						
Accounts Payable	\$2,473	\$0	\$0	\$0	\$8,275	\$35,252
Accrued Salaries and						
Benefits Payable	121,326	0	1,678	0	0	21,810
Intergovernmental Payable	103,730	0	3,220	0	0	6,223
Interfund Payable	0	0	0	0	0	0
Deferred Revenue	653	33	0	205,650	0	269
<i>Total Liabilities</i>	<u>228,182</u>	<u>33</u>	<u>4,898</u>	<u>205,650</u>	<u>8,275</u>	<u>63,554</u>
<b>Fund Balances:</b>						
Nonspendable	18,017	0	0	0	0	795
Restricted	918,659	0	21,608	0	154,599	176,453
Committed	0	29,398	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0	0
<i>Total Fund Balances</i>	<u>936,676</u>	<u>29,398</u>	<u>21,608</u>	<u>0</u>	<u>154,599</u>	<u>177,248</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,164,858</u>	<u>\$29,431</u>	<u>\$26,506</u>	<u>\$205,650</u>	<u>\$162,874</u>	<u>\$240,802</u>

IDEA - B	Title I	Reducing Class Size	Title II-D	Education Jobs	Race To The Top	Vocational Education	Preschool
\$4,937	\$0	\$4,927	\$0	\$80,670	\$0	\$214	\$100,170
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	145
965,525	422,835	165,544	7,203	7,749	4,200	12,822	18,965
0	0	0	0	0	0	0	0
81	110	0	0	0	0	737	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>\$970,543</u>	<u>\$422,945</u>	<u>\$170,471</u>	<u>\$7,203</u>	<u>\$88,419</u>	<u>\$4,200</u>	<u>\$13,773</u>	<u>\$119,280</u>
\$19,590	\$0	\$1,323	\$175	\$0	\$0	\$266	\$4,219
75,067	153,440	41,219	0	102,939	0	0	7,809
44,992	63,514	11,073	969	586	0	1,574	3,670
1,381	60,162	0	6,112	0	4,200	7,701	1,673
901,505	217,405	119,372	122	0	0	0	6,115
<u>1,042,535</u>	<u>494,521</u>	<u>172,987</u>	<u>7,378</u>	<u>103,525</u>	<u>4,200</u>	<u>9,541</u>	<u>23,486</u>
81	110	0	0	0	0	737	0
0	0	0	0	0	0	3,495	0
0	0	0	0	0	0	0	99,906
(72,073)	(71,686)	(2,516)	(175)	(15,106)	0	0	(4,112)
<u>(71,992)</u>	<u>(71,576)</u>	<u>(2,516)</u>	<u>(175)</u>	<u>(15,106)</u>	<u>0</u>	<u>4,232</u>	<u>95,794</u>
<u>\$970,543</u>	<u>\$422,945</u>	<u>\$170,471</u>	<u>\$7,203</u>	<u>\$88,419</u>	<u>\$4,200</u>	<u>\$13,773</u>	<u>\$119,280</u>

(Continued)

**Lancaster City School District, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (Continued)*  
*June 30, 2012*

	Total Nonmajor Special Revenue Funds
<b>Assets</b>	
Cash and Cash Equivalents	\$1,482,534
Receivables:	
Property Taxes	205,650
Accounts	20,308
Intergovernmental	1,862,089
Accrued Interest	955
Prepays	1,892
Inventory Held for Resale	35,679
Materials and Supplies Inventory	17,848
<i>Total Assets</i>	<u>\$3,626,955</u>
<b>Liabilities</b>	
Accounts Payable	\$71,573
Accrued Salaries and Benefits Payable	525,288
Intergovernmental Payable	239,551
Interfund Payable	81,229
Deferred Revenue	1,451,124
<i>Total Liabilities</i>	<u>2,368,765</u>
<b>Fund Balances:</b>	
Nonspendable	19,740
Restricted	1,274,814
Committed	129,304
Unassigned (Deficit)	(165,668)
<i>Total Fund Balances</i>	<u>1,258,190</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,626,955</u>

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**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, 2012

	Food Service	Scholarship Memorial	Community Grants	District Managed Student Activity
<b>Revenues</b>				
Intergovernmental	\$2,012,125	\$0	\$0	\$0
Interest	3,665	134	0	0
Tuition and Fees	0	0	0	0
Charges for Services	737,163	0	0	0
Extracurricular Activities	0	0	61,285	273,680
Gifts and Donations	0	1,206	28,260	21,730
Miscellaneous	0	0	0	1,420
<i>Total Revenues</i>	<u>2,752,953</u>	<u>1,340</u>	<u>89,545</u>	<u>296,830</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	20,316	0
Special	0	0	840	0
Vocational	0	0	57,684	0
Support Services:				
Pupils	0	0	1,264	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	2,555,885	0	0	0
Other Non-Instructional Services	0	1,500	631	60,032
Extracurricular Activities	0	0	0	221,216
<i>Total Expenditures</i>	<u>2,555,885</u>	<u>1,500</u>	<u>80,735</u>	<u>281,248</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>197,068</u>	<u>(160)</u>	<u>8,810</u>	<u>15,582</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Capital Assets	2,732	0	0	0
Transfer In	0	0	14,081	0
<i>Total Other Financing Sources</i>	<u>2,732</u>	<u>0</u>	<u>14,081</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	199,800	(160)	22,891	15,582
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>736,876</u>	<u>29,558</u>	<u>(1,283)</u>	<u>139,017</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$936,676</u></u>	<u><u>\$29,398</u></u>	<u><u>\$21,608</u></u>	<u><u>\$154,599</u></u>

Auxiliary Services	Data Communications	IDEA - B	Title I	Counseling Grant	Reducing Class Size	Title II-D
\$861,836	\$19,800	\$982,047	\$2,363,725	\$0	\$318,274	\$121,750
848	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
862,684	19,800	982,047	2,363,725	0	318,274	121,750
0	0	0	188,827	0	175,524	86,084
0	0	294,808	1,072,588	0	0	0
0	0	0	0	0	0	0
0	0	30,056	473,573	7,204	0	0
0	0	392,206	649,877	0	110,668	26,675
0	0	193,221	0	1,048	24,484	5,000
0	0	0	0	0	0	0
0	19,800	0	5,091	0	0	0
0	0	0	0	0	0	0
775,444	0	52,894	3,029	0	6,275	5,207
0	0	0	0	0	0	0
775,444	19,800	963,185	2,392,985	8,252	316,951	122,966
87,240	0	18,862	(29,260)	(8,252)	1,323	(1,216)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
87,240	0	18,862	(29,260)	(8,252)	1,323	(1,216)
90,008	0	(90,854)	(42,316)	8,252	(3,839)	1,041
\$177,248	\$0	(\$71,992)	(\$71,576)	\$0	(\$2,516)	(\$175)

(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, 2012

	Miscellaneous State Grants	Education Jobs	Race To The Top	Safe Route To Schools
<b>Revenues</b>				
Intergovernmental	\$0	\$901,451	\$4,200	\$8,022
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Charges for Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>901,451</u>	<u>4,200</u>	<u>8,022</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	2,000	943,127	0	0
Special	0	25,548	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	51	0	4,200	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	8,022
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>2,051</u>	<u>968,675</u>	<u>4,200</u>	<u>8,022</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,051)</u>	<u>(67,224)</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Capital Assets	0	0	0	0
Transfer In	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,051)	(67,224)	0	0
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>2,051</u>	<u>52,118</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$0</u>	<u>(\$15,106)</u>	<u>\$0</u>	<u>\$0</u>

Vocational Education	Preschool	Total Nonmajor Special Revenue Funds
\$132,383	\$127,114	\$7,852,727
0	0	4,647
0	37,230	37,230
0	0	737,163
0	0	334,965
0	0	51,196
0	0	1,420
<u>132,383</u>	<u>164,344</u>	<u>9,019,348</u>
0	0	1,415,878
0	71,756	1,465,540
99,198	0	156,882
0	44,765	556,862
11,493	28,206	1,223,376
9,398	13,100	246,251
8,799	0	16,821
0	0	24,891
0	0	2,555,885
0	0	905,012
0	0	221,216
<u>128,888</u>	<u>157,827</u>	<u>8,788,614</u>
<u>3,495</u>	<u>6,517</u>	<u>230,734</u>
0	0	2,732
0	0	14,081
0	0	16,813
<u>3,495</u>	<u>6,517</u>	<u>247,547</u>
<u>737</u>	<u>89,277</u>	<u>1,010,643</u>
<u>\$4,232</u>	<u>\$95,794</u>	<u>\$1,258,190</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,815,352	\$1,833,715	\$18,363
Interest	4,416	3,665	(751)
Charges for Services	799,932	735,746	(64,186)
<i>Total Revenues</i>	<u>2,619,700</u>	<u>2,573,126</u>	<u>(46,574)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Central	930	0	930
Non-Instructional Services:			
Food Service Operations	2,808,841	2,431,057	377,784
<i>Total Expenditures</i>	<u>2,809,771</u>	<u>2,431,057</u>	<u>378,714</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(190,071)	142,069	332,140
<b>Other Financing Sources</b>			
Proceeds from Sale of Fixed Assets	0	2,732	2,732
<i>Net Change in Fund Balance</i>	(190,071)	144,801	334,872
<i>Fund Balance Beginning of Year</i>	626,759	626,759	0
<i>Prior Year Encumbrances Appropriated</i>	68,485	68,485	0
<i>Fund Balance at End of Year</i>	<u>\$505,173</u>	<u>\$840,045</u>	<u>\$334,872</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$41	\$134	\$93
Gifts and Donations	1,259	1,206	(53)
<i>Total Revenues</i>	1,300	1,340	40
<b>Expenditures</b>			
Current:			
Non-Instructional Services:			
Community Services	3,463	2,600	863
<i>Net Change in Fund Balance</i>	(2,163)	(1,260)	903
<i>Fund Balance Beginning of Year</i>	28,388	28,388	0
<i>Prior Year Encumbrances Appropriated</i>	1,170	1,170	0
<i>Fund Balance at End of Year</i>	<u>\$27,395</u>	<u>\$28,298</u>	<u>\$903</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$43,976	\$49,029	\$5,053
Gifts and Donations	21,853	22,260	407
<i>Total Revenues</i>	<u>65,829</u>	<u>71,289</u>	<u>5,460</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	24,802	20,316	4,486
Special	2,000	840	1,160
Vocational	69,563	63,200	6,363
Pupils	3,385	3,385	0
Non-Instructional Services:			
Other	1,004	631	373
<i>Total Expenditures</i>	<u>100,754</u>	<u>88,372</u>	<u>12,382</u>
<i>Excess of Revenues Under Expenditures</i>	(34,925)	(17,083)	17,842
<b>Other Financing Sources</b>			
Operating Transfers In	25,500	14,081	(11,419)
<i>Net Change in Fund Balance</i>	(9,425)	(3,002)	6,423
<i>Fund Balance Beginning of Year</i>	7,232	7,232	0
<i>Prior Year Encumbrances Appropriated</i>	2,374	2,374	0
<i>Fund Balance at End of Year</i>	<u>\$181</u>	<u>\$6,604</u>	<u>\$6,423</u>

