

PAPER

POPULAR ANNUAL FINANCIAL REPORT

For the year ending June 30, 2015

EAST KNOX
LOCAL SCHOOL DISTRICT



TO THE CITIZENS OF THE EAST KNOX LOCAL SCHOOL DISTRICT,

We are pleased to present the **East Knox Local School District's (the "District") Popular Annual Financial Report (PAFR)** for the year ending June 30, 2015. This report makes our District's finances easier to understand, and communicates our financial situation in an open and accountable manner. We are proud of this report and the support offered by the Board of Education in its creation.

The PAFR is prepared on the cash-basis of accounting, which differs from financial information prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Annually, the District prepares cash-basis financial statements which are audited by the Auditor of the State of Ohio or its designee. A copy of our annual financial audit reports can be found on the Auditor of the State of Ohio's website at www.ohioauditor.gov.

The PAFR focuses on the District's General Fund. The General Fund is the chief operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The most significant items not reported in the General Fund include debt issuance and retirement and permanent improvements.

We would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at (740) 599-2502 or at jbusenburg@ekschools.org.

Respectfully submitted,



Jessica M. Busenburg
Treasurer

REVENUES AND RESOURCES OVER DISBURSEMENTS AND SERVICES

The Financial Activity Statement below is shown on a cash-basis for the District's General Fund. This type of schedule, known in accounting terms as the income statement, provides a summary of the receipts and resources received by the District compared to the disbursements and services provided by the District.

RECEIPTS & RESOURCES (shown in thousands)	FY15	FY14	FY13
Property Taxes	\$4,679	\$4,469	\$4,456
Unrestricted State Aid	3,997	4,005	3,995
Restricted State Aid	116	134	27
Property Tax Allocation	690	674	665
All other revenues	879	877	841
Total Receipts and Resources	\$10,361	\$10,159	\$9,984

DISBURSEMENTS & SERVICES PROVIDED (shown in thousands)	FY15	FY14	FY13
Instruction	\$6,203	\$6,019	\$6,716
Pupil Support	649	608	559
Instructional Staff Support	152	155	61
Board/Administration/Fiscal	1,055	1,103	1,097
Plant Operation	929	844	878
Transportation	581	627	632
Central Support	144	157	5
Extracurricular	147	149	181
Non-instructional services	25	20	-
Total Disbursements and Services	\$9,885	\$9,682	\$10,129
Receipts and Resources Over (Under) Disbursements and Services	\$476	\$477	(\$145)



Our Disbursements and Services DEFINITIONS

INSTRUCTION is the activities directly dealing with the teaching of pupils or the interaction between teacher and pupil. Includes aides or classroom assistants of any type, who assist in the instructional process. Technology used by the students is also included here.

PUPIL SUPPORT is the activities which are designed to assess and improve the well-being of pupils and to supplement the teaching process. This includes guidance services, health services, psychological services and support services for students with disabilities.

INSTRUCTIONAL STAFF SUPPORT is the activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.

BOARD/ADMINISTRATION/FISCAL are those activities concerned with establishing and administrating policy in connection with operating the school district. This function includes budgeting, receiving and disbursing, financial accounting, payroll, inventory control, auditing and fiscal services rendered by persons in the treasurer's office.

PLANT OPERATION are those activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, buildings, and equipment in effective working condition and state of repair. This includes activities of maintaining safety in buildings, on the grounds and in the vicinity of the schools.

TRANSPORTATION are those activities concerned with the conveyance of individuals to and from school, as provided by state law. It includes transportation to school activities and between home and school.

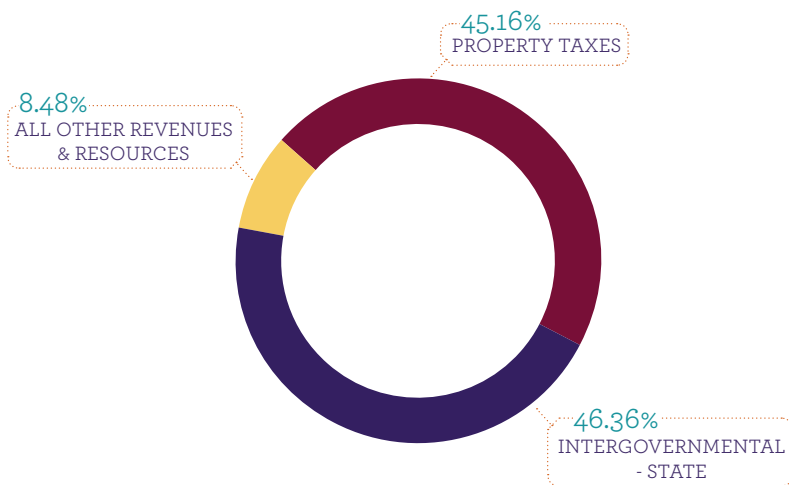
CENTRAL SUPPORT are those activities, other than general administration, which support each of the other instructional and supporting services programs including planning, research, development, evaluation, information staff, statistical, and data processing services.

