



# POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022  
PATASKALA, OHIO



# AWARD FOR OUTSTANDING ACHIEVEMENT



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Licking Heights Local School District  
Ohio**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morvill*  
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Licking Heights Local School District for its PAFR for the fiscal year ended June 30, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



December 2, 2022

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, 2022. 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. 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 general 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 Comprehensive Annual Financial Report is available from the Treasurer's office or can be viewed on the District's website, [www.lhschools.org/Financial.aspx](http://www.lhschools.org/Financial.aspx)

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



# 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 District in which they serve.



The Licking Heights Board Members are (from left to right): Tracy Russ, Mark Rader, Brian Bagley (Vice President), Tiffany Blumhorst, and Paul Johnson (President).



**SUPERINTENDENT\***  
Philip H. Wagner, Ph.D.

\*Retired from the district by the end of fiscal year 2022.



**TREASURER**  
Todd Griffith



# DISTRICT REVENUES & 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 Annual Comprehensive Financial Report (ACFR), but are presented in a non-GAAP format. The ACFR can be obtained from the Treasurer's office or can be found on <https://www.lhschools.org/Financial.aspx>

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 2018 through 2022 are presented below. The decrease in local taxes from FY21 to FY22 is 7% and it is attributable to decrease in available advance amounts. The investment income decreased significantly in comparison to the prior fiscal year. The primary reason is the decrease in investments held by the District as well as a significant decrease in market values of the District's investments. Overall, total General Fund Revenues decreased by 2 % and General Fund Expenditures increased by 5% from FY21 to FY22.

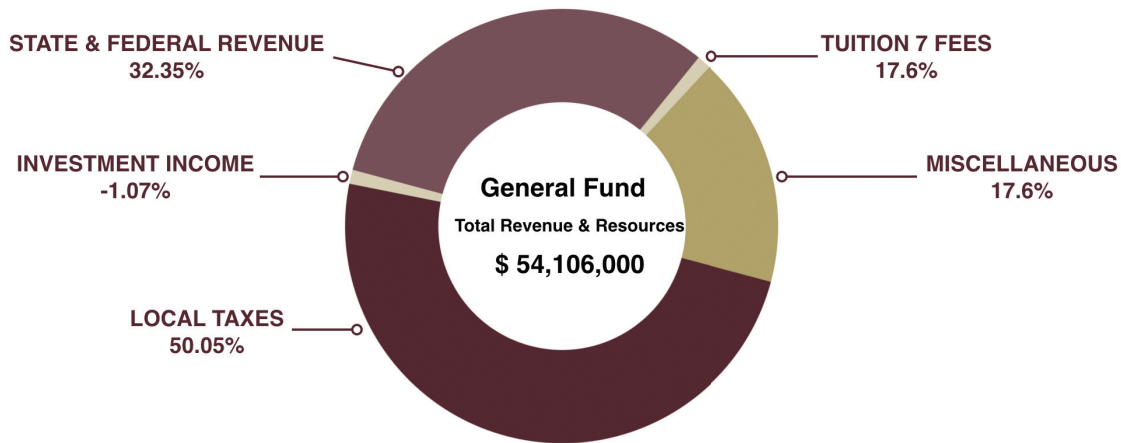
RESOURCES TAKEN IN*	FY22	FY21	FY20	FY19	FY18
LOCAL TAXES	\$27,082	\$29,133	\$19,754	\$20,929	\$22,815
STATE AND FEDERAL REVENUE	17,501	16,444	15,730	15,815	14,936
INVESTMENT INCOME	(581)	42	628	440	98
TUITION & FEES	580	602	958	676	472
MISCELLANEOUS	9,524	9,179	9,066	6,375	6,481
<b>TOTAL REVENUES &amp; RESOURCES</b>	<b>\$54,106</b>	<b>\$55,400</b>	<b>\$46,136</b>	<b>\$44,235</b>	<b>\$44,802</b>

SERVICES PROVIDED*	FY22	FY21	FY20	FY19	FY18
INSTRUCTION	\$26,392	\$27,050	\$25,454	\$25,313	\$25,499
PUPIL SUPPORT	2,841	2,168	2,214	2,450	2,039
INSTRUCTIONAL STAFF	974	781	735	884	636
BOARD/ADMINISTRATION/FISCAL	5,411	4,764	4,163	4,081	3,227
PLANT OPERATION	4,285	3,951	3,543	3,447	3,427
TRANSPORTATION	3,122	2,260	3,035	3,398	3,234
CENTRAL	1,384	1,147	926	1,001	1,068
EXTRACURRICULAR	649	607	641	617	554
MISCELLANEOUS	264	183	4	3	0
<b>TOTAL EXPENDITURES &amp; SERVICES</b>	<b>\$45,322</b>	<b>\$42,911</b>	<b>\$40,715</b>	<b>\$41,194</b>	<b>\$39,684</b>
<b>REVENUES &amp; RESOURCES OVER EXPENDITURES</b>	<b>\$8,784</b>	<b>\$12,489</b>	<b>\$5,421</b>	<b>\$3,041</b>	<b>\$5,118</b>

