

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY, OHIO**

**SUPPLEMENTAL REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARReport@ohioauditor.gov  
(800) 282-0370

Board of Education  
Licking Heights Local School District  
6539 Summit Road SW  
Pataskala, Ohio 43062-0027

We have reviewed the *Independent Auditor's Report* of the Licking Heights Local School District, Licking County, prepared by Julian & Grube, Inc., for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Licking Heights Local School District is responsible for compliance with these laws and regulations

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 22, 2020

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY, OHIO**

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(C) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
<b>Child Nutrition Cluster:</b>			
(E) School Breakfast Program	10.553	2019	\$ 369,685
(E) National School Lunch Program	10.555	2019	866,811
(D) National School Lunch Program - Food Donation	10.555	2019	179,042
<b>Total National School Lunch Program</b>			<b>1,045,853</b>
<b>Total Child Nutrition Cluster and U.S. Department of Agriculture</b>			<b>1,415,538</b>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
Title I Grants to Local Educational Agencies	84.010	2018	93,351
Title I Grants to Local Educational Agencies	84.010	2019	634,962
Title I Grants to Local Educational Agencies - Expanding Opportunities	84.010	2019	398,698
<b>Total Title I Grants to Local Educational Agencies</b>			<b>1,127,011</b>
<b>Special Education Cluster (IDEA):</b>			
Special Education_Grants to States	84.027	2018	67,464
Special Education_Grants to States	84.027	2019	724,826
Special Education_Grants to States - Restoration	84.027	2019	54,883
Special Education_Grants to States - Catastrophic	84.027	2019	8,132
<b>Total Special Education_Grants to States</b>			<b>855,305</b>
Special Education_Preschool Grants	84.173	2019	20,531
<b>Total Special Education Cluster (IDEA)</b>			<b>875,836</b>
English Language Acquisition State Grants	84.365	2018	8,670
English Language Acquisition State Grants	84.365	2019	50,806
English Language Acquisition State Grants - Immigrant	84.365	2019	4,442
<b>Total English Language Acquisition State Grants</b>			<b>63,918</b>
Supporting Effective Instruction State Grants	84.367	2019	12,297
Disaster Recovery Assistance for Education	84.938	2019	18,000
<b>Total U.S. Department of Education</b>			<b>2,097,062</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 3,512,600</b>

**Notes to the Schedule of Expenditures of Federal Awards:**

- (A) This schedule includes the federal award activity of the Licking Heights Local School District under programs of the federal government for the fiscal year ended June 30, 2019 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Licking Heights Local School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Licking Heights Local School District.
- (B) CFR 200.414 allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Licking Heights Local School District has not elected to use the 10% de minimis indirect cost rate.
- (C) OAKS did not assign pass-through numbers for fiscal year 2019.
- (D) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (E) Commingled with state and local revenue from sales of breakfast and lunches; assumed expenditures were made on a first-in, first-out basis.

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Licking Heights Local School District  
Licking County  
6539 Summit Road SW  
Pataskala, Ohio 43062

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Licking Heights Local School District, Licking County, Ohio, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Licking Heights Local School District's basic financial statements and have issued our report thereon dated November 26, 2019.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Julian & Grube, Inc.  
November 26, 2019



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance and the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Licking Heights Local School District  
Licking County  
6539 Summit Road SW  
Pataskala, Ohio 43062

To the Board of Education:

***Report on Compliance for Each Major Federal Program***

We have audited the Licking Heights Local School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Licking Heights Local School District's major federal programs for the fiscal year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Licking Heights Local School District's major federal programs.

***Management's Responsibility***

The Licking Heights Local School District's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the Licking Heights Local School District's compliance for each of the Licking Heights Local School District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Licking Heights Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the Licking Heights Local School District's major programs. However, our audit does not provide a legal determination of the Licking Heights Local School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Licking Heights Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2019.

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

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

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Licking Heights Local School District as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Licking Heights Local School District's basic financial statements. We issued our unmodified report thereon dated November 26, 2019. We conducted our audit to opine on the Licking Heights Local School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
November 26, 2019

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2019**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Special Education Cluster (IDEA) and Title I Grants to Local Educational Agencies, CFDA #84.010
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

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# Comprehensive Annual Financial Report



Fiscal Year Ending June 30, 2019

Licking Heights Local Schools, Pataskala, Ohio

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**Licking Heights Local School District**

Ohio



**Comprehensive Annual Financial Report**

*For Fiscal Year Ended June 30, 2019*

**Issued by:**  
*Office of the Treasurer*

**Todd Griffith**  
*Treasurer*

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

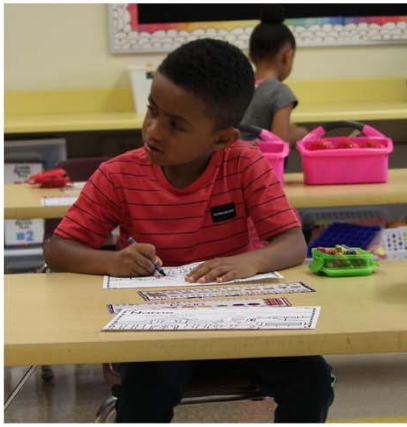
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# Introductory Section

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# LICKING HEIGHTS LOCAL SCHOOLS

6539 Summit Rd. SW, Pataskala, OH 43062

p. (740) 927-6926 | f. (740) 927-9043

November 26, 2019

To the Citizens and Board of Education of the Licking Heights Local School District:

On behalf of the school district, I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Licking Heights Local School District (the “District”). This CAFR, which includes a clean opinion unmodified from Julian and Grube, Inc., complies with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction. The District’s MD&A can be found immediately following the Independent Auditor’s Report.

This report includes all funds of the District. The District provides a full range of traditional educational programs, services and facilities. These include elementary and secondary curriculum, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, special education programs and facilities.

In addition to providing these general activities, the District has administrative responsibility for state funds distributed to private/auxiliary schools located within District boundaries. In accordance with GASB Statement 24, this responsibility is included in the reporting entity as a special revenue fund. While private/auxiliary schools share operational and service similarities with the District, all are separate and distinct entities. Therefore, private/auxiliary schools’ financial statements are not included in this report.

The Board of Education (hereafter the “Board”) of the District is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body and policy initiator for the operation of the District. The Board is responsible for the adoption of the tax budget, the annual operating budget and approval of District expenditures. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and only has those powers and authority conferred upon it by the Code.

## **PROFILE OF THE SCHOOL DISTRICT**

The Licking Heights Local Schools is located approximately 20 minutes east of Columbus, providing residents with a rapidly growing diverse community. The school district serves approximately 4,750 students, preschool through twelfth grade, and covers an area of 36 square miles, including parts of Blacklick, Pataskala, Reynoldsburg, and Summit Station, as well as the townships of Etna, Jefferson, Jersey, and St. Albans, and neighborhoods within a small portion of the City of Columbus.

Licking Heights is one of the fastest-growing school districts in Ohio. With a diverse student population speaking more than 30 languages, the district focuses on student learning and achievement while looking toward the future as it continues to be recognized as a leader in innovative best practices.

The District developed a mission statement to continue to guide the work moving forward.

### **District Mission**

Licking Heights Local Schools builds tomorrow's leaders by educating all young, inquiring minds.

### **Focus**

All employees will be accountable for implementing research-based practices including a rigorous and aligned curriculum, common assessments, focused instruction and data-driven decisions to achieve the best academic and developmental outcomes for every student within a fiscally sustainable budget.

## **ENROLLMENT**

The District's enrollment for FY19 was 4,562, as compared with 4,392 for FY18. With the addition of our new high school (fully online for the 2020-21 school year) the district is now able to accommodate student growth, through build-out, with a maximum space accommodation of 5,500. The reconfiguration of several school buildings for the 2020-2021 school year will maximize learning for all students.

The District's enrollment is based on actual enrollment during the first full week of October and does not include students living within the District's attendance area who attend charter or private schools.

### **Long-term Financial Planning**

The financial forecast of General Fund operations for the next five years assumes the District's fiscal year 2020 and 2021 ending General Fund cash balance will be approximately \$15,479,897 and \$ 15,163,637, respectively, with continued declining balances thereafter.

The increase in cash balance from fiscal year 2018 to fiscal year 2019 is due to several factors, including an increase in state funding, a significant increase in monies from revenue sharing agreements and TIF payments, with expenditures only moderately increasing.

## **ECONOMIC CONDITION AND OUTLOOK**

The District, along with many other public schools in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxpaying constituents. The District successfully passed a first ballot substitute levy in May, 2019 with the support of the community.

Licking Heights' state funding has been limited by a funding gain cap for many years. Based on current legislation, the CAP in fiscal years 2018 and 2019 resulted in state basic aid of 5.6 % increase in FY18 and a 5.9 % increase in FY19. Projections indicate 3% growth of state revenue during FY20-21 budget for the district.

The state of Ohio provides approximately 50% of all school district funding so the state's financial health is a stabilizing factor for school districts. The state of Ohio ended FY19 with a surplus of revenue over expenses and is maintaining a statutory maximum balance of \$2.8 billion in the Budget Stabilization Fund. Unemployment rates statewide fell from 4.5% in June 2018 to 4.0% in June 2019 and overall economic growth is predicted to grow at a relatively steady rate of 2% annually through 2021, according to the Ohio Office of Budget and Management. This positively impact state and local revenues for districts with school district income taxes and will reduce delinquent local property tax payments if employment remains strong. These indicators suggest the state of Ohio's overall economy is healthy to maintain stable funding through the foundation program.

## **INSTRUCTIONAL AND ACADEMIC ACHIEVEMENT**

### **Academics**

Licking Heights offers traditional college preparation courses, Advanced Placement (AP), as well as, a College Credit Plus program. Students are also eligible to graduate with an honors diploma, or elect as juniors to attend Licking County's career technical school (C-TEC). Any student who completes one of these curricula will meet the academic requirements necessary for graduation. The District will be launching new college and career pathways in Fall, 2020 in conjunction with the opening of the new high school.

### **Special programs**

Licking Heights Local Schools 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 has one visiting teacher and one district teacher. The program became 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.

Licking Heights also offers two career tech pathways in partnership with C-TEC that are hosted onsite at the high school: Teaching Careers and Clinical Care. Furthermore, the District offers several College Credit Plus courses taught by Licking Heights faculty, as well as, many AP course offerings.

Licking Heights provides self-contained gifted classrooms to meet the needs of gifted students in grades 3-5 and provides advanced coursework for middle and high school students. Accelerated placement is an option available to all students. A number of student clubs, activities and organizations are available such as: Art Club, DECA, National Honor Society, Quiz Bowl, Student Council, Model UN, Chess Club, and Environmental Club.

### **Partnerships**

The Licking Heights Local School District has partnered with the Cleveland Browns Foundation to increase student attendance and graduation rate. 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 partnered with Columbus State Community College and the Educational Service Center of Central Ohio on multiple grants and initiatives: i3 College and Career Readiness Grant, Striving Readers Grants focused on literacy in grades 6-12 and Expanding Opportunities Career Pathways grant.

## **EMPLOYEE RELATIONS**

The District currently has approximately 520 full-time and part-time employees. There are two organizations representing District employees. The Licking Heights Education Association (LHEA) represents certificated employees, including teachers and educational specialists, for collective bargaining purposes. Classified employees, including bus drivers, transportation assistants, food service employees, custodians, and clerical staff, are represented for collective bargaining purposes by the Licking Heights Educational Support Professionals Association (LHESPA). During Spring, 2018, the Board successfully concluded negotiations with both labor organizations on a multi-year agreement. The LHEA and LHESPA agreements provide a stable contractual relationship through Summer, 2022 and include raises of 2.50%, 2.00%, and 2.00%.

## **FINANCIAL POLICIES AND INFORMATION**

The District's Program of Studies will continue to be revised and periodically updated to provide students with instruction closely correlated with State's academic content standards. To support the effective implementation of the new course offerings, additional financial resources will be needed to train teachers and to provide students with current learning materials and equipment.

### **Internal Controls**

The management of the District is responsible for establishing and maintaining internal controls designed to ensure District assets are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be driven 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 the Ohio Revised Code and entails the preparation of budget documents within an established timeline. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both prepared on a budgetary basis of accounting. The certificate of estimated resources and 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 level of budgetary control imposed by the District (the level at which expenditures cannot exceed the appropriated amount) is at the fund level for all funds and is in conformity with the Ohio Revised Code. Any budgetary modifications only may be made by resolution of the Board of Education. The 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.

## **Independent Audit**

Office of Management and Budget Uniform Guidance requires an annual audit by an independent auditor. Julian & Grube, Inc. conducted the District's fiscal year 2019 audit. In addition to state statute requirements, the audit also met the requirements of OMB Uniform Guidance. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

## **Acknowledgements**

This report is compiled and prepared by the Treasurer's Office. Special acknowledgement is given to the Superintendent of Schools and Licking Heights Board of Education for their leadership and commitment to the students, staff and community of the Licking Heights Local School District.

Respectfully submitted,



Todd Griffith, Treasurer

**LICKING HEIGHTS LOCAL SCHOOLS  
ELECTED OFFICIALS AND ADMINISTRATION  
AS OF JUNE 30, 2019**

**BOARD OF EDUCATION MEMBERS**

President  
Vice-President  
Member  
Member  
Member

Mrs. Nicole Roth  
Mr. Mark Rader  
Mr. Brian Bagley  
Mrs. Tracy Russ  
Mr. Paul Johnson

**APPOINTED OFFICIALS**

Superintendent  
Treasurer

Dr. Philip Wagner  
Mr. Todd Griffith

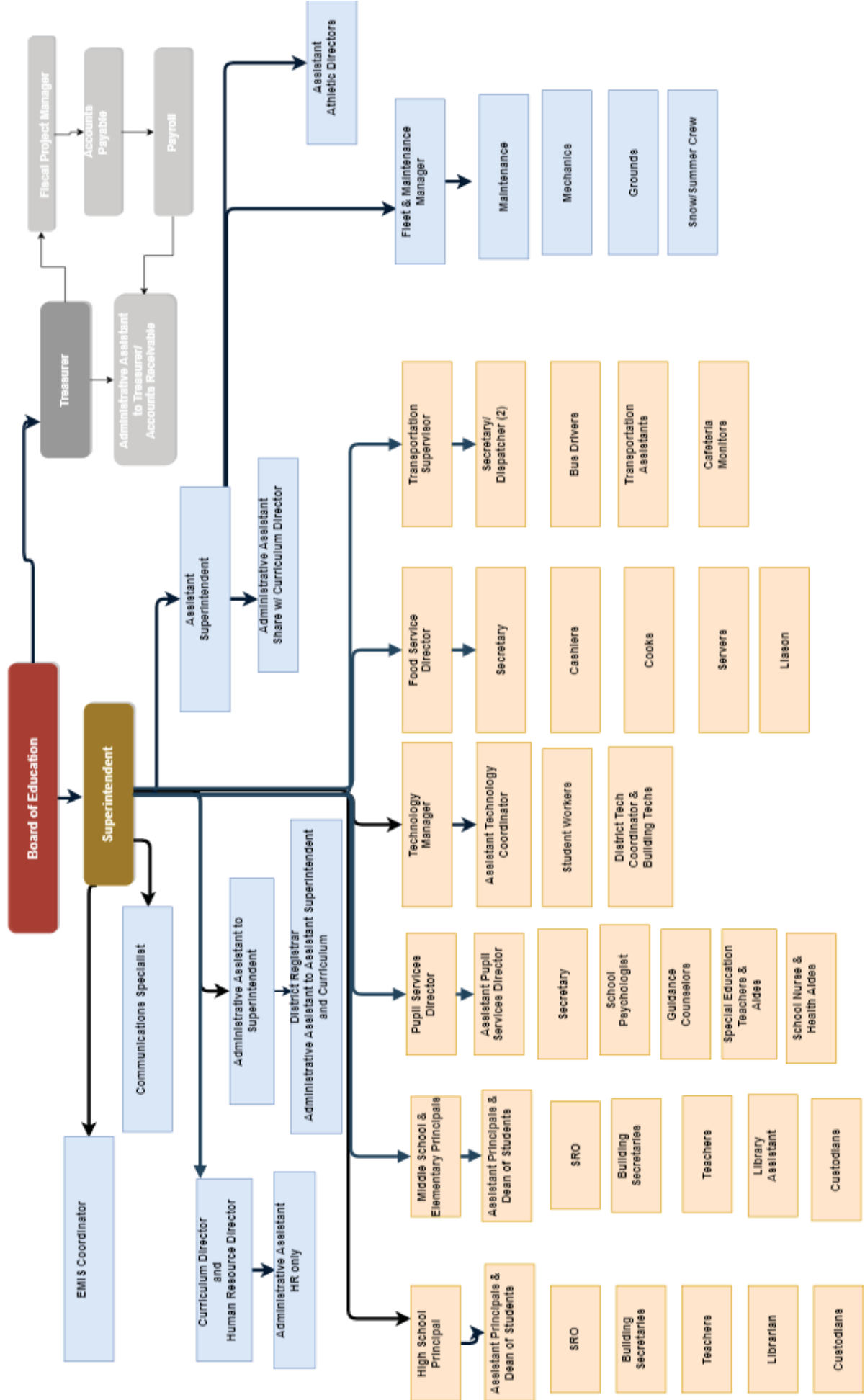
**ADMINISTRATIVE STAFF**

Assistant Superintendent  
Director of Human Resources  
Director of Curriculum and Instruction  
Director of Pupil Services  
Assistant Director of Pupil Services  
High School Principal  
Middle School Principal  
Elementary School Principal  
Elementary School Principal  
Assistant Athletic Director  
District Technology Coordinator  
Food Service Director  
Transportation Supervisor  
Fleet and Maintenance Manager  
Fiscal Project Manager

Dr. William Sternberg  
Ms. Kim Henderson  
Mrs. Angel King  
Mrs. Lisa Kraemer  
Mr. Mitch Tom  
Mrs. Tiffane' Warren  
Mrs. Anna Annett  
Mr. Kurt Scheiderer  
Ms. Krissy Machamer  
Mrs. Rita Pendexter  
Mr. Darian Kovach  
Mrs. Ginger Parsons  
Mrs. Darlene Mortine  
Mr. Johnny Morrison  
Mrs. Amy Ucan



2018-2019 Licking Heights Local School District  
Organizational Flow Chart (drawio)



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# Financial Section

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# Julian & Grube, Inc.

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

## **Independent Auditor's Report**

Licking Heights Local School District  
Licking County  
6539 Summit Road SW  
Pataskala, Ohio 43062

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Licking Heights Local School District, Licking County, Ohio, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Licking Heights Local School District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinion***

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 remaining fund information of the Licking Heights Local School District, Licking County, Ohio, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019, on our consideration of the Licking Heights Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Licking Heights Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
November 26, 2019

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)**

This discussion and analysis of the Licking Heights Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2019 are as follows:

- At fiscal year-end, the School District's Net Position totaled \$10.8 million, a \$9.5 million increase in comparison with the prior fiscal year.
- General and Program-specific revenues totaled \$53.9 million and \$5.7 million, respectively.
- The School District had \$50.1 million in expenses. As stated above, only \$5.7 million of these expenses were offset by program revenues. The net expenses of the School District's programs are funded by general revenues, consisting primarily of property taxes and unrestricted grants and entitlements.

**Using the Basic Financial Statements**

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

The Statement of Net Position and the 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 longer 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 also look at the School District's most significant funds with all other nonmajor funds presented in total in one column.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)**

**Reporting the School District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District only reports governmental activities. Governmental activities are the activities where all of the School District's programs and services are reported including, but not limited to, instruction, support services, and extracurricular activities.

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

*Fund Financial Statements*

Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of 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, Bond Retirement Fund, Building Fund and Classroom Facilities Fund.

*Governmental Funds*

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual 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 government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.



**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)**

*Proprietary Fund*

The School District utilizes one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District uses an internal service fund to account for the management of its medical, prescription drug and dental self-insurance activities. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

*Fiduciary Funds*

The School District's fiduciary funds are two agency funds used to account for student-managed activities and athletic tournament revenues and expenditures. The School District's fiduciary funds are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in this fund are used for its intended purpose. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

*Notes to the basic financial statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 27 of this report.

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$10.8 million (net position) at the close of the current fiscal year.

An analysis of fiscal year 2019 in comparison with fiscal year 2018 follows for the Statement of Net Position:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Current Assets	\$ 122,651,939	\$ 122,451,315	0.16%
Capital Assets	66,245,845	55,627,204	19.09%
Net OPEB Asset	2,300,222	-	100.00%
Total Assets	<u>191,198,006</u>	<u>178,078,519</u>	7.37%
Unamortized Amount on Refunding	1,284,595	1,470,723	-12.66%
Pension	13,616,249	19,177,404	-29.00%
OPEB	920,187	945,318	-2.66%
Total Deferred Outflows of Resources	<u>15,821,031</u>	<u>21,593,445</u>	-26.73%
Current Liabilities	11,905,648	5,123,725	132.36%
Long-term Liabilities:			
Due Within One Year	4,717,542	5,363,419	-12.04%
Due in More Than One Year:			
Net Pension Liability	40,810,064	44,792,364	-8.89%
Net OPEB Liability	4,577,535	10,166,681	-54.98%
Other Amounts Due in More Than One Year	103,954,503	107,548,446	-3.34%
Total Liabilities	<u>165,965,292</u>	<u>172,994,635</u>	-4.06%
Property and Other Local Taxes	23,079,856	22,797,870	1.24%
Pension	3,095,458	1,489,326	107.84%
OPEB	4,122,059	1,140,361	261.47%
Total Deferred Inflows of Resources	<u>30,297,373</u>	<u>25,427,557</u>	19.15%
Net Investment in Capital Assets	2,875,232	(2,346,991)	222.51%
Restricted	25,517,279	27,142,575	-5.99%
Unrestricted	(17,636,139)	(23,545,812)	25.10%
Total Net Position	<u>\$ 10,756,372</u>	<u>\$ 1,249,772</u>	-760.67%

Capital Assets and Current Liabilities both increased significantly in comparison with the prior fiscal year-end. These increases are primarily the result of increases in construction in progress, accounts payable and retainage payable related to the School District's classroom facilities construction project.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)**

Other Long-term Liabilities decreased significantly in comparison with the prior fiscal year-end. This decrease represents the principal reduction payments.

