

PAPER

POPULAR ANNUAL FINANCIAL REPORT



For the year ending June 30, 2016

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, 2016. 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

EAST KNOX LOCAL SCHOOL DISTRICT

23201 Coshocton Road, Howard, OH 43028

p. 740.599.2502

f. 740.599.5863

www.ekschools.org

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.

RECEIPTS & RESOURCES (shown in thousands)	FY16	FY15	FY14
Property Taxes	\$4,873	\$4,679	\$4,253
TPP	-	-	216
Unrestricted State Aid	3,961	3,944	3,949
Restricted State Aid	65	116	134
Property Tax Allocation	705	690	674
Casino revenue	49	53	56
All other revenues	846	879	877
Total Receipts and Resources	\$10,499	\$10,361	\$10,159
DISBURSEMENTS & SERVICES PROVIDED (shown in thousands)	FY16	FY15	FY14
Instruction	\$6,029	\$6,203	\$6,019
Pupil Support	640	649	608
Instructional Staff Support	150	152	155
Board/Administration/Fiscal	1,131	1,055	1,103
Business Support	-	-	-
Plant Operation	805	929	844
Transportation	564	581	627
Central Support	125	144	157
Extracurricular	154	147	149
Non-instructional services	25	25	20
Total Disbursements and Services	\$9,623	\$9,885	\$9,682
Receipts and Resources Over Disbursements and Services	\$876	\$476	\$477

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.

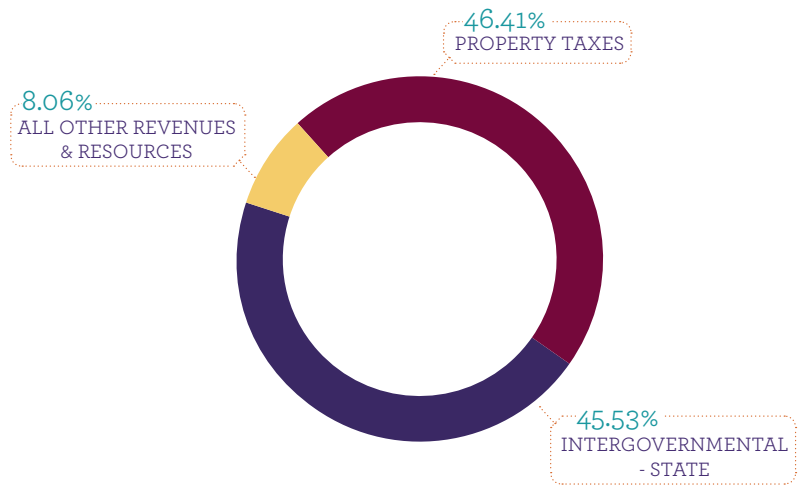
CENTRAL SUPPORT those activities, other than general administration, which support each of the other instructional and supporting services programs including planning, research, development, evaluation, information staff, statistical, and data processing services.

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

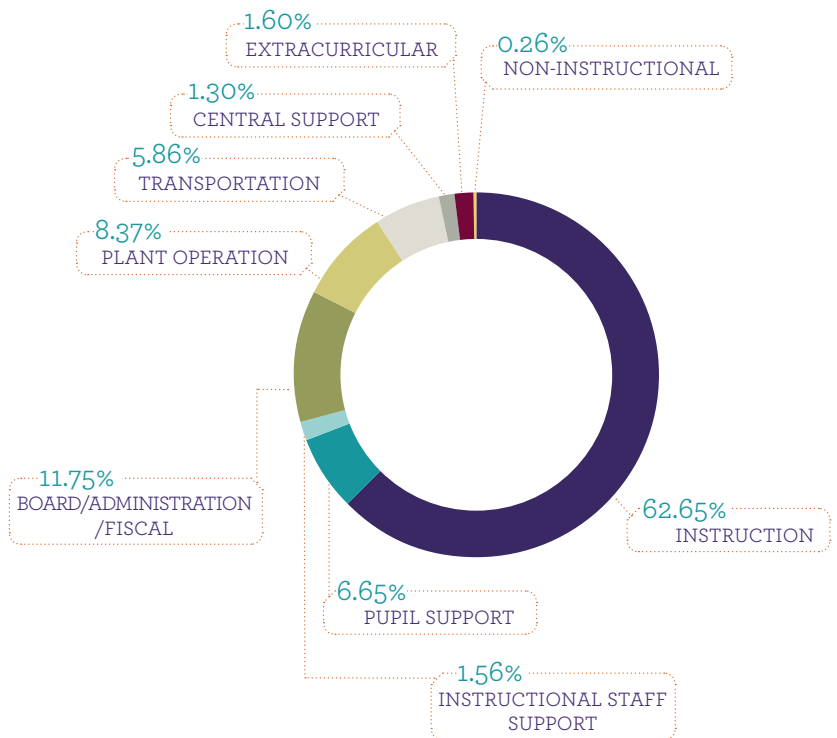
The graph below displays the cash-basis receipts and resources for the General Fund for fiscal year 2016.



