

Popular Annual Financial Report

For the year ended June 30, 2023

Pataskala, Ohio

LICKING HEIGHTS LOCAL SCHOOLS



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

Welcome

December 12, 2023

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, 2023. 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 Annual Comprehensive Financial Report (ACFR). The PAFR is unaudited and presented on a non-GAAP 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 accounts 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 Annual Comprehensive Financial Report is available from the Treasurer's office or can be viewed on the District's [website](#).

The Licking Heights Local School District is proud of this report. Ultimately, we thank our citizens for their encouragement in creating a report to address their needs as taxpayers more adequately. Questions, comments, and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at [740-927-6926](tel:740-927-6926) or at tgriffith@lhschools.org

Respectfully submitted,



Todd Griffith



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Mission

Honoring our legacy. Inspiring the present. Ready for the future.

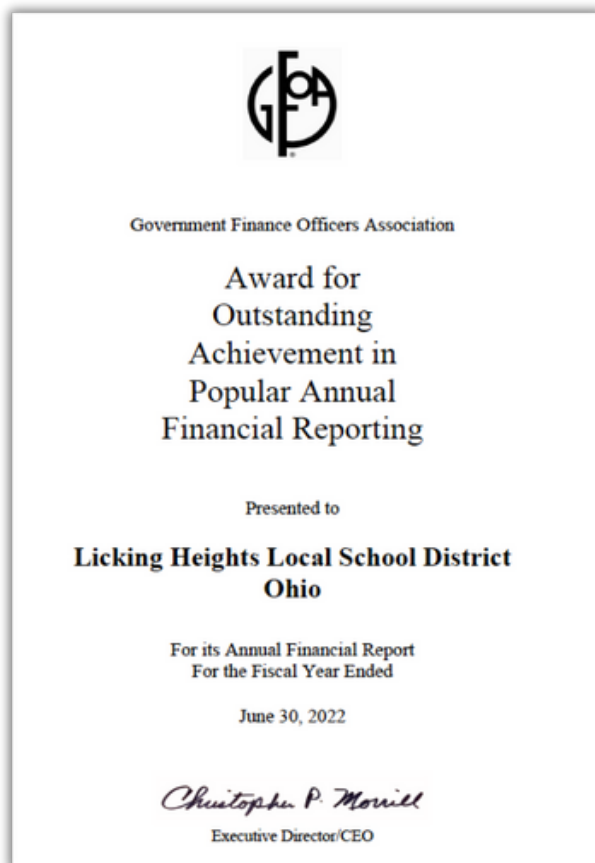
Vision

A School District that fosters the highest level of student learning and achievement
A School District that is committed to promoting good citizenship, caring, compassion, responsibility, trustworthiness, and respect for self and others.

Award for Outstanding Achievement

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, 2023. 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. Licking Heights Local Schools has received a Popular award for the last four consecutive years (fiscal years ended 2019-2002. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



District 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 (standing from left to right): Paul Johnson, Brian Bagley (President), and Mark Rader. Sitting (from left to right) members are Tiffany Blumhorst (Vice President) and Tracy Russ.