The net pension and net OPEB liabilities, net pension asset, and related deferred outflows and inflows of resources related to pensions/OPEB all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily the result of changes in benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

An analysis of fiscal year 2019 in comparison with fiscal year 2018 follows for the Statement of Activities:

Governmental Activities			
	2019	2018	Percent Change
<b>Program Revenues</b>			
Charges for Services	\$ 1,846,104	\$ 1,618,227	14.08%
Operating Grants and Contributions	3,883,479	3,248,541	19.55%
<b>General Revenues</b>			
Property Taxes	29,364,985	31,320,231	-6.24%
Revenue in Lieu of Taxes	5,137,796	5,426,085	-5.31%
Grants and Entitlements not Restricted to			
Specific Programs	16,528,625	36,582,382	-54.82%
Investment Earnings	1,813,653	583,440	210.86%
Miscellaneous	1,019,809	818,126	24.65%
<b>Total Revenues</b>	<b>59,594,451</b>	<b>79,597,032</b>	<b>-25.13%</b>
<b>Program Expenses</b>			
Instruction	27,086,576	15,553,726	74.15%
Support Services	16,154,309	11,655,054	38.60%
Non-Instructional Services	2,076,394	1,855,968	11.88%
Extracurricular Activities	863,716	681,787	26.68%
Interest and Fiscal Charges	3,906,856	4,300,387	-9.15%
<b>Total Expenses</b>	<b>50,087,851</b>	<b>34,046,922</b>	<b>47.11%</b>
Change in Net Position	9,506,600	45,550,110	
Net Position at Beginning of Year	1,249,772	(44,300,338)	
Net Position at End of Year	<b>\$ 10,756,372</b>	<b>\$ 1,249,772</b>	

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)**

Operating Grants increased in comparison with the prior fiscal year. This increase is primarily the result of the School District’s additional special education funds from the Ohio Department of Education.

Unrestricted Grants and Entitlements decreased significantly in comparison with the prior fiscal year. This decrease is the result of the School District’s \$20.8 million Ohio Facilities Construction Commission grant award received in fiscal year 2018.

Total Expenses increased in comparison with the prior fiscal year. This increase is primarily the result of an increase in pension/OPEB expense from negative \$12.5 million in fiscal year 2018 to \$1.7 million in fiscal year 2019. This increase is primarily the result of changes in benefit terms, changes in actuarial assumptions, and a decrease in returns on pension plan investments, while still greater than expected.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the costs of program services and the net cost of those services after taking into account program revenues. General revenues including tax revenue, unrestricted State entitlements and investment earnings must support the net cost of program services.

An analysis of fiscal year 2019 in comparison with fiscal year 2018 follows:

	<u>Total Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2019</u>	<u>Net Cost of Services 2018</u>
Program expenses				
Instruction	27,086,576	15,553,726	\$ 24,071,925	\$ 13,321,702
Support Services	16,154,309	11,655,054	16,062,900	11,597,678
Non-Instructional Services	2,076,394	1,855,968	(74,798)	(231,679)
Extracurricular Activities	863,716	681,787	391,385	192,066
Interest and Fiscal Charges	3,906,856	4,300,387	3,906,856	4,300,387
	<u>3,906,856</u>	<u>4,300,387</u>	<u>3,906,856</u>	<u>4,300,387</u>
Total	<u>\$ 50,087,851</u>	<u>\$ 34,046,922</u>	<u>\$ 44,358,268</u>	<u>\$ 29,180,154</u>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

**Financial Analysis of the School District's Funds**

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds***

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$71.6 million, a decrease of \$1.5 million in comparison with the prior fiscal year. The School District had an unassigned fund balance of \$8.3 million. The remaining fund balance is either not in a spendable form (\$59,352), restricted by external third parties for specific purposes (\$54.2 million) or assigned by the School District for specific purposes (\$9.1 million).

An analysis of fiscal year 2019 in comparison with fiscal year 2018 follows:

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Variance
General Fund	\$ 14,920,100	\$ 13,306,176	\$ 1,613,924
Bond Retirement Fund	4,855,464	4,562,551	292,913
Building Fund	32,859,595	39,202,214	(6,342,619)
Classroom Facilities Fund	13,571,565	13,105,947	465,618
Other Governmental Funds	5,406,192	2,943,633	2,462,559
Total Governmental Funds	<u>\$ 71,612,916</u>	<u>\$ 73,120,521</u>	<u>\$ (1,507,605)</u>

*General Fund* - The General Fund is the chief operating fund of the School District. At the end of current fiscal year, fund balance in the School District's General Fund totaled \$14.9 million, an increase of \$1.6 million in comparison with the prior fiscal year. This increase represents the amount in which Property Taxes, Intergovernmental revenues and other revenues exceeded expenditures and transfers out.

*Bond Retirement Fund* - Fund balance in the Bond Retirement Fund increased by \$292,913 during the fiscal year. This increase represents the amount in which current year property tax and related revenues exceeded debt service expenditures.

*Building Fund* - Fund balance in the Building Fund decreased \$6.3 million during the fiscal year. This decrease represents the amount in which capital outlays exceeded investment earnings.

*Classroom Facilities Fund* - Fund balance in the Classroom Facilities Fund increased \$465,618 during the fiscal year. This increase represents the amount in which grant revenues and investment earnings exceeded capital outlays.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)**

**General Fund Budget Information**

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.

For the General Fund, original estimated resources were increased by \$3.1 million and original budgeted expenditures and other financing uses were increased by \$363,781. Final budgeted expenditures and other financing uses exceeded actual expenditures and other financing uses by \$1.1 million, primarily due to conservative budgeting.

**Capital Assets**

At the end of the fiscal year, the School District had \$66.2 million (net of accumulated depreciation) invested in capital assets, an increase of \$10.6 million in comparison with the prior fiscal year. This increase represents the amount in which capital acquisitions (\$12.6 million) exceeded current year depreciation (\$2.0 million). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Detailed information regarding capital asset activity is included in the Note 8 to the basic financial statements.

**Debt**

At the end of the fiscal year, the School District had total bonded debt outstanding of \$99.2 million, a decrease of \$4.2 million in comparison with the prior fiscal year. This decrease represents the amount in which current year principal payments (\$4.2 million) and amortization (\$612,105) exceeded current year accretion (\$628,011).

Detailed information regarding long-term obligations is included in Note 14 to the basic financial statements.

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

This financial report is designed to provide our citizens, taxpayers, 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 questions about this report or need additional financial information, contact Todd Griffith, Treasurer, at Licking Heights Local School District, 6539 Summit Road SW, Pataskala, Ohio 43062.

**BASIC FINANCIAL STATEMENTS**

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 29,583,215
Investments	45,158,400
Cash in Segregated Account	134,741
Receivables:	
Property Taxes	30,447,020
Revenue in Lieu of Taxes	2,096,521
Intergovernmental	15,078,733
Accounts	2,303
Interest	72,590
Prepaid Items	59,352
Materials and Supplies Inventory	19,064
Nondepreciable Capital Assets	15,564,826
Depreciable Capital Assets, Net	50,681,019
Net OPEB Asset	2,300,222
Total Assets	191,198,006
<b>Deferred Outflows of Resources</b>	
Unamortized Amount on Refunding	1,284,595
Pension	13,616,249
OPEB	920,187
Total Deferred Outflows of Resources	15,821,031
<b>Liabilities</b>	
Accounts Payable	5,921,875
Accrued Wages and Benefits Payable	3,539,050
Intergovernmental Payable	596,446
Accrued Interest Payable	736,847
Retainage Payable	522,869
Claims Payable	571,941
Unearned Revenue	16,620
Long-Term Liabilities	
Due within One Year	4,717,542
Due in More Than One Year:	
Net Pension Liability	40,810,064
Net OPEB Liability	4,577,535
Other Amounts Due in More Than One Year	103,954,503
Total Liabilities	165,965,292
<b>Deferred Inflows of Resources</b>	
Property and Other Local Taxes	23,079,856
Pension	3,095,458
OPEB	4,122,059
Total Deferred Inflows of Resources	30,297,373
<b>Net Position</b>	
Net Investment in Capital Assets	2,875,232
Restricted for:	
Debt Service	4,275,912
Permanent Improvements	1,206,296
Capital Projects	18,344,602
Classroom Facilities Maintenance	785,085
Food Service	820,750
Special Trust	4,692
Extracurricular Activities	79,928
State and Federal Grants	14
Unrestricted	(17,636,139)
Total Net Position	\$ 10,756,372

See accompanying notes to the basic financial statements.

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction				
Regular	\$ 19,592,264	\$ 484,425	\$ 15,000	\$ (19,092,839)
Special	7,435,924	189,772	2,268,791	(4,977,361)
Vocational	2,500	60	55,128	52,688
Other	55,888	1,475	-	(54,413)
Support Services				
Pupils	2,345,866	44,679	-	(2,301,187)
Instructional Staff	874,580	-	13,367	(861,213)
Board of Education	55,718	-	-	(55,718)
Administration	2,680,036	-	-	(2,680,036)
Fiscal	1,360,444	-	-	(1,360,444)
Operation and Maintenance of Plant	4,007,972	-	24,363	(3,983,609)
Pupil Transportation	3,762,747	-	-	(3,762,747)
Central	1,066,946	-	9,000	(1,057,946)
Non-Instructional Services	2,076,394	716,166	1,435,026	74,798
Extracurricular Activities	863,716	409,527	62,804	(391,385)
Interest and Fiscal Charges	3,906,856	-	-	(3,906,856)
<b>Total Governmental Activities</b>	<b>\$ 50,087,851</b>	<b>\$ 1,846,104</b>	<b>\$ 3,883,479</b>	<b>(44,358,268)</b>
General Revenues				
Property Taxes Levied for:				
General Purposes				21,071,903
Debt Service				7,285,900
Permanent Improvement				1,007,182
Revenue in Lieu of Taxes				5,137,796
Grants & Entitlements not Restricted				
to Specific Programs				16,528,625
Investment Earnings				1,813,653
Miscellaneous				1,019,809
<b>Total General Revenues</b>				<b>53,864,868</b>
Change in Net Position				<b>9,506,600</b>
Net Position Beginning of Year				<b>1,249,772</b>
Net Position End of Year				<b>\$ 10,756,372</b>

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2019

	General Fund	Bond Retirement Fund	Building Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Equity in Pooled Cash and Investments	\$ 12,211,430	\$ 2,769,062	\$ 3,166,626	\$ 1,189,624	\$ 5,340,625	\$ 24,677,367
Investments	-	-	32,826,343	12,332,057	-	45,158,400
Cash in Segregated Account	-	-	72,207	62,534	-	134,741
Receivables:						
Property Taxes	21,958,307	7,435,760	-	-	1,052,953	30,447,020
Revenue in Lieu of Taxes	2,096,521	-	-	-	-	2,096,521
Intergovernmental	-	-	-	14,631,736	446,997	15,078,733
Accounts	1,067	-	-	-	1,236	2,303
Interest	24,473	-	35,523	12,594	-	72,590
Interfund	261,704	-	-	-	-	261,704
Prepaid Items	57,908	-	-	-	1,444	59,352
Materials and Supplies Inventory	-	-	-	-	19,064	19,064
<b>Total Assets</b>	<b>\$36,611,410</b>	<b>\$10,204,822</b>	<b>\$36,100,699</b>	<b>\$28,228,545</b>	<b>\$ 6,862,319</b>	<b>\$118,007,795</b>
<b>Liabilities:</b>						
Accounts Payable	\$ 234,601	\$ -	\$ 2,932,517	\$ 2,747,980	\$ 6,777	\$ 5,921,875
Accrued Wages and Benefits Payable	3,173,209	-	-	-	365,841	3,539,050
Intergovernmental Payable	535,066	-	-	-	61,380	596,446
Interfund Payable	-	-	-	-	261,704	261,704
Matured Compensated Absences	181,418	-	-	-	4,159	185,577
Retainage Payable	-	-	273,064	249,805	-	522,869
Unearned Revenue	16,620	-	-	-	-	16,620
<b>Total Liabilities</b>	<b>4,140,914</b>	<b>-</b>	<b>3,205,581</b>	<b>2,997,785</b>	<b>699,861</b>	<b>11,044,141</b>
<b>Deferred Inflows of Resources:</b>						
Property and Other Local Taxes	17,149,482	5,192,063	-	-	738,311	23,079,856
Unavailable Revenue	400,914	157,295	35,523	11,659,195	17,955	12,270,882
<b>Total Deferred Inflows of Resources</b>	<b>17,550,396</b>	<b>5,349,358</b>	<b>35,523</b>	<b>11,659,195</b>	<b>756,266</b>	<b>35,350,738</b>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaid Items	57,908	-	-	-	1,444	59,352
Restricted for:						
Debt Service	-	4,855,464	-	-	-	4,855,464
Permanent Improvements	-	-	-	-	1,188,341	1,188,341
Capital Projects	-	-	32,859,595	13,571,565	-	46,431,160
Classroom Facilities Maintenance	-	-	-	-	785,085	785,085
Food Service	-	-	-	-	819,306	819,306
Special Trust	-	-	-	-	4,692	4,692
Extracurricular Activities	-	-	-	-	79,928	79,928
State and Federal Grants	-	-	-	-	14	14
Assigned for:						
Public School Support	118,607	-	-	-	-	118,607
Future Appropriations	6,337,364	-	-	-	-	6,337,364
Capital Projects	-	-	-	-	2,643,255	2,643,255
Unassigned (Deficit):	8,406,221	-	-	-	(115,873)	8,290,348
<b>Total Fund Balances</b>	<b>14,920,100</b>	<b>4,855,464</b>	<b>32,859,595</b>	<b>13,571,565</b>	<b>5,406,192</b>	<b>71,612,916</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$36,611,410</b>	<b>\$10,204,822</b>	<b>\$36,100,699</b>	<b>\$28,228,545</b>	<b>\$ 6,862,319</b>	<b>\$118,007,795</b>

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2019

<b>Total Governmental Fund Balances</b>	\$ 71,612,916
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	66,245,845
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Delinquent Property Tax Receivables	551,691
Intergovernmental Receivables	11,646,601
Accounts Receivables	72,590
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	4,333,907
The net OPEB asset and net pension and net OPEB liabilities are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.	
Deferred Outflows - Pension	13,616,249
Deferred Inflows - Pension	(3,095,458)
Net Pension Liability	(40,810,064)
Deferred Outflows - OPEB	920,187
Deferred Inflows - OPEB	(4,122,059)
Net OPEB Asset	2,300,222
Net OPEB Liability	(4,577,535)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds Payable	(94,478,659)
Unamortized Issuance Premiums	(4,795,529)
Unamortized Issuance Discounts	36,721
Unamortized Losses on Refundings	1,574,053
Unamortized Gain on Refunding	(289,458)
Accrued Interest Payable	(736,847)
Certificates of Participation and Capital Leases Payable	(8,087,698)
Compensated Absence Payable	(1,161,303)
Total	<u>(107,938,720)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 10,756,372</u></u>

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Bond Retirement Fund	Building Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property Taxes	\$20,929,456	\$ 7,212,225	\$ -	\$ -	\$ 1,000,240	\$ 29,141,921
Revenue in Lieu of Taxes	5,137,796	-	-	-	-	5,137,796
Intergovernmental	15,815,269	607,832	-	5,719,448	4,257,000	26,399,549
Investment Earnings	440,179	-	974,375	308,583	17,926	1,741,063
Tuition and Fees	675,732	-	-	-	-	675,732
Rent	330,974	-	-	-	-	330,974
Extracurricular Activities	184,810	-	-	-	189,062	373,872
Contributions and Donations	25,112	-	-	-	44,083	69,195
Customer Sales and Services	-	-	-	-	697,501	697,501
Miscellaneous	696,206	-	-	-	82,406	778,612
<b>Total Revenues</b>	<b>44,235,534</b>	<b>7,820,057</b>	<b>974,375</b>	<b>6,028,031</b>	<b>6,288,218</b>	<b>65,346,215</b>
<b>Expenditures:</b>						
Instruction:						
Regular	19,508,131	-	305,281	-	110,133	19,923,545
Special	5,740,878	-	-	-	2,165,150	7,906,028
Vocational	2,500	-	-	-	-	2,500
Other	61,819	-	-	-	-	61,819
Support services:						
Pupils	2,449,407	-	1,870	-	-	2,451,277
Instructional Staff	884,164	-	-	-	13,800	897,964
Board of Education	55,826	-	-	-	-	55,826
Administration	2,819,979	-	-	-	-	2,819,979
Fiscal	1,205,592	108,186	-	-	14,762	1,328,540
Operation and Maintenance of Plant	3,447,134	-	168,916	-	50,979	3,667,029
Pupil Transportation	3,398,202	-	326,419	-	-	3,724,621
Central	1,000,413	-	211,372	-	35,447	1,247,232
Non-Instructional Services	3,168	-	-	-	2,012,719	2,015,887
Extracurricular Activities	617,311	-	-	-	251,918	869,229
Capital Outlay	-	-	6,303,136	5,562,413	-	11,865,549
Debt service:						
Principal Retirement	-	4,180,000	-	-	126,994	4,306,994
Interest and Fiscal Charges	-	3,238,958	-	-	473,674	3,712,632
<b>Total Expenditures</b>	<b>41,194,524</b>	<b>7,527,144</b>	<b>7,316,994</b>	<b>5,562,413</b>	<b>5,255,576</b>	<b>66,856,651</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,041,010	292,913	(6,342,619)	465,618	1,032,642	(1,510,436)
<b>Other Financing Sources (Uses):</b>						
Sale of Capital Assets	2,831	-	-	-	-	2,831
Transfers In	-	-	-	-	2,154,584	2,154,584
Transfers Out	(1,429,917)	-	-	-	(724,667)	(2,154,584)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,427,086)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,429,917</b>	<b>2,831</b>
<b>Net Change in Fund Balances</b>	<b>1,613,924</b>	<b>292,913</b>	<b>(6,342,619)</b>	<b>465,618</b>	<b>2,462,559</b>	<b>(1,507,605)</b>
Fund Balances - Beginning of Year	13,306,176	4,562,551	39,202,214	13,105,947	2,943,633	73,120,521
<b>Fund Balances - End of Year</b>	<b>\$14,920,100</b>	<b>\$ 4,855,464</b>	<b>\$32,859,595</b>	<b>\$13,571,565</b>	<b>\$ 5,406,192</b>	<b>\$ 71,612,916</b>

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

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, 2019

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,507,605)

*Amounts reported for governmental activities in the statement of activities are different because:*

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.

Depreciation Expense	(1,998,253)
Capital Outlay	12,616,986

The net effect of various transactions involving capital assets (i.e. sales, disposals, etc.) (92)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (5,754,595)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	3,306,301
OPEB	132,668

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.

Pension	(6,491,288)
OPEB	4,749,871

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal Repayments	2,815,580
Capital Appreciation Bond Accretion Payments	1,364,420
Capital Lease Principal Repayments	126,994
Amortization of Bond Issuance Premiums	614,090
Amortization of Bond Issuance Discounts	(1,985)
Amortization of Losses on Refundings	(220,386)
Amortization of Gain on Refunding	34,258

Some expenses reported in the statement of activities, such as compensated absences payable and other accounts payable, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Compensated Absences	(39,354)
Accrued Interest	7,810
Accretion of Capital Appreciation Bonds	(628,011)

The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the 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.

