

Notes of Interest
October Financial Report

General Notes

- All on-behalf payments, such as the employer portion of KTRS and all employees' health insurance, have been recorded as both expenses and revenues. As a result, our activities are comparable to previous years' activity. Although we do not pay these expenses, accounting rules require that we record them as both a state revenue and an employee fringe benefit expense since our employees receive the benefit of these transactions.

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- Occupational taxes continue to outpace previous years as the economy remains strong.
- SEEK Program revenues continues to demonstrate a decreasing trend, as our assessments growth increases more than the increase in base per pupil funding.
- Federal grant revenues are lagging previous fiscal years due to timing differences on payments, though we expect these to remain stable by the end of the year.
- Expenses are down in the current year compared to 2015-16 due to site improvement expenses, such as construction and renovation projects, being down \$21 million as Norton Commons Elementary and a number of additional major projects had been completed.

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- Each year, October approximates our lowest General Fund fund balance as property tax revenue begin in early November. This year's balance of \$49.4 million sounds high, however we paid a \$38.2 million payroll on November 4, which was prior to property tax revenues starting.

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- Plant Operations & Maintenance Other Purchased Services is negative due to reimbursements of our telephone and internet connectivity from the federal eRate program.
- Transportation Professional/Technical Services are negative due to reimbursements from grants for direct transportation services provided to the grant programs, such as preschool.

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- Capital Outlay receives its funding in two payments from the state in July and May each year.

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- Building Fund had \$7.3 million remaining unspent at the end of the 2015-16 year. These funds have already been included in the facilities and renovation allocation for the 2016-17 year.
- Building Fund receives most of its revenue each year as a required local effort (a percent of our property taxes), which we transfer in November when property tax receipts begin for the year.
- Construction spikes in the summer when school is out and projects will be less disruptive. Consequently, paying for these services causes the Construction Fund fund balance to reduce during the first few months of each year.