Dr. Kevin Miller
Superintendent



Todd Griffith
Treasurer

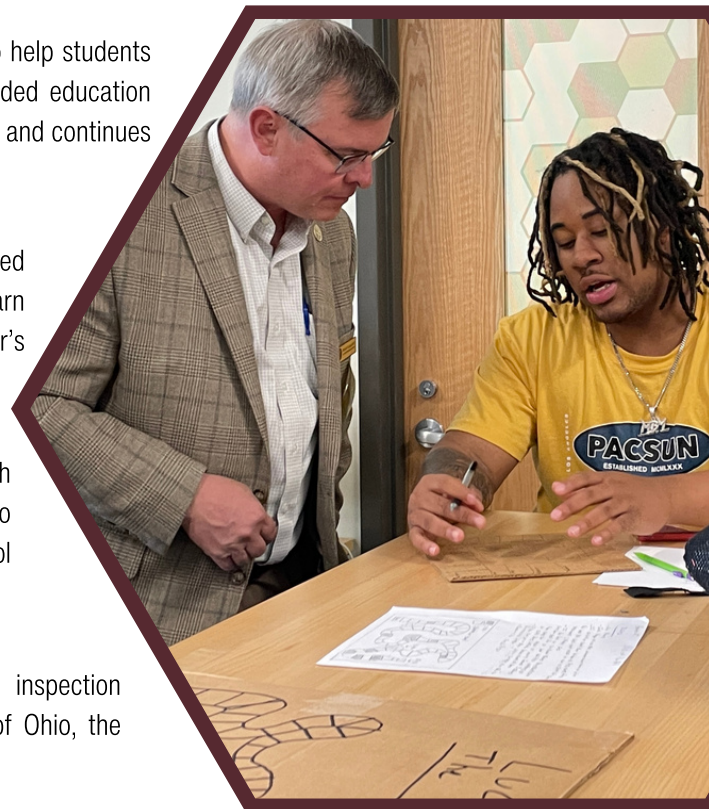
Academic and Career Preparation

Our district offers a vibrant career and college preparation curriculum to help students achieve their postsecondary goals. Providing students with a well-rounded education that prepares them for the modern world starts in our elementary schools and continues throughout their years here.

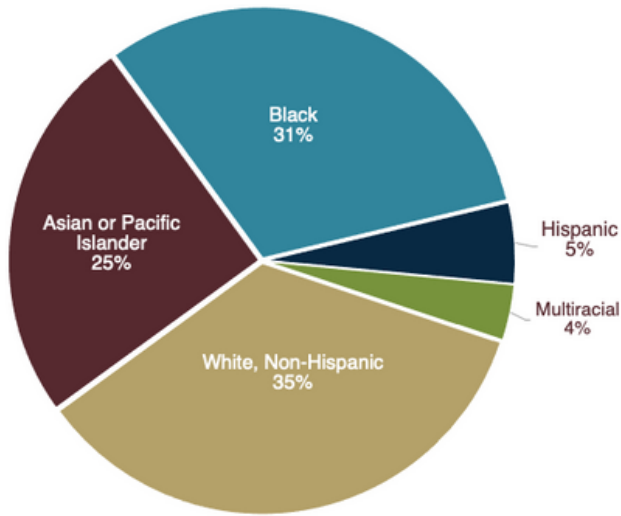
In partnership with C-TEC, Licking Heights offers a satellite State Tested Nurse Aide (STNA) education program at the high school. Students earn STNA credentials while completing their high school education. This year's class completed their practicum at Tuscany Gardens in Pataskala.

The Fab Lab at Licking Heights High School is a workshop funded through a Meta/Facebook grant. The lab utilizes technology and machinery to create merchandise for students and teachers, signs promoting school events, stickers, graduation banners, and much more.

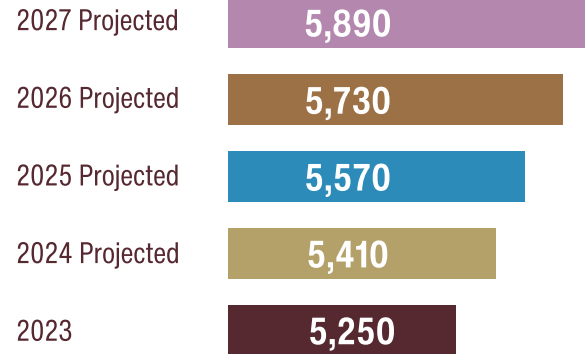
Licking Heights Central Preschool passed a vigorous and thorough inspection process to earn a five-star Step Up to Quality rating from the state of Ohio, the highest possible rating for early learning centers and childcare providers.



Enrollment and District Demographics



Student Demographics



Enrollment Projections

Licking Heights Local School District served 5,250 students during the 2022-23 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.



Licking Heights Schools is one of the fastest-growing districts in Ohio, nearly tripling its enrollment since 2003. As a result of local economic development and business growth, we are projected to grow to nearly 6,000 students by 2029.

Revenues and Resources Over Expenditures and Services

The numbers in Financial Activity Statement (below) and Financial Position Statement (page ten) represent only the General Fund and are taken from the district's Annual Comprehensive Financial Report (ACFR), but 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.