379,191

**Change in Net Position of Governmental Activities** \$ 9,506,600

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<b>Revenues:</b>				
Property Taxes	\$ 19,633,224	\$ 21,091,461	\$ 21,091,461	\$ -
Revenue in Lieu of Taxes	4,874,830	5,236,903	5,236,903	-
Intergovernmental	14,697,599	15,789,248	15,789,248	-
Investment Earnings	306,091	328,826	365,015	36,189
Tuition and Fees	756,031	812,184	758,244	(53,940)
Rent	308,091	330,974	330,974	-
Extracurricular Activities	79,093	84,968	84,968	-
Miscellaneous	770,059	827,254	813,218	(14,036)
<b>Total Revenues</b>	<b>41,425,018</b>	<b>44,501,818</b>	<b>44,470,031</b>	<b>(31,787)</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Regular	18,937,653	19,104,569	19,101,563	3,006
Special	5,578,835	5,628,006	5,628,006	-
Vocational	2,478	2,500	2,500	-
Other	59,867	60,395	60,395	-
<b>Support services:</b>				
Pupils	2,352,225	2,372,957	2,372,957	-
Instructional Staff	865,389	873,016	873,016	-
Board of Education	53,410	53,881	53,881	-
Administration	2,685,874	2,709,547	2,709,547	-
Fiscal	2,514,988	2,537,155	1,205,835	1,331,320
Operation and Maintenance of Plant	3,411,340	3,441,407	3,440,070	1,337
Pupil Transportation	3,390,280	3,420,162	3,412,461	7,701
Central	979,017	987,646	987,657	(11)
Extracurricular Activities	442,082	445,978	445,978	-
<b>Total Expenditures</b>	<b>41,273,438</b>	<b>41,637,219</b>	<b>40,293,866</b>	<b>1,343,353</b>
<b>Excess (Deficiency) of Revenues Over (under) Expenditures</b>	<b>151,580</b>	<b>2,864,599</b>	<b>4,176,165</b>	<b>1,311,566</b>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	2,635	2,831	2,831	-
Transfers Out	(1,435,787)	(1,435,787)	(1,435,787)	-
Advances In	150,000	150,000	298,065	148,065
Advances Out	(290,775)	(290,775)	(507,479)	(216,704)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,573,927)</b>	<b>(1,573,731)</b>	<b>(1,642,370)</b>	<b>(68,639)</b>
<b>Net Change in Fund Balance</b>	<b>(1,422,347)</b>	<b>1,290,868</b>	<b>2,533,795</b>	<b>1,242,927</b>
Fund Balances at Beginning of Year	9,329,016	9,329,016	9,329,016	-
Prior Year Encumbrances Appropriated	165,105	165,105	165,105	-
<b>Fund Balances at End of Year</b>	<b>\$ 8,071,774</b>	<b>\$ 10,784,989</b>	<b>\$ 12,027,916</b>	<b>\$ 1,242,927</b>

See accompanying notes to the basic financial statements.



**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
AS OF JUNE 30, 2019

	Governmental Activities - Internal Service Fund
<b>Assets:</b>	
Equity in Pooled Cash and Investments	\$ 4,905,848
Total Assets	<u>4,905,848</u>
<b>Liabilities:</b>	
Claims Payable	571,941
Unearned Revenue	227,705
Total Liabilities	<u>799,646</u>
<b>Net Position:</b>	
Unrestricted	4,106,202
Total Net Position	<u><u>\$ 4,106,202</u></u>

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Fund
<b>Operating Revenues:</b>	
Charges for Services	\$ 5,498,060
Total Operating Revenues	5,498,060
<b>Operating Expenses:</b>	
Purchased Services	820,722
Claims	4,297,665
Total Operating Expenses	5,118,387
Operating Income and Change in Net Position	379,673
Net Position Beginning of Year	3,726,529
Net Position End of Year	\$ 4,106,202

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 5,497,578
Cash payments for purchased services	(820,722)
Cash payments for claims	(4,255,824)
<b>Net cash provided by operating activities</b>	<b>421,032</b>
 <b>Net increase in cash and investments</b>	 421,032
 Cash and investments at beginning of year	 4,484,816
Cash and investments at end of year	\$ 4,905,848
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 379,673
 Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Claims payable	41,841
Unearned revenue	(482)
<b>Net cash provided by operating activities</b>	<b>\$ 421,032</b>

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
AS OF JUNE 30, 2019

	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 84,236
Total Assets	<u>\$ 84,236</u>
<b>Liabilities</b>	
Due to Others	\$ 84,236
Total Liabilities	<u>\$ 84,236</u>

See accompanying notes to the basic financial statements.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Licking Heights Local School District (the “School District”) is organized under Article VI, Sections 2 and 3 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 School District was established in 1956 and is located just east of the City of Columbus about one-half mile from the Franklin County border. The School District serves an area of approximately 36 square miles. It is located in Licking and Franklin Counties and covers parts of the City of Pataskala, Jersey Township, St. Albans Township and Etna Township in Licking County and parts of Jefferson Township, the City of Reynoldsburg, City of New Albany and the City of Columbus in Franklin County. It is staffed by 163 classified employees and 277 certificated teaching personnel who provide services to 4,483 students and other community members. The School District currently operates five instructional buildings, one administrative building, and a bus garage.

*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, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District.

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. The School District has no component units.

The School District participates in the Licking Area Computer Association which is defined as a jointly governed organization. This organization is presented in Note 16 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 accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District’s accounting policies are described below.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Basis of Presentation**

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

*Government-wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements normally distinguish between those activities that are governmental and those that are considered business-type activities. The internal service fund operating activities are eliminated to avoid overstatement of revenues and expenditures.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are 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, with certain limited exceptions. 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 into 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 fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. 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. All funds of the School District fall within three categories: governmental, proprietary and fiduciary.

Governmental Funds

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the School District's major governmental funds:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*General Fund* – The General Fund is the operating fund of the School District and is used to account for 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.

*Bond Retirement Fund* – The Bond Retirement Fund accounts for the accumulation of property tax revenues for, and payment of, general obligation bonds used for the construction and renovation of buildings within the School District.

*Building Fund* – The Building Fund accounts for the receipts and expenditures related to all special bond funds in the School District. Proceeds from the sale of bonds, notes, or certificates of indebtedness are paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

*Classroom Facilities Fund* – The Classroom Facilities Fund accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio Facilities Construction Commission for the building and equipping of classroom facilities.

*Other Governmental Funds* of the School District account for specific revenue sources that are restricted or assigned for specified purposes other than debt service.

Proprietary Funds

*Internal Service Fund* – The Internal Service Fund accounts for money received from other funds as payment for providing medical insurance. Payments are made to a third-party administrator for claims payments, claims administration and stop-loss coverage.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the School District's internal service fund are charges for sales and services. Operating expenses for the internal service fund includes the claims and purchased services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the School District in a trustee or agency capacity for others and therefore cannot be used to support the School District's own programs. Fiduciary funds include pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District has two fiduciary funds, an agency fund which accounts for student activities and an agency fund which accounts for revenues and expenditures related to athletic tournaments.

**C. Measurement Focus**

*Government-wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 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 and governmental fund statements.

**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. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of unavailable revenue and in the presentation of expenses versus expenditures. Proprietary and Agency Funds use the accrual basis of accounting.

*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. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current fiscal year or 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, revenue in lieu of taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 fiscal 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, grants, investment earnings, tuition, and student fees.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, revenue in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, interest, and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11)

*Expenditures/Expenses*

On the accrual basis of accounting, expenses are recognized at the time they are incurred. 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 except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Budgetary Process**

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget is waived by the Licking County Budget Commission (Budget Commission) under the authority of Section 5705.281 of the Revised Code. The Budget Commission accepts the School District's five year forecast in place of the tax budget. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets 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. Although the legal level of budgetary control was established at the fund level for expenditures, 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 statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

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 in the budgetary statements reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations.

**F. Cash and Investments**

To improve cash management, all 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 "Equity in Pooled Cash and Investments" on the financial statements.

During fiscal year 2019, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), money market accounts, federal securities, negotiable certificates of deposit, U.S. treasury bills, and commercial paper. 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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, Building Fund, Classroom Facilities Fund and Other Governmental Funds during fiscal year 2019 amounted to \$440,179, \$974,375, \$308,583, and \$17,926, respectively. The portion of interest revenue credited to the General Fund that was earned on cash balances within other funds was insignificant.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as Equity in Pooled Cash and Investments. Investments with an original maturity greater than three months at the time they are purchased are presented on the financial statements as Investments.

**G. Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of purchased food held for resale and expendable supplies held for consumption. Donated commodities are presented at their entitlement value.

**H. Capital Assets**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000. 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 capitalized.

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

Description	Estimated Lives
Land Improvements	10 – 30
Buildings and Improvements	15 – 45
Furniture, Fixtures and Equipment	5 – 20
Vehicles	5 – 20

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payables”. These amounts are eliminated in the governmental activities column of the Statement of Net Position.

**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 accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The School District records a liability for all employees meeting the retirement criteria outlined by the pension systems as well as all employees with 10 or more years of service with the School District.

The entire sick leave benefit liability is reported on the government-wide financial statements. On the governmental fund financial statements, sick leave benefits 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” in the funds from which these payments will be made.

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.

**K. Bond Premiums/Issuance Costs/Accretion**

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond issuance costs are expensed as incurred. Capital appreciation bonds are accreted each fiscal year for the interest accrued during the fiscal year. Bond premiums and the interest on capital appreciation bonds are presented as an addition to the face amount of the bonds payable.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the period in which the bonds are issued. Accretion on the capital appreciation bonds is not reported.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. 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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**M. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**N. Fund Balance**

In accordance with Governmental Accounting Standards Board Statements No. 54, Fund Balance Reporting, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories may be used:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Fund balance is reported as committed when there are resources constrained for specific purposes that are internally imposed by formal action (resolution) of the government at the highest level of decision making authority, Board of Education.

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 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 policies of the School District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which both restricted and unrestricted (assigned and unassigned) fund balance is available. Similarly, within unrestricted fund balance, assigned amounts are reduced first followed by the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The School District considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

**O. 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 of 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 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 to the funds that initially paid for them are not presented on the financial statements.

**P. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

**Q. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**R. 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 District management and that are either unusual in nature or infrequent in occurrence. During the fiscal year, the School District did not incur any transactions that would be classified as an extraordinary item or special item.

**S. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase, and the expenditure/expense is reported in the year in which services are consumed.

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (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 Balance - Budget and Actual (Non-GAAP Budgetary 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 basis are that:

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. Encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the School District's Public School Support Fund, no longer meets the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, this fund is presented as part of the School District's General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the general fund, without modification for the funds no longer meeting the special revenue criteria.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$ 1,613,924
Adjustments:	
Funds Budgeted as Other Funds	47,824
Revenue Accruals	376,044
Expenditure Accruals	622,773
Other Financing Sources/Uses, Net	(113,639)
Encumbrances	(13,131)
Budget Basis	<u>\$ 2,533,795</u>

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits 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 of Education 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.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 – DEPOSITS AND INVESTMENTS (continued)**

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
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 items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time 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. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 4 – DEPOSITS AND INVESTMENTS (continued)**

**A. Deposits with Financial Institutions**

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, the carrying amount of the School District deposits was \$17,400,350, and the bank balance was \$17,654,691. Of the School District’s bank balance, \$12,712,220 was covered by the Federal Depository Insurance Company (FDIC) and the remaining balance was uninsured and collateralized. The School District’s financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System. The School District’s deposits of \$134,741, included as “cash in segregated accounts” are for deposits held in escrow for retainage relating to the School District’s building project.

The School District has no deposit policy for custodial risk beyond the requirement of State statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**B. Investments**

At fiscal year-end, the School District had the following investments:

Investment Type	Standard and Poor's Rating	Fair Value	Percent of Total	Investment Maturities		
				Within 1 Year	1 to 2 Years	2 to 4 Years
Money Market Funds	N/A	\$ 1,237,190	2.15%	\$ 1,237,190	\$ -	\$ -
Federal Home Loan Mortgage	AA+	6,374,087	11.08%	4,001,076	1,247,160	1,125,851
Federal Farm Credit Banks	AA+	1,001,158	1.74%	-	499,828	501,330
Negotiable Certificates of Deposit	N/A	11,136,943	19.35%	7,167,309	2,967,564	1,002,070
Commercial Paper	A-1	28,344,434	49.25%	28,344,434	-	-
US Treasury Bills	AA+	9,457,614	16.43%	9,457,614	-	-
Total		<u>\$ 57,551,426</u>	<u>100.00%</u>	<u>\$ 50,207,623</u>	<u>\$ 4,714,552</u>	<u>\$ 2,629,251</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the School District’s investments reported at fair value are valued using quoted market prices (Level 2 inputs) except money market funds which are Level 1 inputs.

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**NOTE 4 – DEPOSITS AND INVESTMENTS (continued)**

In addition, at fiscal year-end, the School District reported an investment in STAR Ohio totaling \$8,816. In accordance with GASB Statement No. 79, the School District's investment in STAR Ohio is reported at amortized cost. For the fiscal year ended June 30, 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. STAR Ohio carries a rating of AAAM by Standard and Poor's.

*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, unless matched to a specific obligation or debt of the School District. The Treasurer cannot make investments which he does not reasonably believe can be held until the maturity date.

*Credit Risk* - The School District's investment policy limits investments to those authorized by State statute. 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 School District has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk* - The School District places no limit on the amount it may invest in any one issuer except for commercial paper and bankers' acceptances.

**NOTE 5 – 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, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State law 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 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 and are collected in calendar year 2019 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.

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**NOTE 5 – PROPERTY TAXES (continued)**

Tangible personal property tax revenue received during calendar year 2019 (other than public utility property tax) represents the collection of calendar year 2019 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected.

Tangible personal property taxes received from telephone companies in calendar year 2019 were levied after October 1, 2018, on the value as of December 31, 2018. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Licking and Franklin Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2019, are available to finance fiscal year 2019 operations. The amounts available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which fiscal year 2019 taxes were collected are:

	<u>2018 Second Half Collections</u>		<u>2019 First Half Collections</u>	
	Amount	Percent	Amount	Percent
Real Estate	\$ 575,762,120	93.58%	\$ 602,391,440	93.26%
Public Utility Personal	39,505,200	6.42%	43,543,300	6.74%
Total	<u>\$ 615,267,320</u>	<u>100.00%</u>	<u>\$ 645,934,740</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$ 62.88		\$ 60.29	

**NOTE 6 – TAX ABATEMENTS**

Under Community Reinvestment Area (CRA) and other property tax abatements entered into by the City of Reynoldsburg, City of New Albany, City of Pataskala and Jefferson Township, the School District's property tax revenues were reduced by \$350,380, \$2,234,755, \$225 and \$45,263, respectively, during the fiscal year. Compensation payments received from the cities during the fiscal year totaled \$2,344,124.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 – RECEIVABLES**

At fiscal year-end, receivables consisted of property taxes, revenue in lieu of taxes, intergovernmental grants, interest, accounts, and interfund. All receivables are considered collectible in full and will be received within one year with the exception of property taxes and revenue in lieu of taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Revenue in lieu of taxes will be received over the designated period established by the agreements.

A summary of the principal items of intergovernmental receivables follows:

OFCC	\$ 14,631,736
Title VI-B IDEA	235,037
Title III Limited English Proficiency	16,422
Title I Disadvantaged Children	186,645
IDEA Preschool	6,920
Title II-A	1,973
Total Intergovernmental Receivables	<u><u>\$ 15,078,733</u></u>

*Revenue in Lieu of Taxes*

The School District receives revenue in lieu of taxes from a Tax Increment Financing Agreement entered into with the City of Columbus for the purpose of constructing single, multifamily and senior housing facilities. The School District is to receive payments equal to the amount that the School District could otherwise receive as real property tax payments derived from the improvements, absent the passage of the agreement. The agreement will expire no later than fiscal year 2033.

The School District also receives revenue in lieu of taxes from a revenue sharing agreement with the City of Reynoldsburg. Licking County and the City of Columbus entered into an enterprise zone agreement to allow several businesses a tax exemption on tangible personal property taxes. The School District is to receive 50 percent of income tax revenue collected by the City of Reynoldsburg on new jobs created by the enterprise zone. This agreement will expire during fiscal year 2020.

The School District also receives revenue in lieu of taxes from a revenue sharing agreement with the City of New Albany whereas the City of New Albany has declared improvements to certain parcels of real property within the City, 100 percent exempt from property taxes. The School District is to receive 50 percent of income tax revenue collected by the City of New Albany on new jobs created by the exempt parcels, not to exceed the amount the School District could have received as real property tax payments derived from the improvements had the exemption not been declared.

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**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the fiscal year was as follows:

	Beginning Balance	Additions	Deductions/ Transfers	Ending Balance
<b>Nondepreciable Capital Assets</b>				
Land	\$ 3,418,147	\$ -	\$ (92)	\$ 3,418,055
Construction in Progress	415,384	11,731,387	-	12,146,771
<b>Total Nondepreciable Assets</b>	<b>3,833,531</b>	<b>11,731,387</b>	<b>(92)</b>	<b>15,564,826</b>
<b>Depreciable Capital Assets</b>				
Land Improvements	1,132,509	-	-	1,132,509
Buildings and Improvements	72,929,460	-	-	72,929,460
Furniture, Fixtures and Equipment	2,444,344	561,076	-	3,005,420
Vehicles	5,555,117	324,523	-	5,879,640
<b>Total Depreciable Assets</b>	<b>82,061,430</b>	<b>885,599</b>	<b>-</b>	<b>82,947,029</b>
<b>Less accumulated depreciation</b>				
Land Improvements	(684,889)	5,758	-	(679,131)
Buildings and Improvements	(24,059,211)	(1,597,474)	-	(25,656,685)
Furniture, Fixtures and Equipment	(1,758,212)	(139,399)	-	(1,897,611)
Vehicles	(3,765,445)	(267,138)	-	(4,032,583)
<b>Total accumulated depreciation</b>	<b>(30,267,757)</b>	<b>(1,998,253)</b>	<b>-</b>	<b>(32,266,010)</b>
<b>Depreciable Capital Assets, Net of accumulated depreciation</b>	<b>51,793,673</b>	<b>(1,112,654)</b>	<b>-</b>	<b>50,681,019</b>
<b>Total Capital Assets, Net</b>	<b>55,627,204</b>	<b>10,618,733</b>	<b>(92)</b>	<b>66,245,845</b>

Depreciation expense was charged to governmental functions as follows:

Instruction Regular	\$ 1,507,019
Instruction Special	14,182
Instructional Staff	3,941
Administration	6,577
Operations and Maintenance	178,275
Pupil Transportation	219,832
Central	17,094
Food Services	34,672
Extracurricular Activities	16,661
<b>Total Depreciation Expense</b>	<b>\$ 1,998,253</b>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
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**NOTE 9 – 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 the fiscal year, the School District contracted with Markel Insurance Company for building and contents and fleet insurance. Insurance coverage provided includes the following:

Building and Contents replacement cost (\$5,000 deductible)	\$73,796,845
General Liability (per Occurrence)	\$1,000,000
Annual Aggregate	\$2,000,000
Personal and Advertising Injury Aggregate	\$1,000,000
Automobile Liability	\$1,000,000
Umbrella Liability	\$5,000,000
Annual Aggregate	\$5,000,000
Employers’ Liability	\$1,000,000
Annual Aggregate	\$2,000,000
Crime – Employee Theft (\$500 deductible)	\$250,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant decrease in insurance coverage from the prior fiscal year.

**B. Employee Medical, Prescription Drug and Dental Self-Insurance** - The School District maintains an internal service “self-insurance” medical, prescription drug and dental insurance fund in connection with formalized risk management programs in an effort to minimize risk exposure and control claims and premium costs. The School District, effective January 1, 2015, contracted with Medical Mutual to be the third party administrator for the medical and prescription drug insurance programs. Effective January 1, 2016, the School District contracted with Delta Dental to be the third party administrator for the dental insurance program.

A claims liability of \$571,941 at fiscal year-end in the self-insurance internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The School District has purchased stop loss coverage for individual employee claim amounts exceeding \$125,000. Unpaid claims at year-end are recorded as current claims payable because they would be due within 60 days from the end of the fiscal year.

A summary of the changes in the self-insurance claims liability for fiscal years 2019, 2018 and 2017 are as follows:

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Claims Liability at July 1	\$ 530,100	\$ 553,900	\$ 708,800
Incurred Claims	4,297,665	4,073,992	3,287,120
Claims Paid	(4,255,824)	(4,097,792)	(3,442,020)
Claims Liability at June 30	<u>\$ 571,941</u>	<u>\$ 530,100</u>	<u>\$ 553,900</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 – RISK MANAGEMENT – (continued)**

**C. Workers' Compensation** - The School District pays its workers' compensation premium to the State based on its individual rate provided by Bureau of Workers Compensation. The School District has contracted with Comp Management to provide third party administration services and managed care services.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability*

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.



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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

***Plan Description - School Employees Retirement System (SERS)***

Plan Description – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with 5 years of service credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

On each anniversary of the initial retirement, the allowance of all retirees and survivors are increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. This cost-of-living adjustment (COLA) shall not be less than 0% nor greater than 2.5%. COLA’s have been suspended for calendar years 2018, 2019, and 2020.

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 the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$748,754 for fiscal year 2019. Of this amount \$53,302 is reported as intergovernmental payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$2,557,547 for fiscal year 2019. Of this amount, \$395,899 is reported as intergovernmental payable.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,335,306	\$31,474,758	\$40,810,064
Proportion of the Net Pension Liability - Current Measurement Date	0.1629999%	0.14314676%	
Proportion of the Net Pension Liability - Prior Measurement Date	<u>0.1612604%</u>	<u>0.14799871%</u>	
Change in Proportionate Share	<u>0.0017395%</u>	<u>-0.00485195%</u>	
Pension Expense	\$1,166,892	\$5,324,396	\$6,491,288

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 511,983	\$ 726,534	\$ 1,238,517
Change of assumptions	210,811	5,577,921	5,788,732
Changes in proportionate share	412,459	2,870,240	3,282,699
School District contributions subsequent to the measurement date	<u>748,754</u>	<u>2,557,547</u>	<u>3,306,301</u>
Total Deferred Outflows of Resources	<u>\$1,884,007</u>	<u>\$11,732,242</u>	<u>\$13,616,249</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 205,549	\$ 205,549
Net difference between projected and actual investment earnings	258,653	1,908,595	2,167,248
Changes in proportionate share	<u>-</u>	<u>722,661</u>	<u>722,661</u>
Total Deferred Inflows of Resources	<u>\$ 258,653</u>	<u>\$ 2,836,805</u>	<u>\$ 3,095,458</u>

\$3,306,301 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$1,001,617	\$3,845,129	\$4,846,746
2021	260,670	2,577,018	2,837,688
2022	(306,358)	504,738	198,380
2023	<u>(79,329)</u>	<u>(588,995)</u>	<u>(668,324)</u>
Total	<u>\$876,600</u>	<u>\$6,337,890</u>	<u>\$7,214,490</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage Inflation	3 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class.