\*In thousands of \$

# DISTRICT REVENUES & RESOURCES

## GENERAL FUND



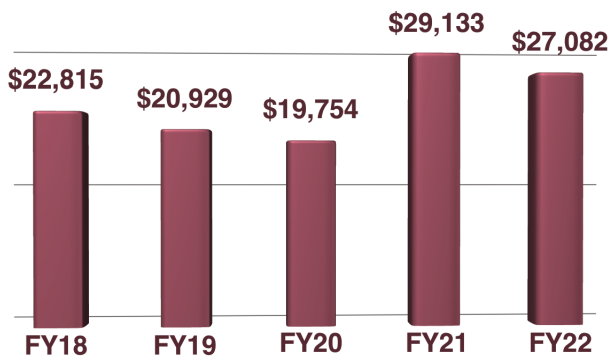
### UNBUNDLING THE TAX RATE

All tax rates for the School District, except inside millage, are reduced as valuations increase. In accordance with House Bill 920, as property valuations increased during the triennial update and reappraisal, voted millage is reduced generating 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, compared to "Effective" rates or collected.

TYPE	GROSS RATE	EFFECTIVE RATE	LENGTH APPROVED
INSIDE-OPERATING*	4.80	4.80	Permanent
VOTED-OPERATING*	37.95	28.25	Permanent
BOND RETIREMENT	12.00	12.00	Various
IMPROVEMENT	1.99	1.43	Permanent
<b>TOTAL RATES</b>	<b>56.74</b>	<b>46.48</b>	

\*Rates are for the 2021 tax year collected in the year 2022.



\*In thousands of \$

### LOCAL PROPERTY TAXES

The graph on the left depicts 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 50.1% of all general fund revenues.

### ASSESSED VALUES OF PROPERTY REAL ESTATE TAXES

YEAR	RESIDENTIAL/AGRICULTURAL	COMMERCIAL/INDUSTRIAL	PUBLIC UTILITY	TOTAL
2022	\$610,923,020	\$140,390,179	\$93,123,270	\$844,436,469
2021	\$596,744,030	\$149,324,090	\$72,200,800	\$818,268,920
2020	\$486,452,330	\$144,147,919	\$60,174,580	\$690,774,829

# DISTRICT REVENUES & RESOURCES

## GENERAL FUND

### STATE AND FEDERAL RESOURCES

State and Federal sources of revenue generated \$17.5 million or 32.35% 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 has implemented a new school funding model for FY22. Significant changes to the new formula include the elimination of the District's accounting for the revenues and expenditures attributable to district students attending community schools or those on autism or other special education scholarships. 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 the 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. The most recent State budget, however, has eliminated the property tax rollback on any new levy passed after August of 2013.

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



# EXPENDITURES & SERVICES

## DEFINITIONS

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

**PUPIL SUPPORT** areas include guidance services, nurses, speech, hearing, occupational therapy, physical therapy, and psychological services.