**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, 2012*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$358,554	\$284,473	(\$74,081)
Gifts and Donations	48,175	21,730	(26,445)
Miscellaneous	1,421	1,741	320
<i>Total Revenues</i>	<u>408,150</u>	<u>307,944</u>	<u>(100,206)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Central	3,000	0	3,000
Non-Instructional Services:			
Other	116,489	60,689	55,800
Extracurricular Activities	273,385	231,827	41,558
<i>Total Expenditures</i>	<u>392,874</u>	<u>292,516</u>	<u>100,358</u>
<i>Net Change in Fund Balance</i>	15,276	15,428	152
<i>Fund Balance Beginning of Year</i>	128,887	128,887	0
<i>Prior Year Encumbrances Appropriated</i>	7,582	7,582	0
<i>Fund Balance at End of Year</i>	<u>\$151,745</u>	<u>\$151,897</u>	<u>\$152</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$925,203	\$861,836	(\$63,367)
Interest	0	848	848
<i>Total Revenues</i>	925,203	862,684	(62,519)
<b>Expenditures</b>			
Current:			
Non-Instructional Services:			
Community Services	981,608	776,981	204,627
<i>Net Change in Fund Balance</i>	(56,405)	85,703	142,108
<i>Fund Balance Beginning of Year</i>	35,815	35,815	0
<i>Prior Year Encumbrances Appropriated</i>	85,191	85,191	0
<i>Fund Balance at End of Year</i>	<u>\$64,601</u>	<u>\$206,709</u>	<u>\$142,108</u>

**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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$20,000	\$19,800	(\$200)
<b>Expenditures</b>			
Current:			
Support Services:			
Central	20,800	20,800	0
<i>Net Change in Fund Balance</i>	(800)	(1,000)	(200)
<i>Fund Balance Beginning of Year</i>	1,000	1,000	0
<i>Fund Balance at End of Year</i>	\$200	\$0	(\$200)

**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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,333,355	\$1,207,499	(\$1,125,856)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	110	0	110
Special	763,842	419,330	344,512
Student Intervention Services	12,415	12,405	10
Support Services:			
Pupils	99,374	67,652	31,722
Instructional Staff	964,588	464,166	500,422
Administration	220,935	199,808	21,127
Non-Instructional Services:			
Community Services	52,894	52,894	0
<i>Total Expenditures</i>	<u>2,114,158</u>	<u>1,216,255</u>	<u>897,903</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	219,197	(8,756)	(227,953)
<b>Other Financing Uses</b>			
Advances Out	(219,197)	(219,197)	0
<i>Net Change in Fund Balance</i>	0	(227,953)	(227,953)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>158,170</u>	<u>158,170</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$158,170</u>	<u>(\$69,783)</u>	<u>(\$227,953)</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,969,619	\$2,445,566	(\$524,053)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	250,452	250,452	0
Special	1,298,252	1,145,036	153,216
Support Services:			
Pupils	527,020	479,270	47,750
Instructional Staff	793,004	721,601	71,403
Central	5,824	5,093	731
Non-Instructional Services:			
Community Services:	4,961	3,087	1,874
<i>Total Expenditures</i>	<u>2,879,513</u>	<u>2,604,539</u>	<u>274,974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>90,106</u>	<u>(158,973)</u>	<u>(249,079)</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	59,142	60,162	1,020
Advances Out	(148,590)	(148,590)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(89,448)</u>	<u>(88,428)</u>	<u>1,020</u>
<i>Net Change in Fund Balance</i>	658	(247,401)	(248,059)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>159,703</u>	<u>159,703</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$160,361</u></u>	<u><u>(\$87,698)</u></u>	<u><u>(\$248,059)</u></u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Counseling Grant Fund**  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$30,000	\$25,773	(\$4,227)
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils	14,385	13,149	1,236
Administration	1,651	1,650	1
<i>Total Expenditures</i>	16,036	14,799	1,237
<i>Excess of Revenues Over Expenditures</i>	13,964	10,974	(2,990)
<b>Other Financing Sources</b>			
Advances In	(25,773)	(25,773)	0
<i>Net Change in Fund Balance</i>	(11,809)	(14,799)	(2,990)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	14,799	14,799	0
<i>Fund Balance at End of Year</i>	\$2,990	\$0	(\$2,990)

**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, 2012*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$501,015	\$320,274	(\$180,741)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	196,723	179,355	17,368
Support Services:			
Instructional Staff	255,160	170,570	84,590
Administration	22,931	5,608	17,323
Non-Instructional Services:			
Community Services	7,165	6,275	890
<i>Total Expenditures</i>	<u>481,979</u>	<u>361,808</u>	<u>120,171</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	19,036	(41,534)	(60,570)
<b>Other Financing Uses</b>			
Advances Out	(19,031)	(19,031)	0
<i>Net Change in Fund Balance</i>	5	(60,565)	(60,570)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	15,197	15,197	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$15,202</u>	<u>(\$45,368)</u>	<u>(\$60,570)</u>

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Title II-D Fund*  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$123,331	\$114,669	(\$8,662)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	85,200	85,115	85
Support Services:			
Instructional Staff	27,474	26,675	799
Administration	5,000	5,000	0
Non-Instructional Services:			
Community Services	5,238	5,224	14
<i>Total Expenditures</i>	<u>122,912</u>	<u>122,014</u>	<u>898</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	419	(7,345)	(7,764)
<b>Other Financing Sources</b>			
Advances In	<u>0</u>	<u>6,112</u>	<u>6,112</u>
<i>Net Change in Fund Balance</i>	419	(1,233)	(1,652)
<i>Fund Balance Beginning of Year</i>	<u>1,041</u>	<u>1,041</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$1,460</u></u>	<u><u>(\$192)</u></u>	<u><u>(\$1,652)</u></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, 2012

	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	2,000	2,000	0
Support Services:			
Instructional Staff	51	51	0
<i>Total Expenditures</i>	2,051	2,051	0
<i>Net Change in Fund Balance</i>	(2,051)	(2,051)	0
<i>Fund Balance Beginning of Year</i>	2,051	2,051	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)*  
**Education Jobs Fund**  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$901,486	\$893,702	(\$7,784)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	927,156	842,677	84,479
Special	30,378	26,438	3,940
<i>Total Expenditures</i>	957,534	869,115	88,419
<i>Net Change in Fund Balance</i>	(56,048)	24,587	80,635
<i>Fund Balance Beginning of Year</i>	56,083	56,083	0
<i>Fund Balance at End of Year</i>	\$35	\$80,670	\$80,635

**Lancaster City School District, Ohio**  
*Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Educational Stabilization Fund*  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant	760	760	0
<i>Net Change in Fund Balance</i>	(760)	(760)	0
<i>Fund Balance Beginning of Year</i>	760	760	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)*  
*Race to the Top Fund*  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$4,550	\$0	(\$4,550)
<b>Expenditures</b>			
Current:			
Instruction:			
Support Services:			
Instructional Staff	4,550	4,200	350
<i>Excess of Revenues Under Expenditures</i>	0	(4,200)	(4,200)
<b>Other Financing Sources</b>			
Advances In	0	4,200	4,200
<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)*  
*Safe Routes To Schools Fund*  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$8,022	\$8,022	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Support Services:			
Pupil Transportation	8,022	8,022	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)*  
*Vocational Education Career Development Fund*  
*For the Fiscal Year Ended June 30, 2012*

	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:			
Vocational	200	200	0
<i>Net Change in Fund Balance</i>	(200)	(200)	0
<i>Fund Balance Beginning of Year</i>	200	200	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)*  
**Vocational Education Fund**  
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$130,956	\$119,561	(\$11,395)
<b>Expenditures</b>			
Current:			
Instruction:			
Vocational	103,209	97,645	5,564
Support Services:			
Instructional Staff	12,138	11,769	369
Administration	9,548	3,000	6,548
Pupil Transportation	8,000	7,646	354
<i>Total Expenditures</i>	<u>132,895</u>	<u>120,060</u>	<u>12,835</u>
<i>Excess of Revenues Under Expenditures</i>	(1,939)	(499)	1,440
<b>Other Financing Sources</b>			
Advances In	1,943	0	(1,943)
<i>Net Change in Fund Balance</i>	4	(499)	(503)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$4</u>	<u>(\$499)</u>	<u>(\$503)</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$20,000	\$37,085	\$17,085
<b>Expenditures</b>			
Current:			
Instruction:			
Special	50,908	50,393	515
Support Services:			
Pupils	30,000	30,000	0
Instructional Staff	2,750	51	2,699
Administration	3,023	2,592	431
<i>Total Expenditures</i>	<u>86,681</u>	<u>83,036</u>	<u>3,645</u>
<i>Net Change in Fund Balance</i>	(66,681)	(45,951)	20,730
<i>Fund Balance Beginning of Year</i>	98,481	98,481	0
<i>Prior Year Encumbrances Appropriated</i>	7,409	7,409	0
<i>Fund Balance at End of Year</i>	<u>\$39,209</u>	<u>\$59,939</u>	<u>\$20,730</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$127,185	\$101,363	(\$25,822)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	68,458	61,980	6,478
Support Services:			
Instructional Staff	47,258	33,509	13,749
Administration	13,584	12,199	1,385
<i>Total Expenditures</i>	<u>129,300</u>	<u>107,688</u>	<u>21,612</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,115)</u>	<u>(6,325)</u>	<u>(4,210)</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	12,815	1,180	(11,635)
Advances Out	(3,274)	(3,274)	0
<i>Total Other Financing Sources (Uses)</i>	<u>9,541</u>	<u>(2,094)</u>	<u>(11,635)</u>
<i>Net Change in Fund Balance</i>	7,426	(8,419)	(15,845)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	7,830	7,830	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$15,256</u>	<u>(\$589)</u>	<u>(\$15,845)</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, 2012*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$45,568	\$24,535	(\$21,033)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	14,471	14,471	0
Support Services:			
Pupils	17,118	15,025	2,093
Administration	550	550	0
<i>Total Expenditures</i>	<u>32,139</u>	<u>30,046</u>	<u>2,093</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>13,429</u>	<u>(5,511)</u>	<u>(18,940)</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	0	493	493
Advances Out	(13,429)	(13,429)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(13,429)</u>	<u>(12,936)</u>	<u>493</u>
<i>Net Change in Fund Balance</i>	0	(18,447)	(18,447)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	10,746	10,746	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$10,746</u>	<u>(\$7,701)</u>	<u>(\$18,447)</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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Rent	\$1,600	\$1,565	(\$35)
Extracurricular Activities	136,771	128,913	(7,858)
Gifts and Donations	18,367	21,264	2,897
<i>Total Revenues</i>	<u>156,738</u>	<u>151,742</u>	<u>(4,996)</u>
<b>Expenditures</b>			
Current:			
Non-Instructional Services:			
Other	196,470	167,463	29,007
Extracurricular Activities	1,418	1,406	12
<i>Total Expenditures</i>	<u>197,888</u>	<u>168,869</u>	<u>29,019</u>
<i>Net Change in Fund Balance</i>	(41,150)	(17,127)	24,023
<i>Fund Balance Beginning of Year</i>	134,780	134,780	0
<i>Prior Year Encumbrances Appropriated</i>	6,832	6,832	0
<i>Fund Balance at End of Year</i>	<u>\$100,462</u>	<u>\$124,485</u>	<u>\$24,023</u>

## Lancaster City School District, Ohio

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### *Capital Projects Fund*

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*

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.

### *Nonmajor Capital Projects Fund*

There were no nonmajor capital projects funds for fiscal year 2012.

**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, 2012

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$1,000	\$1,056	\$56
Miscellaneous	500	895	395
<i>Total Revenues</i>	<u>1,500</u>	<u>1,951</u>	<u>451</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupil Transportation	374,500	339,268	35,232
Extracurricular Activities	20,000	9,361	10,639
Capital Outlay	712,110	191,310	520,800
<i>Total Expenditures</i>	<u>1,106,610</u>	<u>539,939</u>	<u>566,671</u>
<i>Net Change in Fund Balance</i>	(1,105,110)	(537,988)	567,122
<i>Fund Balance Beginning of Year</i>	<u>7,972,317</u>	<u>7,972,317</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$6,867,207</u></u>	<u><u>\$7,434,329</u></u>	<u><u>\$567,122</u></u>

## 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, 2012*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$7,675,000	\$7,657,952	(\$17,048)
<b>Expenses</b>			
Current:			
Support Services:			
Central:			
Purchased Services	1,847,696	1,838,779	8,917
Claims	5,896,304	5,867,848	28,456
<i>Total Expenses</i>	<u>7,744,000</u>	<u>7,706,627</u>	<u>37,373</u>
<i>Net Change in Fund Balance</i>	(69,000)	(48,675)	20,325
<i>Fund Equity Beginning of Year</i>	<u>1,134,550</u>	<u>1,134,550</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$1,065,550</u></u>	<u><u>\$1,085,875</u></u>	<u><u>\$20,325</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 Fund*

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.