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$13,149,483	\$9,335,306	\$6,137,374

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

***Actuarial Assumptions - STRS***

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation**</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

\*\* The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS – (continued)**

**Discount Rate** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$45,964,741	\$31,474,758	\$19,210,954

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. As of June 30, 2019, three members of the Board of Education have elected Social Security. The School District’s liability is 6.2 percent of wages paid.



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**NOTE 11 – DEFINED BENEFIT OPEB PLANS**

*Net OPEB Asset/Liability*

The net OPEB asset/liability reported on the statement of net position represents a(n) asset/liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB asset/liability represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB asset/liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset/liability. Resulting adjustments to the net OPEB asset/liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB asset/liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

***Plan Description – School Employees Retirement System (SERS)***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage.

Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is 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.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.50 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was \$98,541.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$132,668 for fiscal year 2019. Of this amount \$106,911 is reported as intergovernmental payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

***Plan Description – State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS 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 to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Assets/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/(asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/(asset) was based on the School District 's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability/(Asset)	\$4,577,535	(\$2,300,222)	\$2,277,313
Proportion of the Net OPEB Liability/(Asset) - Current Measurement Date	0.1649996%	0.14314676%	
Proportion of the Net OPEB Liability - Prior Measurement Date	0.1636642%	0.14799871%	
Change in Proportionate Share	0.0013354%	-0.0048519%	
OPEB Expense	\$229,039	(\$4,978,910)	(\$4,749,871)

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 74,721	\$ 268,669	\$ 343,390
Changes in proportionate share	118,856	325,273	444,129
School District contributions subsequent to the measurement date	<u>132,668</u>	<u>-</u>	<u>132,668</u>
Total Deferred Outflows of Resources	<u>\$ 326,245</u>	<u>\$ 593,942</u>	<u>\$ 920,187</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 134,018	\$ 134,018
Net difference between projected and actual investment earnings	6,868	262,782	269,650
Changes of assumptions	411,257	3,134,234	3,545,491
Changes in proportionate share	<u>-</u>	<u>172,900</u>	<u>172,900</u>
Total Deferred Inflows of Resources	<u>\$ 418,125</u>	<u>\$ 3,703,934</u>	<u>\$ 4,122,059</u>

\$132,668 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	(\$112,567)	(\$547,849)	(\$660,416)
2021	(87,706)	(547,849)	(635,555)
2022	(8,988)	(547,847)	(556,835)
2023	(6,065)	(488,171)	(494,236)
Thereafter	<u>(9,222)</u>	<u>(978,276)</u>	<u>(987,498)</u>
Total	<u>(\$224,548)</u>	<u>(\$3,109,992)</u>	<u>(\$3,334,540)</u>

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

*Actuarial Assumptions - SERS*

The total OPEB liability is determined by SERS’ actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five-year period ended June 30, 2015.

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015 and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

*Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates* The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70 percent) and higher (4.70 percent) than the current discount rate (3.70 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25 percent decreasing to 3.75 percent) and higher (8.25 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
School District's proportionate share of the net OPEB liability	\$5,554,478	\$4,577,535	\$3,803,978
	1% Decrease (6.25% decreasing to 3.75%)	Discount Rate (7.25% decreasing to 4.75%)	1% Increase (8.25% decreasing to 6.75%)
School District's proportionate share of the net OPEB liability	\$3,693,231	\$4,577,535	\$5,748,512

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Inflation	2.50 percent
Salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Payroll Increases	3.00 percent
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Health Care Cost Trends	
Pre-Medicare	6.00 percent initial, 4.00 percent ultimate
Medicare	5.00 percent initial, 4.00 percent ultimate
Perscription Drug Cost Trends	
Pre-Medicare	8.00 percent initial, 4.00 percent ultimate
Medicare	negative 5.23 percent initial, 4.00 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation**</u>	<u>Long-Term Expected Rate of Return*</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	<u>1.00</u>	2.25
Total	<u><u>100.00 %</u></u>	

\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

\*\* The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Discount Rate** The discount rate used to measure the total OPEB asset was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB asset as of June 30, 2018.



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**NOTE 11 – DEFINED BENEFIT OPEB PLANS – (continued)**

***Sensitivity of the School District’s Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate*** The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	(\$1,971,506)	(\$2,300,222)	(\$2,576,493)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$2,560,897)	(\$2,300,222)	(\$2,035,487)

***Assumption Change Since the Prior Measurement Date*** The discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

***Benefit Term Changes Since the Prior Measurement Date*** The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

**NOTE 12 – EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation, sick leave and personal leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 10 to 20 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 do not earn vacation time.

All employees earn sick leave at the rate of one and one-fourth days per month. For part-time employees, each day of accumulation is a pro-rated day equal to the number of hours employed. Sick leave may be accumulated up to 320 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum payment of 80 days for all certificated and classified employees. All employees earn additional bonus severance days based upon years of service. Certified employees earn one to five days and classified employees earn one to six days.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 12 – EMPLOYEE BENEFITS – (continued)**

**B. Insurance Benefits**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through American United. Vision insurance is offered by the School District, but the employees pay the total premium.

**C. Deferred Compensation**

School District employees may participate in a deferred compensation plan. The School District maintains a list of the various companies that have been approved by the Board. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**NOTE 13 – LEASES – LESSEE DISCLOSURE**

The School District leases multiple modular buildings under two operating lease agreements for a minimum term of 3 years. Total costs for these operating leases were \$65,100 (\$5,425 per month) and \$46,500 (\$3,875 per month) for the fiscal year

The School District has entered into capitalized leases for buses. Each lease meets the criteria of a capital lease, one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

The buses acquired by the leases were initially capitalized in the amount of \$871,823, which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Position for governmental activities. Principal payments during the fiscal year of \$126,994 were paid from the Permanent Improvement Fund (an other governmental fund). At fiscal year-end the buses have accumulated depreciation of \$515,366 for a net book value of \$356,457.

The agreements provide for minimum annual rental payments as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 67,698	\$ 1,594	\$ 69,292

On September 1, 2010, the School District entered into a ground lease agreement with Licking Heights Alumni Association, Inc. (Association) whereas the School District leases a parcel of land to the Association, and subsequently constructs school facilities on the land, and the Association, in turn, subleases the land, and leases the constructed school facilities to the School District through June 30, 2018, with an option to renew annually through December 1, 2035. It is the School District’s intent to renew annually. See Note 14 for further disclosure.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – LONG-TERM OBLIGATIONS**

The changes in the School District’s long-term obligations during fiscal year 2019 were as follows:

General Obligation Bonds:	Amounts Outstanding 6/30/2018	Additions	Deductions	Amounts Outstanding 6/30/2019	Amounts Due Within One Year
2000 School Improvement Bonds- 6.4%	\$ 865,000	\$ -	\$ (5,000)	\$ 860,000	\$ 5,000
2005 School Improvement Advance Refunding Bonds - 3.5% to 5.0%					
Capital Appreciation Bonds (CABS)	146,280	-	(146,280)	-	-
Accretion on CABS	861,112	77,608	(938,720)	-	-
Unamortized Premium	67,946	-	(67,946)	-	-
2007 Advance Refunding Bonds					
Capital Appreciation Bonds (CABS)	49,998	-	-	49,998	49,998
Accretion on CABS	684,622	212,256	-	896,878	896,878
2011 Advance Refunding Bonds					
Serial Bonds - 2.0% to 2.5%	6,940,000	-	(1,630,000)	5,310,000	105,000
Unamortized Premium - Serial Bonds	54,631	-	(15,609)	39,022	-
2012 Advance Refunding Bonds					
Serial Bonds - 2.0% to 3.1%	7,665,000	-	-	7,665,000	-
Capital Appreciation Bonds (CABS)	119,300	-	(69,300)	50,000	50,000
Accretion on CABS	758,923	88,073	(425,700)	421,296	421,296
Unamortized Premium - CABS	95,851	-	(72,592)	23,259	-
Unamortized Premium - Serial Bonds	32,100	-	(2,214)	29,886	-
2013 Advance Refunding Bonds					
Serial Bonds - 0.4% to 3.6%	14,080,000	-	(260,000)	13,820,000	-
Capital Appreciation Bonds (CABS)	529,980	-	-	529,980	289,927
Accretion on CABS	1,320,433	250,074	-	1,570,507	788,775
Unamortized Premium - CABS	732,669	-	(183,751)	548,918	-
2016 Refunding Bonds					
Term Bonds - 1.73%	8,410,000	-	(90,000)	8,320,000	85,000
2017A School Facilities Improvement Bonds					
Serial Bonds - 3.0% to 5.0%	12,115,000	-	(505,000)	11,610,000	565,000
Term Bonds - 3.375% to 5.0%	30,450,000	-	-	30,450,000	-
Unamortized Premium - Serial Bonds	1,460,172	-	(74,881)	1,385,291	-
Unamortized Premium - Term Bonds	829,057	-	(22,714)	806,343	-
2017B School Facilities Improvement Bonds					
Serial Bonds - 3.0% to 5.0%	5,870,000	-	(110,000)	5,760,000	125,000
Term Bonds - 3.125% to 3.250%	2,165,000	-	-	2,165,000	-
Unamortized Premium - Serial Bonds	1,109,876	-	(76,543)	1,033,333	-
Unamortized Discount - Term Bonds	(38,706)	-	1,985	(36,721)	-

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

	Amounts Outstanding 6/30/2018	Additions	Deductions	Amounts Outstanding 6/30/2019	Amounts Due Within One Year
General Obligation Bonds:					
2017C Refunding Bonds					
Serial Bonds - 4.0% to 5.0%	5,000,000	-	-	5,000,000	250,000
Unamortized Premium - Serial Bonds	1,027,317	-	(97,840)	929,477	-
General Obligation Bonds Payable	<u>103,401,561</u>	<u>628,011</u>	<u>(4,792,105)</u>	<u>99,237,467</u>	<u>3,631,874</u>
Net Pension Liability:					
SERS	9,634,953	-	(299,647)	9,335,306	-
STRS	35,157,411	-	(3,682,653)	31,474,758	-
Total Net Pension Liability	<u>44,792,364</u>	<u>-</u>	<u>(3,982,300)</u>	<u>40,810,064</u>	<u>-</u>
Net OPEB Liability:					
SERS	4,392,317	-	185,218	4,577,535	-
STRS	5,774,364	-	(5,774,364)	-	-
Total Net OPEB Liability	<u>10,166,681</u>	<u>-</u>	<u>(5,589,146)</u>	<u>4,577,535</u>	<u>-</u>
2010B Certificates of Participation (QSCB)					
Certificates	4,000,000	-	-	4,000,000	800,000
2010C Certificates of Participation					
Certificates	4,020,000	-	-	4,020,000	-
Other Capital Leases	194,692	-	(126,994)	67,698	67,698
Compensated Absences	1,295,612	364,455	(313,187)	1,346,880	217,970
Total Other Long-Term Obligations	<u>9,510,304</u>	<u>364,455</u>	<u>(440,181)</u>	<u>9,434,578</u>	<u>1,085,668</u>
Total Long-Term Obligations	<u>\$ 167,870,910</u>	<u>\$ 992,466</u>	<u>\$ (14,803,732)</u>	<u>\$ 154,059,644</u>	<u>\$ 4,717,542</u>

*2000 School Improvement Bonds*

The School District issued School Improvement General Obligation Bonds in the amount of \$950,000 on May 1, 2000. The bonds were issued for a 28 year period with final maturity at December 1, 2028.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

*2005 School Improvement Advance Refunding Bonds*

On June 1, 2005, the School District issued \$17,099,994 of general obligation bonds. The bond issue included serial, term and capital appreciation bonds, in the amounts of \$14,815,000, \$2,110,000, and \$174,994, respectively. The bonds refunded \$17,100,000 of outstanding 2000 School Improvement Bonds. The bonds were issued for a 23 year period with final maturity at December 1, 2028.

The term bonds, issued at \$2,110,000, that mature on December 1, 2028, were refunded with Series 2013 on May 16, 2013. The serial bonds issued at \$14,815,000, and with final maturity dates after June 1, 2015, are subject to optional redemption, in whole or in part on any date in order of maturity as determined by the School District and by lot within maturity, at the option of the Board of Education on or after June 1, 2015 at the redemption price of 100 percent. \$13,610,000 of the serial bonds were refunded with Series 2013 on May 16, 2013.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds matured on December 1, 2018.

*2007 Advanced Refunding Bonds*

On October 11, 2007, the School District issued \$9,379,998 in general obligation bonds for the purpose of refunding \$9,380,000 of the 2004 School Improvement Bonds. The bond issue included serial, term and capital appreciation bonds, in the amounts of \$7,645,000, \$1,685,000, and \$49,998, respectively. The bonds were issued for a 22 year period, with final maturity in December 2028.

The term bonds issued at \$1,685,000, that mature on December 1, 2025, and the serial bonds issued at \$7,645,000, with final maturity on December 1, 2028, were refunded with Series 2017C on September 21, 2017.

The capital appreciation bonds, issued at \$49,998, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2020 in the amount of \$1,075,000.

*2010 Certificates of Participation*

On September 22, 2010, the School District issued \$4,000,000 in certificates of participation, Series 2010B, elected to be treated as Federal Taxable Qualified School Construction Bonds, for the purpose of school facilities construction in the Ohio School Facilities Commission program. The maturity date for the certificates is September 1, 2027 with interest costs of 5.55 percent.

On September 22, 2010, the School District issued \$4,020,000 in certificates of participation, Series 2010C, elected to be treated as Federal Taxable Build America Bonds, for the purpose of school facilities construction in the Ohio School Facilities Commission program. The maturity date for the certificates is December 1, 2035 with interest costs from 6.0 to 6.5 percent.

The Certificates of Participation evidence a proportionate interest in the base rent to be paid by the School District under the ground lease agreement. Base rent payments will be recorded as expenditures in the permanent improvement fund (an other governmental fund).

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

The following is a summary of future base rent payments for the certificates of participation:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 800,000	\$ 468,520	\$ 1,268,520
2021	400,000	468,520	868,520
2022	400,000	468,520	868,520
2023	400,000	468,520	868,520
2024	400,000	468,520	868,520
2025-2029	2,035,000	1,996,550	4,031,550
2030-2034	2,455,000	740,740	3,195,740
2035-2036	1,130,000	70,680	1,200,680
Total	<u>\$ 8,020,000</u>	<u>\$ 5,150,570</u>	<u>\$ 13,170,570</u>

*2011 Advanced Refunding Bonds*

On December 22, 2011, the School District issued \$7,820,000 in general obligation bonds for the purpose of refunding \$7,820,000 of the 2004 School Improvement Bonds. The bond issue included serial and capital appreciation bonds, in the amounts of \$7,395,000 and \$425,000, respectively. The bonds were issued for a 10 year period, with final maturity in December 2021.

The serial bonds and capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds matured on December 1, 2017.

*2012 Advanced Refunding Bonds*

On March 6, 2012, the School District issued \$8,502,212 in general obligation bonds for the purpose of refunding \$8,505,000 of the 2005 School Construction Current Refunding Bonds. The bond issue included serial and capital appreciation bonds, in the amounts of \$8,175,000 and \$327,212, respectively. The bonds were issued for a 20 year period, with final maturity in December 2032.

The serial bonds issued at \$8,175,000 and with final maturity dates after December 1, 2021 are subject to optional redemption, in whole or in part on any date in order of maturity as determined by the School District and by lot within maturity, at the option of the Board of Education on or after December 1, 2021 at the redemption price of 100 percent.

The capital appreciation bonds are not subject to prior redemption. The outstanding capital appreciation, issued at \$50,000, bonds will mature in fiscal year 2020 as follows:

<u>Fiscal Year</u>	<u>Maturity Amount</u>
2020	\$ 500,000

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

*2013 Advanced Refunding Bonds*

On May 16, 2013, the School District issued \$15,719,980 in general obligation bonds for the purpose of refunding \$15,720,000 of the 2005 School Improvement Advance Refunding Bonds. The bond issue included serial and capital appreciation bonds, in the amounts of \$15,190,000 and \$529,980, respectively. The bonds were issued for a 15 year period, with final maturity in December 2028.

The serial bonds issued at \$15,190,000 and with final maturity dates after December 1, 2028 are subject to optional redemption, in whole or in part on any date in order of maturity as determined by the School District and by lot within maturity, at the option of the Board of Education on or after December 1, 2028 at the redemption price of 100 percent.

The capital appreciation bonds, issued at \$529,980, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2020 through 2021 as follows:

<u>Fiscal Year</u>	<u>Maturity Amount</u>
2020	\$ 1,330,000
2021	1,390,000

*2016 Refunding Bonds*

On October 27, 2016, the School District issued \$8,480,000 in general obligation term bonds for the purpose of refunding \$8,480,000 of the 2006 Advance Refunding Bonds. The bonds were issued for an 8 year period and mature on December 1, 2024.

The outstanding term bonds are subject to mandatory sinking fund redemption on December 1, 2018, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2020	\$ 85,000
2021	90,000
2022	90,000
2023	3,160,000
2024	3,645,000
2025	1,250,000

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

*2017A School Facilities Improvement Bonds*

On September 21, 2017, the School District issued \$42,565,000 in general obligation bonds for the purpose of constructing and renovating school facilities, including a new high school, and locally funded initiatives together with matching funds under the Classroom Facilities Assistance Program of the Ohio School Facilities Commission; furnishing and equipping the same, including buses and motor vehicles for school use; improving the sites thereof; and acquiring land and interests in land. The bond issue included serial and term bonds, in the amounts of \$12,115,000 and \$30,450,000, respectively. The term bonds were issued for a 37-year period with final maturity at October 1, 2054. The serial bonds were issued for a 20-year period with final maturity at October 1, 2037.

The term bonds in the amount of \$2,640,000 maturing on October 1, 2032, are subject to mandatory sinking fund redemption on October 1, 2030, and on each October 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2031	\$ 845,000
2032	880,000
2033	915,000

The term bonds in the amount of \$6,385,000 maturing on October 1, 2042, are subject to mandatory sinking fund redemption on October 1, 2038, and on each October 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2039	\$ 1,155,000
2040	1,215,000
2041	1,275,000
2042	1,335,000
2043	1,405,000



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**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

The term bonds in the amount of \$7,890,000 maturing on October 1, 2047, are subject to mandatory sinking fund redemption on October 1, 2043, and on each October 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2044	\$ 1,475,000
2045	1,525,000
2046	1,575,000
2047	1,630,000
2048	1,685,000

The term bonds in the amount of \$13,535,000 maturing on October 1, 2054, are subject to mandatory sinking fund redemption on October 1, 2048, and on each October 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2049	\$ 1,740,000
2050	1,800,000
2051	1,865,000
2052	1,930,000
2053	1,995,000
2054-2055	4,205,000

*2017B School Facilities Improvement Bonds*

On September 21, 2017, the School District issued \$8,035,000 in general obligation bonds for the purpose of constructing and renovating school facilities, including a new high school, and locally funded initiatives together with matching funds under the Classroom Facilities Assistance Program of the Ohio School Facilities Commission; furnishing and equipping the same, including buses and motor vehicles for school use; improving the sites thereof; and acquiring land and interests in land. The bond issue included serial and term bonds, in the amounts of \$5,870,000 and \$2,165,000, respectively. The bonds were issued for a 20 year period with final maturity at October 1, 2038.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

The term bonds in the amount of \$825,000 maturing on October 1, 2034, are subject to mandatory sinking fund redemption on October 1, 2033, and on each October 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2034	\$ 405,000
2035	420,000

The term bonds in the amount of \$1,340,000 maturing on October 1, 2037, are subject to mandatory sinking fund redemption on October 1, 2035, and on each October 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2036	\$ 435,000
2037	445,000
2038	460,000

*2017C Refunding Bonds*

On September 21, 2017, the School District issued \$5,000,000 in general obligation serial bonds for the purpose of refunding \$8,705,000 of the 2007 Advance Refunding Bonds. The bonds were issued for an 11 year period and mature on October 1, 2029.

Principal and interest requirements to retire the School District’s outstanding debt at June 30, 2019, are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds					
	Serial Bonds		Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,050,000	\$ 1,812,155	\$ 85,000	\$ 1,377,395	\$ 2,496,874	\$ 408,126
2021	3,790,000	1,738,859	90,000	1,375,880	1,021,785	368,215
2022	5,425,000	1,616,557	90,000	1,374,325	-	-
2023	2,540,000	1,512,733	3,160,000	1,346,211	-	-
2024	2,190,000	1,446,687	3,645,000	1,287,348	-	-
2025-2029	24,985,000	4,758,432	1,250,000	6,181,780	-	-
2030-2034	5,855,000	1,333,923	3,045,000	5,903,439	-	-
2035-2039	4,190,000	343,600	2,915,000	5,383,687	-	-
2040-2044	-	-	6,705,000	4,213,920	-	-
2045-2049	-	-	8,155,000	2,780,217	-	-
2050-2054	-	-	9,655,000	1,242,415	-	-
2055	-	-	2,140,000	37,450	-	-
Total	\$ 50,025,000	\$ 14,562,946	\$ 40,935,000	\$ 32,504,067	\$ 3,518,659	\$ 776,341

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – LONG-TERM OBLIGATIONS (continued)**

All general obligation bonds will be retired from the Bond Retirement Fund with property tax revenues.