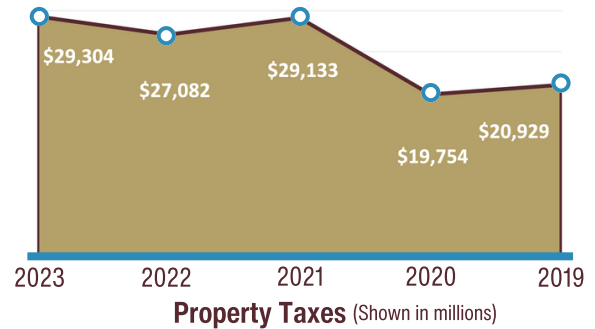
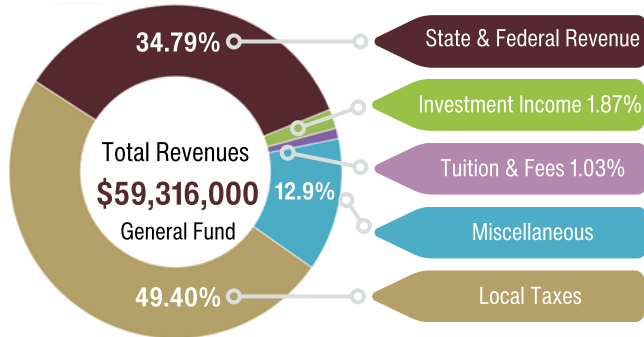
Income statement data for fiscal years 2019 through 2023 are presented below. The decrease in local taxes from FY22 to FY23 is 8% and it is attributable to the fluctuations in property taxes collected by June 30, 2023 and available for advance to the district. The investment income increased significantly in comparison to the prior fiscal year. The primary reason is the increased in investments held by the District as well as higher interest rates and changes in the economy. Overall, total General Fund Revenues increased by 10 % and General Fund Expenditures increased by 10% from FY22 to FY23.

Resources Taken In (in thousands of \$)	FY23	FY22	FY21	FY20	FY19
Local Taxes	\$ 29,304	\$ 27,082	\$ 29,133	\$ 19,754	\$ 20,929
State and Federal Revenue	\$ 20,638	\$ 17,501	\$ 16,444	\$ 15,730	\$ 15,815
Investment Income	\$ 1,111	(\$ 581)	\$ 42	\$ 628	\$ 440
Tuition & Fees	\$ 610	\$ 580	\$ 602	\$ 958	\$ 676
Miscellaneous	\$ 7,653	\$ 9,524	\$ 9,179	\$ 9,066	\$ 6,375
Total Revenues & Resources	\$ 59,316	\$ 54,106	\$ 55,400	\$ 46,136	\$ 44,235

Services Provided (in thousands of \$)	FY23	FY22	FY21	FY20	FY19
Instruction	\$ 27,735	\$ 26,392	\$ 27,050	\$ 25,454	\$ 25,313
Pupil Support	\$ 3,070	\$ 2,841	\$ 2,168	\$ 2,214	\$ 2,450
Instructional Staff	\$ 919	\$ 974	\$ 781	\$ 735	\$ 884
Board/Administration/Fiscal	\$ 6,050	\$ 5,411	\$ 4,764	\$ 4,163	\$ 4,081
Plant Operation	\$ 5,115	\$ 4,285	\$ 3,951	\$ 3,543	\$ 3,447
Transportation	\$ 3,912	\$ 3,122	\$ 2,260	\$ 3,035	\$ 3,398
Central	\$ 1,997	\$ 1,384	\$ 1,147	\$ 926	\$ 1,001
Extracurricular	\$ 870	\$ 649	\$ 607	\$ 641	\$ 617
Miscellaneous	\$ 130	\$ 264	\$ 183	\$ 4	\$ 3
Total Expenditures & Services	\$ 49,798	\$ 45,322	\$ 42,911	\$ 40,715	\$ 41,194
Revenues & Resources Over/ (Under) Expenditures and Services	\$ 9,518	\$ 8,784	\$ 12,489	\$ 5,421	\$ 3,041

District Revenues & Resources

Where the Money Comes From



The graphs above right depicts the amount of 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. As shown on the graph above left taxes paid on homes and businesses (property) represent 49.40% 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 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 below shows the difference in the District's "Gross" or voted tax rates, compared to "Effective" rates or collected.