**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, 2012*

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$250	\$199	(\$51)
<b>Expenses</b>			
Current:			
Non-Instructional Services:			
Community Services	3,000	2,100	900
<i>Net Change in Fund Balance</i>	(2,750)	(1,901)	849
<i>Fund Equity Beginning of Year</i>	42,140	42,140	0
<i>Prior Year Encumbrances Appropriated</i>	1,000	1,000	0
<i>Fund Equity at End of Year</i>	<u>\$40,390</u>	<u>\$41,239</u>	<u>\$849</u>

**Lancaster City School District, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Balance 7/1/11	Additions	Reductions	Balance 6/30/12
<b>Student Managed Activity</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$116,159	\$136,508	\$133,882	\$118,785
<b>Liabilities</b>				
Due to Students	\$116,159	\$136,508	\$133,882	\$118,785

**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. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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

	2003	2004	2005	2006
Invested in Capital Assets, Net of Related Debt	\$7,107,841	\$6,821,223	\$6,645,029	\$6,433,483
Restricted for:				
Capital Projects	27,811	15,374	157,992	195,158
Bus Purchase	0	19,290	0	0
Public School Support	88,801	108,688	114,255	95,215
District Managed Student Activities	67,691	54,400	63,350	99,577
Auxiliary Services	42,225	150,735	39,361	53,297
Readiness and Emergency Management	0	0	0	0
Special Education	372,288	114,351	288,124	390,130
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	551,714	140,988	159,094	158,011
Unrestricted (Deficits)	<u>(2,267,929)</u>	<u>(2,394,767)</u>	<u>(3,750,980)</u>	<u>(2,474,439)</u>
<b>Total Net Assets</b>	<u><u>\$5,990,442</u></u>	<u><u>\$5,030,282</u></u>	<u><u>\$3,716,225</u></u>	<u><u>\$4,950,432</u></u>

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

(2) - prior to 2010 these amounts were combined with Unrestricted.

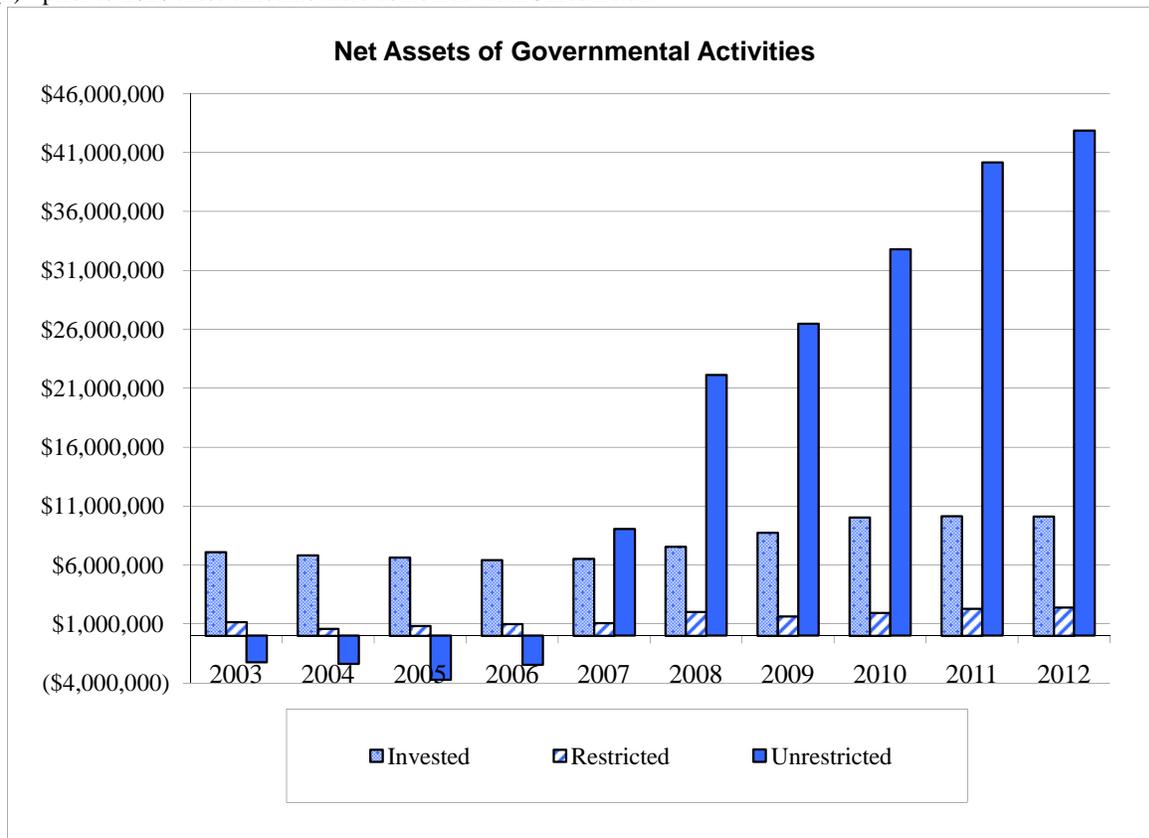


TABLE 1

2007	2008	2009	2010	2011	2012
\$6,523,237	\$7,558,424	\$8,736,629	\$10,037,560	\$10,143,839	\$10,124,925
4,408	0	0	0	0	0
21,262	12,260	40,693	0	0	0
26,807	0	27,005	20,732	0	0
104,815	109,486	79,896	103,900	139,017	154,599
46,368	226,215	79,041	129,432	90,185	177,517
0	319,337	0	0	0	0
653,524	1,058,473	937,719	0	0	0
0	0	153,941	460,456	516,083	829,513
0	0	127,580	594,882	218,108	145,829
0	0	0	0	453,316	0
0	0	0	392,252	634,988	832,212
233,655	295,245	190,796	235,660	247,945	274,036
9,050,606	22,120,028	26,469,952	32,773,653	40,162,876	42,864,021
<u>\$16,664,682</u>	<u>\$31,699,468</u>	<u>\$36,843,252</u>	<u>\$44,748,527</u>	<u>\$52,606,357</u>	<u>\$55,402,652</u>

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

	2003	2004	2005	2006
<b>Expenses</b>				
Regular Instruction	\$20,367,452	\$22,052,347	\$23,028,446	\$22,550,491
Special Instruction	6,656,191	7,025,886	6,499,927	5,993,895
Intergovernmental	0	0	596,240	641,663
Vocational Instruction	2,595,702	2,531,200	2,555,949	2,533,090
Adult/Continuing Instruction	159,410	173,621	164,390	102,241
Student Intervention Services	0	0	0	0
Pupil Support Services	2,898,958	2,904,142	3,019,821	2,655,701
Instructional Staff Support Services	3,579,711	3,641,341	3,501,558	3,312,136
Board of Education Support Services	65,509	91,367	212,283	103,737
Administration Support Services	4,466,070	4,420,010	4,391,395	4,235,498
Fiscal Support Services	1,059,217	1,213,261	1,089,018	1,249,249
Business Support Services	414,309	354,735	426,089	422,329
Operation and Maintenance of				
Plant Support Services	4,330,316	4,715,175	4,656,265	4,184,164
Pupil Transportation Support Services	1,637,916	1,653,057	1,761,350	1,760,638
Central Support Services	319,329	330,620	267,753	219,509
Food Service Operations	1,832,795	2,096,921	2,077,895	2,138,195
Other Operation of Non-				
Instructional Services	890,972	816,371	1,077,936	1,045,611
Extracurricular Activities	909,644	846,956	891,207	826,654
Interest and Fiscal Charges	17,479	2,548	29,935	24,482
<b>Total Expenses</b>	<b>52,200,980</b>	<b>54,869,558</b>	<b>56,247,457</b>	<b>53,999,283</b>
<b>Program Revenues</b>				
Charges for Services				
Regular Instruction	291,527	912,958	860,644	752,303
Special Instruction	148,251	151,759	123,488	157,139
Vocational Instruction	38,652	24,241	125,992	166,838
Adult/Continuing Instruction	5,812	77,251	64,167	34,471
Pupil Support Services	4,328	1,659	45,224	9,593
Instructional Staff Support Services	6,612	2,245	0	20,708
Administration Support Services	17,617	26,760	18,464	92,514
Fiscal Support Services	34	56,137	18,834	146,783
Business Support Services	6	60	0	0
Operation and Maintenance of				
Plant Support Services	48,097	61,286	64,789	22,500
Pupil Transportation Support Services	60,302	10,574	17,858	44,342
Central Support Services	14	58,000	0	0
Food Service Operations	981,339	1,043,715	1,038,083	1,000,143
Other Operation of Non-				
Instructional Services	21,187	880	339	0
Extracurricular Activities	250,059	361,007	394,807	382,453
Operating Grants, Contributions, and Interest				
Regular Instruction	767,732	568,428	609,498	371,620
Special Instruction	2,705,478	2,377,886	2,680,419	2,668,530
Intergovernmental	0	0	599,990	642,866
Vocational Instruction	\$549,981	\$546,790	\$482,750	\$460,027

TABLE 2

2007	2008	2009	2010	2011	2012
\$21,564,861	\$22,340,411	\$25,382,476	\$25,015,206	\$25,267,226	\$27,582,357
5,918,643	6,376,028	6,916,927	6,505,593	6,774,046	6,734,872
41,599	43,367	0	0	0	0
1,560,603	1,584,128	1,876,125	2,045,360	1,988,929	1,861,495
2,734	150	0	0	0	0
0	0	195,280	174,393	387,025	89,895
2,275,073	2,311,328	2,888,413	3,439,429	3,803,695	3,816,291
2,347,971	3,093,077	3,297,921	3,817,462	4,536,035	4,143,502
99,845	66,610	126,111	100,093	138,662	159,360
2,973,956	3,282,407	4,297,134	3,507,018	3,989,703	4,363,280
1,058,051	1,153,200	1,798,715	1,162,607	1,225,020	1,223,058
335,644	439,019	480,900	344,051	301,490	276,541
3,419,108	4,111,162	4,659,595	4,473,972	4,732,028	4,858,140
1,458,150	1,653,859	1,740,238	1,819,850	1,814,524	1,898,371
194,775	456,405	81,009	1,016,939	1,028,761	897,022
1,886,036	2,258,702	2,387,214	2,391,647	2,442,927	2,604,226
1,012,075	993,610	1,384,954	1,045,247	1,053,992	1,051,937
770,424	786,172	1,081,703	1,184,055	1,198,641	1,236,389
18,612	12,256	0	42,918	48,045	37,373
46,938,160	50,961,891	58,594,715	58,085,840	60,730,749	62,834,109
834,052	946,099	874,820	794,725	859,936	938,378
74,985	120,876	161,007	160,980	125,123	108,523
76,171	72,174	172,544	56,766	30,488	48,254
0	0	0	0	0	0
19,091	0	0	246	16,692	28,577
5,701	2,044	0	0	0	46
124,342	16,472	23,638	8,744	6,426	1,767
119,675	0	0	0	0	0
139	0	0	0	0	0
21,783	128,089	4,866	104,254	125,290	129,251
34,162	13,733	11,117	14,839	29,448	17,179
0	0	0	0	0	0
892,439	863,809	834,293	773,689	759,368	737,163
0	0	160,415	130,705	182,492	170,080
781,512	368,278	341,229	354,660	334,411	338,384
497,924	476,575	547,746	407,940	333,142	942,726
2,749,969	2,506,651	3,110,062	3,607,752	2,353,432	1,730,871
45,490	48,611	0	0	0	0
\$486,693	\$501,589	\$499,120	\$891,240	\$504,251	\$920,749