The School District pays obligations related to employee compensation from the fund benefiting from their service, including the general fund, food service fund and state and federal grant funds.

**Legal Debt Margin**

The Ohio Revised Code provides that voted general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible person property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The School District has been authorized by the Ohio Superintendent of Public Instruction to exceed its overall legal debt limitation for the cost of locally funded initiatives in relation to the ongoing Ohio Facilities Construction Commission Project.

**Net Pension/OPEB Liability**

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from the employees' service. For additional information related to the net pension liability and net OPEB liability see Note 10 and 11.

**Compensated Absences**

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. The entire compensated absences balance is reported on the entity-wide financial statements. For governmental fund financial statements, the compensated absences are reported only to the extent they have matured and will be paid with current financial resources. The noncurrent portion of the liability is not reported.

The School District pays obligations related to compensated absences from the General Fund and Food Service Fund (an other governmental fund).

**NOTE 15 – INTERFUND ACTIVITY**

During the fiscal year, the School District transferred \$1,426,683 from the General Fund to the Capital Projects Fund for the purpose of financing the School District's capital projects.

During the fiscal year, the School District transferred \$724,667 from the Permanent Improvement Fund to the Classroom Facilities Maintenance Fund for the purpose of financing maintenance related to the School District's school facilities.

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**NOTE 15 – INTERFUND ACTIVITY (continued)**

During the fiscal year, the School District transferred \$2,984 and \$250 from the General Fund to the Other State Grants Fund and Title I Disadvantaged Children Fund to subsidize activity in the grant programs.

At fiscal year-end, the General Fund had unpaid interfund cash advances in the amount of \$261,704, which represents short-term loans made to other funds of the School District. These loans are expected to be repaid within one year. Unpaid interfund cash advances at fiscal year-end are as follows:

<b>Other Governmental Fund Name</b>	<b>Amount</b>
Other Local Grants	\$ 45,000
Title VI-B IDEA	95,106
Title III Limited English Proficiency	6,299
Title I Disadvantaged Children	109,919
IDEA Preschool Grant for Handicapped	3,407
Title II-A Improving Teacher Quality	1,973
	\$ 261,704

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS**

**Licking Area Computer Association** - The School District is a participant in the Licking Area Computer Association (LACA), which is a computer consortium. LACA is an association of public school districts within the boundaries of Licking and Muskingum Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendent from all participating districts. The School District paid \$166,675 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Career and Technology Education Centers of Licking County, 150 Price Road, Newark, Ohio 43055.

**NOTE 17 – CONTRACTUAL COMMITMENTS**

As of June 30, 2019, the School District had the following commitments with respect to the new high school project:

Project	Contractor	Amount Remaining
Construction Manager at Risk	Robertson Construction	\$ 54,307,016
Architecture and Engineering Services	BSHM Architects	2,044,475
Commissioning Agent Services	Heapy Engineering	219,403
Owner Agent Services	Hill International	169,026
Consulting Services	Hull & Associates	17,850
Site Preparation	Sands Decker	4,610
		\$ 56,762,380

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 – SET-ASIDE CALCULATIONS**

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 purchase of an equal amount for the acquisition and construction of capital improvements.

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

	Capital Acquisition
Set-aside cash balance as of June 30, 2018	\$ -
Current fiscal year set-aside requirement	773,420
Current fiscal year offsets	(1,001,082)
Set-aside Reserve Balance as of June 30, 2019	\$ (227,662)
Required Set-aside Balances Carried Forward to FY 2020	\$ -

During fiscal year 2018, the School District issued \$50,600,000 in capital related debt based on a building project under taken by the School District. Those proceeds may be used as qualifying offsets to reduce the capital acquisition to zero for future years. In fiscal year 2019, \$0 of qualifying proceeds were used to reduce the capital acquisition set-aside requirement to zero. At June 30, 2019, the School District still has \$50,600,000 in qualifying proceeds that may be used to reduce the set-aside requirement for future years.

**NOTE 19 – CONTINGENCIES**

**A. Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2019.

**B. Litigation**

The School District is currently not a party to any material legal proceedings.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 20 – ACCOUNTABILITY**

Fund balances at fiscal year-end included the following individual deficits:

Other Governmental Funds	Deficit Fund Balances
Other Local Grants	\$ (42,743)
Title VI-B IDEA	(3,852)
Title III Limited English Proficiency	(3,825)
Title I Disadvantaged Children	(55,779)
IDEA Preschool	(9,674)

The GAAP basis deficit balances in the Other Governmental Funds are a result of the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 21 – CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year ending June 30, 2019, the School District has implemented the following:

*GASB Statement No. 83 “Certain Asset Retirement Obligations”* will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations, including obligations that may not have been previously reported. The implementation of this statement did not have an effect on the financial statements of the School District.

*GASB Statement No. 88 “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”* improves the information that is disclosed in the notes of the governmental financial statements related to debt, including debt borrowings and direct placements. This statement also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of this statement did not have an effect on the financial statements of the School District.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY - SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST SIX FISCAL YEARS (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension Liability	0.1629999%	0.1612604%	0.1551276%	0.1409540%
School District's Proportionate Share of the Net Pension Liability	\$ 9,335,306	\$ 9,634,953	\$ 11,353,909	\$ 8,042,972
School District's Covered Payroll	\$ 5,165,767	\$ 5,220,567	\$ 4,838,121	\$ 4,273,692
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	180.71%	184.56%	234.68%	188.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%

(1) Information prior to 2014 is not available.

Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.



<u>2015</u>	<u>2014</u>
0.1335550%	0.1335550%
\$ 6,759,143	\$ 7,942,088
\$ 3,902,864	\$ 3,863,238
173.18%	205.58%
71.70%	65.52%

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY - STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST SIX FISCAL YEARS (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension Liability	0.14314676%	0.14799871%	0.13948374%	0.13166884%
School District's Proportionate Share of the Net Pension Liability	\$ 31,474,758	\$ 35,157,411	\$ 46,689,412	\$ 36,389,416
School District's Covered Payroll	\$ 17,287,655	\$ 16,245,998	\$ 15,339,830	\$ 14,224,836
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	182.06%	216.41%	304.37%	255.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.30%	75.30%	66.80%	72.10%

(1) Information prior to 2014 is not available.

Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>
0.12378332%	0.12378332%
\$ 30,108,387	\$ 30,494,855
\$ 14,363,069	\$ 12,212,484
209.62%	249.70%
74.70%	69.30%

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 748,754	\$ 697,379	\$ 730,879	\$ 677,337
Contributions in Relation to the Contractually Required Contribution	<u>\$ (748,754)</u>	<u>\$ (697,379)</u>	<u>\$ (730,879)</u>	<u>\$ (677,337)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,546,328	\$ 5,165,767	\$ 5,220,567	\$ 4,838,121
Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 563,273	\$ 540,937	\$ 534,672	\$ 562,629	\$ 504,110	\$ 499,154
\$ (563,273)	\$ (540,937)	\$ (534,672)	\$ (562,629)	\$ (504,110)	\$ (499,154)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,273,692	\$ 3,902,864	\$ 3,863,238	\$ 4,183,113	\$ 4,010,422	\$ 3,686,514
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually Required Contribution	\$ 2,557,547	\$ 2,420,272	\$ 2,274,440	\$ 2,147,576
Contributions in Relation to the Contractually Required Contribution	\$ (2,557,547)	\$ (2,420,272)	\$ (2,274,440)	\$ (2,147,576)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 18,268,193	\$ 17,287,655	\$ 16,245,998	\$ 15,339,830
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,991,477	\$ 1,867,199	\$ 1,587,623	\$ 1,651,494	\$ 1,607,164	\$ 1,495,773
<u>\$ (1,991,477)</u>	<u>\$ (1,867,199)</u>	<u>\$ (1,587,623)</u>	<u>\$ (1,651,494)</u>	<u>\$ (1,607,164)</u>	<u>\$ (1,495,773)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,224,836	\$ 14,363,069	\$ 12,212,484	\$ 12,703,800	\$ 12,362,800	\$ 11,505,946
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB  
LIABILITY - SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST THREE FISCAL YEARS (1)

	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.1649996%	0.1636642%	0.1572441%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,577,535	\$ 4,392,317	\$ 4,482,039
School District's Covered Payroll	\$ 5,165,767	\$ 5,220,567	\$ 4,838,121
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	88.61%	84.13%	92.64%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.



**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB  
LIABILITY/(ASSET) - STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST THREE FISCAL YEARS (1)

	2019	2018	2017
School District's Proportion of the Net OPEB Liability/(Asset)	0.14314676%	0.14799871%	0.13948374%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (2,300,222)	\$ 5,774,364	\$ 7,459,626
School District's Covered Payroll	\$ 17,287,655	\$ 16,245,998	\$ 15,339,830
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-13.31%	35.54%	48.63%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

Amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

**LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution (1)	\$ 132,668	\$ 113,353	\$ 89,303	\$ 79,732
Contributions in Relation to the Contractually Required Contribution	<u>\$ 132,668</u>	<u>\$ 113,353</u>	<u>\$ 89,303</u>	<u>\$ 79,732</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,546,328	\$ 5,165,767	\$ 5,220,567	\$ 4,838,121
Contributions as a Percentage of Covered Payroll (1)	2.39%	2.19%	1.71%	1.65%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 102,360	\$ 72,078	\$ 72,605	\$ 84,470	\$ 124,914	\$ 79,485
\$ 102,360	\$ 72,078	\$ 72,605	\$ 84,470	\$ 124,914	\$ 79,485
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,273,692	\$ 3,902,864	\$ 3,863,238	\$ 4,183,113	\$ 4,010,422	\$ 3,686,514
2.40%	1.85%	1.88%	2.02%	3.11%	2.16%

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 18,268,193	\$ 17,287,655	\$ 16,245,998	\$ 15,339,830
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 143,631	\$ 122,125	\$ 127,038	\$ 123,628	\$ 115,059
\$ -	\$ 143,631	\$ 122,125	\$ 127,038	\$ 123,628	\$ 115,059
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,224,836	\$ 14,363,069	\$ 12,212,484	\$ 12,703,800	\$ 12,362,800	\$ 11,505,946
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1 – NET PENSION LIABILITY**

**School Employees Retirement System**

*Changes in benefit terms:*

- Fiscal year 2019 With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- Fiscal year 2018 The cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

*Changes in assumptions:*

- Fiscal year 2017 The SERS Board adopted several assumption changes, including changes to:
- Assumed rate of inflation was reduced from 3.25% to 3.00%
  - Payroll Growth Assumption was reduced from 4.00% to 3.50%
  - Assumed real wage growth was reduced from 0.75% to 0.50
  - Rates of withdrawal, retirement and disability were updated to reflect recent experience.
  - Mortality among active members was updated to the following:
    - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
  - Mortality among service retired members, and beneficiaries was updated to the following:
    - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
  - Mortality among disable member was updated to the following:
    - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 1 – NET PENSION LIABILITY – (continued)**

**State Teachers Retirement System**

*Changes in benefit terms:*

Fiscal year 2018 The cost-of-living adjustment was reduced to zero.

*Changes in assumptions:*

Fiscal year 2018 The STRS Board adopted several assumption changes, including changes to:

- Inflation assumption lowered from 2.75% to 2.50%;
- Investment return assumption lowered from 7.75% to 7.45%;
- Total salary increases rates lowered by decreasing merit component of the individual salary increases, as well as by 0.25% due to lower inflation;
- Payroll growth assumption lowered to 3.00%;
- Updated the healthy and disabled mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016; and
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

**NOTE 2 – NET OPEB LIABILITY**

**School Employees Retirement System**

*Changes in benefit terms:* There have been no changes to the benefit provisions.

*Changes in Assumptions:*

Fiscal year 2019 The discount rate used to measure the total OPEB liability was increased from 3.63% to 3.70% and the municipal bond rate was increased from 3.56% to 3.62%.

Fiscal year 2018 The discount rate used to measure the total OPEB liability was increased from 2.98% to 3.63% and the municipal bond rate was increased from 2.92% to 3.56%.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**NOTE 2 – NET OPEB LIABILITY– (continued)**

**State Teachers Retirement System**

*Changes in benefit terms:* There have been no changes to the benefit provisions.

Fiscal year 2019 The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Fiscal year 2018 The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

*Changes in Assumptions:*

Fiscal year 2019 The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Fiscal year 2018 The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)” and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.



**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**DESCRIPTION OF FUNDS  
GOVERNMENTAL FUNDS**

**Bond Retirement Fund**

A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Building Fund**

A fund used to account for the receipts and expenditures related to all special bond funds in the District. Proceeds from the sale of bonds, notes, or certificates of indebtedness are paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

**Classroom Facilities Fund**

A fund used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission for the building and equipping of classroom facilities.

**Non-major Governmental Funds**

Non-major Governmental Funds account for revenues from specific sources, which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Non-major Governmental Funds follows:

**Permanent Improvement** – A fund provided to account for all transactions related to acquiring, constructing, or improving school facilities.

**Capital Projects** – A fund used to accumulate money for capital projects.

**Food Service** – A fund used to account for the financial activity related to the District's food service operation.

**Special Trust** – A fund used to account for restricted contributions and donations which the original contributions can be expended for District programs.

**Public School Support** – A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e. profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases. This fund is included with the General Fund for financial statement reporting purposes.

**Other Local Grants** – A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

**Classroom Facilities Maintenance** – A fund used to account for the proceeds of a tax levy and also intergovernmental revenues received for the maintenance of facilities.

**District Managed Student Activities** – A fund provided to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund includes the athletic programs, choir, theater and other similar types of activities.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**DESCRIPTION OF FUNDS  
GOVERNMENTAL FUNDS**

**Data Communications** – A fund which accounts for funds used for any expenses associated with the installation and ongoing support of the data communication links connecting public schools to the Data Acquisition Site and the Ohio Education Computer Network.

**Other State Grants** – A fund provided to account for other state grants, not required to be accounted for in another fund.

**Race to the Top** - A fund used to account for federal funds used to assist states in providing either a new program or expansion of an existing program to support initiatives in the following areas: Standards and Assessments; Using Data to improve Instruction; Great Teachers and Leaders; and Turning Around the Lowest-Achieving Schools.

**Title VI-B IDEA** – A fund used to account for federal funds used to assist states in providing an appropriate public education to all children with disabilities.

**Title III Limited English Proficiency** – A fund used to account for federal funds used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

**Title I Disadvantaged Children** – A fund used to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs.

**IDEA Preschool Grant for the Handicapped** – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**Title II-A Improving Teacher Quality** – A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2019

	Capital Project Funds		Special Revenue Funds	
	Permanent Improvement	Capital Projects	Food Service	Special Trust
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 891,654	\$ 2,643,255	\$ 931,662	\$ 4,692
Receivables:				
Property Taxes	1,052,953	-	-	-
Intergovernmental	-	-	-	-
Accounts	-	-	1,236	-
Prepaid Items	-	-	1,444	-
Materials and Supplies Inventory	-	-	19,064	-
Total Assets	\$ 1,944,607	\$ 2,643,255	\$ 953,406	\$ 4,692
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ 4,699	\$ -
Accrued Wages and Benefits Payable	-	-	99,920	-
Intergovernmental Payable	-	-	23,878	-
Interfund Payable	-	-	-	-
Matured Compensated Absences	-	-	4,159	-
Total Liabilities	-	-	132,656	-
<b>Deferred Inflows of Resources:</b>				
Property and Other Local Taxes	738,311	-	-	-
Unavailable Revenue	17,955	-	-	-
Total Deferred Inflows of Resources	756,266	-	-	-
<b>Fund Balances:</b>				
Nonspendable:				
Prepaid Items	-	-	1,444	-
Restricted for:				
Permanent Improvements	1,188,341	-	-	-
Capital Projects	-	-	-	-
Classroom Facilities Maintenance	-	-	-	-
Food Service	-	-	819,306	-
Special Trust	-	-	-	4,692
Extracurricular Activities	-	-	-	-
State and Federal Grants	-	-	-	-
Assigned for:				
Capital Projects	-	2,643,255	-	-
Unassigned (Deficit):	-	-	-	-
Total Fund Balances	1,188,341	2,643,255	820,750	4,692
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,944,607	\$ 2,643,255	\$ 953,406	\$ 4,692

Special Revenue Funds

Other Local Grants	Classroom Facilities Maintenance	District Managed Student Activities	Data Communications	Other State Grants	Race to the Top	Title VI-B IDEA
\$ 2,257	\$ 785,085	\$ 82,006	\$ -	\$ 14	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	235,037
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,257</u>	<u>\$ 785,085</u>	<u>\$ 82,006</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 235,037</u>
\$ -	\$ -	\$ 2,078	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	126,097
-	-	-	-	-	-	17,686
45,000	-	-	-	-	-	95,106
-	-	-	-	-	-	-
<u>45,000</u>	<u>-</u>	<u>2,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,889</u>
-	-	-	-	-	-	-
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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2019  
(CONTINUED)

	Special Revenue Funds			
	Title III	Title I	IDEA Preschool	Title II-A
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property Taxes	-	-	-	-
Intergovernmental	16,422	186,645	6,920	1,973
Accounts	-	-	-	-
Prepaid Items	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 16,422</u>	<u>\$ 186,645</u>	<u>\$ 6,920</u>	<u>\$ 1,973</u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits Payable	12,200	116,185	11,439	-
Intergovernmental Payable	1,748	16,320	1,748	-
Interfund Payable	6,299	109,919	3,407	1,973
Matured Compensated Absences	-	-	-	-
Total Liabilities	<u>20,247</u>	<u>242,424</u>	<u>16,594</u>	<u>1,973</u>
<b>Deferred Inflows of Resources:</b>				
Property and Other Local Taxes	-	-	-	-
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted for:				
Permanent Improvements	-	-	-	-
Capital Projects	-	-	-	-
Classroom Facilities Maintenance	-	-	-	-
Food Service	-	-	-	-
Special Trust	-	-	-	-
Extracurricular Activities	-	-	-	-
State and Federal Grants	-	-	-	-
Assigned for:				
Capital Projects	-	-	-	-
Unassigned (Deficit):	(3,825)	(55,779)	(9,674)	-
Total Fund Balances	<u>(3,825)</u>	<u>(55,779)</u>	<u>(9,674)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,422</u>	<u>\$ 186,645</u>	<u>\$ 6,920</u>	<u>\$ 1,973</u>

Other  
Governmental  
Funds

\$ 5,340,625

1,052,953  
446,997  
1,236  
1,444  
19,064

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\$ 6,862,319

\$ 6,777  
365,841  
61,380  
261,704  
4,159

---

699,861

738,311  
17,955

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756,266

1,444

1,188,341  
-  
785,085  
819,306  
4,692  
79,928  
14

2,643,255  
(115,873)

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5,406,192

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\$ 6,862,319

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Capital Project Funds</u>		<u>Special Revenue Funds</u>	
	<u>Permanent Improvement</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Special Trust</u>
<b>Revenues:</b>				
Property Taxes	\$ 1,000,240	\$ -	\$ -	\$ -
Intergovernmental	407,379	-	1,435,026	-
Investment Earnings	-	-	17,926	-
Extracurricular Activities	-	-	-	-
Contributions and Donations	-	-	-	1,117
Customer Sales and Services	-	-	697,501	-
Miscellaneous	-	-	18,665	-
<b>Total Revenues</b>	<u>1,407,619</u>	<u>-</u>	<u>2,169,118</u>	<u>1,117</u>
<b>Expenditures:</b>				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Support services:				
Instructional Staff	-	-	-	-
Fiscal	14,762	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Central	-	-	-	3,947
Non-Instructional Services	-	-	2,012,719	-
Extracurricular Activities	-	-	-	-
Debt service:				
Principal Retirement	126,994	-	-	-
Interest and Fiscal Charges	473,674	-	-	-
<b>Total Expenditures</b>	<u>615,430</u>	<u>-</u>	<u>2,012,719</u>	<u>3,947</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	792,189	-	156,399	(2,830)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	1,426,683	-	-
Transfers Out	(724,667)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(724,667)</u>	<u>1,426,683</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	67,522	1,426,683	156,399	(2,830)
Fund Balances - Beginning of Year	1,120,819	1,216,572	664,351	7,522
Fund Balances - End of Year	<u>\$ 1,188,341</u>	<u>\$ 2,643,255</u>	<u>\$ 820,750</u>	<u>\$ 4,692</u>