EXTRACURRICULAR are student activities under the guidance or supervision of qualified adults which are designed to provide opportunities for pupils to participate in such experiences on an individual basis at school events or public events.

NON-INSTRUCTIONAL SERVICES are those activities concerned with providing non-instructional services to students, staff or the community. Also includes providing certain services to other school districts.

GENERAL FUND RECEIPTS & RESOURCES

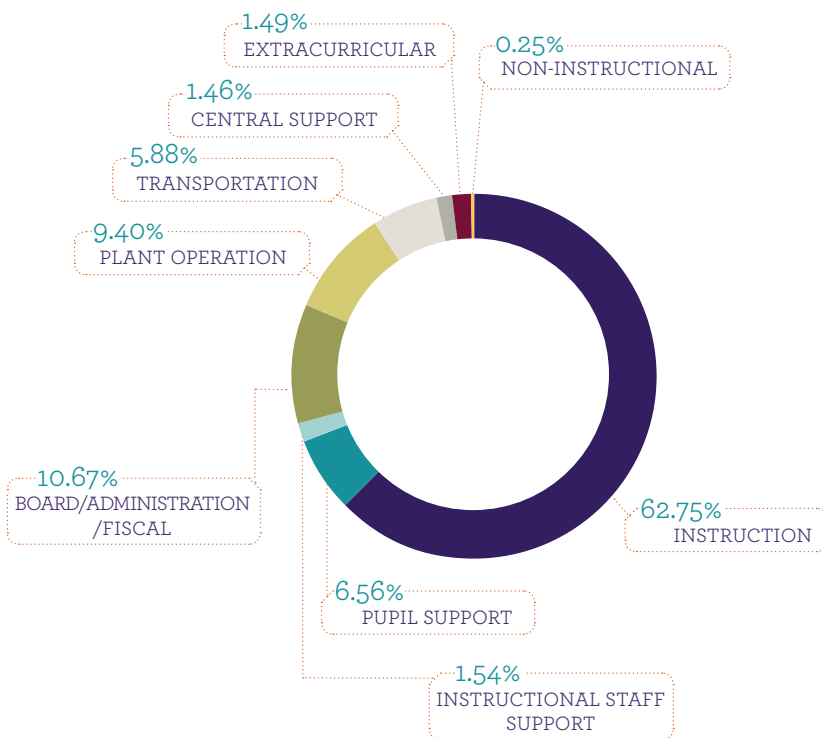
The graph below displays the cash-basis receipts and resources for the General Fund for fiscal year 2015.



