



# Popular Annual Financial Report

FOR THE YEAR ENDING JUNE 30, 2020



**LICKING HEIGHTS**  
LOCAL SCHOOLS

## Numbers Behind Licking Heights



**4,677** STUDENTS



**46.2%** ECONOMICALLY DISADVANTAGED STUDENTS



**1,415**

**13%** STUDENTS WITH SPECIAL NEEDS



**520** EMPLOYEES



**15%** ENGLISH LANGUAGE LEARNERS



**2020 GRADUATES**



**279**

**OPERATING SPENDING  
PER PUPIL-2020**



**\$6,742**





December 15, 2020

TO THE CITIZENS OF THE LICKING HEIGHTS LOCAL SCHOOL DISTRICT,

We are pleased to present the Licking Heights Local School District's Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2020. This report makes our district's finances easier to understand, and communicates our financials in an open and accountable manner.

The PAFR summarizes the financial activities and operating results previously reported in the Licking Heights Local School District's audited Comprehensive Annual Financial Report (CAFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis, which addresses full disclosure and segregated funds.

The PAFR focuses on the District's General Fund. The General Fund is the operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. The most significant items not reported in the General Fund include: debt issuance and retirement, building and permanent improvements, retirement, and food service. For more detailed financial information, a copy of the CAFR is available from the Treasurer's office or can be viewed on the District's website at [www.lhschools.org](http://www.lhschools.org)

The Licking Heights Local School District is proud of this report. Ultimately, we thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers.

Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at 740-927-6926 or at [tgriffith@lhschools.org](mailto:tgriffith@lhschools.org)

Respectfully submitted,

Todd Griffith  
Treasurer



# Licking Heights Leadership

## BOARD OF EDUCATION



The Licking Heights Board of Education is made up of five members. Ohio law requires that Board members must be a resident of the school district in which they serve.

The Licking Heights Board Members are (from left to right):

Tracy Russ-President, Mark Rader-Vice President, Brian Bagley, Tiffany Blumhorst, and Paul Johnson.



## SUPERINTENDENT

Philip H. Wagner, Ph.D.



## TREASURER

Todd Griffith





# District Revenues and Resources Over Expenditures

## GENERAL FUND

Readers of the Financial Activity Statement (below) and Financial Position Statement (page seven) are reminded the numbers in both reports represent only the General Fund and are taken from the district's Comprehensive Annual Financial Report (CAFR), but are presented in a non-GAAP format. A copy of the CAFR can be obtained from the Treasurer's office.

The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the district.

Income statement data for fiscal years 2016 through 2020 are presented below. The increase in Investment Income from FY19 to FY20 is 42.7% and is attributable to more investment maturity dates in FY20. The increase in Tuition and Fees of 41.7% was a result of rising tuition costs and Medicare payments. The decrease in Local Taxes of 5.61% is attributable to recouping, refunding, and the timing of tax collections. Overall, total General Fund Expenditures decreased by 1.21% from FY19 to FY20.



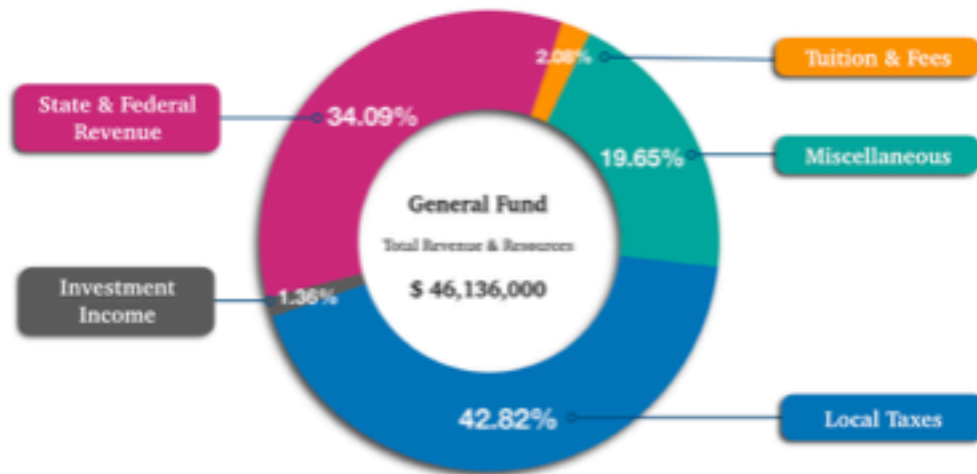
| RESOURCES TAKEN IN*                   | FY20            | FY19            | FY18            | FY17            | FY16            |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Local Taxes                           | \$19,754        | \$20,929        | \$22,815        | \$18,844        | \$20,064        |
| State and Federal Revenue             | 15,730          | 15,815          | 14,936          | 14,511          | 15,222          |
| Investment Income                     | 628             | 440             | 98              | 52              | 21              |
| Tuition & Fees                        | 958             | 676             | 472             | 684             | 500             |
| Miscellaneous                         | 9,056           | 6,375           | 6,481           | 4,188           | 1,773           |
| <b>Total Revenues &amp; Resources</b> | <b>\$46,136</b> | <b>\$44,235</b> | <b>\$44,802</b> | <b>\$38,279</b> | <b>\$37,580</b> |

