

# PAFR

POPULAR ANNUAL FINANCIAL REPORT

For the year ending June 30, 2017

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, 2017. 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](http://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](mailto:jbusenburg@ekschools.org).

Respectfully submitted,



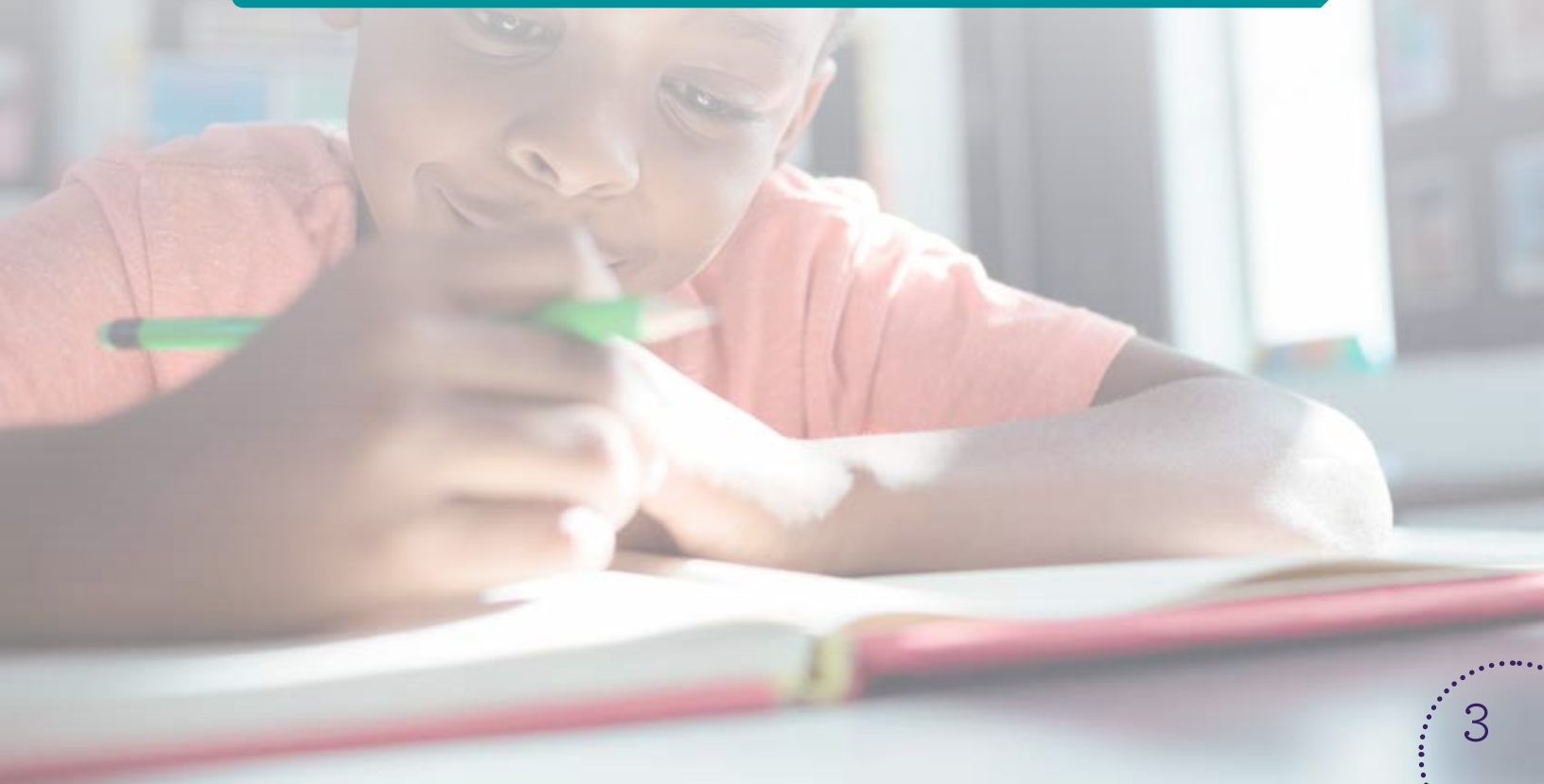
Jessica M. Busenburg  
Treasurer

## REVENUES AND RESOURCES OVER EXPENDITURES 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.

<b>RECEIPTS &amp; RESOURCES</b> (shown in thousands)	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>
Property Taxes	\$5,581	\$4,873	\$4,679
Unrestricted State Aid	3,897	3,961	3,944
Restricted State Aid	100	65	116
Property Tax Allocation	719	705	690
Casino Revenue	48	49	53
All Other Revenues	736	846	879
<b>Total Receipts and Resources</b>	<b>\$11,081</b>	<b>\$10,499</b>	<b>\$10,361</b>