**STAFF SUPPORT** costs include library services, technology integration support, and literacy collaborative support.

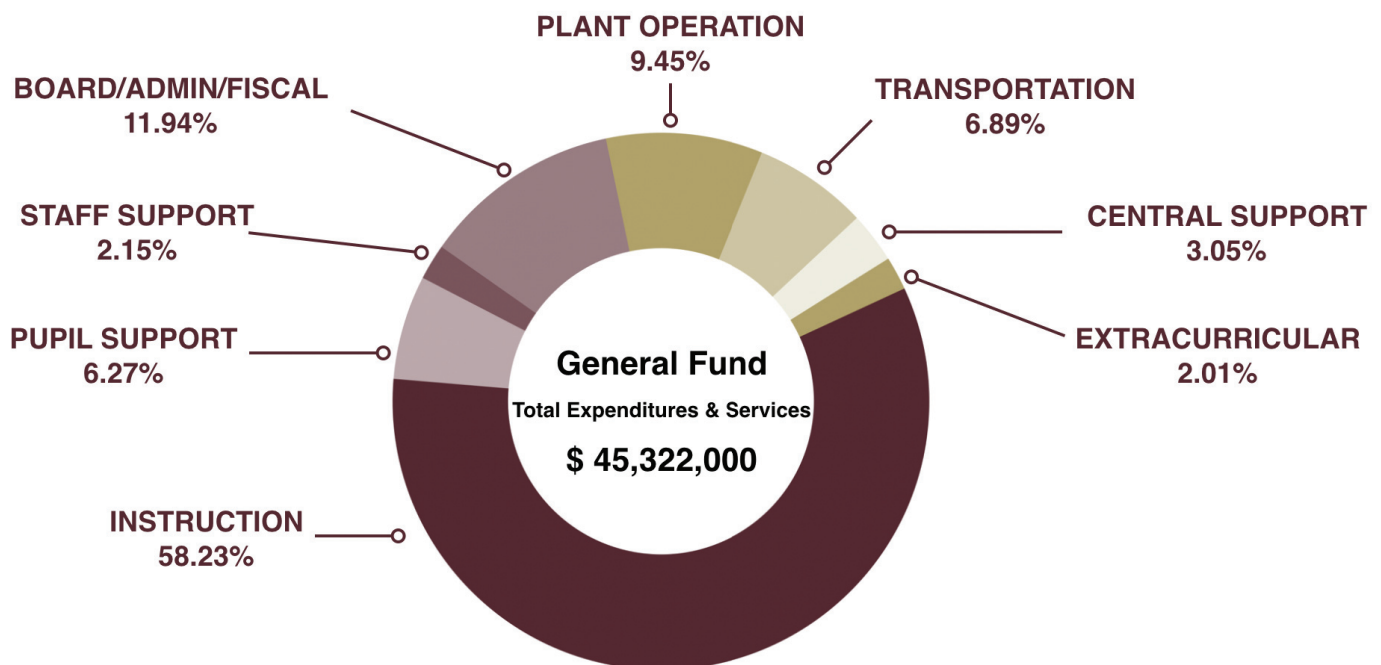
**BOARD/ADMIN/FISCAL** costs represent those of the administration and Board of Education's operation of the District. Also included in this category are school building secretarial support and financial services, such as: payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits administration.

**PLANT OPERATION** expenditures relate to the safe and efficient environment of school buildings, including building maintenance, grounds and custodial services.

**TRANSPORTATION** expenditures encompass Licking Heights student transportation (mostly by bus), consistent with Board of Education policies and the laws of the State of Ohio. In FY2022 the bus fleet transported 3,975 regular and special education students to Licking Heights Local School District.

**CENTRAL SUPPORT** expenditures include community relations and technology maintenance staff, computer network maintenance contracts, District wide postage costs, and strategic planning type activities.

**EXTRACURRICULAR** expenditures account for the salaries and benefits of club advisors and athletic coaches.





# ASSETS OVER LIABILITIES

## GENERAL FUND

The Financial Position Statement, also known as a balance sheet, reports available assets needed to provide services. Liabilities are District obligations for future expenses. The amount below represents the difference between the District assets and liabilities. This amount provides the “net worth” of the District. The District, as a whole, is financially improving.

ASSETS	FY22	FY21	FY20
CASH AND INVESTMENTS	\$29,544,282	\$27,688,909	\$22,378,557
RECEIVABLES	\$29,689,931	\$28,608,719	\$26,839,681
TOTAL ASSETS	\$59,234,213	\$56,297,628	\$49,218,238
LIABILITIES			
ACCOUNTS PAYABLE	\$153,426	\$135,354	\$104,626
DUE TO OTHER GOVT'S/EMPLOYEES	\$4,939,057	\$4,219,283	\$3,838,665
TOTAL LIABILITIES	\$5,092,483	\$4,354,637	\$3,943,291
DEFERRED INFLOWS			
PROPERTY TAXES	\$22,454,550	\$21,668,014	\$24,304,135
OTHER REVENUES	\$141,538	\$317,278	\$629,620
TOTAL DEFERRED INFLOWS	\$22,596,088	\$21,985,292	\$24,933,755
TOTAL LIABILITIES & DEFERRED INFLOWS	\$27,688,571	\$26,339,929	\$28,877,046
ASSETS OVER LIABILITIES & DEFERRED INFLOWS	\$31,545,642	\$29,957,699	\$20,341,192

### ASSETS

**Cash and Investments** represent the 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 7% increase in Cash and Investments from FY21 to FY22 is the result of revenues exceeding expenditures in the General Fund.

**Receivables** represent the amounts that are owed to the District by June 30, 2022.

### LIABILITIES & DEFERRED INFLOWS/OUTFLOWS

**Liabilities** are amounts the District owed to employees, other governments or vendors, for items or services provided to the District and payment is expected 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 “deferred outflows” are amounts not recognized as a revenue or an expense until the future related inflows or outflows. The District’s FY22 General Fund reported deferred tax revenue inflows, but no outflows.