| SERVICES PROVIDED*   | FY20            | FY19            | FY18            | FY17            | FY16            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Instruction  | \$25,454        | \$25,313        | \$25,499        | \$23,845        | \$22,496        |
| Pupil Support  | 2,214           | 2,450           | 2,039           | 1,787           | 2,295           |
| Instructional Staff  | 735             | 884             | 636             | 710             | 679             |
| Board/Administration/Fiscal                                      | 4,163           | 4,081           | 3,227           | 3,423           | 3,391           |
| Plant Operation  | 3,543           | 3,447           | 3,427           | 3,553           | 3,200           |
| Transportation   | 3,025           | 3,398           | 3,234           | 2,744           | 2,730           |
| Central  | 926             | 1,001           | 1,068           | 648             | 540             |
| Extracurricular  | 641             | 617             | 554             | 476             | 450             |
| Miscellaneous  | 4               | 3               | -               | 11              | 27              |
| <b>Total Expenditures &amp; Services</b>                         | <b>\$40,715</b> | <b>\$41,194</b> | <b>\$39,684</b> | <b>\$37,197</b> | <b>\$35,808</b> |
| <b>Revenues &amp; Resources Over Expenditures &amp; Services</b> | <b>\$5,421</b>  | <b>\$3,041</b>  | <b>\$5,118</b>  | <b>\$1,082</b>  | <b>\$1,772</b>  |

\*In thousands of \$

# District Revenues and Resources

## GENERAL FUND



## Local Property Taxes

The graph on the left depicts the collections received by the District from real and personal property taxes. Property taxes provide a majority of local revenue to operate and maintain our schools. Taxes paid on homes and businesses (both property and equipment) represent 42.8% of all general fund revenues.



## Unbundling The Tax Rate

All tax rates for the School District, except inside millage, are reduced as valuations increase. In accordance with House Bill 920, as property valuations increase during the triennial update and reappraisal periods, the voted millage is reduced to generate the same amount of tax revenue for the District as was received when each levy was initially approved by the voters. The chart on the right shows the difference in the District's "Gross" or voted tax rates, as compared to "Effective" or collected rates.



### Tax Burden on Owner of a \$100,000 Home

| Type                  | Gross Rate   | Effective Rate | Length Approved |
|-----------------------|--------------|----------------|-----------------|
| INSIDE-OPERATING*     | 4.80         | 4.800          | Permanent       |
| VOTED-OPERATING*      | 40.4         | 30.7           | Various         |
| BOND RETIREMENT       | 12.4         | 12.4           | Various         |
| PERMANENT IMPROVEMENT | 1.99         | 1.738          | Permanent       |
| <b>TOTAL RATES</b>    | <b>59.59</b> | <b>49.64</b>   |                 |

\*Rates are for the 2019 tax year collected in the year 2020.