(Continued)

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

	2003	2004	2005	2006
Operating Grants, Contributions, and Interest (continued)				
Student Intervention Services	\$0	\$0	\$0	\$0
Adult/Continuing Instruction	179,238	102,782	97,979	146,586
Pupil Support Services	573,246	487,360	602,591	578,048
Instructional Staff Support Services	746,006	959,421	1,213,813	1,229,490
Administration Support Services	182,758	296,331	285,810	268,558
Fiscal Support Services	21,894	11,015	0	754
Operation and Maintenance of				
Plant Support Services	4,892	0	0	22,204
Pupil Transportation Support Services	38,474	111,606	118,576	117,443
Central Support Services	72,780	68,581	60,771	56,388
Food Service Operations	935,332	1,054,921	1,130,831	1,220,339
Other Operation of Non-				
Instructional Services	809,418	922,316	974,976	1,027,770
Extracurricular Activities	6,119	7,784	0	0
Capital Grants and Contributions				
Regular Instruction	13,080	14,758	68,925	0
Special Instruction	0	10,952	0	0
Vocational Instruction	14,852	28,076	43,620	2,307
Pupil Support Services	0	944	0	0
Instructional Staff Support Services	0	3,627	0	0
Administration Support Services	0	2,037	0	4,213
Operation and Maintenance of				
Plant Support Services	0	2,832	0	0
Pupil Transportation Support Services	102,235	19,290	122,375	63,966
Central Support Services	0	99	0	0
Food Service Operations	0	2,683	0	0
Other Operation of Non-				
Instructional Services	0	99	0	0
Extracurricular Activities	0	1,565	2,452	0
<i>Total Program Revenues</i>	<u>9,597,352</u>	<u>10,390,715</u>	<u>11,868,065</u>	<u>11,710,896</u>
Net Expense	<u>(42,603,628)</u>	<u>(44,478,843)</u>	<u>(44,379,392)</u>	<u>(42,288,387)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes	22,443,608	25,445,572	25,245,138	25,211,639
Debt Service	337,107	348,086	0	0
Income Taxes Levied for				
General Purposes	0	0	0	0
Grants and Entitlements not				
Restricted to Specific Programs	17,575,519	17,426,697	17,400,697	18,000,132
Gain on Sale of Capital Assets	0	4,610	192,757	0
Payment in Lieu of Taxes	0	251,920	125,960	125,960
Unrestricted Contributions	0	1,193	0	0
Investment Earnings	136,182	36,063	96,361	181,572
Miscellaneous	59,048	4,542	4,422	3,291
<i>Total General Revenues</i>	<u>40,551,464</u>	<u>43,518,683</u>	<u>43,065,335</u>	<u>43,522,594</u>
<i>Change in Net Assets</i>	<u>(\$2,052,164)</u>	<u>(\$960,160)</u>	<u>(\$1,314,057)</u>	<u>\$1,234,207</u>

TABLE 2 (continued)

2007	2008	2009	2010	2011	2012
\$0	\$0	\$0	\$744	\$74,459	\$0
0	0	0	0	0	0
363,852	636,927	373,081	506,868	1,277,950	570,319
1,183,015	1,364,693	1,121,538	875,508	1,687,199	1,498,589
202,669	163,207	229,436	193,400	261,143	308,105
0	0	0	0	0	0
14,589	361,016	26,452	5,185	0	0
162,185	124,744	111,984	114,502	130,493	112,226
52,671	53,401	51,063	190,905	35,523	24,737
1,162,133	1,327,383	1,544,922	1,812,966	1,881,023	2,015,424
1,067,198	1,094,589	1,083,287	1,001,083	933,483	991,955
0	1,826	5,485	0	0	0
41,738	0	0	14,800	5,695	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
21,262	33,471	28,433	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	8,806	672	1,056
11,035,440	11,226,257	11,316,538	12,031,307	11,948,139	11,634,359
(35,902,720)	(39,735,634)	(47,278,177)	(46,054,533)	(48,782,610)	(51,199,750)
25,474,906	22,331,810	19,160,191	18,019,554	20,337,720	19,355,151
0	0	0	0	0	0
2,715,588	9,260,589	9,623,513	9,779,684	10,074,785	10,297,991
18,785,514	22,233,300	23,121,048	25,370,579	25,647,701	23,877,920
6,400	2,166	6,300	21,819	11,898	6,324
145,802	92,612	0	240,995	53,200	99,473
0	0	1,000	3,932	2,747	15,130
486,989	849,581	454,476	426,821	355,164	279,429
1,771	362	55,433	96,424	157,225	64,627
47,616,970	54,770,420	52,421,961	53,959,808	56,640,440	53,996,045
\$11,714,250	\$15,034,786	\$5,143,784	\$7,905,275	\$7,857,830	\$2,796,295

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

<i>Function</i>	2003	2004	2005	2006
Regular Instruction	\$1,072,339	\$1,496,144	\$1,539,067	\$1,123,923
Special Instruction	2,853,729	2,540,597	2,803,907	2,825,669
Intergovernmental	0	0	599,990	642,866
Vocational Instruction	603,485	599,107	652,362	629,172
Adult/Continuing Instruction	185,050	180,033	162,146	181,057
Student Intervention Services	0	0	0	0
Pupil Support Services	577,574	489,963	647,815	587,641
Instructional Staff Support Services	752,618	965,293	1,213,813	1,250,198
Administration Support Services	200,375	325,128	304,274	365,285
Fiscal Support Services	21,928	67,152	18,834	147,537
Business Support Services	6	60	0	0
Operation and Maintenance of Plant Support Services	52,989	64,118	64,789	44,704
Pupil Transportation Support Services	201,011	141,470	258,809	225,751
Central Support Services	72,794	126,680	60,771	56,388
Food Service Operations	1,916,671	2,101,319	2,168,914	2,220,482
Other Operation of Non-Instructional Services	830,605	923,295	975,315	1,027,770
Extracurricular Activities	256,178	370,356	397,259	382,453
<b>Total Program Revenues</b>	<b>\$9,597,352</b>	<b>\$10,390,715</b>	<b>\$11,868,065</b>	<b>\$11,710,896</b>

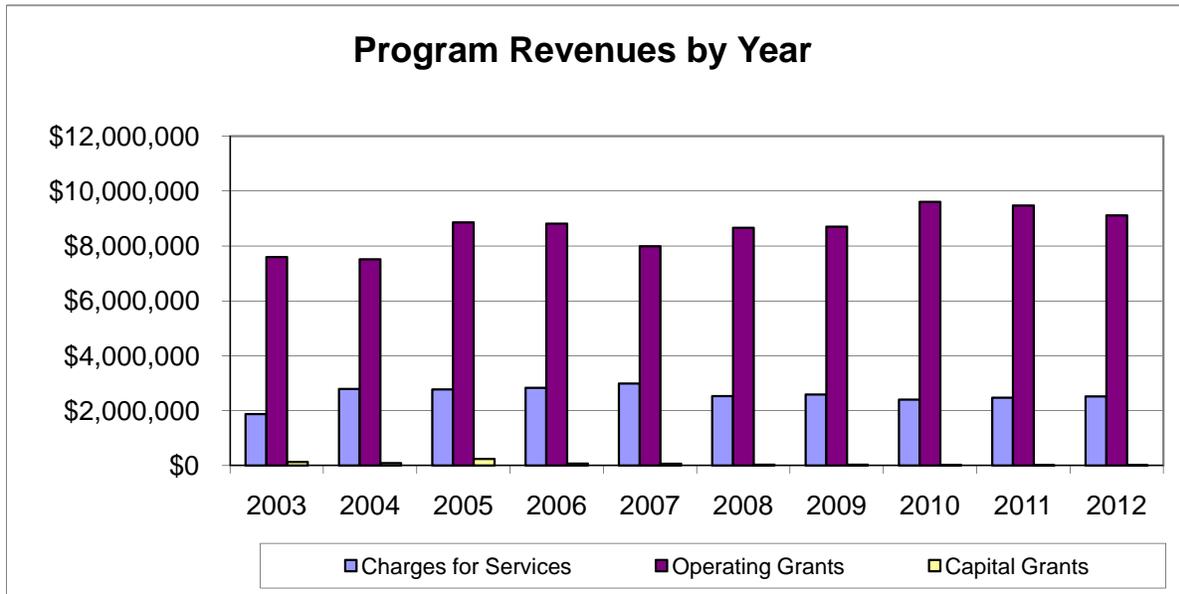


TABLE 3

2007	2008	2009	2010	2011	2012
\$1,373,714	\$1,422,674	\$1,422,566	\$1,217,465	\$1,198,773	\$1,881,104
2,824,954	2,627,527	3,271,069	3,768,732	2,478,555	1,839,394
45,490	48,611	0	0	0	0
562,864	573,763	671,664	948,006	534,739	969,003
0	0	0	0	0	0
0	0	0	744	74,459	0
382,943	636,927	373,081	507,114	1,294,642	598,896
1,188,716	1,366,737	1,121,538	875,508	1,687,199	1,498,635
327,011	179,679	253,074	202,144	267,569	309,872
119,675	0	0	0	0	0
139	0	0	0	0	0
36,372	489,105	31,318	109,439	125,290	129,251
217,609	171,948	151,534	129,341	159,941	129,405
52,671	53,401	51,063	190,905	35,523	24,737
2,054,572	2,191,192	2,379,215	2,586,655	2,640,391	2,752,587
1,067,198	1,094,589	1,243,702	1,131,788	1,115,975	1,162,035
781,512	370,104	346,714	363,466	335,083	339,440
<u>\$11,035,440</u>	<u>\$11,226,257</u>	<u>\$11,316,538</u>	<u>\$12,031,307</u>	<u>\$11,948,139</u>	<u>\$11,634,359</u>

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

	2003	2004	2005	2006
<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	867,525	3,007,298	3,313,699	3,786,420
Unreserved (Deficits)	193,904	(2,128,740)	(4,551,424)	(4,300,295)
<b>Total General Fund (Deficits)</b>	<b>1,061,429</b>	<b>878,558</b>	<b>(1,237,725)</b>	<b>(513,875)</b>
<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	164,067	779,040	155,045	166,614
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,092,823	537,412	761,788	751,503
Capital Projects Funds	27,701	70,565	62,777	99,908
<b>Total All Other Governmental Funds</b>	<b>1,284,591</b>	<b>1,387,017</b>	<b>979,610</b>	<b>1,018,025</b>
<b>Total Governmental Funds (Deficit)</b>	<b>\$2,346,020</b>	<b>\$2,265,575</b>	<b>(\$258,115)</b>	<b>\$504,150</b>