<b>DISBURSEMENTS &amp; SERVICES PROVIDED</b> (shown in thousands)	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>
Instruction	\$6,418	\$6,029	\$6,203
Pupil Support	611	640	649
Instructional Staff Support	145	150	152
Board/Administration/Fiscal	1,123	1,131	1,055
Plant Operation	815	805	929
Transportation	553	564	581
Central Support	138	125	144
Extracurricular	151	154	147
Non-instructional services	25	25	25
<b>Total Disbursements and Services</b>	<b>\$9,979</b>	<b>\$9,623</b>	<b>\$9,885</b>
<b>Receipts and Resources Over Disbursements and Services</b>	<b>\$1,102</b>	<b>\$876</b>	<b>\$476</b>



# 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** those activities concerned with establishing and administering 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** those activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, buildings, and equipment in and 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** 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.

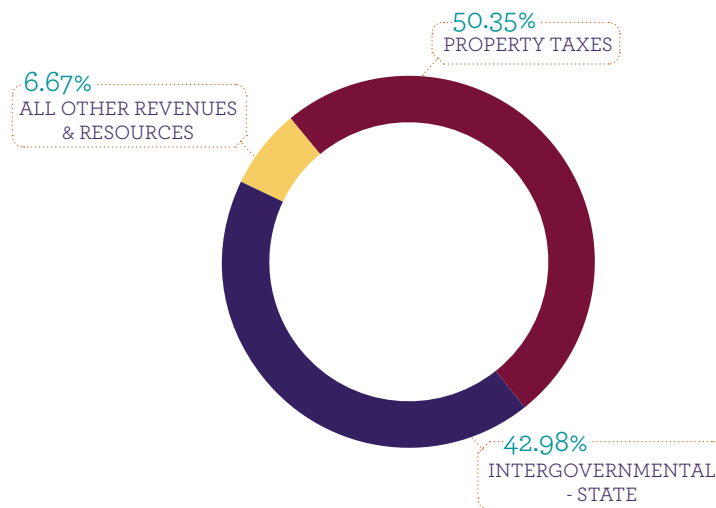
**CENTRAL SUPPORT** those activities, other than general administration, which support each of the other instructional and supporting services programs including planning, research, development, evaluation, information staff, statistical, and data processing services.

**EXTRACURRICULAR** 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** 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

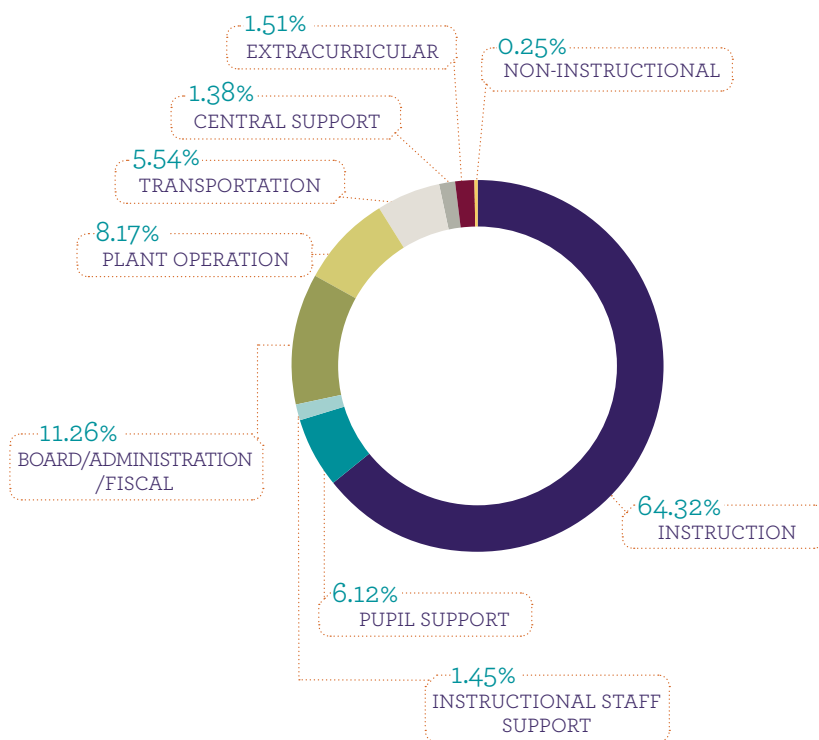
The graph below displays the cash-basis receipts and resources for the General Fund for fiscal year 2017.