 **TOTAL**
Receipts & Resources: **\$10,361**
(shown in thousands)

GENERAL FUND DISBURSEMENTS & SERVICES

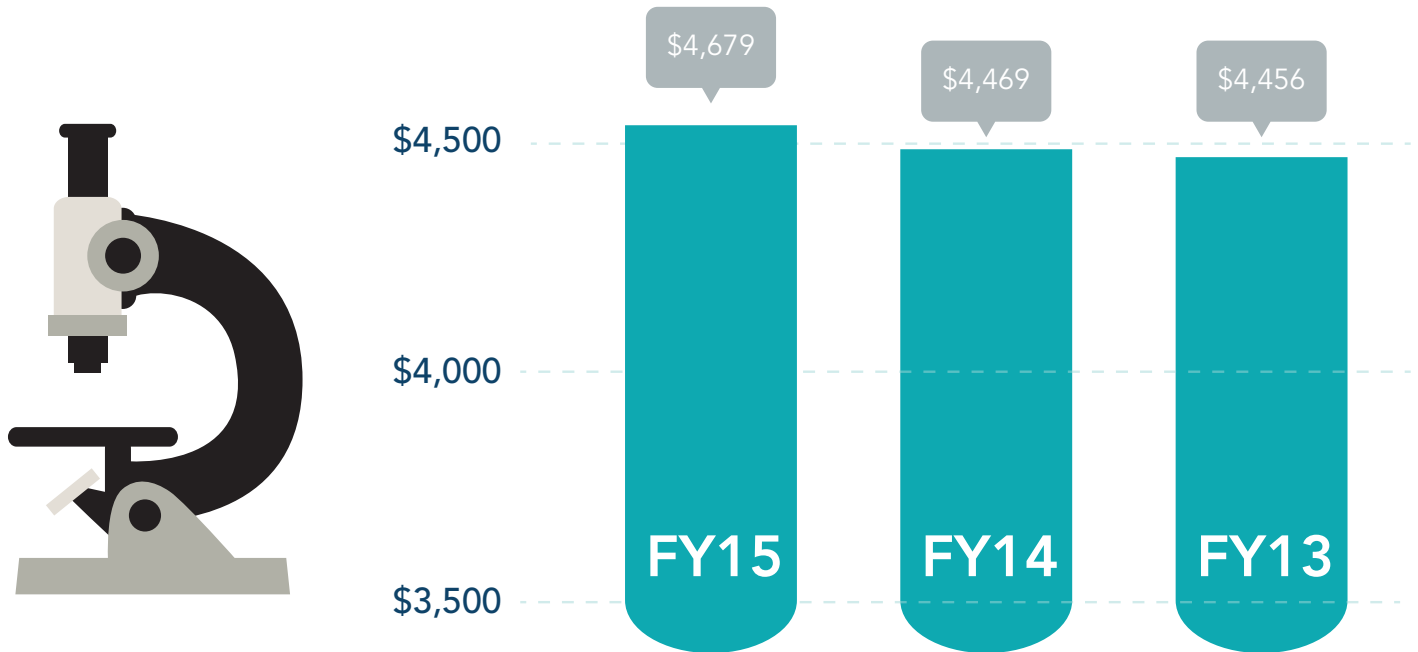
The graph below displays the cash-basis disbursements and services for the General Fund for fiscal year 2015.



 **TOTAL**
Disbursements & Services **\$9,885**
(shown in thousands)

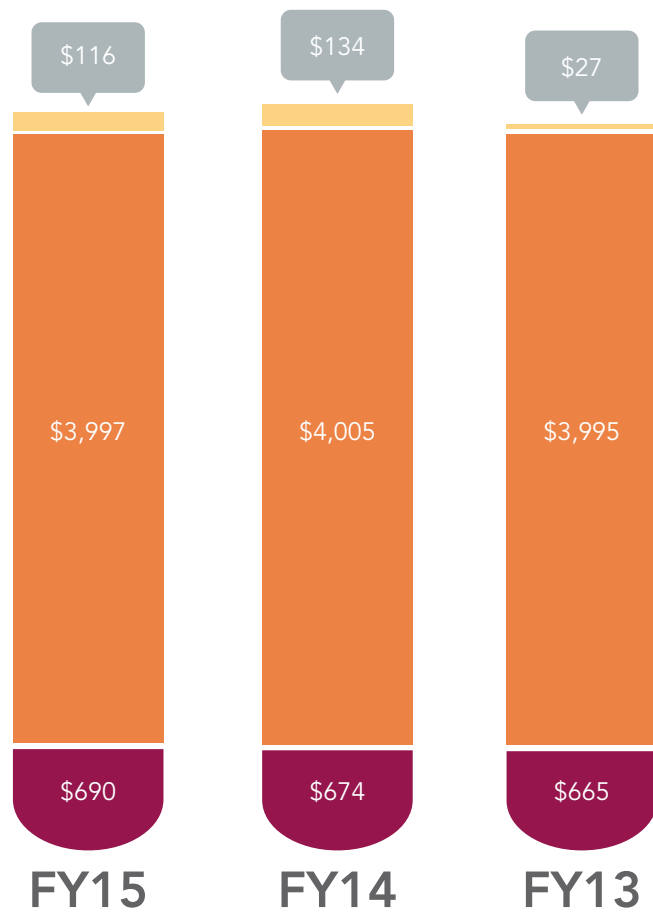
PROPERTY TAXES

Below is a graph depicting the amount of cash collections received by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools.



STATE FUNDING

The chart to the right depicts the cash receipts for the District's General Fund from the State of Ohio. Monies received from the state are critical in running a fiscally solvent school district. The three primary components of State revenues are (1) unrestricted State Aid consisting of State Foundation which is a formula calculation based upon student enrollment, (2) property tax allocations which include Homestead and Rollback payments which represent the portion of the tax bill paid by the State instead of the taxpayer, and (3) restricted State Aid consisting of economic disadvantaged and career tech funding. Amounts shown in thousands.