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

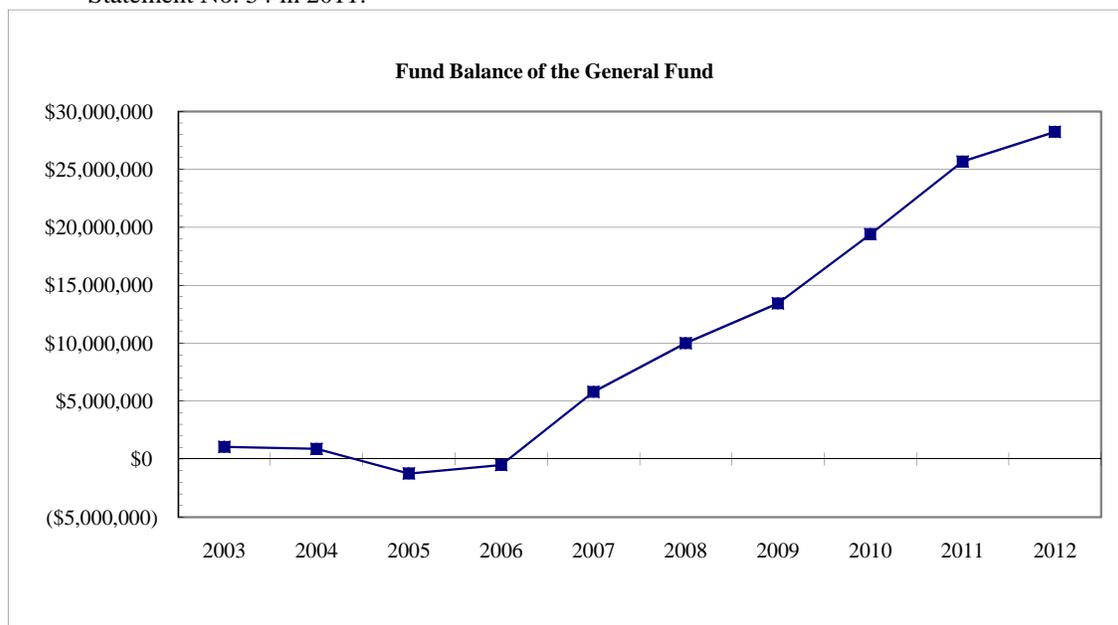


TABLE 4

2007	2008	2009	2010	2011	2012
\$0	\$0	\$0	\$152,939	\$149,498	\$192,201
0	0	0	1,366,227	1,084,681	1,487,757
0	0	0	1,257,839	2,055,469	2,663,482
0	0	0	16,627,287	22,375,936	23,888,980
5,203,373	4,006,686	3,683,265	0	0	0
606,098	6,001,865	9,747,000	0	0	0
5,809,471	10,008,551	13,430,265	19,404,292	25,665,584	28,232,420
0	0	0	90,606	125,512	19,740
0	0	0	1,037,033	904,870	1,274,814
0	0	0	114,663	133,335	129,304
0	0	0	7,972,597	7,972,317	7,437,921
0	0	0	(747)	(153,074)	(165,668)
146,744	141,585	573,455	0	0	0
1,139,729	2,355,837	1,496,164	0	0	0
1,295,803	7,855,297	7,970,676	0	0	0
2,582,276	10,352,719	10,040,295	9,214,152	8,982,960	8,696,111
\$8,391,747	\$20,361,270	\$23,470,560	\$28,618,444	\$34,648,544	\$36,928,531

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

	2003	2004	2005	2006
<b>Revenues</b>				
Property and Other Local Taxes	\$22,004,173	\$26,193,494	\$24,761,939	\$25,313,325
Payment in Lieu of Taxes	0	0	125,960	125,960
Income Taxes	0	0	0	0
Intergovernmental	25,231,059	24,869,090	26,657,356	26,669,605
Interest	136,860	34,362	107,287	196,327
Tuition and Fees	416,691	1,247,066	1,137,971	1,226,418
Charges for Services	981,339	1,035,095	1,019,233	980,965
Rent	41,065	46,021	45,133	74,120
Extracurricular Activities	347,088	441,474	593,050	563,292
Collection of a Capital Lease	0	0	75,000	31,250
Gifts and Donations	22,624	60,215	15,483	8,961
Miscellaneous	59,048	2,463	6,501	3,291
<i>Total Revenues</i>	<u>49,239,947</u>	<u>53,929,280</u>	<u>54,544,913</u>	<u>55,193,514</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	20,406,948	21,702,565	22,884,399	22,658,842
Special	6,739,309	6,912,976	6,592,407	6,157,372
Vocational	2,619,656	2,509,676	2,623,904	2,536,614
Adult/Continuing	159,410	173,621	164,390	102,241
Student Intervention Services	0	0	0	0
Support Services:				
Pupil	2,923,946	2,885,720	2,989,764	2,706,996
Instructional Staff	3,674,010	3,715,540	3,544,051	3,301,758
Board of Education	65,570	91,626	212,283	103,737
Administration	4,510,229	4,423,127	4,407,639	4,207,039
Fiscal	1,091,579	1,208,117	1,096,604	1,267,801
Business	417,660	358,663	423,449	425,682
Operation and Maintenance of Plant	4,899,378	4,720,221	4,576,132	4,198,430
Pupil Transportation	1,874,916	1,551,434	1,815,791	1,785,624
Central	311,849	333,707	255,997	210,151
Food Service Operations	1,836,175	2,160,999	2,129,614	2,126,103
Other Operation of Non-Instructional Services	891,124	826,751	1,080,378	1,052,134
Extracurricular Activities	861,546	792,984	828,721	793,025
Capital Outlay	95,620	66,363	700,601	8,159
Intergovernmental	0	0	596,240	641,663
Debt Service:				
Principal Retirement	343,687	345,000	128,450	133,894
Interest and Fiscal Charges	23,664	7,849	30,163	24,719
<i>Total Expenditures</i>	<u>53,746,276</u>	<u>54,786,939</u>	<u>57,080,977</u>	<u>54,441,984</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,506,329)</u>	<u>(857,659)</u>	<u>(2,536,064)</u>	<u>751,530</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Capital Lease	0	700,000	0	0
Inception of Capital Lease	0	0	0	0
Proceeds from Sale of Capital Assets	0	77,214	12,374	10,735
Transfers In	0	0	90,787	66,629
Transfers Out	0	0	(90,787)	(66,629)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>777,214</u>	<u>12,374</u>	<u>10,735</u>
<i>Net Change in Fund Balances</i>	<u>(\$4,506,329)</u>	<u>(\$80,445)</u>	<u>(\$2,523,690)</u>	<u>\$762,265</u>
Debt Service as a Percentage of				
Noncapital Expenditures	0.7%	0.6%	0.3%	0.3%

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

TABLE 5

2007	2008	2009	2010	2011	2012
\$24,768,901	\$23,035,666	\$18,912,036	\$18,767,854	\$19,451,956	\$18,670,963
135,155	10,647	11,092	166,498	104,608	90,883
2,078,535	9,211,573	9,569,688	9,858,713	9,992,256	10,274,903
26,717,228	30,117,518	31,931,545	35,034,320	34,494,059	32,914,732
508,134	774,233	409,591	342,864	195,117	201,627
1,105,606	1,074,181	1,088,516	993,082	1,046,528	1,082,139
870,220	854,438	834,293	773,689	759,368	737,163
103,658	115,849	122,366	104,774	126,770	130,816
955,325	490,106	538,754	528,063	537,008	567,484
31,250	31,250	31,250	0	0	0
11,261	11,930	13,741	71,277	47,028	88,646
1,571	362	55,433	96,424	157,225	64,627
<u>57,286,844</u>	<u>65,727,753</u>	<u>63,518,305</u>	<u>66,737,558</u>	<u>66,911,923</u>	<u>64,823,983</u>
22,392,940	22,981,893	25,878,642	26,486,501	25,053,553	27,325,710
6,216,613	6,614,211	7,054,730	6,683,180	6,727,679	6,782,966
1,754,073	1,637,388	1,889,406	2,340,419	2,017,770	1,796,053
2,734	150	0	0	0	0
0	0	195,280	183,208	385,243	88,813
2,329,934	2,453,272	2,874,685	3,563,711	3,775,301	3,777,464
2,525,438	3,234,901	3,384,896	3,959,734	4,475,848	4,072,815
99,845	66,610	126,111	100,093	138,662	159,360
3,104,556	3,454,350	4,003,138	3,827,631	3,961,818	4,153,291
1,070,821	1,184,332	1,778,785	1,187,136	1,220,695	1,211,820
356,339	722,966	955,566	366,104	297,106	272,601
3,608,794	4,245,530	4,784,494	4,737,066	4,656,043	4,679,532
1,398,858	1,770,288	1,654,664	2,042,037	1,809,713	2,030,856
209,654	457,157	415,395	1,113,133	1,044,765	883,231
1,950,649	2,288,593	2,385,640	2,460,290	2,392,623	2,560,151
1,074,427	918,849	1,405,157	1,102,192	1,105,593	1,057,043
759,714	751,887	1,004,894	1,181,301	1,146,649	1,177,767
350,046	629,953	623,832	897,077	500,396	350,693
41,599	43,367	0	0	0	0
139,755	297,901	0	95,273	136,219	147,514
18,858	12,785	0	42,918	48,045	36,725
<u>49,405,647</u>	<u>53,766,383</u>	<u>60,415,315</u>	<u>62,369,004</u>	<u>60,893,721</u>	<u>62,564,405</u>
7,881,197	11,961,370	3,102,990	4,368,554	6,018,202	2,259,578
0	0	0	0	11,898	20,409
0	0	0	757,246	0	0
6,400	8,153	6,300	22,084	0	0
1,126,192	7,617,029	28,376	19,007	14,427	14,081
<u>(1,126,192)</u>	<u>(7,617,029)</u>	<u>(28,376)</u>	<u>(19,007)</u>	<u>(14,427)</u>	<u>(14,081)</u>
6,400	8,153	6,300	779,330	11,898	20,409
<u>\$7,887,597</u>	<u>\$11,969,523</u>	<u>\$3,109,290</u>	<u>\$5,147,884</u>	<u>\$6,030,100</u>	<u>\$2,279,987</u>
0.3%	0.6%	0.0%	0.2%	0.3%	0.3%

**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
2003	\$483,836,230	\$203,831,780	\$1,964,765,743	\$24,737,880	\$98,951,520
2004	493,495,330	207,018,380	2,001,467,743	24,990,810	99,963,240
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

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).

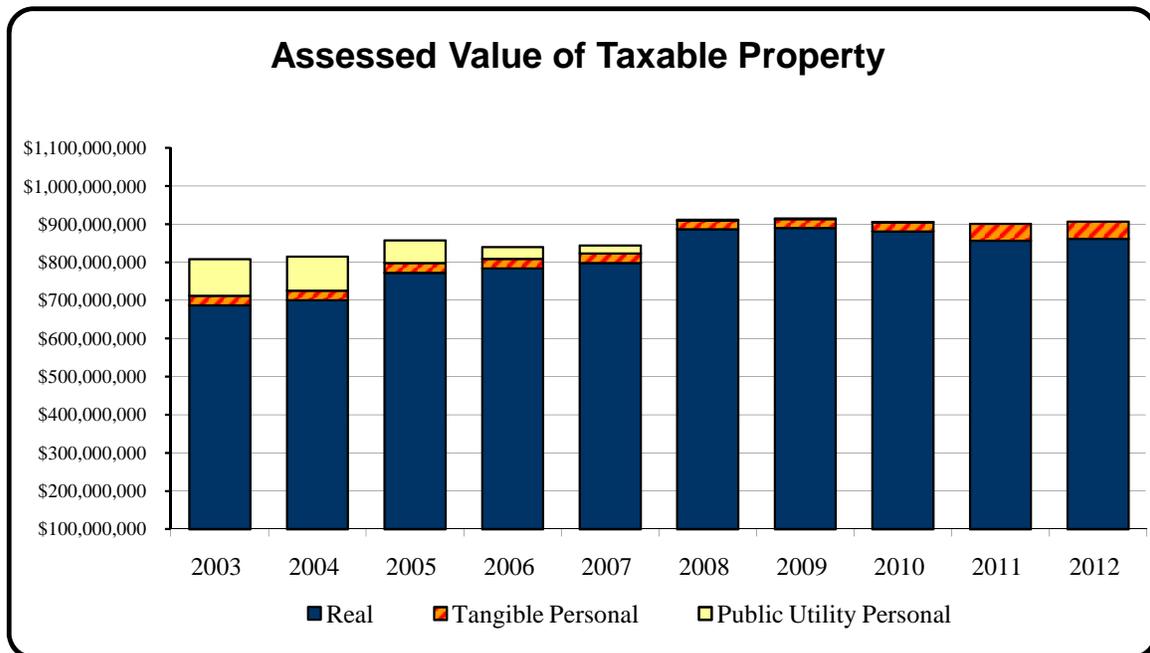
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by 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		Total			Weighted Average Tax Rate (Per \$1,000 of Assessed Value)
General Business		Assessed Value	Estimated Actual Value	Ratio	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$96,326,426	\$385,305,704	\$808,732,316	\$2,449,022,967	33%	\$32
89,705,089	358,820,356	815,209,609	2,460,251,339	33%	31
59,005,601	236,022,404	857,432,981	2,546,587,593	34%	32
30,990,035	165,280,187	840,499,085	2,507,139,827	34%	30
20,369,499	162,955,992	844,057,209	2,545,354,043	33%	30
1,761,970	28,191,520	911,601,350	2,653,562,937	34%	23
1,316,970	13,169,700	915,244,960	2,651,020,746	35%	23
644,470	12,889,400	906,218,560	2,628,636,983	34%	23
0	0	900,750,170	2,624,139,686	34%	25
0	0	907,052,120	2,642,727,943	34%	25