# DISTRICT FINANCE

## DEBT

As of June 30, 2022, the district had \$79.7 million in debt outstanding, the majority of which is related to 2017 school facilities improvement bonds. The 2017 bonds were issued for capital improvements, with majority portion to fund the construction of new high school. The refunding of bonds represent debt issued to refinance previous bond issues.

PURPOSE	MATURES	INTEREST RATE	OUTSTANDING BALANCE
2000 SCHOOL IMPROVEMENT BONDS	12/1/28	6.40%	\$845,000
2016 ADVANCE REFUNDING BONDS	12/1/25	1.73%	\$8,055,000
2017A SCHOOL FACILITIES IMP BONDS	10/1/37	3-5%	\$40,275,000
2017B SCHOOL FACILITIES IMP BONDS	10/1/37	3-5%	\$7,535,000
2017C REFUNDING BONDS	10/1/29	4-5%	\$4,750,000
2020 ADVANCE REFUNDING BONDS	12/1/28	0.59-1.43%	\$12,195,000
2021 REFUNDING BONDS	12/1/32	3-4%	\$6,025,000
<b>TOTAL OUTSTANDING</b>			<b>\$79,680,000</b>



# FIVE-YEAR FORECAST

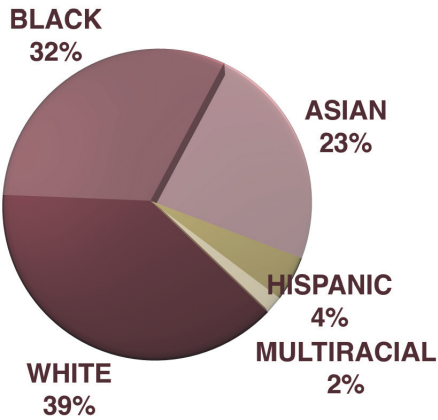
The current five-year forecast (November 2022) projects that Licking Heights Schools will maintain a positive end-of-year cash balance through fiscal year 2026; yet, Ohio’s school funding cap still poses significant financial challenges. Such past challenges have been marginally surmounted by the District’s focus on managing residential growth and stimulating economic development.

	FY22 ACTUAL	FY23 PROJECTED	FY24 PROJECTED	FY25 PROJECTED	FY26 PROJECTED	FY27 PROJECTED
BEGINNING BALANCE	\$ 27,506,869	\$ 30,181,326	\$ 32,795,238	\$ 32,354,967	\$ 24,908,119	\$ 14,396,582
REVENUE	54,663,221	55,354,503	56,835,094	56,993,806	59,058,743	60,043,736
EXPENDITURES	-51,988,764	-52,740,591	-57,275,365	-64,440,654	-69,570,280	-74,955,209
REVENUE SURPLUS	2,674,457	2,613,912	-440,271	-7,446,848	-10,511,537	-14,911,473
ENDING BALANCE	\$30,181,326	\$32,795,238	\$32,354,967	\$24,908,119	\$14,396,582	-\$514,891

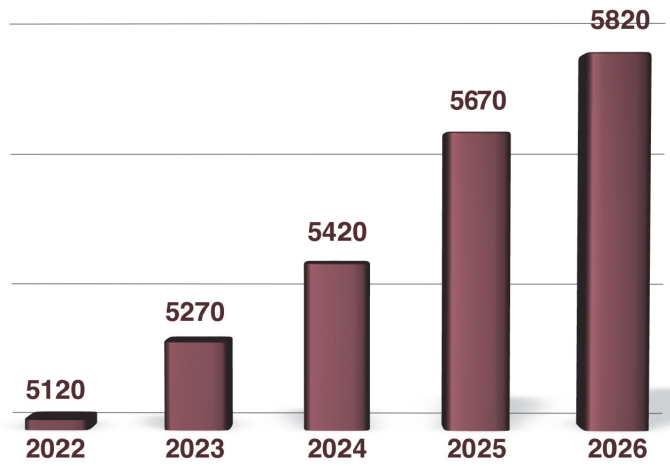


# ENROLLMENT & DISTRICT DEMOGRAPHICS

## STUDENT DEMOGRAPHICS



## ENROLLMENT PROJECTIONS



Licking Heights Local School District served 5,120 students during the 2021-22 school year in grades Pre-K through 12. The District operates one high school, one middle school, one intermediate school, three elementary schools, one administrative building and a bus garage.