### Assessed Values of Property Real Estate Taxes

| Collection Year | Residential/Agricultural | Commercial/Industrial | Public Utility | Total         |
|-----------------|--------------------------|-----------------------|----------------|---------------|
| 2020            | \$486,452,330            | \$144,147,919         | \$60,174,580   | \$690,774,829 |
| 2019            | \$471,452,490            | \$130,938,950         | \$43,543,300   | \$645,934,740 |
| 2018            | \$462,257,330            | \$113,504,790         | \$39,505,200   | \$615,267,320 |

# District Revenues and Resources-Continued

## GENERAL FUND

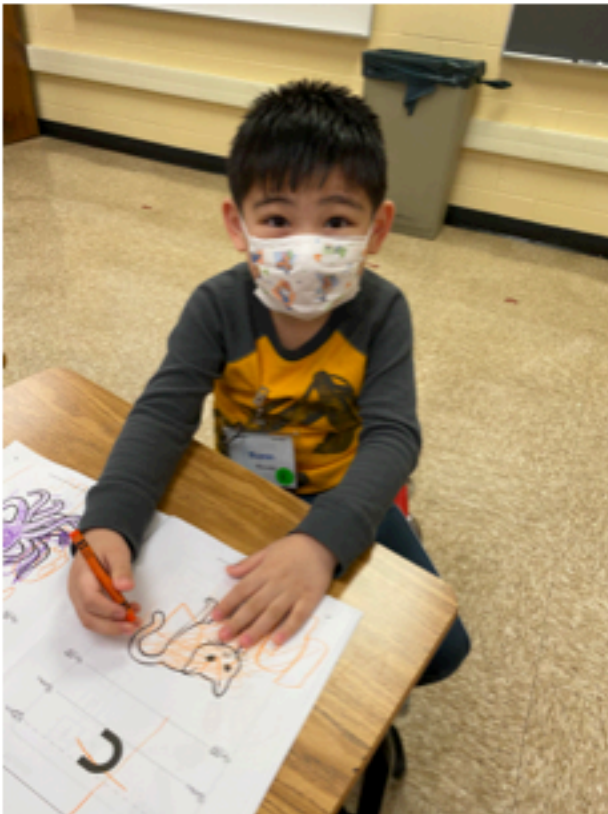
### State and Federal Resources-General Fund

State and Federal sources of revenue generated \$15.7 million or 34% of all **General Fund** revenue for the District.

The majority of **State Aid & Subsidies** includes School Foundation aid, which is a formula calculation based upon student enrollment. The State of Ohio implemented a new funding formula in 2014, with revisions in 2015, and again in 2017. The District received state funding \$60 million less over last 7 years than the funding formula indicated because of the state finding formula's gain cap. In addition to Foundation revenue, the District also receives Poverty Based Assistance and Career Tech funding from the State.

The District also receives **Rollback and Homestead** payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of taxes due on all property and an additional 2.5% on residential and agricultural owner-occupied property. An additional exemption is provided to senior and disabled citizens, regardless of income. However, the most recent State budget eliminated the property tax rollback on any new levy passed after August of 2013.

**Other State/Federal Revenue** includes the reimbursement of public utility, Medicaid, catastrophic costs, as well as, casino revenue. Federal sources in this category include E-rate reimbursements for telecommunications services, Internet access, and internal connections. The District receives reimbursements based on its percentage of students qualifying for free and reduced-price meals and other socio-economic factors.





# Expenditures & Services-Where the Money Goes

## GENERAL FUND

### Definitions

**INSTRUCTION** is the largest expenditure category. Students are directly impacted by expenditures from this category, which relate to the direct classroom instruction.

**PUPIL SUPPORT** includes: guidance services, nurses, speech, hearing, occupational therapy, physical therapy, and psychological services.