 **TOTAL**  
Disbursements & Services **\$11,081**  
(shown in thousands)

## GENERAL FUND DISBURSEMENTS & SERVICES

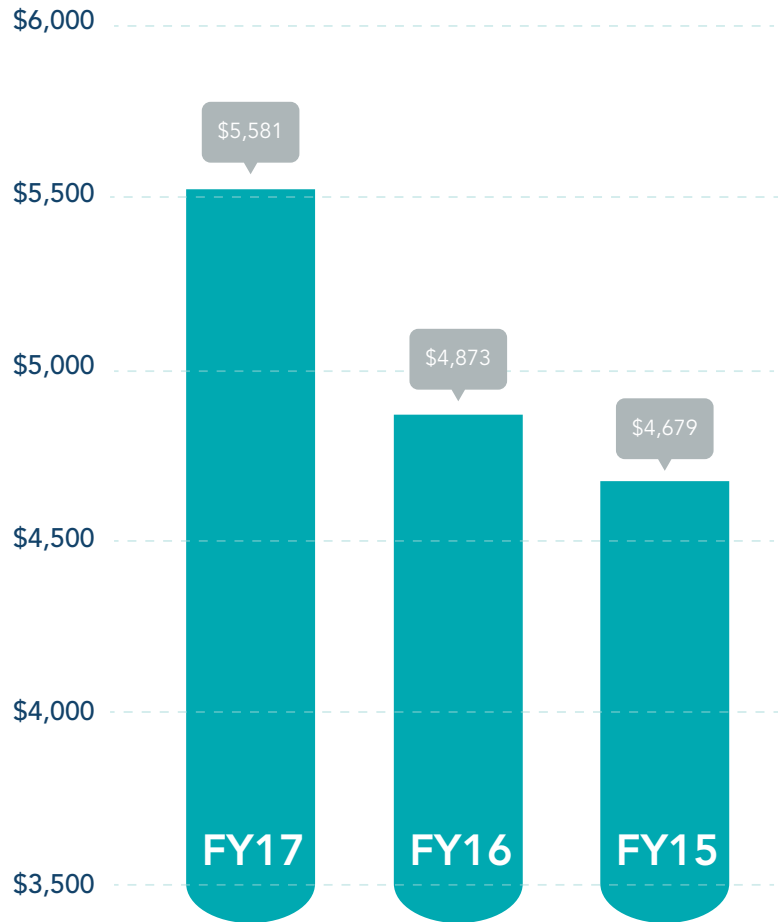
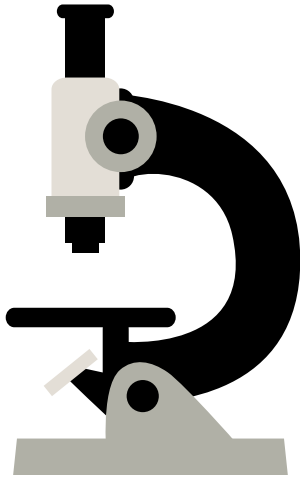
The graph below displays the cash-basis disbursements and services provided for the General Fund for fiscal year 2017.



 **TOTAL**  
Disbursements & Services **\$9,979**  
(shown in thousands)

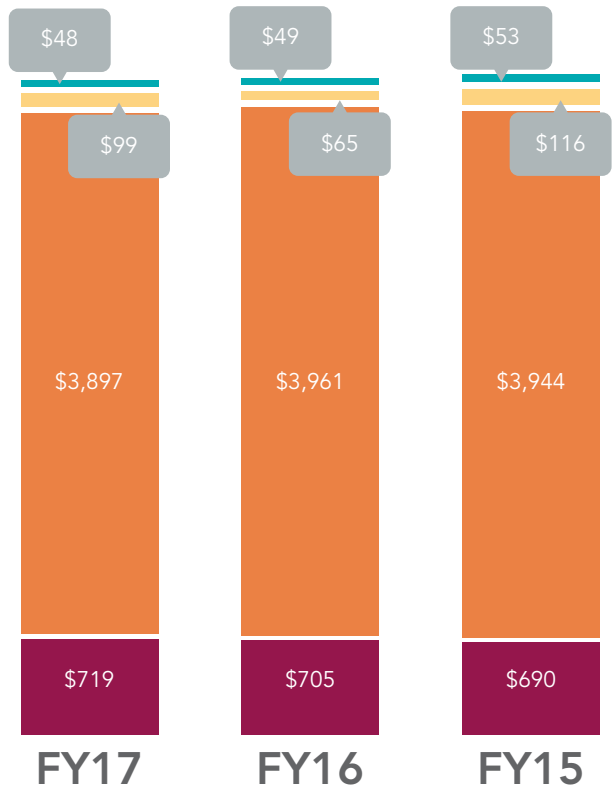
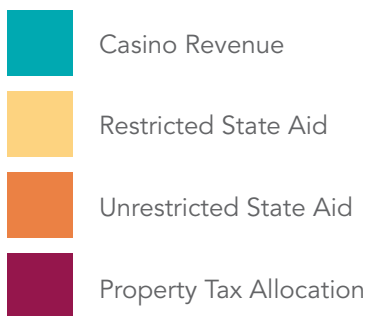
## PROPERTY TAXES

To the right 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 four 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, (3) restricted State Aid consisting of economic disadvantaged and career tech funding, and (4) Casino tax revenue to the TPP tax phase-out. Amounts shown in thousands.