# ACADEMIC INNOVATIONS

## **CAREER PATHS**

The District offers traditional college preparation courses, Advanced Placement (AP), College Credit Plus (CCP), as well as pathways for students interested in a military career or to immediately enter the workforce after high school graduation. Students also are eligible to graduate with an honors diploma or elect as juniors to attend Licking County's career technical school (C-TEC). The District launched new college and career pathways in Fall 2021. Licking Heights also offers two career tech pathways in partnership with C-TEC that are hosted onsite at the high school: Teaching Careers and State Tested Nursing Assistant (STNA).

## **LANGUAGES**

Licking Heights is one of the fastest-growing school districts in Ohio, with a diverse student population speaking more than 42 languages. The District offers Spanish, Mandarin Chinese world languages and recently started American Sign Language (ASL). The District has offered Mandarin Chinese since its initial pilot in 2012 and currently serves 227 students in grades 7-12. The program has two Confucius Classroom teachers. The program was recognized as a Confucius Classroom at the 2014 National Chinese Language Conference in Los Angeles and has led four student trips to China in 2015, 2016, 2017 and 2018.

The district has an extensive English Language Learner program, servicing over 944 students districtwide. Services in the realm of English Learners include small group, inclusive, and sheltered courses to support the needs of all learners.

## **READY FOR THE FUTURE**

The District has an ongoing partnership with the Cleveland Browns Foundation to increase student attendance and graduation rates. The District is one of 19 schools in Ohio to partner with National Center for Rural Education Research Networks and Proving Ground, focusing on school improvement. The District has also partnered with Facebook/META that provided Chromebooks to our students during the pandemic. Facebook also sponsored the District's first STEAM classroom at our recently constructed high school.

Furthermore, the district has an ongoing partnership with the National Network of Partnerships for Schools, founded by Johns Hopkins University and The Ohio State University with the goal of increasing family engagement within the school district. In addition, the district partners with the YMCA for all wrap around services for preschool and before and after school care in grades K-5. Licking Heights is a proud partner with Pathways of Licking County which helps to provide ongoing education on substance abuse, girls groups, and other mental health small group sessions. The district is also a part of the Our Futures committee which focuses on mental health and social/emotional programming for students across Licking County.

## **COVID-19**

Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the District.

# EMPLOYERS & TAXPAYERS

TOP 5 PRINCIPAL TAXPAYERS (PUBLIC UTILITIES TAX)	TOTAL ASSESSED VALUATION	% OF TOTAL VALUATION
AEP OHIO TRANSMISSION COMPANY INC	\$49,519,000	53.19%
OHIO POWER COMPANY	\$32,691,470	35.11%
COLUMBIA GAS OF OHIO	\$853,110	0.92%
NATIONAL GAS AND OIL CORP	\$660,220	0.71%
LICKING RURAL ELECTRIC INC	\$561,250	0.60%

TOP 5 PRINCIPAL TAXPAYERS (REAL ESTATE TAX)	TOTAL ASSESSED VALUATION	% OF TOTAL VALUATION
MBJ HOLDINGS LLC	\$11,632,180	1.55%
DISTIBUTION CENTER 456 LLC	\$9,835,150	1.31%
AMGEN INC	\$2,689,450	0.36%
VILLAGE GATE APT LTD	\$2,432,510	0.32%
AEP OHIO TRANSMISSION COMPANY INC	\$2,388,290	0.32%



## TOP 5 EMPLOYERS IN CITY OF PATASKALA\*

LICKING HEIGHTS LOCAL SCHOOL DISTRICT	6%
AMERICAN ELECTRIC POWER SERVICE CORP.	2%
SOUTHWEST LICKING LOCAL DISTRICT	2%
WEST LICKING JOINT FIRE DISTRICT	2%
THE KROGER CO.	2%



\*This information reflects 2021 data and percentages are rounded.

# NUMBERS BEHIND LICKING HEIGHTS



BREAKFAST SERVED

**301,035**

LUNCH SERVED

**550,540**



OPERATING  
SPENDING PER PUPIL

**\$8,203**

BUSES IN FLEET

**60**

MILES DRIVEN DAILY

**2,901**

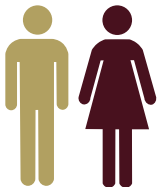
STUDENTS BUSSED DAILY

**3,975**



SQUARE FOOTAGE  
MAINTAINED BY THE  
DISTRICT

**770,022**



**520** EMPLOYEES



**5,120** STUDENTS

STUDENTS WITH SPECIAL NEEDS



2022 GRADUATES

**307**

ENGLISH LANGUAGE LEARNERS



ECONOMICALLY  
DISADVANTAGED STUDENTS





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

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[www.lhschools.org](http://www.lhschools.org)