**STAFF SUPPORT** includes: library services, technology integration support, and literacy collaborative support.

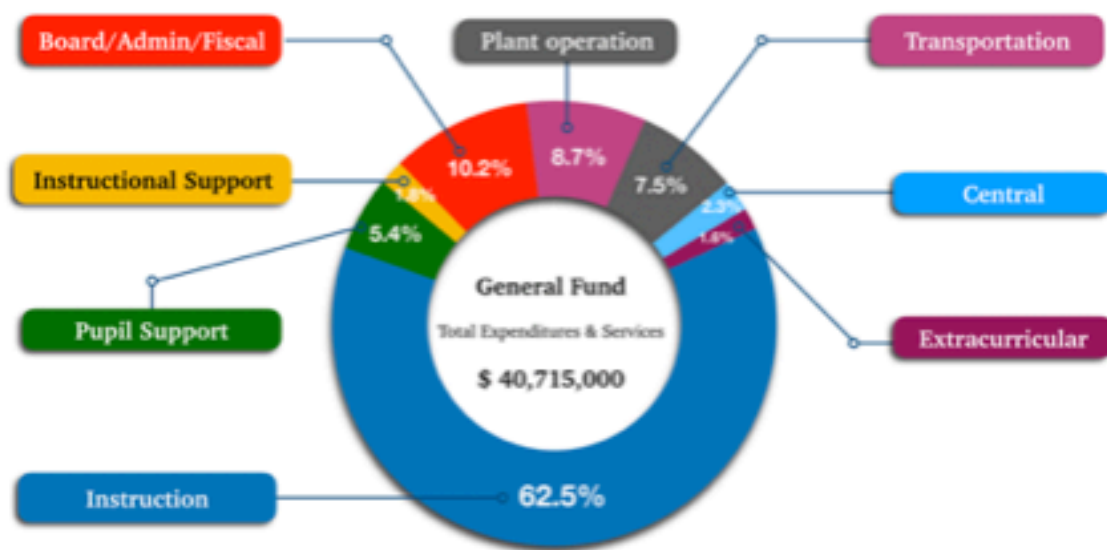
**BOARD/ADMINISTRATION/FISCAL** includes: the administration's and Board of Education's operation of the District. Also included: school building secretarial and financial services, such as payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits.

**PLANT OPERATION** includes: building maintenance, grounds and custodial services.

**TRANSPORTATION** includes: transportation (mostly by bus) of students, consistent with Board of Education policies and the laws of the State of Ohio. In FY20 the bus fleet transported 3,283 regular and special education students.

**CENTRAL SUPPORT** includes: community relations and technology maintenance staff, computer network maintenance contracts, district wide postage, and strategic planning activities.

**EXTRACURRICULAR** includes: salaries and benefits of club advisors and athletic coaches.





# Assets Over Liabilities

## GENERAL FUND



|   | FY20                | FY19                |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| Cash and investments                                  | \$22,378,557        | \$12,211,430        |
| Receivables   | \$26,839,681        | \$24,399,980        |
| <b>Total Assets</b>                                   | <b>\$49,218,238</b> | <b>\$36,611,410</b> |
| <b>Liabilities</b>                                    |                     |                     |
| Accounts Payable                                      | \$104,626           | \$234,601           |
| Due to Other Gov'ts/Employees                         | \$3,838,665         | \$3,906,313         |
| <b>Total Liabilities</b>                              | <b>\$3,943,291</b>  | <b>\$4,140,914</b>  |
| <b>Deferred Inflows</b>                               |                     |                     |
| Property Taxes  | \$24,304,135        | \$17,149,482        |
| Other Revenues  | \$629,620           | \$400,914           |
| <b>Total Deferred Inflows</b>                         | <b>\$24,933,755</b> | <b>\$17,550,396</b> |
| <b>Total Liabilities and Deferred Inflows</b>         | <b>\$28,877,046</b> | <b>\$21,691,310</b> |
| <b>Assets over Liabilities &amp; Deferred Inflows</b> | <b>\$20,341,192</b> | <b>\$14,920,100</b> |

The Financial Position Statement, known in accounting terms as the balance sheet, reports assets available to provide services. Liabilities are the amounts for which the district is obligated to pay in the future. The amount above represents the difference between district assets and liabilities. This amount provides the "net worth" of the district. Information is provided for the district's **General Fund**.

### Assets



**Cash and Investments** represent the amount of physical cash held by the District to pay expenses, as well as, interim funds invested by the Treasurer in a variety of accounts. The investment of interim funds allows the District to earn interest on its cash. The 83% increase in Cash and Investments from FY19 to FY20 is the result of revenues exceeding expenditures in the General Fund.

**Receivables** represent the amounts owed to the District as June 30, 2020.

### Liabilities & Deferred Inflows/Outflows

**Liabilities** are amounts the District owed to employees, other governments or vendors for items or services provided to the District, for which payment is expected to be made within twelve months.

**Deferred Inflows and Outflows of Resources** are neither assets nor liabilities as they relate to the current fiscal year. Unlike current assets and liabilities, amounts classified as "deferred inflows" or "outflows" are amounts not be recognized as revenue or expenses until a future period. For FY20, the District's General Fund reported deferred tax revenue inflows, but no outflows.