Special Revenue Funds

Other Local Grants	Classroom Facilities Maintenance	District Managed Student Activities	Data Communications	Other State Grants	Race to the Top	Title VI-B IDEA
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15,000	60,418	-	9,000	25,979	-	987,104
-	-	-	-	-	-	-
-	-	189,062	-	-	-	-
5,274	-	37,692	-	-	-	-
-	-	-	-	-	-	-
44,679	-	19,062	-	-	-	-
<u>64,953</u>	<u>60,418</u>	<u>245,816</u>	<u>9,000</u>	<u>25,979</u>	<u>-</u>	<u>987,104</u>
110,133	-	-	-	-	-	-
-	-	-	-	-	-	879,270
-	-	-	-	-	3	-
-	-	-	-	-	-	-
-	-	-	-	50,979	-	-
-	-	-	31,500	-	-	-
-	-	-	-	-	-	-
-	-	251,918	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>110,133</u>	<u>-</u>	<u>251,918</u>	<u>31,500</u>	<u>50,979</u>	<u>3</u>	<u>879,270</u>
(45,180)	60,418	(6,102)	(22,500)	(25,000)	(3)	107,834
-	724,667	-	-	2,984	-	-
-	-	-	-	-	-	-
-	<u>724,667</u>	<u>-</u>	<u>-</u>	<u>2,984</u>	<u>-</u>	<u>-</u>
(45,180)	785,085	(6,102)	(22,500)	(22,016)	(3)	107,834
2,437	-	86,030	22,500	22,030	3	(111,686)
<u>\$ (42,743)</u>	<u>\$ 785,085</u>	<u>\$ 79,928</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ (3,852)</u>

(continued)

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)

	Special Revenue Funds			
	Title III	Title I	IDEA Preschool	Title II-A
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	74,041	1,206,712	24,044	12,297
Investment Earnings	-	-	-	-
Extracurricular Activities	-	-	-	-
Contributions and Donations	-	-	-	-
Customer Sales and Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>74,041</u>	<u>1,206,712</u>	<u>24,044</u>	<u>12,297</u>
<b>Expenditures:</b>				
Instruction:				
Regular	-	-	-	-
Special	77,866	1,175,796	32,218	-
Support services:				
Instructional Staff	-	-	1,500	12,297
Fiscal	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Central	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Debt service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<u>77,866</u>	<u>1,175,796</u>	<u>33,718</u>	<u>12,297</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(3,825)	30,916	(9,674)	-
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	250	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<b>(3,825)</b>	<b>31,166</b>	<b>(9,674)</b>	<b>-</b>
Fund Balances - Beginning of Year	-	(86,945)	-	-
<b>Fund Balances - End of Year</b>	<u><u>\$ (3,825)</u></u>	<u><u>\$ (55,779)</u></u>	<u><u>\$ (9,674)</u></u>	<u><u>\$ -</u></u>

Other  
Governmental  
Funds

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\$ 1,000,240  
4,257,000  
17,926  
189,062  
44,083  
697,501  
82,406  

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6,288,218

110,133  
2,165,150

13,800  
14,762  
50,979  
35,447  
2,012,719  
251,918

126,994  
473,674  

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5,255,576

1,032,642

2,154,584  
(724,667)  

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1,429,917

2,462,559

2,943,633  

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\$ 5,406,192

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Bond Retirement</b>			
Total Revenues and Other Sources	\$ 8,083,332	\$ 8,083,332	\$ -
Total Expenditures and Other Uses	7,527,144	7,527,144	-
Net Change in Fund Balance	556,188	556,188	-
Fund Balances - July 1	2,212,874	2,212,874	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 2,769,062</u>	<u>\$ 2,769,062</u>	<u>\$ -</u>
<b>Building</b>			
Total Revenues and Other Sources	\$ 692,912	\$ 825,536	\$ 132,624
Total Expenditures and Other Uses	32,997,792	32,997,792	-
Net Change in Fund Balance	(32,304,880)	(32,172,256)	132,624
Fund Balances - July 1	36,560,016	36,560,016	-
Prior Year Encumbrances Appropriated	2,720,823	2,720,823	-
Fund Balances - June 30	<u>\$ 6,975,959</u>	<u>\$ 7,108,583</u>	<u>\$ 132,624</u>
<b>Classroom Facilities</b>			
Total Revenues and Other Sources	\$ 7,395,692	\$ 2,986,599	\$ (4,409,093)
Total Expenditures and Other Uses	15,434,517	15,434,517	-
Net Change in Fund Balance	(8,038,825)	(12,447,918)	(4,409,093)
Fund Balances - July 1	10,418,319	10,418,319	-
Prior Year Encumbrances Appropriated	2,785,845	2,785,845	-
Fund Balances - June 30	<u>\$ 5,165,339</u>	<u>\$ 756,246</u>	<u>\$ (4,409,093)</u>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Permanent Improvement</b>			
Total Revenues and Other Sources	\$ 1,194,689	\$ 1,194,149	\$ (540)
Total Expenditures and Other Uses	1,133,285	1,133,285	-
Net Change in Fund Balance	61,404	60,864	(540)
Fund Balances - July 1	823,290	823,290	-
Prior Year Encumbrances Appropriated	7,500	7,500	-
Fund Balances - June 30	<u>\$ 892,194</u>	<u>\$ 891,654</u>	<u>\$ (540)</u>
<b>Capital Projects</b>			
Total Revenues and Other Sources	\$ 1,426,683	\$ 1,426,683	\$ -
Total Expenditures and Other Uses	-	-	-
Net Change in Fund Balance	1,426,683	1,426,683	-
Fund Balances - July 1	1,216,572	1,216,572	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 2,643,255</u>	<u>\$ 2,643,255</u>	<u>\$ -</u>
<b>Food Service</b>			
Total Revenues and Other Sources	\$ 1,989,239	\$ 1,991,952	\$ 2,713
Total Expenditures and Other Uses	1,830,797	1,830,797	-
Net Change in Fund Balance	158,442	161,155	2,713
Fund Balances - July 1	722,326	722,326	-
Prior Year Encumbrances Appropriated	48,181	48,181	-
Fund Balances - June 30	<u>\$ 928,949</u>	<u>\$ 931,662</u>	<u>\$ 2,713</u>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Special Trust</b>			
Total Revenues and Other Sources	\$ 1,117	\$ 1,117	\$ -
Total Expenditures and Other Uses	3,948	3,947	1
Net Change in Fund Balance	(2,831)	(2,830)	1
Fund Balances - July 1	7,522	7,522	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 4,691</u>	<u>\$ 4,692</u>	<u>\$ 1</u>
<b>Public School Support</b>			
Total Revenues and Other Sources	\$ 147,064	\$ 147,006	\$ (58)
Total Expenditures and Other Uses	164,667	164,667	-
Net Change in Fund Balance	(17,603)	(17,661)	(58)
Fund Balances - July 1	123,700	123,700	-
Prior Year Encumbrances Appropriated	11,557	11,557	-
Fund Balances - June 30	<u>\$ 117,654</u>	<u>\$ 117,596</u>	<u>\$ (58)</u>
<b>Other Local Grants</b>			
Total Revenues and Other Sources	\$ 154,954	\$ 109,953	\$ (45,001)
Total Expenditures and Other Uses	110,154	110,133	21
Net Change in Fund Balance	44,800	(180)	(44,980)
Fund Balances - July 1	2,437	2,437	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 47,237</u>	<u>\$ 2,257</u>	<u>\$ (44,980)</u>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Classroom Facilities Maintenance</b>			
Total Revenues and Other Sources	\$ 785,085	\$ 785,085	\$ -
Total Expenditures and Other Uses	-	-	-
Net Change in Fund Balance	785,085	785,085	-
Fund Balances - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 785,085</u>	<u>\$ 785,085</u>	<u>\$ -</u>
<b>District-Managed Student Activities</b>			
Total Revenues and Other Sources	\$ 248,646	\$ 248,551	\$ (95)
Total Expenditures and Other Uses	253,820	253,820	-
Net Change in Fund Balance	(5,174)	(5,269)	(95)
Fund Balances - July 1	85,608	85,608	-
Prior Year Encumbrances Appropriated	1,667	1,667	-
Fund Balances - June 30	<u>\$ 82,101</u>	<u>\$ 82,006</u>	<u>\$ (95)</u>
<b>Data Communications</b>			
Total Revenues and Other Sources	\$ 9,000	\$ 9,000	\$ -
Total Expenditures and Other Uses	9,000	31,500	(22,500)
Net Change in Fund Balance	-	(22,500)	(22,500)
Fund Balances - July 1	22,500	22,500	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 22,500</u>	<u>\$ -</u>	<u>\$ (22,500)</u>



**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Other State Grants</b>			
Total Revenues and Other Sources	\$ 28,963	\$ 28,963	\$ -
Total Expenditures and Other Uses	25,979	52,595	(26,616)
Net Change in Fund Balance	2,984	(23,632)	(26,616)
Fund Balances - July 1	22,030	22,030	-
Prior Year Encumbrances Appropriated	1,616	1,616	-
Fund Balances - June 30	\$ 26,630	\$ 14	\$ (26,616)

**Race to the Top**

Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	-	3	(3)
Net Change in Fund Balance	-	(3)	(3)
Fund Balances - July 1	3	3	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	\$ 3	\$ -	\$ (3)

**Title VI-B IDEA**

Total Revenues and Other Sources	\$ 1,315,713	\$ 908,666	\$ (407,047)
Total Expenditures and Other Uses	1,252,391	908,666	343,725
Net Change in Fund Balance	63,322	-	(63,322)
Fund Balances - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	\$ 63,322	\$ -	\$ (63,322)

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Title III</b>			
Total Revenues and Other Sources	\$ 102,556	\$ 79,076	\$ (23,480)
Total Expenditures and Other Uses	87,398	79,076	8,322
Net Change in Fund Balance	15,158	-	(15,158)
Fund Balances - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 15,158</u>	<u>\$ -</u>	<u>\$ (15,158)</u>

**Title I**

Total Revenues and Other Sources	\$ 1,379,529	\$ 1,196,596	\$ (182,933)
Total Expenditures and Other Uses	1,309,944	1,196,596	113,348
Net Change in Fund Balance	69,585	-	(69,585)
Fund Balances - July 1	(757)	(757)	-
Prior Year Encumbrances Appropriated	757	757	-
Fund Balances - June 30	<u>\$ 69,585</u>	<u>\$ -</u>	<u>\$ (69,585)</u>

**IDEA Preschool**

Total Revenues and Other Sources	\$ 35,073	\$ 20,531	\$ (14,542)
Total Expenditures and Other Uses	35,073	20,531	14,542
Net Change in Fund Balance	-	-	-
Fund Balances - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Title II-A</b>			
Total Revenues and Other Sources	\$ 12,297	\$ 12,297	\$ -
Total Expenditures and Other Uses	12,297	12,297	-
Net Change in Fund Balance	-	-	-
Fund Balances - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**FUND DESCRIPTIONS  
PROPRIETARY FUND**

**Internal Service Fund**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to another department or agency on a cost reimbursement basis. A description of the District's Internal Service Fund follows:

**Employee Benefit Self-Insurance** - A fund provided to account for monies received from other funds as payment for providing medical, hospitalization, life and dental insurance. Payments are made to a third party administrator for claims payments, claims administration and stop-loss coverage.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

INDIVIDUAL FUND SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Over/(Under)
<b>Employee Benefit Self Insurance</b>			
Total Revenues and Other Sources	\$ 5,502,854	\$ 5,497,578	\$ (5,276)
Total Expenses and Other Uses	<u>5,276,546</u>	<u>5,076,546</u>	<u>200,000</u>
Net Change in Fund Balance	226,308	421,032	194,724
Fund Balance - July 1	4,484,816	4,484,816	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u><u>\$ 4,711,124</u></u>	<u><u>\$ 4,905,848</u></u>	<u><u>\$ 194,724</u></u>

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**FUND DESCRIPTIONS  
FIDUCIARY FUNDS**

**Agency Funds**

Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations, other governments and/or other funds. A description of the District's Fiduciary Funds follows:

**District Agency Fund** - An agency A fund used to account for those assets held by a school district as an agent for individuals, private organization, and other governmental units.

**Student Activities Fund** - An agency fund provided to account for those student activity programs, which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities, which consist of a student body, student president, student treasurer and faculty advisor.

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
DISTRICT AGENCY FUND				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,512	\$ 10,726	\$ (10,127)	\$ 4,111
Total Assets	\$ 3,512	\$ 10,726	\$ (10,127)	\$ 4,111
<b>Liabilities</b>				
Due to Others	\$ 3,512	\$ 10,726	\$ (10,127)	\$ 4,111
Total Liabilities	\$ 3,512	\$ 10,726	\$ (10,127)	\$ 4,111
STUDENT ACTIVITIES FUND				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 88,671	\$ 126,952	\$ (135,498)	\$ 80,125
Total Assets	\$ 88,671	\$ 126,952	\$ (135,498)	\$ 80,125
<b>Liabilities</b>				
Due to Others	\$ 87,337	\$ 126,952	\$ (134,164)	\$ 80,125
Accounts Payable	1,334	-	(1,334)	-
Total Liabilities	\$ 88,671	\$ 126,952	\$ (135,498)	\$ 80,125
TOTAL				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 92,183	\$ 137,678	\$ (145,625)	\$ 84,236
Total Assets	\$ 92,183	\$ 137,678	\$ (145,625)	\$ 84,236
<b>Liabilities</b>				
Due to Others	\$ 90,849	\$ 137,678	\$ (144,291)	\$ 84,236
Accounts Payable	1,334	-	(1,334)	-
Total Liabilities	\$ 92,183	\$ 137,678	\$ (145,625)	\$ 84,236

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# Statistical Section

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**LICKING HEIGHTS LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**Statistical Section**

This part of Licking Heights Local 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 District's overall financial health.

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

**Revenue Capacity**

These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

**Economic and Demographic Information**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.

**Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

TABLE 1

**Licking Heights Local School District**  
**Licking County**  
*Net Position by Component*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2010	2011	2012	2013
Net Investment in Capital Assets	\$ 5,466,825	\$ 4,901,775	\$ 800,512	\$ (361,325)
Restricted for:				
Debt Service	-	-	1,958,608	786,419
Permanent Improvements	-	731,444	1,126,942	1,119,836
Capital Projects	2,413,653	1,743,538	1,152,359	1,858,820
Classroom Facilities Maintenance	-	-	-	-
Food Services	-	-	63,875	90,864
Special Trust	3,253	6,279	6,799	6,549
Other Local Grants	-	-	14,932	2,890
Extracurricular Activities	29,742	36,551	19,651	33,774
State and Federal Grants	5,082	1,207	11,810	75,848
Unrestricted (Deficit)	2,401,978	(1,487,340)	(1,624,367)	(2,758,884)
<b>Total Net Positions</b>	<b>\$ 10,320,533</b>	<b>\$ 5,933,454</b>	<b>\$ 3,531,121</b>	<b>\$ 854,791</b>

Note: GASB 65 was implemented in fiscal year 2013. Effects of the implementation can not fully be shown for prior years.

Note: GASB 68 was implemented in fiscal year 2015. Effects of the implementation can not fully be shown for prior years

Note: GASB 75 was implemented in fiscal year 2018. Effects of the implementation can not fully be shown for prior years

TABLE 1 (Continued)

2014	2015	2016	2017	2018	2019
\$ (1,589,815)	\$ (1,954,659)	\$ (1,191,219)	\$ (1,208,302)	\$ (2,346,991)	\$ 2,875,232
1,222,059	1,298,337	1,295,316	1,740,316	3,901,514	4,275,912
2,987,358	2,666,294	1,645,083	774,561	1,131,832	1,206,296
186,537	5,382	-	-	21,284,689	18,344,602
-	-	-	-	-	785,085
160,541	274,475	446,517	700,501	664,351	820,750
5,399	7,031	6,112	6,511	7,522	4,692
4,248	1,521	5,381	4,049	2,437	-
40,736	62,850	105,754	95,344	86,030	79,928
100,138	49,314	34,871	34,169	64,200	14
(637,095)	(35,243,496)	(33,966,800)	(34,595,125)	(23,545,812)	(17,636,139)
\$ 2,480,106	\$ (32,832,951)	\$ (31,618,985)	\$ (32,447,976)	\$ 1,249,772	\$ 10,756,372

**Licking Heights Local School District**  
**Licking County**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2010	2011	2012	2013
<b>Expenses</b>				
Regular Instruction	\$ 12,530,172	\$ 13,128,039	\$ 13,899,812	\$ 14,093,807
Special Instruction	3,293,103	3,787,525	3,481,537	3,351,224
Vocational Instruction	296,633	323,808	270,156	149,808
Other Instruction	335,719	390,339	1,562,639	1,776,937
Pupil Support Services	1,237,581	1,253,253	1,450,957	1,558,857
Instructional Staff Support Services	1,299,801	1,438,565	1,031,768	2,097,754
Board of Education Support Services	72,287	90,480	69,766	40,229
Administration Support Services	2,033,939	2,254,361	2,304,055	2,128,444
Fiscal Support Services	668,606	661,117	630,909	765,822
Operation and Maintenance of				
Plant Support Services	3,206,703	3,003,827	3,206,411	3,164,022
Pupil Transportation Support Services	2,432,584	2,609,456	2,718,526	2,472,550
Central Support Services	262,583	268,928	268,270	216,885
Noninstructional Services	1,319,154	1,309,160	1,519,907	1,481,998
Extracurricular Activities	607,507	674,834	552,410	567,537
Unallocated Depreciation	1,422,999	1,434,825		
Interest and Fiscal Charges	2,969,618	3,485,831	3,235,707	3,611,452
<i>Total Expenses</i>	<u>33,988,989</u>	<u>36,114,348</u>	<u>36,202,830</u>	<u>37,477,326</u>
<b>Program Revenues</b>				
Charges for Services				
Regular Instruction	299,836	267,184	275,503	298,143
Special Instruction	85,823	84,324	77,117	73,833
Vocational Instruction	7,722	7,055	6,575	3,650
Other Instruction	32,949	33,580	34,887	42,695
Pupil Support Services	-	-	-	-
Noninstructional Services	613,114	644,032	573,008	540,134
Extracurricular Activities	250,278	248,630	276,991	264,126
Operating Grants and Contributions				
Regular Instruction	274,094	287,960	292,957	468,101
Special Instruction	466,646	504,312	556,239	376,194
Vocational Instruction	44,712	-	-	-
Other Instruction	48,849	78,819	1,550	1,250
Pupil Support Services	174,222	163,202		120,059
Instructional Staff Support Services	47,116	36,389	163,237	244,017
Board of Education Support Services	-	-	72,151	-
Administration Support Services	211,266	213,041	-	62,513
Fiscal Support Services	-	-	72,797	-

TABLE 2 (Continued)

2014	2015	2016	2017	2018	2019
\$ 18,095,719	\$ 19,842,661	\$ 20,451,172	\$ 21,929,362	\$ 10,832,092	\$ 19,592,264
4,236,919	5,085,115	5,283,151	6,490,411	4,696,963	7,435,924
131,862	117,435	100,425	103,055	2,334	2,500
108,522	104,674	7,321	57,098	22,337	55,888
1,664,858	2,248,972	2,274,322	1,912,894	1,449,039	2,345,866
1,340,669	1,344,100	734,392	753,858	458,429	874,580
49,268	34,978	100,087	53,347	45,279	55,718
2,171,640	2,214,635	2,342,561	2,688,081	1,247,869	2,680,036
935,302	923,526	1,093,044	1,037,447	799,970	1,360,444
3,372,845	3,593,320	3,504,187	4,001,157	2,731,253	4,007,972
2,658,666	2,769,928	2,828,151	3,100,921	3,753,100	3,762,747
528,745	855,049	674,583	775,686	1,170,115	1,066,946
1,516,364	1,510,200	1,667,650	1,805,708	1,855,968	2,076,394
582,986	632,709	696,277	753,164	681,787	863,716
3,245,077	3,321,014	3,294,469	2,923,918	4,300,387	3,906,856
40,639,442	44,598,316	45,051,792	48,386,107	34,046,922	50,087,851
215,013	439,078	391,019	506,437	351,409	484,425
57,015	121,818	106,127	173,540	119,337	189,772
1,905	2,245	2,060	2,567	-	60
1,407	3,183	534	1,540	1,012	1,475
-	-	-	-	4,500	44,679
547,628	620,829	676,836	675,480	709,322	716,166
315,835	250,931	534,837	396,520	432,647	409,527
969,254	1,666,445	49,516	34,662	131,837	15,000
515,607	502,592	1,240,181	1,253,863	1,628,429	2,268,791
-	-	43,849	55,083	-	55,128
350	-	-	-	-	-
5,328	-	-	21,694	40,151	-
326,673	201,620	3,600	-	3,725	13,367
-	-	-	-	-	-
62,696	65,154	71,291	39,593	-	-
-	-	-	-	-	-

TABLE 2 (Continued)

**Licking Heights Local School District**  
**Licking County**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2010	2011	2012	2013
<b>Operating Grants and Contributions (continued)</b>				
Operation and Maintenance of				
Plant Support Services	159,378	246,019	70	159
Pupil Transportation Support Services	41,229	64,540	44,022	1,529
Central Support Services	105,906	108,866	9,000	9,000
Noninstructional Services	646,350	707,319	942,661	960,646
Extracurricular Activities	6,443	23,015	10,700	12,407
Interest and Fiscal Charges	-	141,828	-	-
<i>Total Program Revenues</i>	<u>3,515,933</u>	<u>3,860,115</u>	<u>3,409,465</u>	<u>3,478,456</u>
Net Expense	<u>(30,473,056)</u>	<u>(32,254,233)</u>	<u>(32,793,365)</u>	<u>(33,998,870)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes	13,601,236	12,471,120	14,463,062	14,644,830
Debt Service	3,445,227	2,508,680	2,833,914	2,651,603
Permanent Improvement	850,613	804,299	891,831	823,612
Revenue in Lieu of Taxes	1,946,301	1,659,139	1,863,207	1,865,165
Grants and Entitlements not				
Restricted to Specific Programs	10,620,534	10,327,810	10,154,674	10,954,353
Investment Earnings	27,333	24,072	32,675	14,909
Settlement Revenue	-	-	-	1,196,855
Miscellaneous	104,214	72,034	151,669	104,017
<i>Total General Revenues</i>	<u>30,595,458</u>	<u>27,867,154</u>	<u>30,391,032</u>	<u>32,255,344</u>
<i>Change in Net Position</i>	<u>\$ 122,402</u>	<u>\$ (4,387,079)</u>	<u>\$ (2,402,333)</u>	<u>\$ (1,743,526)</u>

Note: GASB 65 was implemented in fiscal year 2013. Effects of the implementation can not fully be shown for prior years.