 **TOTAL**
 Receipts & Resources: **\$10,499**
 (shown in thousands)

GENERAL FUND DISBURSEMENTS & SERVICES

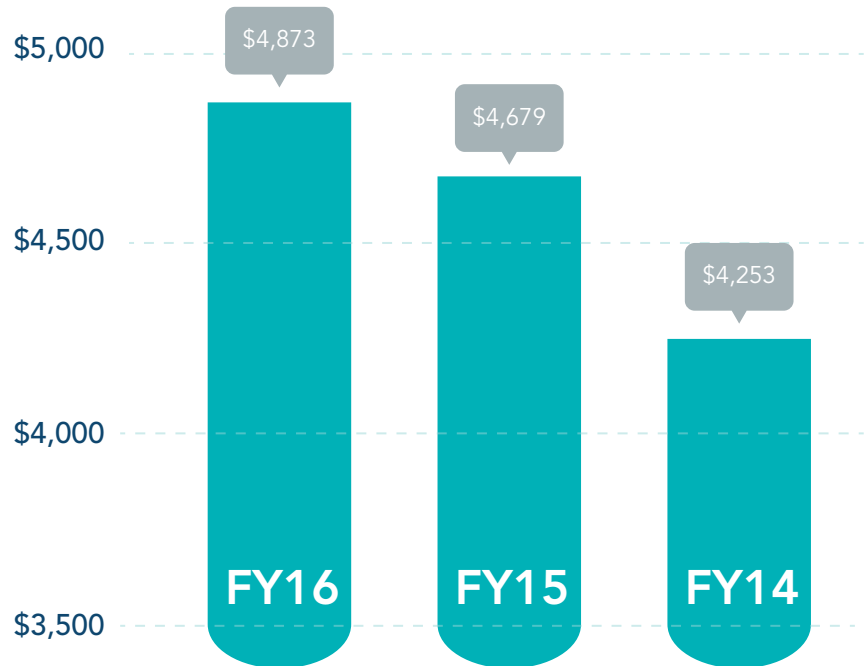
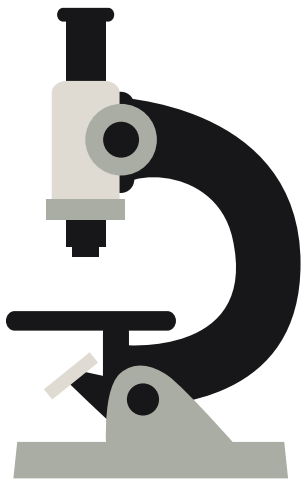
The graph below displays the cash-basis disbursements and services provided for the General Fund for fiscal year 2016.