**Lancaster City School District, Ohio**

*Property Tax Rates  
(per \$1,000 of assessed value)  
Last Ten Years*

	Collection Year			
	2003	2004	2005	2006
<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	6.5430	6.5132	5.9843	5.9493
Commercial/Industrial and Public Utility Real	8.9311	8.8796	8.1846	8.2710
General Business and Public Utility Personal	31.7000	31.7000	31.7000	31.7000
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.2064	0.2055	0.1888	0.1877
Commercial/Industrial and Public Utility Real	0.2817	0.2801	0.2582	0.2609
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	2.0640	2.0546	1.8878	1.8768
Commercial/Industrial and Public Utility Real	2.8174	2.8012	2.5819	2.6092
General Business and Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1990 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	5.5083	5.4832	5.0380	5.0085
Commercial/Industrial and Public Utility Real	6.4357	6.3987	5.8978	5.9601
General Business and Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1997 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	6.1316	6.1036	5.6080	5.5752
Commercial/Industrial and Public Utility Real	6.0357	6.0010	5.5312	5.5896
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	0.0000	0.0000	3.8000	3.8000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	3.8000	3.8000
General Business and Public Utility Personal	0.0000	0.0000	3.8000	3.8000
<b>Total voted millage by type of property</b>				
Residential/Agricultural Real	20.4533	20.3601	22.5069	22.3975
Commercial/Industrial and Public Utility Real	24.5016	24.3606	26.2537	26.4908
General Business and Public Utility Personal	60.6000	60.6000	64.4000	64.4000
<b>Total millage by type of property</b>				
Residential/Agricultural Real	24.4533	24.3601	26.5069	26.3975
Commercial/Industrial and Public Utility Real	28.5016	28.3606	30.2537	30.4908
General Business and Public Utility Personal	64.6000	64.6000	68.4000	68.4000
Total Direct Rate for the School District	64.6000	64.6000	68.4000	68.4000

TABLE 7

Collection Year					
2007	2008	2009	2010	2011	2012
\$4.0000	\$4.0000	\$4.0000	\$4.0000	\$4.0000	\$4.0000
5.9339	5.4842	5.4811	5.4882	5.6827	5.6876
8.2493	7.0800	7.3574	7.6697	7.7016	7.5589
31.7000	31.7000	31.7000	31.7000	31.7000	31.7000
0.1872	0.1730	0.1729	0.1731	0.1793	0.1794
0.2602	0.2233	0.2321	0.2419	0.2430	0.2385
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.8719	1.7300	1.7291	1.7313	1.7926	1.7942
2.6023	2.2335	2.3210	2.4195	2.4295	2.3845
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
4.9955	4.6170	4.6143	4.6203	4.7840	4.7881
5.9444	5.1019	5.3017	5.5267	5.5497	5.4469
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.5608	5.1394	5.1364	5.1431	5.3253	5.3299
5.5749	4.7847	4.9722	5.1832	5.2047	5.1083
7.9000	7.9000	7.9000	7.9000	7.9000	7.9000
3.9000	0.0000	0.0000	0.0000	0.0000	0.0000
3.9000	0.0000	0.0000	0.0000	0.0000	0.0000
3.9000	0.0000	0.0000	0.0000	0.0000	0.0000
22.4493	17.1436	17.1338	17.1559	17.7639	17.7792
26.5311	19.4234	20.1844	21.0409	21.1285	20.7371
64.5000	60.6000	60.6000	60.6000	60.6000	60.6000
26.4493	21.1436	21.1338	21.1559	21.7639	21.7792
30.5311	23.4234	24.1844	25.0409	25.1285	24.7371
68.5000	64.6000	64.6000	64.6000	64.6000	64.6000
68.5000	64.6000	64.6000	64.6000	64.6000	64.6000

(Continued)

**Lancaster City School District, Ohio***Property Tax Rates*

(per \$1,000 of assessed value)

*Last Ten Years*

	Collection Year			
	2003	2004	2005	2006
<b>Overlapping Rates by Taxing District</b>				
Berne Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	5.4038	5.3902	5.2176	5.2176
Commercial/Industrial and Public Utility Real	5.1891	5.1941	4.9583	4.9907
General Business and Public Utility Personal	7.7000	7.7000	7.7000	7.7000
Greenfield Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	9.0687	9.0381	10.2747	9.3594
Commercial/Industrial and Public Utility Real	7.9794	7.9976	9.2526	8.5508
General Business and Public Utility Personal	12.2000	12.2000	13.1000	11.1000
Hocking Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	4.4631	4.4520	4.3241	4.3183
Commercial/Industrial and Public Utility Real	3.9576	3.9462	3.8530	3.8556
General Business and Public Utility Personal	4.7000	4.7000	4.7000	4.7000
Pleasant Township Millage				
Effective Millage Rates				
Residential/Agricultural Real	7.5717	8.5851	8.1348	6.4962
Commercial/Industrial and Public Utility Real	7.1662	8.0535	7.7194	6.3259
General Business and Public Utility Personal	9.1000	9.1000	9.1000	7.1000
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	0.0000	0.0000	0.4609	0.4574
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.4630	0.4671
General Business and Public Utility Personal	0.0000	0.0000	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	4.9563	4.9365	5.2683	7.0775
Commercial/Industrial and Public Utility Real	5.0232	5.0446	5.4259	7.1446
General Business and Public Utility Personal	7.0500	7.0500	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					
2007	2008	2009	2010	2011	2012
5.2152	4.9240	4.9221	4.9293	4.9746	4.9748
5.0396	4.8374	4.8806	4.8806	4.8881	4.7892
7.7000	7.7000	7.7000	7.7000	7.7000	7.7000
9.4419	9.0053	8.9260	8.9220	8.9684	8.9731
8.4878	7.5227	8.0183	8.0334	8.0367	8.1221
11.2000	11.2000	11.2000	11.2000	11.1000	11.1000
4.3169	4.1691	4.1693	4.1671	4.1922	4.1902
3.8567	3.6172	3.6521	3.6490	3.6483	3.6478
4.7000	4.7000	4.7000	4.7000	4.7000	4.7000
8.4738	8.0196	8.0180	8.0224	8.1202	8.1227
8.3159	8.0261	8.2611	8.2668	8.3185	8.3185
9.1000	9.1000	9.1000	9.1000	9.1000	9.1000
3.4000	3.4000	3.4000	3.4000	3.4000	3.4000
3.4000	3.4000	3.4000	3.4000	3.4000	3.4000
3.4000	3.4000	3.4000	3.4000	3.4000	3.4000
0.4560	0.4213	0.4205	0.4207	0.4264	0.4265
0.4658	0.4018	0.4178	0.4322	0.4411	0.4364
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.0000	0.0000	0.0000	0.0000	0.0000	0.4000
0.0000	0.0000	0.0000	0.0000	0.0000	0.4000
0.0000	0.0000	0.0000	0.0000	0.0000	0.4000
7.0615	6.7591	6.7525	7.8337	7.9332	7.9357
7.0980	6.3881	6.5699	7.7745	7.8328	7.8343
7.5500	7.5500	7.5500	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
2002	\$25,920,162	\$24,469,225	94.40%	\$940,567	\$25,409,792	98.03%
2003	26,069,511	23,956,609	91.90	688,650	24,645,259	94.54
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

**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 2012 information cannot be presented because all collections have not been made by June 30, 2012.
- (3) The County does not identify delinquent tax collections by tax year.



**Lancaster City School District, Ohio**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*2010 and 2003 (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>	
	2003	
Name of Taxpayer	Assessed Value	Percent of Tangible Personal Property Assessed Value
Anchor Hocking Glass Corporation	\$10,887,620	11.30%
RalCorp Holdings, Incorporated	6,736,060	6.99
McDermott, Inc.	6,017,830	6.25
Cyril Scott Company	4,270,950	4.43
Crown Cork & Seal Company	4,095,740	4.25
Lancaster Glass Corporation	2,805,350	2.91
Time Warner Cable Incorporated	2,003,470	2.08
SQM North America Corporation	1,834,460	1.91
Bob Boyd Ford Incorporated	1,818,610	1.89
International Paper Company	1,730,370	1.80
Total	<u>\$42,200,460</u>	<u>43.81%</u>
Total Assessed Valuation	<u>\$96,326,426</u>	

(1) The amounts presented represent the assessed values upon which 2003 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*  
*2012 and 2003 (1)*

Name of Taxpayer	2012	
	Assessed Value	Percent of Public Utility Assessed Value
Rockies Express Pipeline LLC	\$17,153,900	38.32%
Ohio Power Company	19,252,750	43.02
Total	<u>\$36,406,650</u>	<u>81.34%</u>
Total Assessed Valuation	<u>\$44,756,650</u>	

Name of Taxpayer	2003	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$12,912,730	52.20%
Ohio Bell Telephone Company	5,244,680	21.20
Total	<u>\$18,157,410</u>	<u>73.40%</u>
Total Assessed Valuation	<u>\$24,737,880</u>	

(1) The amounts presented represent the assessed values upon which 2012 and 2003 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)	Energy Conservation Notes	Capital Leases
2003	35,860	\$28,946	\$1,038,003,560	\$345,000	\$0
2004	36,120	29,393	1,061,675,160	0	700,000
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	32,464	1,223,243,520	0	661,973
2011	37,243	32,464	1,209,056,752	0	525,754
2012	38,780	32,609	1,264,577,020	0	378,240

Source:

(1) Lancaster City Community Development Department estimates.

(2) U.S. Census Bureau

(3) Computation of per capita personal income multiplied by population

TABLE 12

<u>Total Debt Outstanding</u>	<u>Ratio of Total Debt to Personal Income</u>	<u>Total Debt Per Capita</u>
\$345,000	0.03%	\$10
700,000	0.07	19
571,550	0.05	16
437,656	0.04	12
297,901	0.03	8
0	0.00	0
0	0.00	0
661,973	0.05	18
525,754	0.04	14
378,240	0.03	10

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**Lancaster City School District, Ohio**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2012*

	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, 2012			
Capital Leases	\$378,240	100.00%	\$378,240
<b>Overlapping Debt:</b>			
Payable from Property Taxes as of December 31, 2011:			
Greenfield Township General Obligation Bonds	1,560,000	21.79%	339,924
Hocking Township OPWC Loan	35,839	74.00%	26,521
Fairfield County General Obligation Bonds	13,229,618	27.89%	3,689,740
Fairfield County Capital Leases	744,733	27.89%	207,706
City of Lancaster General Obligation			
Bond Anticipation Notes	2,192,113	100.00%	2,192,113
City of Lancaster General Obligation Bonds	5,295,000	100.00%	5,295,000
City of Lancaster State Infrastructure Bank Loan	610,821	100.00%	610,821
City of Lancaster Housing and Urban			
Development Loan	490,000	100.00%	490,000
City of Lancaster OPWC Loan	57,818	100.00%	57,818
City of Lancaster Capital Leases	356,584	100.00%	356,584
Payable from Other Sources as of December 31, 2011:			
Fairfield County Special Assessment Bonds	1,240,967	27.89%	346,106
Fairfield County General Obligation Bonds	829,897	27.89%	231,458
Fairfield County Long-Term Loan	665,746	27.89%	185,677
Fairfield County Capital Leases	40,883	27.89%	11,402
City of Lancaster Special Assessment Bonds	228,000	100.00%	228,000
Total Overlapping Debt	<u>27,578,019</u>		<u>14,268,870</u>
Total Direct and Overlapping Debt	<u>\$27,956,259</u>		<u>\$14,647,110</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, 2011.