Note: GASB 68 was implemented in fiscal year 2015. Effects of the implementation can not fully be shown for prior years.

Note: GASB 75 was implemented in fiscal year 2018. Effects of the implementation can not fully be shown for prior years.



TABLE 2 (Continued)

2014	2015	2016	2017	2018	2019
-	-	-	-	-	24,363
-	-	-	-	-	-
29,000	59,000	9,000	9,000	9,000	9,000
1,003,767	1,030,392	1,128,730	1,282,996	1,378,325	1,435,026
10,363	27,301	58,758	27,209	57,074	62,804
-	-	-	-	-	-
<u>4,061,841</u>	<u>4,990,588</u>	<u>4,316,338</u>	<u>4,480,184</u>	<u>4,866,768</u>	<u>5,729,583</u>
<u>(36,577,601)</u>	<u>(39,607,728)</u>	<u>(40,735,454)</u>	<u>(43,905,923)</u>	<u>(29,180,154)</u>	<u>(44,358,268)</u>
18,911,661	19,439,950	19,970,385	18,776,867	22,723,480	21,071,903
3,364,875	3,436,853	3,539,174	3,927,755	7,547,886	7,285,900
935,695	897,295	915,456	882,672	1,048,865	1,007,182
3,598,945	2,748,866	920,150	3,015,543	5,426,085	5,137,796
11,053,316	13,369,491	15,958,371	15,412,230	36,582,382	16,528,625
21,590	25,917	35,780	87,208	583,440	1,813,653
-	-	-	-	-	-
<u>316,834</u>	<u>405,106</u>	<u>610,104</u>	<u>974,657</u>	<u>818,126</u>	<u>1,019,809</u>
<u>38,202,916</u>	<u>40,323,478</u>	<u>41,949,420</u>	<u>43,076,932</u>	<u>74,730,264</u>	<u>53,864,868</u>
<u>\$ 1,625,315</u>	<u>\$ 715,750</u>	<u>\$ 1,213,966</u>	<u>\$ (828,991)</u>	<u>\$ 45,550,110</u>	<u>\$ 9,506,600</u>

**Licking Heights Local School District**  
**Licking County**  
*Program Revenues by Function*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

<i>Function</i>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Regular Instruction	\$ 573,930	\$ 555,144	\$ 568,460	\$ 766,244
Special Instruction	552,469	588,636	633,356	450,027
Vocational Instruction	52,434	7,055	6,575	3,650
Other Instruction	81,798	112,399	36,437	43,945
Pupil Support Services	174,222	163,202	-	120,059
Instructional Staff Support Services	47,116	36,389	163,237	244,017
Board of Education Support Services	-	-	72,151	-
Administration Support Services	211,266	213,041	-	62,513
Fiscal Support Services	-	-	72,797	-
Operation and Maintenance of Plant Support Services	159,378	246,019	70	159
Pupil Transportation Support Services	41,229	64,540	44,022	1,529
Central Support Services	105,906	108,866	9,000	9,000
Noninstructional Services	1,259,464	1,351,351	1,515,669	1,500,780
Extracurricular Activities	256,721	271,645	287,691	276,533
<i>Total Program Revenues</i>	<u>\$ 3,515,933</u>	<u>\$ 3,718,287</u>	<u>\$ 3,409,465</u>	<u>\$ 3,478,456</u>

TABLE 3 (Continued)

2014	2015	2016	2017	2018	2019
\$ 1,184,267	\$ 2,105,523	\$ 440,535	\$ 541,099	\$ 483,246	\$ 499,425
572,622	624,410	1,346,308	1,427,403	1,747,766	2,458,563
1,905	2,245	45,909	57,650	-	55,188
1,757	3,183	534	1,540	1,012	1,475
5,328	-	-	21,694	44,651	44,679
326,673	201,620	3,600	-	3,725	13,367
-	-	-	-	-	-
62,696	65,154	71,291	39,593	-	-
-	-	-	-	-	-
-	-	-	-	-	24,363
-	-	-	-	-	-
29,000	59,000	9,000	9,000	9,000	9,000
1,551,395	1,651,221	1,805,566	1,958,476	2,087,647	2,151,192
326,198	278,232	593,595	423,729	489,721	472,331
<u>\$ 4,061,841</u>	<u>\$ 4,990,588</u>	<u>\$ 4,316,338</u>	<u>\$ 4,480,184</u>	<u>\$ 4,866,768</u>	<u>\$ 5,729,583</u>

TABLE 4

**Licking Heights Local School District**  
**Licking County**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Assigned	80,191	1,971,117	200,209	1,108,937
Unassigned	<u>3,585,821</u>	<u>1,590</u>	<u>611,373</u>	<u>(485,891)</u>
<i>Total General Fund</i>	<u>3,666,012</u>	<u>1,972,707</u>	<u>811,582</u>	<u>623,046</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	5,683,056	14,758,695	10,131,135	7,586,208
Assigned	-	-	-	-
Unassigned	<u>(224,042)</u>	<u>(55,137)</u>	<u>(35,931)</u>	<u>(153,399)</u>
Total All Other Governmental Funds	<u>5,459,014</u>	<u>14,703,558</u>	<u>10,095,204</u>	<u>7,432,809</u>
<i>Total Governmental Funds</i>	<u>\$ 9,125,026</u>	<u>\$ 16,676,265</u>	<u>\$ 10,906,786</u>	<u>\$ 8,055,855</u>

TABLE 4 (Continued)

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ 51,781	\$ 56,222	\$ 57,908
474,725	2,146,622	5,695,692	5,360,135	8,023,142	6,455,971
3,476,768	3,174,472	1,404,705	2,774,473	5,226,812	8,406,221
3,951,493	5,321,094	7,100,397	8,186,389	13,306,176	14,920,100
-	-	-	4,450	1,359	1,444
5,645,875	4,496,995	3,671,148	3,470,572	58,795,045	54,163,990
1,197,981	1,200,513	1,203,515	1,210,411	1,216,572	2,643,255
(305,947)	(180,181)	(88,041)	(539,531)	(198,631)	(115,873)
6,537,909	5,517,327	4,786,622	4,145,902	59,814,345	56,692,816
\$ 10,489,402	\$ 10,838,421	\$ 11,887,019	\$ 12,332,291	\$ 73,120,521	\$ 71,612,916

**Licking Heights Local School District**  
**Licking County**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2010	2011	2012	2013
<b>Revenues</b>				
Property Taxes	\$ 18,195,739	\$ 15,704,879	\$ 18,362,036	\$ 18,117,284
Revenue in Lieu of Taxes	1,680,765	2,671,150	1,901,289	1,865,165
Intergovernmental	12,709,801	12,924,645	12,270,498	12,987,173
Investment Earnings	27,333	24,072	32,675	14,909
Tuition and Fees	427,164	390,031	354,067	381,903
Rent	24,087	17,075	21,420	15,134
Extracurricular Activities	229,490	240,502	262,826	244,413
Contributions and Donations	45,253	90,541	61,796	25,481
Customer Sales and Services	613,114	644,032	570,008	539,434
Miscellaneous	54,633	41,357	125,468	79,034
<i>Total Revenues</i>	<u>34,007,379</u>	<u>32,748,284</u>	<u>33,962,083</u>	<u>34,269,930</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	12,488,248	12,978,007	12,348,949	12,310,927
Special	3,296,940	3,774,347	3,455,795	3,332,820
Vocational	297,015	315,778	295,327	149,578
Other	349,980	390,339	1,562,639	1,759,121
Support Services:				
Pupils	1,262,696	1,235,492	1,447,529	1,565,276
Instructional Staff	1,300,329	1,447,422	1,280,701	2,088,464
Board of Education	72,287	90,480	69,766	40,229
Administration	2,106,286	2,241,090	2,301,000	2,127,303
Fiscal	672,430	663,774	629,153	770,722
Operation and Maintenance of Plant	3,077,971	3,248,128	3,174,961	3,201,136
Pupil Transportation	2,355,031	2,530,378	2,643,096	2,593,210
Central	216,032	225,085	223,623	225,126
Non-Instructional Services	1,305,206	1,285,554	1,497,772	1,458,017
Extracurricular Activities	596,713	744,360	538,982	555,462
Capital Outlay	119,276	381,513	4,757,107	875,949
Debt Service:				
Principal Retirement	2,224,815	868,370	1,083,682	2,247,231
Interest and Fiscal Charges	2,556,590	2,796,254	2,439,438	2,267,402
Issuance Costs	-	267,465	302,079	265,115
<i>Total Expenditures</i>	<u>34,297,845</u>	<u>35,483,836</u>	<u>40,051,599</u>	<u>37,833,088</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>(290,466)</u>	<u>(2,735,552)</u>	<u>(6,089,516)</u>	<u>(3,563,158)</u>

TABLE 5 (Continued)

**Licking Heights Local School District**  
**Licking County**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2010	2011	2012	2013
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	17,301	5,297	6,388	11,024
Proceeds from Insurance Recoveries	15,410	13,048	2,000	8,943
Inception of Capital Lease	-	-	-	450,370
Refunding Bonds Issued	-	-	16,322,212	15,719,980
Premium on Refunding Bonds Issued	-	-	2,543,113	1,743,298
Payment to Refunded Bond Escrow Agent	-	-	(18,553,676)	(17,221,388)
Bond Proceeds	-	-	-	-
Premium on Bonds Proceeds	-	-	-	-
Discount on Bonds Proceeds	-	-	-	-
Certificates of Participation Issued	-	10,230,000	-	-
Premium on Certificates of Participation	-	38,446	-	-
Transfers In	-	-	7,900	108,900
Transfers Out	-	-	(7,900)	(108,900)
<i>Total Other Financing Sources (Uses)</i>	<u>32,711</u>	<u>10,286,791</u>	<u>320,037</u>	<u>712,227</u>
<i>Net Change in Fund Balances</i>	<u>\$ (257,755)</u>	<u>\$ 7,551,239</u>	<u>\$ (5,769,479)</u>	<u>\$ (2,850,931)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.14	0.11	0.10	0.12

TABLE 5 (Continued)

2014	2015	2016	2017	2018	2019
\$ 23,181,006	\$ 23,817,444	\$ 24,538,728	\$ 23,658,006	\$ 31,403,936	\$ 29,141,921
3,598,945	2,748,866	920,150	3,015,543	5,426,085	5,137,796
15,042,792	17,007,852	18,627,307	17,735,199	22,545,665	26,399,549
21,590	24,559	30,121	69,114	566,197	1,741,063
351,773	566,324	499,740	684,084	471,758	675,732
52,186	148,214	113,485	212,784	237,388	330,974
305,829	240,925	472,032	359,124	405,612	373,872
25,096	30,629	63,967	31,360	59,523	69,195
544,716	609,906	670,058	667,897	685,798	697,501
230,701	259,915	555,066	798,402	630,788	778,612
<u>43,354,634</u>	<u>45,454,634</u>	<u>46,490,654</u>	<u>47,231,513</u>	<u>62,432,750</u>	<u>65,346,215</u>
15,850,749	18,416,354	18,721,303	18,768,097	20,711,988	19,923,545
4,203,169	5,109,451	5,081,168	6,431,250	7,032,024	7,906,028
140,470	94,144	98,642	95,140	2,334	2,500
103,695	133,524	25,589	57,078	56,972	61,819
1,648,246	2,210,412	2,294,929	1,811,675	2,083,130	2,451,277
1,283,893	1,359,116	706,731	709,980	639,795	897,964
49,268	34,978	100,087	52,906	45,201	55,826
2,103,319	2,294,705	2,288,993	2,469,630	2,380,176	2,819,979
929,332	933,977	1,100,329	995,353	842,500	1,328,540
3,263,983	3,725,346	3,542,047	3,961,076	3,608,794	3,667,029
2,344,463	2,758,636	3,296,927	2,744,272	3,685,236	3,724,621
515,624	845,571	680,597	765,526	1,223,353	1,247,232
1,481,914	1,537,857	1,701,361	1,708,707	2,131,856	2,015,887
556,501	610,512	679,036	701,996	811,800	869,229
2,745,458	523,455	98,871	-	571,049	11,865,549
1,249,978	1,420,093	2,911,895	3,460,167	3,738,533	4,306,994
2,935,486	3,112,062	2,119,478	1,992,687	2,683,298	3,712,632
-	-	-	65,000	651,894	-
<u>41,405,548</u>	<u>45,120,193</u>	<u>45,447,983</u>	<u>46,790,540</u>	<u>52,899,933</u>	<u>66,856,651</u>
<u>1,949,086</u>	<u>334,441</u>	<u>1,042,671</u>	<u>440,973</u>	<u>9,532,817</u>	<u>(1,510,436)</u>



TABLE 5 (Continued)

2014	2015	2016	2017	2018	2019
14,367	14,578	5,927	4,299	2,560	2,831
18,115	-	-	-	-	-
451,979	-	-	-	-	-
-	-	-	8,480,000	5,000,000	-
-	-	-	-	1,076,237	-
-	-	-	(8,480,000)	(8,869,860)	-
-	-	-	-	50,600,000	-
-	-	-	-	3,486,174	-
-	-	-	-	(39,698)	-
-	-	-	-	-	-
-	-	-	-	-	-
1,865,897	613,072	697,957	-	-	2,154,584
(1,865,897)	(613,072)	(697,957)	-	-	(2,154,584)
484,461	14,578	5,927	4,299	51,255,413	2,831
<u>\$ 2,433,547</u>	<u>\$ 349,019</u>	<u>\$ 1,048,598</u>	<u>\$ 445,272</u>	<u>\$ 60,788,230</u>	<u>\$ (1,507,605)</u>
0.11	0.10	0.11	0.12	0.13	0.15

**Licking Heights Local School District**  
**Licking County**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Collection Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2010	\$ 415,673,190	\$ 95,533,200	\$ 1,460,589,686	\$ 10,020,460	\$ 40,081,840
2011	421,031,770	91,082,840	1,463,184,600	10,429,390	41,717,560
2012	389,660,560	86,933,150	1,361,696,314	9,178,120	36,712,480
2013	390,563,970	94,725,740	1,386,542,029	9,144,270	36,577,080
2014	393,229,730	99,502,840	1,407,807,343	9,540,180	38,160,720
2015	391,641,296	103,009,525	1,413,288,060	9,596,360	38,385,440
2016	394,150,160	105,090,990	1,426,403,286	24,149,180	96,596,720
2017	399,116,373	105,865,773	1,442,806,131	29,616,670	118,466,680
2018	462,257,330	113,504,790	1,645,034,629	39,505,200	158,020,800
2019	471,452,490	130,938,950	1,721,118,400	43,543,300	174,173,200

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. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility 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 began being phased out in 2006. The listing percentage was reduced to 18.75 percent for tax year 2006, 12.5 percent for tax year 2007, 6.25 percent for tax year 2008 and zero for tax year 2009.

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. Beginning in the 2006 collection year, the 10% rollback for commercial /industrial property has been eliminated

**Source:** Licking County Auditor's Office; Ohio Department of Taxation

TABLE 6 (Continued)

Tangible Personal Property					Effective Tax Rate (Per \$1,000 of Assessed Value)	Voted Tax Rate (Per \$1,000 of Assessed Value)
General Business		Total				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$ 885,300	\$ 14,164,800	\$ 522,112,150	\$1,514,836,326	34.47%	41.87	46.24
406,180	6,498,880	522,950,180	1,511,401,040	34.60%	42.30	46.22
-	-	485,771,830	1,398,408,794	34.74%	46.09	50.89
-	-	494,433,980	1,423,119,109	34.74%	46.13	50.87
-	-	502,272,750	1,445,968,063	34.74%	46.30	60.31
-	-	504,247,181	1,451,673,500	34.74%	51.80	60.54
-	-	523,390,330	1,523,000,006	34.37%	52.45	59.59
-	-	534,598,816	1,561,272,811	34.24%	52.56	60.89
-	-	615,267,320	1,803,055,429	34.12%	52.52	62.88
-	-	645,934,740	1,895,291,600	34.08%	47.06	60.29

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**Licking Heights Local School District**  
**Licking County**  
*Real Property Tax Rates - Direct and Overlapping Governments*  
(per \$1,000 of assessed value)  
*Last Eight Collection Years (1)*

Tax Year/ Collection Year	Direct Rates				Total
	Voted			Unvoted	
	General	Bond	Perm. Improvement		
2018/2019	41.40	12.10	1.99	4.80	60.29
2017/2018	42.40	13.69	1.99	4.80	62.88
2016/2017	45.00	9.10	1.99	4.80	60.89
2015/2016	45.20	7.60	1.99	4.80	59.59
2014/2015	46.10	7.65	1.99	4.80	60.54
2013/2014	46.22	7.30	1.99	4.80	60.31
2012/2013	37.55	6.53	1.99	4.80	50.87
2011/2012	37.80	6.30	1.99	4.80	50.89

**Source:** Licking County Auditor's Office; Ohio Department of Taxation

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.

(1) Information prior to tax year 2011, collection year 2012 is unavailable.

**Licking Heights Local School District**  
**Licking County**  
*Real Property Tax Rates - Direct and Overlapping Governments*  
(per \$1,000 of assessed value)  
*Last Eight Collection Years (1)*

Tax Year/ Collection Year	Overlapping Rates						
	Licking County Library	Columbus Metropolitan Library	Licking County	Franklin County	Licking County JVSD	Jefferson Township	Etna Township
2018/2019	1.00	2.80	9.50	18.92	2.55	11.80/14.85	2.5/3.8
2017/2018	1.00	2.80	8.00	18.92	2.57	11.80/14.85	2.5/3.8
2016/2017	1.00	2.80	8.00	18.47	2.57	11.85/14.90	2.5/3.8
2015/2016	1.00	2.80	8.00	18.47	2.58	11.95/15.00	2.5/3.8
2014/2015	1.00	2.80	8.00	18.47	2.54	12.95/13.20	1.0/2.3
2013/2014	1.00	2.80	7.70	18.47	2.56	11.95/12.20	1.0/2.3
2012/2013	1.00	2.80	7.70	18.47	2.54	8.95/9.20	1.0/2.3
2011/2012	1.00	2.80	7.70	18.07	2.52	8.92/9.17	1.0/2.3

TABLE 7 (Continued)

Overlapping Rates								
<u>Jersey Township</u>	<u>Truro Township</u>	<u>St. Albans Township</u>	<u>Pataskala City</u>	<u>Reynoldsburg City</u>	<u>New Albany City</u>	<u>Columbus City</u>	<u>WLJ Fire</u>	<u>Park Districts</u>
4.3/5.9	23.00	14.20	2.90	0.70	1.70	1.43/2.85	11.00	0.25
4.3/5.9	23.00	14.30	2.90	0.70	1.70	1.43/2.85	11.00	0.25
4.3/5.9	23.00	14.50	2.90	0.70	1.70	1.43/2.85	11.00	0.25
1.3/5.9	20.50	14.50	2.90	0.70	1.70	1.43/2.85	11.00	0.25
1.3/5.9	20.50	10.2/13.5	2.90	0.70	1.70	1.43/2.85	11.00	0.25
1.3/5.9	20.50	10.34/13.64	2.90	0.70	1.70	1.43/2.85	11.00	0.25
1.3/5.9	20.50	9.93/13.23	2.90	0.70	1.70	1.43/2.85	11.50	0.25
1.3/5.9	16.60	9.87/13.17	2.90	0.70	1.70	1.43/2.85	11.50	0.00

**Licking Heights Local School District**  
**Licking County**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

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
2018	\$33,052,882	\$32,649,642	98.78%	\$572,600	\$33,222,242	100.51%
2017	31,007,805	30,426,800	98.13%	(11,068)	30,415,732	98.09%
2016	28,442,804	27,704,173	97.40%	31,817	27,735,989	97.51%
2015	27,286,513	26,597,332	97.47%	496,246	27,093,579	99.29%
2014	26,740,869	26,350,881	98.54%	623,296	26,974,176	100.87%
2013	26,490,252	26,088,458	98.48%	519,808	26,608,266	100.45%
2012	22,570,263	20,459,106	90.65%	545,008	21,004,114	93.06%
2011	22,356,909	20,109,066	89.95%	477,801	20,586,867	92.08%
2010	20,679,308	18,606,952	89.98%	595,204	19,202,156	92.86%
2009	20,384,225	18,290,964	89.73%	700,364	18,991,328	93.17%

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

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The 2019 information cannot be presented because all collections have not been made by June 30, 2019.

(3) The County does not identify delinquent tax collections by tax year.