 **TOTAL**
 Disbursements & Services: **\$9,623**
 (shown in thousands)

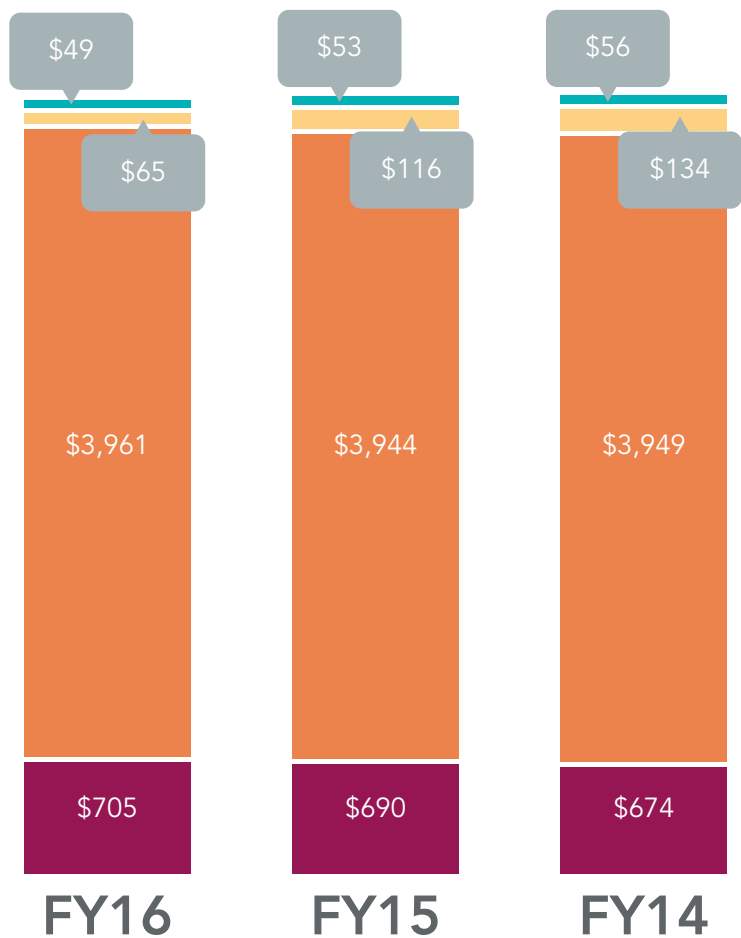
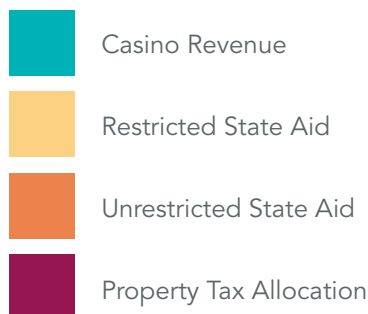
PROPERTY TAXES

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 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 2016 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	3.75	3.75	Various
Total Rates	41.95	26.29	



ASSESSED VALUES OF REAL PROPERTY

Collection Year	Agricultural/ Residential	Commercial/ Industrial	Other Real Estate	Public Utility Personal	Total
2016	\$256,296,910	\$7,051,600	\$705,710	\$8,282,820	\$272,337,040
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

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
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
2012-2013	\$457,828	80.26	\$1,380,884	242.08	-923,056	-401,719	-1,324,775

*full-time equivalent

OUR TAXES AS COMPARED TO NEIGHBORING DISTRICTS

School	Equivalent Millage (property + income)	School	Equivalent Millage (property + income)
Danville*	35.19	Loudonville*	31.64
Mount Vernon	33.58	Northridge	30.23
Centerburg*	31.98	Fredericktown	28.62
North Fork*	31.87	East Knox	26.30

*has an income tax in effect

2015-2016

DISTRICT ACCOMPLISHMENTS



ACADEMIC

- Led or tied for the lead in 6 of 16 areas of the 2015-2016 Local Report Card compared to other Knox County Schools
- Finished or tied in second place in another 7 of 16 areas of the 2015-2016 Local Report Card compared to other Knox County Schools
- Restructured the high school master schedule to allow high school students the opportunity to participate in the College Credit plus program. This program allows students to take courses taught by a college professor in the East Knox High School building and receive college credit. 17 students are currently taking advantage of this program.
- Welcomed over 100 Kenyon student volunteers to the District to provide tutoring, teacher assisting and study clubs to students through the Partnership of East Knox and Kenyon College (PEKK).



FINANCIAL

- Finished the fiscal year within budget for the 3rd straight year
- Reduced salary expenses for the third year in a row (4.7% average reduction)
- Received an accounting method audit from the Auditor of State's office with very few recommendations for improvements
- Utilized permanent improvement funds to replace old, inefficient lighting at the Junior High/High School, replaced exterior doors in the Junior High/High School to improve security, upgraded technology infrastructure and replaced three buses



EXTRACURRICULAR

- 4 teams qualified and participated in National Future Farmers of America (FFA) competitions, 2 teams won State FFA competitions, 8 members finished in the State top 4 in career development events and 11 finished in the top 10
- 5 State FFA degrees were awarded and 2 American FFA degrees were awarded
- Had one state cross country qualifier and six regional track qualifiers
- Girls softball team won third straight sectional championship
- Purchased equipment and made improvements to the track and field area to allow the East Knox Track team the ability to host an invitational.



PAFR

POPULAR ANNUAL FINANCIAL REPORT

EAST KNOX
LOCAL SCHOOL DISTRICT