Assessed Valued of Property Real Estate Taxes				
Collection Year	Residential/Agricultural	Comercial/Industrial	Public Utility	Total
2023	\$627,190,810	\$154,606,004	\$113,131,960	\$894,928,774
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

Tax Burden For Owner Of A \$100,000 Home				
Type	Gross Rate	Effective Rate	Year Approved	Length Approved
Inside Operating	4.800	4.800	N/A	Permanent
Voted Operating	37.490	27.790	Various	Permanent
Bond Retirement	12.000	12.000	Various	Various
Permanent Improvement	1.990	1.415		Permanent
Total Rates	56.28	46.01		

*Rates are for the 2022 tax year collected in the year 2023.



District Revenues & Resources

State & Federal Resources

State and Federal sources of revenue generated \$20.6 million or 34.79% 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 (Fair School Funding Plan) starting from FY22. This plan includes a base cost of education a typical Ohio student, additional costs to serve the needs of students with unique needs (special needs, ELL, gifted, etc.), and an objective formula for determining state and local shares of school funding based on local property values and income level. 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.

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.



2020	\$ 13.2	\$ 2.3	\$ 0.3
2021	\$ 13.6	\$ 2.4	\$ 0.5
2022	\$ 13.7	\$ 2.8	\$ 0.9
2023	\$ 17.5	\$ 2.8	\$ 0.3

State Aid & Subsidies

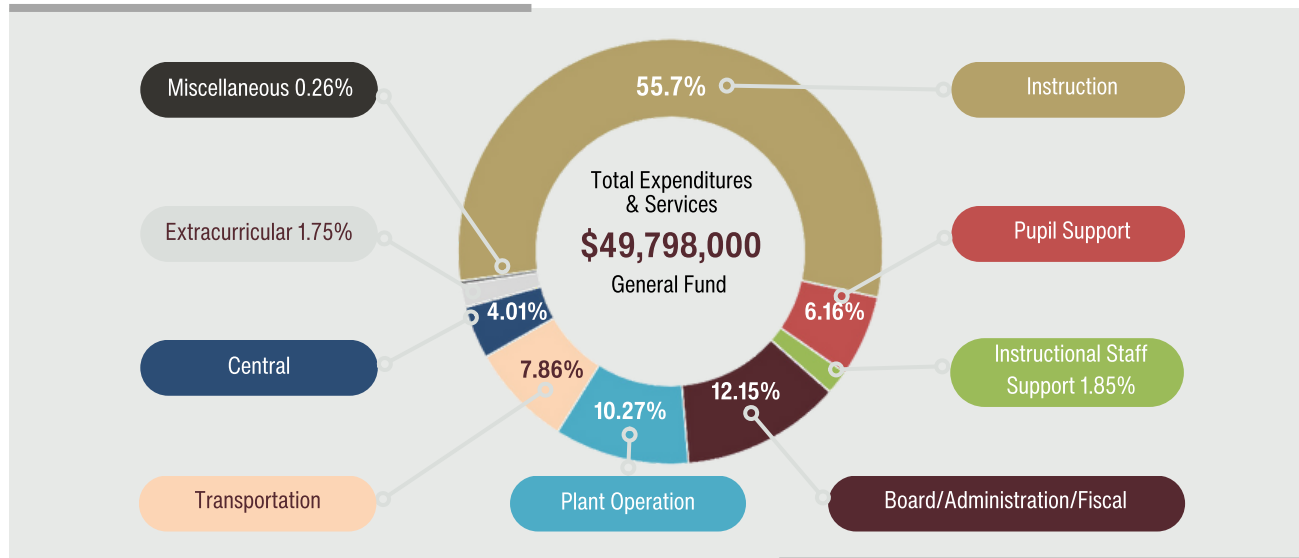
Rollback & Homestead

Other State & Fed Revenue



Expenditures

General Fund



Definitions

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

PUPIL SUPPORT areas comprise all 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/ADMINISTRATION costs represent those of the administration and Board of Education's operation of the District. Also included in this category is 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 the school including building maintenance, grounds and custodial services.