## District Finances-Debt

As of June 30, 2020, the district had \$89.8 million in outstanding debt. The majority of the debt encompasses 2017 school facilities improvements bonds. The 2017 bonds were issued for capital improvements, with a majority portion to fund construction of a new high school. Refunding bonds represent debt issued to refinance previous bonds.

| Purpose                                   | Matures    | Interest Rate | Outstanding Balance |
|---|------------|---------------|---------------------|
| 2000 School Improvement Bonds             | 12/01/2028 | 6.40%         | \$855,000           |
| 2011 Advance Refunding Bonds              | 12/01/2021 | 2-2.5%        | \$5,205,000         |
| 2012 Advance Refunding Bonds              | 12/01/2032 | 2-3.1%        | \$7,665,000         |
| 2013 Advance Refunding Bonds              | 12/01/2028 | 0.4-3.6%      | \$13,820,000        |
| 2016 Advance Refunding Bonds              | 12/01/2025 | 1.73%         | \$8,235,000         |
| 2017A School Facilities Improvement Bonds | 10/01/2054 | 3-5%          | \$41,495,000        |
| 2017B School Facilities Improvement Bonds | 10/01/2037 | 3-5%          | \$7,800,000         |
| 2017C Refunding Bonds                     | 10/01/2028 | 4-5%          | \$4,750,000         |
| Total Outstanding                         |            |               | \$89,825,000        |





## Five Year Forecast

|                              | Fiscal Year 2020<br>Actual | Fiscal Year 2021<br>Projected | Fiscal Year 2022<br>Projected | Fiscal Year 2023<br>Projected | Fiscal Year 2024<br>Projected | Fiscal Year 2025<br>Projected |
|------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Beginning Balance:           | \$12,218,536               | \$22,011,530                  | \$23,790,961                  | \$19,336,917                  | \$12,818,712                  | \$5,380,105                   |
| Revenue                      | 50,509,613                 | 47,682,464                    | 48,270,310                    | 48,834,539                    | 50,031,208                    | 50,132,016                    |
| Expenditures                 | -40,716,619                | -45,909,033                   | -52,724,354                   | -55,352,744                   | -57,469,815                   | -61,756,120                   |
| Revenue Surplus or (Deficit) | 9,792,994                  | 1,779,431                     | -4,454,044                    | -6,518,205                    | -7,438,607                    | -11,624,084                   |
| Ending Balance               | \$22,011,530               | \$23,790,961                  | \$19,336,917                  | \$12,818,712                  | \$5,380,105                   | -\$6,243,979                  |

The 5-year forecast (November, 2020) projects the District will maintain a positive end-of-year cash balance through FY24. However, in FY22 the District begins substantial deficit spending.

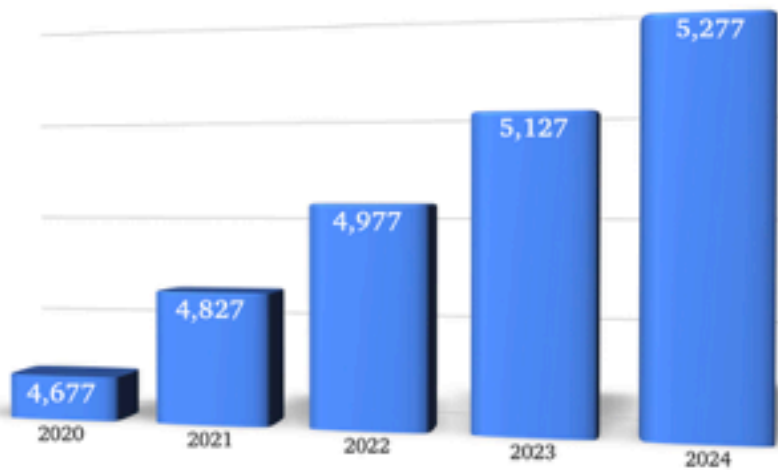


# Enrollment and District Demographics

### Student Demographics

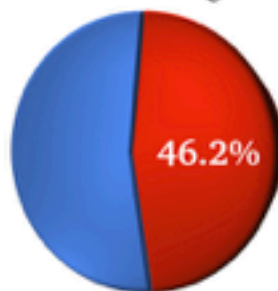


### Enrollment Projections



The District served 4,677 students during the 2019-20 school year in grades preK-12. The District operates a high school, a middle school, three elementary schools, an administrative building, and a bus garage.