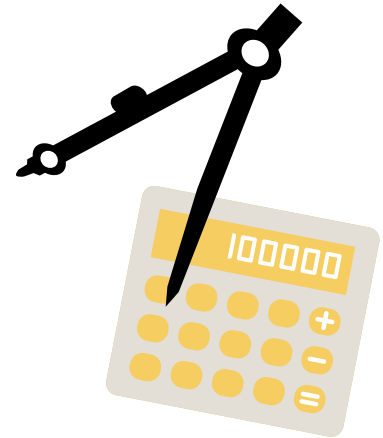


## UNBUNDLING THE TAX RATE

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 2017 tax year collected in 2016.

### Tax Burden on Homeowners

Type	Gross Rate	Effective Rate	Length Approved
Inside-Operating	4.50	4.50	Permanent
Voted - Operating	30.70	15.50	Permanent
Voted - Emergency Levy	4.40	4.40	10 Year
Permanent Improvement	3.00	2.55	Permanent
Bond Retirement	3.43	3.43	Various
<b>Total Rates</b>	<b>46.03</b>	<b>30.38</b>	



## ASSESSED VALUES OF REAL PROPERTY

Collection Year	Agricultural/ Residential	Commercial/ Industrial	Other Real Estate	Public Utility Personal	Total
2017	\$258,820,040	\$6,603,680	\$1,386,695	\$8,438,430	\$275,248,845
2016	\$256,296,910	\$6,687,150	\$705,710	\$8,282,820	\$271,972,590
2015	\$254,814,080	\$6,170,820	\$827,250	\$6,972,670	\$268,784,820

## 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
2016-2017	\$412,198	72.61	\$1,801,234	\$309.21	-1,389,036	-318,260	-1,707,296
2015-2016	\$394,077	68.65	\$1,691,203	\$300.82	-1,297,126	-319,560	-1,616,686
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

\*full-time equivalent

## OUR TAXES AS COMPARED TO NEIGHBORING DISTRICTS

School	Equivalent Millage (property + income)	School	Equivalent Millage (property + income)
Loudonville*	40.16	Mount Vernon	33.36
Clear Fork*	36.67	North Fork*	32.58
Centerburg*	33.75	Northridge	30.53
Danville*	33.66	East Knox	30.37
		Fredericktown	28.58

\*has an income tax in effect

# 2016-2017

## DISTRICT ACCOMPLISHMENTS



### ACADEMIC

- Placed first or second in 13 of 16 achievement areas on the Local Report Card among Knox County school districts.
- All students passed the Third Grade Reading Guarantee.
- Hired new teachers to add elementary art and music back into the curriculum after seven years.
- Invested \$50,000 in new curriculum at the elementary and JR/SR High after 8 years with no updates.
- Offered college courses to high school students for the 2016-2017 school year through College Credit Plus program so that students could take classes in the EKHS building and receive college credit. 33 students took advantage of this program.
- Continued with over 100 Kenyon student volunteers in the district to provide tutoring, teacher assisting, and study clubs to students through the Partnership of East Knox and Kenyon College (PEKK).



### FINANCIAL

- Passed an operating levy in November 2016 and were released from Fiscal Emergency by the Auditor of State of Ohio in March 2017.
- Finished the fiscal year within budget for the 4th straight year.
- Utilized permanent improvement funds to replace exterior doors at the JR/SR High to improve security, upgraded technology infrastructure, replaced two buses, and added gravel parking for all buses.



### EXTRACURRICULAR

- 3 teams qualified and participated or will participate this Fall in National FFA competitions, the Milk Quality and Products team finished first in State Competition, the Environmental/Natural Resource team placed first in the Eastern Region in National Competition, 3 teams finished in the state top 2 in career development events and 6 finished in the top 10, and there were 5 State FFA degrees awarded and 5 American FFA degrees will be awarded in October.
- Football team had first winning season in 12 years.
- Had one state cross country qualifier in the Top 12 and one state track qualifier in the Top 16.
- Boys' baseball team won sectional championship.



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