**Licking Heights Local School District**  
**Licking County**  
*Principal Taxpayers*  
*Real Estate Tax*  
*2019 and 2010 (1)*

Name of Taxpayer	2019	
	Assessed Value	Percent of Real Property Assessed Value
DISTRIBUTION LAND CORP	\$ 11,602,590	1.93%
SIDECAT LLC	9,945,080	1.65
MONTAUK INNOVATIONS	8,083,150	1.34
MBJ HOLDINGS LLC	6,918,230	1.15
VILLAGE GATE APPT, LTD	2,432,510	0.40
REYNO HOLDING CO	1,887,330	0.31
GVS OHIO HOLDINGS I LLC	1,162,000	0.19
CARR ROBERT A & DEBORAH B	1,155,750	0.19
KASSEL PROPERTIES, LLC	1,005,980	0.17
SANDLIAN, LANCE B	840,000	0.14
Totals	<u>\$ 45,032,620</u>	<u>7.48%</u>
Total Assessed Valuation	<u>\$ 602,391,440</u>	
Name of Taxpayer	2010	
	Assessed Value	Percent of Real Property Assessed Value
DISTRIBUTION LAND CORPORATION	\$ 8,735,520	1.71%
COLUMBUS SOUTHERN POWER CO	2,497,130	0.49
VILLAGE GATE APARTMENTS LLC	2,021,600	0.40
REYNO HOLDING COMPANY	1,075,900	0.21
160 MAIN STREET LLC	731,160	0.14
NEWCON INC.	697,940	0.14
PIZZUTI AC LLC	618,870	0.12
EIGHTY-FOUR LUMBER COMPANY	616,840	0.12
PIPER EQUITIES LLC	602,040	0.12
161 PROPERTIES LLC	568,580	0.11
Totals	<u>\$ 18,165,580</u>	<u>3.55%</u>
Total Assessed Valuation	<u>\$ 511,206,390</u>	

(1) The amounts presented represent assessed values upon which 2019 and 2010 collections were based.

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

**Licking Heights Local School District**  
**Licking County**  
*Principal Taxpayers*  
*Public Utilities Tax*  
*2019 and 2010 (1)*

Name of Taxpayer	2019	
	Assessed Value	Percent of Public Utility Assessed Value
AEP OHIO TRANSMISSION CO INC	\$ 20,588,590	47.29%
OHIO POWER CO	18,297,500	42.02
COLUMBUS SOUTHERN POWER CO	2,090,630	4.80
NATIONAL GAS & OIL CORP	662,730	1.52
COLUMBIA GAS OF OHIO	535,550	1.23
Total	<u>\$ 42,175,000</u>	<u>96.86%</u>
Total Assessed Valuation	<u>\$ 43,543,300</u>	
Name of Taxpayer	2010	
	Assessed Value	Percent of Public Utility Assessed Value
COLUMBUS SOUTHERN POWER COMPANY	\$ 5,829,090	58.17%
OHIO POWER COMPANY	686,400	6.85
NATIONAL GAS & OIL CORP	537,850	5.37
COLUMBIA GAS OF OHIO INC.	255,100	2.55
Total	<u>\$ 7,308,440</u>	<u>72.94%</u>
Total Assessed Valuation	<u>\$ 10,020,460</u>	

(1) The amounts presented represent the assessed values upon which 2019 and 2010 collections were based.

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

**Licking Heights Local School District**  
**Licking County**  
*Ratio of Outstanding Debt by Type*  
*Last Ten Fiscal Years*

Fiscal Year	General Obligation Bonds	Certificates of Participation	Tax Anticipation Notes	Capital Leases	Total Debt Outstanding	Ratio of Total Debt to Personal Income	Total Debt Per Capita
2010	\$ 60,294,184	\$ -	\$ -	\$ 13,960	\$ 60,308,144	\$10.90	\$2,711
2011	59,887,701	10,265,699	-	10,590	70,163,990	11.90	N/A
2012	60,878,269	10,260,207	-	6,908	71,145,384	11.55	3,190
2013	61,056,639	9,904,715	4,300,000	360,047	75,621,401	11.87	3,332
2014	60,375,762	9,544,223	3,250,000	679,175	73,849,160	11.45	3,203
2015	59,355,636	9,173,731	2,180,000	555,287	71,264,654	9.83	3,010
2016	57,875,239	8,798,238	1,095,000	438,392	68,206,869	9.52	2,736
2017	55,229,749	8,412,746	-	318,225	63,960,720	8.83	2,499
2018	103,401,561	8,020,000	-	194,692	111,616,253	N/A	N/A
2019	99,237,467	8,020,000	-	67,698	107,325,165	N/A	N/A

**Source:** District Financial Records

NA - Information Not Available

**Licking Heights Local School District**  
**Licking County**  
*Ratios of General Bonded Debt Outstanding*  
*Last Ten Fiscal Years*

Fiscal Year	Net General Bonded Debt (1)	Ratio of General Bonded Debt to Estimated Actual Value (2)	General Bonded Debt per Capita	General Bonded Debt per Enrollment
2010	\$ 60,294,184	3.99%	\$2,711	\$19,050
2011	59,887,701	4.28	NA	18,220
2012	60,878,269	4.28	2,730	17,911
2013	61,056,639	4.22	2,690	17,555
2014	60,375,762	4.16	2,618	16,734
2015	59,355,636	3.90	2,507	16,090
2016	57,875,239	3.71	2,322	14,974
2017	55,229,749	3.06	2,158	12,203
2018	103,401,561	5.46	NA	24,538
2019	99,237,467	NA	NA	23,132

**Source:** Ohio Municipal Advisory Council

(1) Represents Total Debt Outstanding from Table 11 less Capital Leases from Table 11 and Restricted Net Position from Table 1.

(2) Represents Net General Bonded Debt outstanding at fiscal year-end divided by the estimated actual value in effect as of fiscal year-end.

NA - Information Not Available

**Licking Heights Local School District**  
**Licking County**  
*Computation of Direct and Overlapping*  
*Debt Attributable to Governmental Activities*  
*June 30, 2019*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
<b>Direct Debt</b>			
Licking Heights Local School District as of June 30, 2019	\$ 107,325,165	100.00%	\$ 107,325,165
<b>Overlapping Debt:</b>			
Payable from Property Taxes:			
Columbus Metropolitan Library	81,612,222	1.56%	1,273,151
Licking County	43,319,830	7.09%	3,071,376
Franklin County	561,498,000	1.08%	6,064,178
Career & Technical Education Centers of Licking County	17,780,332	13.94%	2,478,578
Jefferson Township	313,750	24.41%	76,586
Etna Township	2,000,000	1.06%	21,200
City of Pataskala	11,523,700	55.34%	6,377,216
City of Reynoldsburg	40,449,963	7.72%	3,122,737
City of New Albany	59,934,000	4.43%	2,655,076
City of Columbus	1,896,718,345	1.14%	21,622,589
West Licking Fire District	1,750,000	25.36%	443,800
Solid Waste Authority of Central Ohio	76,125,000	1.16%	883,050
Total Overlapping Debt	2,793,025,142		48,089,538
Total Direct and Overlapping Debt	\$2,900,350,307		\$155,414,703

**Source:** Ohio Municipal Advisory Council, Calendar and Fiscal Year 2018 audit reports.

(1) Percentages were determined by dividing the assessed or actual valuation of the overlapping government located within the boundaries of the District by the total assessed or actual valuation of the overlapping government. The valuations used were for tax year 2018.

**Licking Heights Local School District**  
**Licking County**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	2010	2011	2012	2013
Assessed Valuation	<u>\$ 522,112,150</u>	<u>\$ 522,950,180</u>	<u>\$ 485,771,830</u>	<u>\$ 494,433,980</u>
Debt Limit - 9% of Assessed Value (1)	<u>46,990,094</u>	<u>47,065,516</u>	<u>43,719,465</u>	<u>44,499,058</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	60,294,184	59,887,701	60,878,269	61,056,639
Less Unamortized Premiums and Discounts	(3,845,472)	(3,642,722)	(4,586,002)	(4,999,873)
Less Accumulated Accretion	(1,679,695)	(2,376,661)	(3,151,038)	(4,295,557)
Less Amount Available in Debt Service	<u>-</u>	<u>-</u>	<u>(1,958,608)</u>	<u>(786,419)</u>
Amount of Debt Subject to Limit	<u>54,769,017</u>	<u>53,868,318</u>	<u>51,182,621</u>	<u>50,974,790</u>
Legal Debt Margin	<u>(7,778,924)</u>	<u>(6,802,802)</u>	<u>(7,463,156)</u>	<u>(6,475,732)</u>
Legal Debt Margin as a Percentage of the Debt Limit	-16.55%	-14.45%	-17.07%	-14.55%
Unvoted Debt Limit - .10% of Assessed Value (1)	<u>522,112</u>	<u>522,950</u>	<u>485,772</u>	<u>494,434</u>
Applicable District Debt Outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Legal Debt Margin	<u>\$ 522,112</u>	<u>\$ 522,950</u>	<u>\$ 485,772</u>	<u>\$ 494,434</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

TABLE 14 (Continued)

2014	2015	2016	2017	2018	2019
<u>\$ 502,272,750</u>	<u>\$ 504,247,181</u>	<u>\$ 523,390,330</u>	<u>\$ 534,598,816</u>	<u>\$615,267,320</u>	<u>\$645,934,740</u>
<u>45,204,548</u>	<u>45,382,246</u>	<u>47,105,130</u>	<u>48,113,893</u>	<u>55,374,059</u>	<u>58,134,127</u>
60,375,762	59,355,636	57,875,239	55,229,749	103,401,561	99,237,467
(4,258,034)	(3,516,195)	(2,774,357)	(1,754,165)	(5,370,913)	(4,758,808)
(5,118,646)	(5,771,564)	(5,937,008)	(5,020,945)	(3,625,090)	(2,888,681)
<u>(1,222,059)</u>	<u>(1,298,337)</u>	<u>(1,295,316)</u>	<u>(1,740,316)</u>	<u>(3,901,514)</u>	<u>(4,275,912)</u>
<u>49,777,023</u>	<u>48,769,540</u>	<u>47,868,558</u>	<u>46,714,323</u>	<u>90,504,044</u>	<u>87,314,066</u>
<u>(4,572,476)</u>	<u>(3,387,294)</u>	<u>(763,428)</u>	<u>1,399,570</u>	<u>(35,129,985)</u>	<u>(29,179,939)</u>
-10.12%	-7.46%	-1.62%	2.91%	-63.44%	-50.19%
<u>502,273</u>	<u>504,247</u>	<u>523,390</u>	<u>534,599</u>	<u>615,267</u>	<u>645,935</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 502,273</u>	<u>\$ 504,247</u>	<u>\$ 523,390</u>	<u>\$ 534,599</u>	<u>\$ 615,267</u>	<u>\$ 645,935</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Licking Heights Local School District**  
**Licking County**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Fiscal Year	(1) Estimated Population	(2) Total Federal Adjusted Gross Income	(2) Average Federal Adjusted Gross Income	(3) Unemployment Rate
2010	22,242	\$553,438,874	\$53,472	7.6%
2011	NA	589,650,974	54,765	5.8%
2012	22,301	615,753,141	56,496	6.1%
2013	22,694	637,027,375	56,979	4.3%
2014	23,059	645,161,172	58,694	3.6%
2015	23,679	725,026,114	63,806	3.9%
2016	24,930	716,415,266	61,023	3.8%
2017	25,596	724,125,882	60,188	3.8%
2018	NA	NA	NA	NA
2019	NA	NA	NA	NA

**Sources:**

(1) US. Bureau of the Census, Ohio Municipal Advisory Council, Years 2011, 2018 and 2018 were not available

(2) Ohio Department of Taxation

(3) September of October Data of Ohio Bureau of Employment Services or Ohio Department of Jobs and Family Services. Specific employment figures for the School District are not available. Unemployment percentages presented are for Franklin County and are not seasonally adjusted.



**Licking Heights Local School District**  
**Licking County**  
*Principal Employers*  
*2018 and 2010 (1)*

Employer	2018		2010	
	Rank	Percentage of Total Employment	Rank	Percentage of Total Employment
Licking Heights Local School District	1	7.02%	1	8.89%
Southwest Licking Local School District	2	2.25%	2	4.94%
American Electric Power Service Corp.	3	2.10%	6	1.93%
West Licking Joint Fire District	4	1.98%	3	4.10%
Kroger	5	1.74%	5	3.71%
First Source Employee Management, Inc.	6	1.73%		
City of Pataskala	7	1.30%	9	1.52%
One Source Employee Management	8	1.10%		
Licking Memorial Professional	9	1.03%		
Buckeye Ready Mix	10	1.00%	10	1.41%
Pataskala Oaks Care Center			4	3.98%
Mulch Manufacturing			7	1.77%
Craft Wholesalers			8	1.70%
Total		21.25%		33.95%
Total Withholdings - All Employers		\$ 2,579,382		\$ 360,868

**Source:** Regional Income Tax Agency (RITA) records, City of Pataskala CAFR

Note: Information on principal employers for 2019 was not available.

TABLE 17

**Licking Heights Local School District**  
**Licking County**  
*School District Employees by Position Code*  
*Last Five Fiscal Years*

Function/Program	2015	2016	2017	2018	2019
<b>Instruction</b>					
Teachers	194.56	208.28	209.50	219.50	219.15
Intervention Specialist	35.50	38.50	38.00	38.65	41.00
<b>Pupil Support Services</b>					
Counselors	7.00	6.00	5.00	9.00	9.00
Librarians	1.00	1.00	1.00	1.00	1.00
Library Aides	5.68	4.68	3.68	3.81	4.37
Nurse	1.00	1.00	1.00	1.00	1.00
Nurse's Aides	2.48	2.48	2.48	3.00	4.64
Intervention Aides	-	-	-	-	3.00
<b>Administration</b>					
Principals	5.00	5.00	4.00	4.00	4.00
Assistant Principals	5.00	5.00	5.00	5.00	7.00
District Office Administrators	10.00	10.00	11.00	13.00	13.00
Administrative Assistants/Clerical	28.32	28.32	24.57	27.56	23.00
Assistant Athletic Director	-	-	-	1.00	1.50
<b>Operations</b>					
Custodians	23.13	25.13	21.23	26.00	28.00
Maintenance and Grounds	5.00	5.00	5.00	5.00	5.00
Technology Support	1.00	1.00	1.00	1.00	1.00
Food Service	17.33	16.26	16.31	20.86	23.39
Mechanic	3.00	3.00	2.00	2.00	2.00
<b>Pupil Transportation</b>					
Bus Drivers/Aides/Dispatcher/Monitors	39.48	41.88	52.14	49.27	60.35
<b>Totals</b>	<u>384.48</u>	<u>402.53</u>	<u>402.91</u>	<u>430.65</u>	<u>451.40</u>

**Source:** State Reported EMIS Data

**Licking Heights Local School District**  
**Licking County**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Fiscal Year	Expenses (1)	Enrollment (2)	Cost Per Pupil	Percentage Change	Teaching Staff (3)	Pupil/Teacher Ratio
2010	\$ 25,967,176	3,165	\$8,204	N/A	N/A	N/A
2011	27,197,268	3,287	8,274	0.85%	N/A	N/A
2012	27,939,193	3,399	8,220	-0.66%	N/A	N/A
2013	28,262,552	3,478	8,126	-1.14%	N/A	N/A
2014	32,885,669	3,608	9,115	12.17%	N/A	N/A
2015	35,583,485	3,689	9,646	5.83%	230	16.0
2016	37,150,968	3,865	9,612	-0.35%	247	15.7
2017	39,318,758	3,995	9,842	2.39%	248	16.1
2018	38,512,804	4,214	9,139	-7.14%	258	16.3
2019	42,007,296	4,290	9,792	7.14%	260	16.5

**Source:** School District Records; Ohio Department of Education iLRC - cash basis reporting

NA - Information not available

**Licking Heights Local School District**  
**Licking County**  
*Building Statistics*  
*Last Ten Fiscal Years*

	2010	2011	2012	2013
<b>West Elementary School</b>				
Constructed in 2006				
Total Building Square Footage	89,795	96,406	96,406	96,406
Enrollment Grades K-4	631	609	570	882
Student Capacity	765	822	822	822
Capacity % (Over/Under)	82%	74%	69%	107%
<b>South Elementary School</b>				
Constructed in 2006				
Total Building Square Footage	89,795	89,795	89,795	89,795
Enrollment Grades K-4	706	765	784	641
Student Capacity	765	765	765	765
Capacity % (Over/Under)	92%	100%	102%	84%
<b>North Elementary School</b>				
Constructed in 1953				
Total Building Square Footage	52,025	52,025	52,025	52,025
Enrollment Grades 5	405	410	422	296
Student Capacity	443	443	443	443
Capacity % (Over/Under)	91%	93%	95%	67%
<b>Central Middle School</b>				
Constructed in 1961				
Total Building Square Footage	99,418	99,418	99,418	99,418
Enrollment Grades 6-8	721	739	796	819
Student Capacity	764	764	764	764
Capacity % (Over/Under)	94%	97%	104%	107%
<b>High School</b>				
Constructed in 2002				
Total Building Square Footage	142,406	142,406	142,406	142,406
Enrollment Grades 9-12	702	764	827	840
Student Capacity	946	946	946	946
Capacity % (Over/Under)	74%	81%	87%	89%

TABLE 19 (Continued)

2014	2015	2016	2017	2018	2019
96,406	96,406	96,406	96,406	96,406	96,406
926	916	962	800	922	919
822	822	822	822	822	822
113%	111%	117%	97%	112%	112%
89,795	89,795	89,795	89,795	89,795	89,795
606	622	625	840	848	888
765	765	765	765	765	765
79%	81%	82%	110%	111%	116%
52,025	52,025	52,025	52,025	52,025	52,025
343	306	321	328	343	357
443 #	443	443	443	443	443
77%	69%	72%	74%	77%	81%
99,418	99,418	99,418	99,418	99,418	99,418
852	917	934	959	993	977
764	764 #	764	764	764	764
112%	120%	122%	126%	130%	128%
142,406	142,406	142,406	142,406	142,406	142,406
881	928	1023	1068	1108	1149
946	946	946	946	946	946
93%	98%	108%	113%	117%	121%

**Licking Heights Local School District**  
**Licking County**  
*Capital Asset Statistics*  
*Last Ten Fiscal Years*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,821,947	\$ 1,821,947	\$ 1,821,947	\$ 1,821,947
Construction in Progress	-	319,797	5,172,061	-
Total Nondepreciable Capital Assets	<u>1,821,947</u>	<u>2,141,744</u>	<u>6,994,008</u>	<u>1,821,947</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	293,876	534,219	482,886	624,433
Buildings and Buildings Improvements	54,721,468	53,322,627	51,874,767	56,079,296
Furniture, Fixtures & Equipment	879,562	795,962	717,511	872,165
Vehicles	885,245	818,028	768,177	937,472
Total Depreciable Capital Assets	<u>56,780,151</u>	<u>55,470,836</u>	<u>53,843,341</u>	<u>58,513,366</u>
Total Capital Assets, Net	<u>\$ 58,602,098</u>	<u>\$ 57,612,580</u>	<u>\$ 60,837,349</u>	<u>\$ 60,335,313</u>

**Source:** School District Financial Records

Depreciable capital assets are presented net of accumulated depreciation.

TABLE 20 (Continued)

2014	2015	2016	2017	2018	2019
\$ 3,418,147	\$ 3,418,147	\$ 3,418,147	\$ 3,486,518	\$ 3,833,531	\$ 3,418,055
-	-	-	-	-	12,146,771
<u>3,418,147</u>	<u>3,418,147</u>	<u>3,418,147</u>	<u>3,486,518</u>	<u>3,833,531</u>	<u>15,564,826</u>
563,157	630,392	548,613	530,824	447,620	453,378
54,469,226	53,166,738	51,704,830	50,129,478	48,870,249	47,272,775
503,566	407,518	415,907	348,389	686,132	1,107,809
1,194,368	1,158,268	1,560,216	1,476,683	1,789,672	1,847,057
<u>56,730,317</u>	<u>55,362,916</u>	<u>54,229,566</u>	<u>52,485,374</u>	<u>51,793,673</u>	<u>50,681,019</u>
<u>\$ 60,148,464</u>	<u>\$ 58,781,063</u>	<u>\$ 57,647,713</u>	<u>\$ 55,971,892</u>	<u>\$ 55,627,204</u>	<u>\$ 66,245,845</u>



**Licking Heights Local School District**  
6539 Summit Road Pataskala, OH 43062  
P: 740-927-6926

**Licking Heights High School**  
4000 Mink Street Pataskala, OH 43062  
P: 740-927-9046

**Central Middle School**  
6565 Summit Road Pataskala, OH 43062  
P: 740-927-3365 | F: 740-927-5845

**North Elementary**  
6507 Summit Road Pataskala, OH 43062  
P: 740-927-3268

**South Elementary**  
6623 Summit Road Pataskala, OH 43062  
P: 740-964-1674

**West Elementary**  
1490 Climbing Fig Blacklick, OH 43004  
P: 614-864-9089

**Licking Heights Preschool**  
6507 Summit Road Pataskala, OH 43062  
P: 740-927-3268



# OHIO AUDITOR OF STATE KEITH FABER



**LICKING HEIGHTS LOCAL SCHOOL DISTRICT**

**LICKING 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  
FEBRUARY, 4 2020**