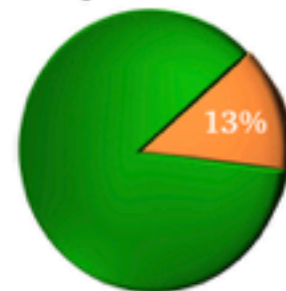
### Economically Disadvantaged



### English Language Learners



### Students with Special Needs





# Academic Innovations

The District offers traditional college preparation courses, Advanced Placement (AP), as well as, College Credit Plus. Students are eligible to graduate with an honors diploma and juniors may attend a career technical school, C-TEC. Students who complete one of these curricula meet the academic requirements necessary for graduation within the 2020-21 school year. The District is launching new college and career pathways in high demand areas, such as STEAM. The STEAM classroom is sponsored by Facebook.

The District offers Spanish and Mandarin Chinese world languages. The District has offered Mandarin Chinese since its initial pilot in 2012 and currently serves more than 200 students in grades 7-12. The program is a collaborative effort between the district and the East Central Ohio Educational Service Center. The program became a Confucius Classroom at the 2014 National Chinese Language Conference in Los Angeles and led four student trips to China in 2015, 2016, 2017 and 2018. The District is prepared to expand language offerings to include American Sign Language.

The District has partnered with the Cleveland Browns Foundation to increase student attendance and graduation rates. The District is one of 19 Ohio schools to partner with the National Center for Rural Education Research Networks and Proving Ground, focusing on school improvement. The District also partnered with Columbus State Community College and the Educational Service Center of Central Ohio on multiple grants and initiatives. The District has participated in a grant that puts Chromebooks and hot spots into the homes of our most needy students allowing them to participate fully in virtual learning.

## VISION

- Fosters the highest level of student learning and achievement.
- A diverse curriculum that builds on the individual strengths and needs of the child, utilizes innovative practices, and where methods of instruction, assessment, and leadership are responsive to students needs both in school and beyond the classroom.
- Where everyone is actively engaged in the educational process, high achievement is an expectation, and all students are motivated to think and solve problems critically, creatively, collaboratively and independently.
- Open access to a diverse extra-curricular program designed to enhance an individual's strengths, character, and to facilitate the educational process that focuses on developing the entire child.
- Works hard to develop and maintain diverse sources of funding that ensures adequate resources are available to accomplish the mission and objectives of the District.
- Continues to be recognized statewide for its superior and innovative practices as a top academic institution, while continuing to be supported, valued, and promoted by a community that takes great pride in its tradition of excellence.
- Committed to promoting good citizenship, caring, compassion, responsibility, trustworthiness, and respect for self and others.



## Employers and Taxpayers



Top 5 Principal Taxpayers June 30, 2020

| Taxpayer                  | Total Assessed Valuation | % of Total Valuation |
|---------------------------|--------------------------|----------------------|
| Sidecat LLC (Facebook)    | \$16,057,610             | 2.55%                |
| Distribution Land Corp    | \$11,602,590             | 1.84%                |
| MBJ Holdings LLC          | \$11,446,130             | 1.82%                |
| AEP Ohio Transmission Inc | \$10,369,060             | 1.64%                |
| Montauk Innovations       | \$9,476,710              | 1.5%                 |



Top 5 Employers in City of Pataskala\*



7%



3%



2%



2%



3%

\*This information reflects 2019 data and percentages are rounded.



## Numbers Behind Licking Heights



**BREAKFAST SERVED**

**245,322**



**LUNCH SERVED**

**381,695**

**60 BUSES IN FLEET**



**SQUARE FOOTAGE**

MAINTAINED BY DISTRICT

**428,721**

**MILES DRIVEN DAILY**



**2,617**

**STUDENTS BUSSED DAILY**



**3,283**





# LICKING HEIGHTS LOCAL SCHOOLS

HONORING OUR LEGACY. INSPIRING THE PRESENT. READY FOR THE FUTURE

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