- (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 2012 collection year.

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

	2003	2004	2005	2006
Assessed Valuation (1)	\$808,732,316	\$815,209,609	\$857,432,981	\$804,825,190
Debt Limit - 9% of Assessed Value (2)	\$72,785,908	\$73,368,865	\$77,168,968	\$72,434,267
Amount of Debt Applicable to Debt Limit				
Energy Conservation Notes	345,000	0	0	0
Less Amount Available in Debt Service	0	0	0	0
Totals	345,000	0	0	0
Exemptions:				
Energy Conservation Notes	(345,000)	0	0	0
Totals	(345,000)	0	0	0
Amount of Debt Subject to Limit	0	0	0	0
Legal Debt Margin	\$72,785,908	\$73,368,865	\$77,168,968	\$72,434,267
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)	\$808,732	\$815,210	\$857,433	\$804,825
Amount of Debt Subject to Limit				
One year renewable note issued to partially fund the purchase of an office building	0	0	0	0
Unvoted Legal Debt Margin	\$808,732	\$815,210	\$857,433	\$804,825
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 14

2007	2008	2009	2010	2011	2012
<u>\$819,793,750</u>	<u>\$907,576,140</u>	<u>\$913,911,550</u>	<u>\$905,516,300</u>	<u>\$900,696,670</u>	<u>\$907,052,120</u>
<u>\$73,781,438</u>	<u>\$81,681,853</u>	<u>\$82,252,040</u>	<u>\$81,496,467</u>	<u>\$81,062,700</u>	<u>\$81,634,691</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$73,781,438</u>	<u>\$81,681,853</u>	<u>\$82,252,040</u>	<u>\$81,496,467</u>	<u>\$81,062,700</u>	<u>\$81,634,691</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$819,794	\$907,576	\$913,912	\$905,516	\$900,697	\$907,052
0	0	0	0	0	0
<u>\$819,794</u>	<u>\$907,576</u>	<u>\$913,912</u>	<u>\$905,516</u>	<u>\$900,697</u>	<u>\$907,052</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Fiscal Year	Population Lancaster City		Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate Fairfield County
2003	35,860	(1)	\$1,038,003,560	\$28,946	4.50%
2004	36,120	(1)	1,061,675,160	29,393	4.70
2005	36,380	(1)	1,105,333,540	30,383	5.30
2006	36,380	(1)	1,104,424,040	30,358	5.30
2007	36,380	(1)	1,124,578,560	30,912	4.80
2008	36,375	(1)	1,165,636,875	32,045	5.00
2009	36,608	(1)	1,201,987,072	32,834	5.60
2010	37,680	(1)	1,223,243,520	32,464	8.50
2011	37,243	(1)	1,209,056,752	32,464	8.80
2012	38,780	(1)	1,264,577,020	32,609	7.70

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

(1) Population for fiscal years 2003-2012 is estimated by the City of Lancaster Community Development Department.

## Lancaster City School District, Ohio

## Principal Employers

## Current Year and Nine Years Ago

Employer	Nature of Business	2011		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical-Hospital	2,039	1	11.72%
Anchor Hocking Corporation	Manufacturing-Glass	1,148	2	6.60%
Fairfield County	County Government	810	3	4.66%
Lancaster City School District	Education	676	4	3.89%
City of Lancaster	City Government	408	5	2.34%
Ralston Foods, Incorporated	Manufacturing-Food Products	387	6	2.22%
Giant Eagle	Food	350	7	2.01%
Diamond Power	Manufacturing-Commercial Electronics	310	8	1.78%
Walmart	Food	300	9	1.72%
Kroger Company	Food	255	10	1.47%
Total		6,683		38.41%
Total Employment within the School District		17,400		
Employer	Nature of Activity	2002		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical-Hospital	1,624	1	9.07%
Anchor Hocking Corporation	Manufacturing-Glass	1,298	2	7.25
Lancaster City School District	Education	725	4	4.05
Fairfield County	County Government	623	3	3.48
Diamond Power	Manufacturing-Commercial Electronics	392	5	2.19
Ralston Foods, Incorporated	Manufacturing-Food Products	371	6	2.07
City of Lancaster	City Government	356	7	1.99
Glassfloss	Industrial	267	8	1.49
Lancaster Glass	Glass Manufacturer	258	9	1.44
Crestview	Nursing Care	258	10	1.44
Total		6,172		34.47%
Total Employment within the School District		17,900		

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 17

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Regular Instruction										
Certified Employees	260	265	259	259	226	240	258	267	262	266
Special Instruction										
Classified Employees (1)	35	33	28	22	17	18	0	0	0	0
Certified Employees	84	84	82	78	77	71	82	81	81	82
Vocational Instruction										
Classified Employees (1)	0	0	0	0	0	0	0	0	0	1
Certified Employees	35	34	33	30	19	19	19	21	20	17
Student Intervention Services										
Certified Employees	0	0	0	0	0	0	0	3	2	0
Pupil Support Services										
Classified Employees (1)	5	5	5	4	5	4	15	14	18	15
Certified Employees	25	24	24	21	20	31	19	21	21	22
Instructional Staff										
Classified Employees	44	48	46	47	47	55	61	77	87	63
Certified Employees	16	15	14	11	4	5	4	3	5	5
Administrators	2	2	2	2	2	2	1	1	1	1
Administration										
Classified Employees	30	30	30	28	19	20	23	23	23	21
Administrators	31	31	26	23	17	20	22	21	21	21
Fiscal										
Classified Employees	4	4	7	6	4	4	4	4	4	4
Administrators	1	1	1	1	1	1	2	2	2	2
Business										
Classified Employees	4	4	3	3	1	1	1	1	2	1
Administrators	0	0	0	0	0	1	1	1	1	1
Operation and Maintenance of Plant										
Classified Employees	57	56	55	52	47	49	50	55	52	50
Administrators	2	2	2	2	1	1	1	1	1	1
Pupil Transportation										
Classified Employees	36	38	39	39	40	39	37	39	45	38
Administrators	1	1	1	1	1	1	1	1	1	1
Central										
Classified Employees	1	1	0	1	1	1	1	3	3	4
Administrators	1	1	1	1	1	1	1	2	2	1
Food Service Program										
Classified Employees	50	50	53	50	46	47	51	52	52	52
Administrators	2	2	1	1	1	1	1	1	1	1
Non-Instructional Services										
Classified Employees	2	2	2	3	2	2	2	0	1	1
Certified Employees	3	3	2	2	2	4	2	1	2	2
Extracurricular Activities										
Classified Employees (2)	0	0	0	0	0	0	2	2	2	2
Administrators (2)	0	0	0	0	0	0	1	1	1	1
Totals	<u>731</u>	<u>736</u>	<u>716</u>	<u>687</u>	<u>601</u>	<u>638</u>	<u>662</u>	<u>698</u>	<u>713</u>	<u>676</u>

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

(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

Information prior to 2003 is not available.

**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
2003	\$46,701,810	6,197	\$7,536	N/A	430	14.4	16.5
2004	46,842,238	6,107	7,670	1.78%	433	14.1	18.5
2005	47,909,510	5,988	8,001	4.31%	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

N/A - Information for 2009-2012 is not available.

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

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

	2003	2004	2005
<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 2003-2006 and K-5 for 2007-2012	446	463	456
Student Capacity	460	460	460
Instruction Classrooms	22	22	22
Teaching Stations	31	31	31
Administrators	1	1	1
Certified Staff	28	31	30
Classified Staff	15	15	15
<b>East Elementary School</b>			
Constructed in 1939			
Total Building Square Footage	37,518	37,518	37,518
Enrollment Grades K-6 for 2003-2006 and K-5 for 2007-2012	366	343	315
Student Capacity	314	314	314
Instruction Classrooms	20	20	20
Teaching Stations	24	24	24
Administrators	1	1	1
Certified Staff	25	23	20
Classified Staff	13	14	14
<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 2003-2006 and K-5 for 2007-2012	403	392	339
Student Capacity	337	337	337
Instruction Classrooms	25	25	25
Teaching Stations	30	30	30
Administrators	1	1	1
Certified Staff	22	23	21
Classified Staff	17	17	17
<b>North Elementary School</b>			
Constructed in 1917			
Last year building was in service was 2005			
Total Building Square Footage	43,760	43,760	43,760
Enrollment Grades K-6	340	331	300
Student Capacity	299	299	299
Instruction Classrooms	31	31	31
Teaching Stations	28	28	28
Administrators	1	1	1
Certified Staff	26	25	20
Classified Staff	18	18	16

TABLE 19

2006	2007	2008	2009	2010	2011	2012
31,100	31,100	31,100	31,100	31,100	31,100	31,100
471	377	386	369	361	383	374
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	1	1
26	19	24	25	24	26	24
18	15	15	12	14	19	14
37,518	37,518	37,518	37,518	37,518	37,518	37,518
423	383	368	370	386	412	381
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	1	1
26	22	24	22	22	21	21
19	15	17	16	17	17	16
31,500	31,500	31,500	31,500	31,500	31,500	31,500
339	305	317	333	381	368	368
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	16	19	19	22	22	24
14	15	14	15	17	17	15
closed						
closed						
closed						
closed						
closed						
closed						
closed						
closed						

(Continued)

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

	2003	2004	2005
<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 2003-2006 and K-5 for 2007-2012	357	361	309
Student Capacity	308	308	308
Instruction Classrooms	20	20	20
Teaching Stations	24	24	24
Administrators	1	1	1
Certified Staff	24	22	20
Classified Staff	10	12	13
<b>South Elementary School</b>			
Constructed in 1931			
Total Building Square Footage	29,055	29,055	29,055
Enrollment Grades K-6 for 2003-2006 and K-5 for 2007-2012	339	283	276
Student Capacity	149	149	149
Instruction Classrooms	17	17	17
Teaching Stations	21	21	21
Administrators	1	1	1
Certified Staff	19	16	19
Classified Staff	10	12	13
<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 2003-2006 and K-5 for 2007-2012	411	362	343
Student Capacity	345	345	345
Instruction Classrooms	20	20	20
Teaching Stations	29	29	29
Administrators	1	1	1
Certified Staff	23	25	23
Classified Staff	14	14	15
<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	0	9,000	9,000
Enrollment Grades K-6 for 2003-2006 and K-5 for 2007-2012	292	310	440
Student Capacity	328	445	445
Instruction Classrooms	12	20	20
Teaching Stations	17	17	17
Administrators	1	1	1
Certified Staff	19	19	22
Classified Staff	11	12	13

TABLE 19 (Continued)

