

General notes

- Our financial year is completed other than year-end accrual journal entries and audit. This process will take a number of months and will cause our financial picture to change significantly in some funds.
- Recording amounts earned during the 2014-2015 fiscal year but receivable as of June 30 will cause our General Fund fund balance to increase in excess of the decrease caused by 2014-2015 invoices paid after year-end. Although we won't know the final numbers for a few months, we predict an \$8 million increase at this time, which would be a net loss of approximately \$12 million for the year.
- Our expense trend appears to be in line with previous years with one notable exception. Although we had recorded these expenses at year end for years, we began budgeting expenses the Commonwealth pays for our KTRS employer match and employee health insurance in 2013-2014 and posting expense estimates monthly in 2014-2015. This has caused 2013-2014 to appear significantly under budget, and our expenses for 2014-2015 to appear significantly higher than previous years. Without these entries, most expense categories appear in line with previous years.
- Both revenues and expenditures show a significant decrease from the 2012-2013 school year to 2013-2014. This decrease was due to a large amount of refunding bonds issued in 2012-2013, which are recorded as both a revenue and expenditure. No bonds were eligible for refunding in 2013-2014.
- The opposite trend occurred from 2013-2014 to the current year. This was due to refunding bonds issued in March 2015 and JCPS now posting estimated on-behalf payments on a monthly basis.

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- 1119 Franchise Taxes has fluctuated over the periods shown. In 2012-2013, JCPS received two years' revenues as a major tax appeal was finalized and paid. Additionally, revenues increased in the current year above budget as some assessments increased, which appears to be a recurrent increase for future periods.
- 1131 Occupational License Taxes appear significantly below budget because we have yet to book the year-end receivable amount. Once this amount is recorded, we will end the year approximately \$800,000 under budget.
- 3900 On-Behalf Payments are being booked on a monthly basis for the first time in 2014-2015.

Page 5 and forward

- 0200 Employee Benefits show drastic increases in 2014-2015 starting on page 5 and continuing throughout the report. This is the effect of the on-behalf payments entries mentioned in previous notes.

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- Transportation 0300 Technical Services shows negative expenditures due to reimbursed activity bus runs as schools have the option of hiring bus drivers or external contractors for field trips.

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- Both revenues and expenditures decreased from 2012-2013 to 2013-2014 mainly from federal stimulus grants being completed.

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- District Activity Funds is a new fund in 2014-2015.

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- The expenditure trend fluctuation in Building Fund occurred because JCPS chose late in that year to bond construction projects previously funded with Building Fund cash. This allowed us to take advantage of favorable interest rates and reserve the cash for projects during 2013-2014. By 2014-2015, JCPS had used its Building Fund cash and sold bonds (in Construction Fund) to finance additional construction.
- The revenue and expenditure trend fluctuations occurred due to refunding bonds issued in 2012-2013, none issued in 2013-2014, and smaller amounts of refunding bonds issued in the current year. Additionally, Construction Fund trends are less consistent across years than most funds since most of our project work is done during the summer when school will be less affected, but when invoices may cross fiscal years.