TRANSPORTATION expenditures relate to providing transportation (mostly by bus) to all students who live in the Licking Height Local School District, consistent with Board of Education policies and the laws of the State of Ohio. In FY2023 the bus fleet transported 3975 regular and special education students to Licking Height 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.

District's Debt

Our district had 140.3 million in debt outstanding as of June 30, 2023, the majority of which is related to 2022 school facilities bonds. The 2022 bonds were issued to build an elementary school, an athletic complex, a transportation center, and an addition to the current high school to accommodate another 350 students.

Tax Burden For Owner of A \$100,000 Home

Purpose	Matures	Interest Rate	Outstanding Balance
2000 School Improvement Bonds	12/1/28	6.40%	\$835,000.00
2016 Advance Refunding Bonds	12/1/24	1.73%	\$4,895,000.00
2017A School Facilities Improvement Bonds	10/1/37	3-5%	\$39,965,000.00
2017B School Facilities Improvement Bonds	10/1/38	3-5%	\$7,395,000.00
2017C Refunding Bonds	10/1/29	4-5%	\$4,750,000.00
2020 Advance Refunding Bonds	12/1/28	0.59-1.43%	\$10,895,000.00
2021 Refunding Bonds	12/1/32	3-4%	\$5,580,000.00
2022 School Facilities Bonds	10/1/59	4.5-5.5%	\$66,000,000.00
Total Outstanding			\$140,315,000.00



Five Year Forecast

The Licking Heights Local School District is in a healthy financial position. Our current five-year forecast (November 2023) projects that Licking Heights Schools will maintain a positive end-of-year cash balance through fiscal year 2027.

	FY23 Actual	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	FY28 Projected
Beginning Balance	\$ 30,181,327	\$ 28,756,524	\$ 30,618,672	\$ 33,910,002	\$ 30,889,203	\$ 23,495,974
Revenue	\$ 57,717,662	\$ 65,270,542	\$ 69,648,460	\$ 69,337,856	\$ 70,385,181	\$ 71,566,685
Expenditures	(\$ 59,142,465)	(\$ 63,408,394)	(\$ 66,357,130)	(\$ 72,358,655)	(\$ 77,778,410)	(\$ 83,969,143)
Revenue Surplus or (Deficit)	(\$ 1,424,803)	\$ 1,862,148	\$ 3,291,330	(\$ 3,020,799)	(\$ 7,393,229)	(\$ 12,402,458)
Ending Balance	\$ 28,756,524	\$ 30,618,672	\$ 33,910,002	\$ 30,889,203	\$ 23,495,974	\$ 11,093,516



Capital Assets

A District's inventory of capital assets often represents its most significant investment of resources. Over time, purchases of land improvements, buildings and improvements, furniture and equipment, and vehicles can result in the accumulation of millions of dollars in property. At June 30, 2023, our District had \$114 million invested in net capital assets, acquired and constructed to help provide the essential services (directly, or indirectly) to the students of our District.

Capital Assets at June 30th	FY23	FY22	FY21
Land	\$ 3,418,055.00	\$ 3,418,055.00	\$ 3,418,055.00
Construction in Progress	\$ 4,498,812.00	-	-
Land Improvement	\$ 1,044,989.00	\$ 1,131,441.00	\$ 368,041.00
Building and Improvements	\$ 102,201,137.00	\$ 105,208,061.00	\$ 107,870,851.00
Furniture, Fixtures & Equipment	\$ 904,817.00	\$ 867,364.00	\$ 1,029,545.00
Vehicles	\$ 1,754,067.00	\$ 1,734,285.00	\$ 1,715,436.00
Total Capital Assets, net	\$ 113,821,877.00	\$ 112,359,206.00	\$ 114,401,928.00

Assets Over Liabilities

The Financial Position Statement, known in accounting terms as the balance sheet, reports the assets available to provide services. Liabilities are the amounts for which the district is obligated to pay in the future. The amount below represents the difference between the assets of the district and the liabilities which it must pay. This amount provides the “net worth” of the district. The district as a whole is financially improving. Information is provided for the district’s General Fund.