2006	2007	2008	2009	2010	2011	2012
31,233	31,233	31,233	31,233	31,233	31,233	31,233
337	318	320	326	320	300	306
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
17	16	19	19	18	16	19
14	14	12	12	18	13	13
29,055	29,055	29,055	29,055	29,055	29,055	29,055
441	298	315	333	320	284	296
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	1
19	19	22	20	21	21	22
12	14	12	11	17	17	14
37,000	37,000	37,000	37,000	37,000	37,000	37,000
360	393	407	421	437	445	466
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	1	1
18	19	21	18	24	22	26
13	17	19	18	17	15	16
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
472	375	387	406	442	433	447
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	1
23	18	18	19	23	23	25
15	16	14	12	13	13	13

(Continued)

**Lancaster City School District, Ohio**

*Building Statistics*

*Last Ten Fiscal Years*

	2003	2004	2005
<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 2003-2006 and K-5 for 2007-2012	414	424	430
Student Capacity	428	428	428
Instruction Classrooms	24	24	24
Teaching Stations	28	28	28
Administrators	1	1	1
Certified Staff	21	28	27
Classified Staff	22	20	20
<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 2003-2006 and 6-8 for 2007-2012	476	491	482
Student Capacity	484	484	484
Instruction Classrooms	23	23	23
Teaching Stations	29	29	29
Administrators	2	1	2
Certified Staff	34	31	30
Classified Staff	25	23	24
<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 2003-2006 and 6-8 for 2007-2012	538	529	499
Student Capacity	493	493	493
Instruction Classrooms	27	27	27
Teaching Stations	34	34	34
Administrators	2	1	1
Certified Staff	28	31	28
Classified Staff	22	21	21
<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 2003-2006	474	483	507
Enrollment for Career Based Intervention			
Technology students 2007-2012	0	0	0
Student Capacity	509	509	509
Instruction Classrooms	28	28	28
Teaching Stations	32	32	32
Administrators	17	18	15
Certified Staff	36	39	34
Classified Staff	35	38	43

TABLE 19 (Continued)

2006	2007	2008	2009	2010	2011	2012
46,404	46,404	46,404	46,404	46,404	46,404	46,404
463	379	381	414	436	436	441
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	1	1
27	26	28	31	27	32	32
15	15	14	16	21	24	22
64,394	64,394	64,394	64,394	64,394	64,394	64,394
0	0	0	0	9,000	9,000	9,000
460	686	656	691	701	653	676
484	484	484	484	484	484	484
23	23	23	23	23	23	23
29	29	29	29	29	29	29
2	1	1	1	1	1	2
27	39	41	43	39	41	42
21	20	22	27	24	28	24
63,308	63,308	63,308	63,308	63,308	63,308	63,308
0	0	0	0	9,000	9,000	18,000
454	587	594	625	681	707	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	1	1	2
28	34	34	34	40	42	39
23	20	21	26	25	31	26
77,767	77,767	77,767	77,767	77,767	77,767	77,767
501	0	0	0	0	0	0
0	56	47	191	260	250	203
509	509	509	509	509	509	509
28	28	28	28	28	28	28
32	32	32	32	32	32	32
16	9	9	11	11	11	12
36	14	20	37	34	26	16
39	15	17	18	26	33	26

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

	2003	2004	2005
<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 2003-2006 and 9-12 for 2007-2012	1,341	1,335	1,292
Student Capacity	1,302	1,302	1,302
Instruction Classrooms	65	65	65
Teaching Stations	102	102	102
Administrators	3	3	4
Certified Staff	125	120	123
Classified Staff	56	55	44

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

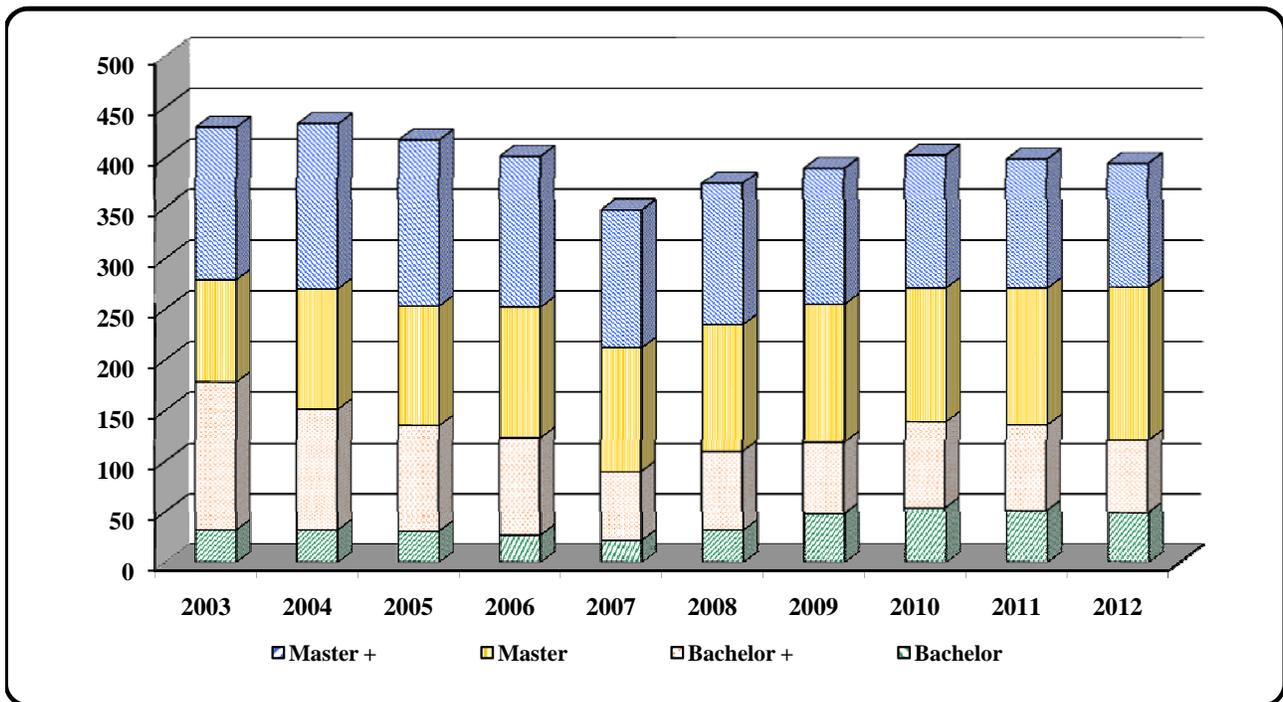
TABLE 19 (Continued)

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
192,500	192,500	192,500	192,500	192,500	192,500	192,500
1,323	1,720	1,731	1,528	1,409	1,357	1,416
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
4	5	5	4	5	5	6
135	106	104	102	108	106	104
52	53	63	65	61	62	53

TABLE 20

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

Degree	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bachelor's Degree	32	32	31	27	22	32	48	54	51	49
Bachelor + 15	9	6	7	5	3	3	2	4	6	10
Bachelor + 30 (150 hours)	137	113	97	91	65	75	69	81	79	62
Master's Degree	101	119	118	129	122	125	136	132	135	151
Master's + 15	36	38	41	34	32	38	36	35	34	31
Master's + 30	86	90	86	81	77	74	74	68	63	60
Master's + 45	29	35	35	34	27	27	24	28	30	31
Ph. D.	0	0	2	0	0	0	0	0	0	0
<b>Total</b>	<b>430</b>	<b>433</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>



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 Comparable Districts (3)	Statewide Average Salary (4)
2003	\$29,904	\$61,562	\$45,103	\$45,645
2004	31,100	64,024	48,008	47,658
2005	32,344	66,585	47,188	49,436
2006	32,344	66,585	49,498	50,771
2007	32,344	66,585	51,972	53,534
2008	33,477	71,170	57,203	53,410
2009	33,477	71,170	57,586	54,656
2010	33,477	71,170	59,461	55,958
2011	35,609	78,099	60,783	56,715
2012	35,609	78,099	n/a	n/a

**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.

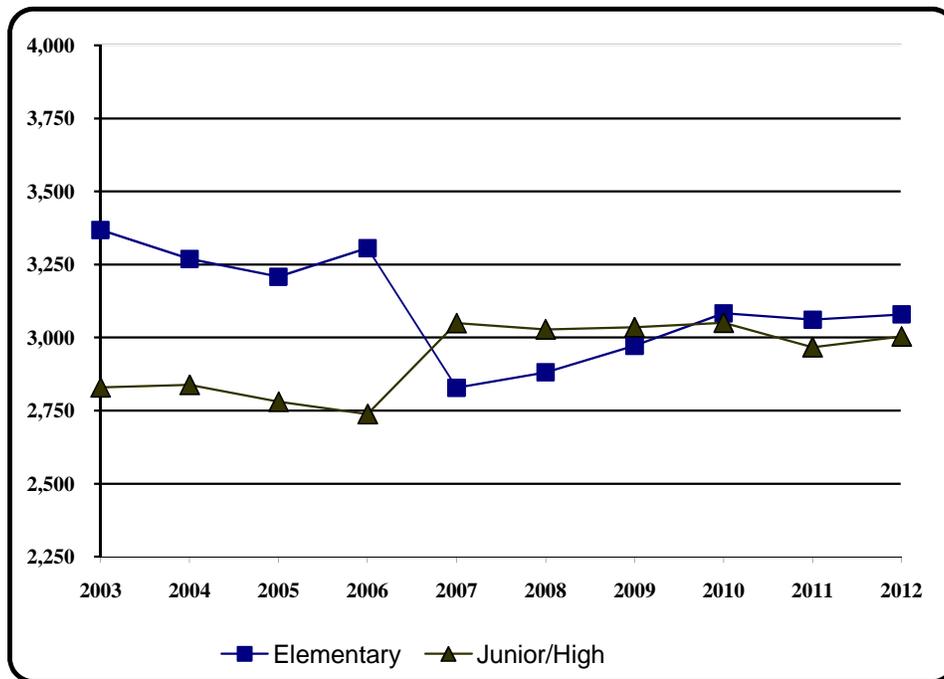
(3) Provided by the Ohio Department of Education.

(4) Provided by the Ohio Department of Education.

n/a means not available at this time

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

Fiscal Year	Elementary Schools	Junior/High School	Total
2003	3,368	2,829	6,197
2004	3,269	2,838	6,107
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



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
2003	94.50%	94.50%	83.60%	82.70%
2004	94.40	94.50	88.00	84.30
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	n/a	88.50	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)					
2003	20.7	22.0	22.7	21.9	21.9
2004	20.5	21.7	22.5	22.1	21.9
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
A.C.T. - Ohio (Graduating Class)					
2003	20.6	21.1	21.8	21.4	21.4
2004	20.7	21.1	21.9	21.5	21.4
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
A.C.T. - U.S.A. (Graduating Class)					
2003	20.3	20.6	21.2	20.8	20.8
2004	20.4	20.7	21.3	20.9	20.8
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

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			
2003	535	546	n/a
2004	526	544	n/a
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
S.A.T. - Ohio			
2003	536	541	n/a
2004	538	542	n/a
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
S.A.T. - U.S.A.			
2003	507	519	n/a
2004	508	518	n/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

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

(1) The information for 2012 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, 2012*

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	222	59.36%	37	9.89%
East Elementary School	201	52.76	22	5.77
Medill Elementary School	152	41.30	18	4.89
Sanderson Elementary School	162	52.94	1	0.33
South Elementary School	194	65.54	19	6.42
Tallmadge Elementary School	223	47.85	43	9.23
Tarhe Elementary School	115	25.73	32	7.16
West Elementary School	280	63.49	25	5.67
General Sherman Junior High School	308	45.56	55	8.14
Thomas Ewing Junior High School	325	45.84	49	6.91
Lancaster High School	631	38.97	90	5.56

Source: School District Food Service Records at June 30, 2012



# Dave Yost • Auditor of State

LANCASTER CITY SCHOOL DISTRICT

FAIRFIELD 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  
DECEMBER 27, 2012