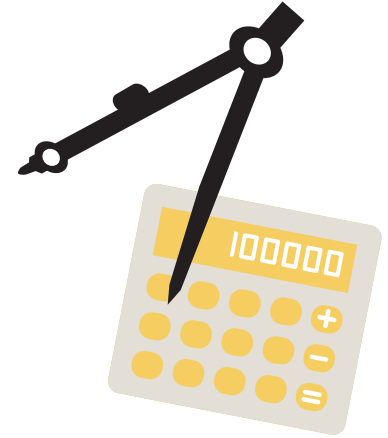
Restricted State Aid
 Unrestricted State Aid
 Property Tax Allocation

UNBUNDLING THE TAX RATE

All tax rates for the District except inside millage are reduced as valuations increase. In accordance with House Bill 920, as property valuations increase during the triennial update and reappraisal periods, the voted millage is reduced in order to generate the same amount of tax revenue for the District as was received when each levy was initially approved by the voters. The chart below shows the difference in the District's "Gross" or voted tax rates, as compared to the "Effective" rates, which are what is being collected. The rates below are for the 2014 tax year collected in 2015.

Tax Burden on Homeowners

Type	Gross Rate	Effective Rate	Length Approved
Inside-Operating	4.50	4.50	Permanent
Voted - Operating	30.70	15.49	Permanent
Permanent Improvement	3.00	2.55	Permanent
Bond Retirement	3.83	3.83	Various
Total Rates	42.03	26.37	



ASSESSED VALUES OF REAL PROPERTY

Collection Year	Agricultural/ Residential	Commercial/ Industrial	Other Real Estate	Public Utility Personal	Total
2015	\$254,814,080	\$6,170,820	\$827,250	\$6,972,670	\$268,784,820
2014	\$231,669,120	\$5,939,380	\$778,550	\$6,773,960	\$245,161,010
2013	\$228,718,540	\$5,926,180	\$705,320	\$6,517,450	\$241,867,490

OPEN ENROLLMENT (OE)

Year	Open Enrollment In	Student FTE* OE In	Open Enrollment Out	Student FTE* OE Out	Net Open Enrollment Loss	Community School Loss	Total Annual Loss
2014-2015	\$418,167	73.07	\$1,645,918	286.16	-1,227,751	-360,861	-1,588,612
2013-2014	\$422,566	74.77	\$1,417,047	249.04	-993,113	-377,845	-1,370,958
2012-2013	\$457,828	80.26	\$1,380,884	242.08	-923,056	-401,719	-1,324,775
2011-2012	\$367,156	64.36	\$1,415,079	248.08	-1,047,922	-344,217	-1,392,139

*full-time equivalent

OUR TAXES AS COMPARED TO NEIGHBORING DISTRICTS

School	Equivalent Millage (property + income)	School	Equivalent Millage (property + income)
Loudonville*	39.92	North Fork*	31.67
Danville*	35.86	Northridge	31.43
Mount Vernon	33.83	Fredericktown	28.71
Centerburg*	31.80	East Knox	26.38

*has an income tax in effect

2014-15

STATE-ISSUED REPORT CARD

For 2014-2015 schools and districts receive letter grades on up to nine measures of academic performance. For more detailed information, log on to the Ohio Department of Education's website at education.ohio.gov.

ACHIEVEMENT

This grade combines two results for students who took the state tests. The first result answers the question – How many students passed the state test? The second result answers the question – How well did students do on the state test?



	Percentile	Grade
Performance Index	79.2%	C
Indicators Met	93.8%	A

GRADUATION RATE

This grade answers the question – How many ninth graders graduate in four years or five years?



	Percentile	Grade
% of students graduated in 4 years	94.6%	A
% of students graduated in 5 years	89.2%	C

GAP CLOSING

This grade shows how well all students are doing in your district in reading, math, and graduation. It answers the question – Is every student succeeding, regardless of income, race, culture or disability?

	Percentile	Grade
Annual Measurable Objectives	83.3%	B



PROGRESS

This is the District's average progress for its students in math and reading, grades 4-8. It looks at how much each student learns in a year. Did the students get a year's worth of growth? Did they get more? Did they get less?



Value Added	Grade
Overall	A
Gifted	C
Lowest 20% in Achievement	A
Students with Disabilities	A



PAFR

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