ASSETS	FY23	FY22	FY21
Cash and Investments	\$ 27,473,160	\$ 29,544,282	\$ 27,688,909
Receivables	\$ 36,503,346	\$ 29,689,931	\$ 28,608,719
Total Assets	\$ 63,976,506	\$ 59,234,213	\$ 56,297,628
LIABILITIES			
Accounts Payable	\$ 564,087	\$ 153,426	\$ 135,354
Due to Other Government/Employees	\$ 5,138,433	\$ 4,939,057	\$ 4,219,283
Total Liabilities	\$ 5,702,520	\$ 5,092,483	\$ 4,354,637
DEFERRED INFLOWS			
Property Taxes	\$ 20,321,801	\$ 22,454,550	\$ 21,668,014
Other Revenues	\$ 6,863,214	\$ 141,538	\$ 317,278
Total Deferred Inflows	\$ 27,185,015	\$ 22,596,088	\$ 21,985,292
Total Liabilities and Deferred Inflows	\$ 32,887,535	\$ 27,688,571	\$ 26,339,929
Assets Over Liabilities & Deferred Inflows	\$ 31,088,971	\$ 31,545,642	\$ 29,957,699

ASSETS:

Cash and Investments represent the amount of physical cash held by the District in checking accounts and on hand for purposes of paying expenses, as well as interim funds invested by the Treasurer in a variety of accounts. The investment of those interim funds allows the District to earn interest on its cash. The 7 % decrease in Cash and Investments from FY22 to FY23 is the result of increase in expenditures exceeding increase in revenues in the General Fund. Receivables represent the amounts that are owed to the District at June 30, 2023.

LIABILITIES & DEFERRED INFLOWS/OUTFLOWS

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

DEFERRED INFLOWS /DEFERRED OUTFLOWS OF RESOURCES

Deferred Inflows of Resources and Deferred 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 which will not be recognized as a revenue or an expense until the future period to which the inflows or outflows are related. For FY23 the District’s General Fund reported deferred inflows related to tax revenue received but not available for use until a future period, and no deferred outflows.

Employers and Taxpayers

Top 5 Principal Taxpayers June 30, 2023 (Public Utilities Tax)

	Total Assessed Valuation	% of Total Valuation
AEP Ohio Transmission Co, Inc.	\$56,452,610	49.91%
Ohio Power Company	\$35,000,250	30.94%
Columbia Gas of Ohio	\$854,650	0.76%
Licking Rural Electric Co.	\$794,660	0.70%
National Gas & Oil Corp	\$688,710	0.61%

Top 5 Principal Taxpayers June 30, 2023 (Real Estate Tax)

	Total Assessed Valuation	% of Total Valuation
Sidecat LLC	\$29,278,230	3.74%
AEP Ohio Transmission Company	\$18,522,960	2.37%
Distribution Center 456 LLC	\$14,137,450	1.81%
Montauk Innovations LLC	\$11,510,630	1.47%
MBJ Holdings LLC	\$7,437,180	0.95%

Top 5 Employers in Pataskala City June 30, 2023

Licking Heights Local School District 7.34%

American Electric Power Service Corp 2.02%

Southwest Licking Local School District 1.98%

West Licking Joint Fire District 1.86%

The Kroger Co. 1.57%

*This information reflects 2022 data .



Licking Heights Statistics



BREAKFAST SERVED

191,526

LUNCH SERVED

506,999

OPERATING SPENDING
PER PUPIL

\$ 8,335



BUSES IN FLEET

58

STUDENTS BUSSED DAILY

3,975

SQUARE FOOTAGE MAINTAINED
BY THE DISTRICT

770,022



EMPLOYEES

597

STUDENTS

5,249



2023 GRADUATES

337

HOME LANGUAGES SPOKEN

47

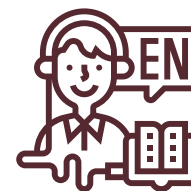


STUDENTS WITH SPECIAL
NEEDS

17%

ENGLISH LANGUAGE
LEARNERS

19%



ECONOMICALLY DISADVANTAGED
STUDENTS

47%

GIFTED AND TALENTED
STUDENTS

11%





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