



## Notes of Interest

### September Financial Report

#### Update on 2016-2017 fiscal year end

- We are largely finished with our financial statements and are working through the audit. By the time we issue our October financial statements, our 2016-2017 activities will be finalized.
- Our June 30, 2017 General Fund fund balance currently shows an increase of \$20.8 million. This is largely due to vacancy credit caused by staff movement and personnel on leave and \$5 million of buses that were not delivered prior to the end of the fiscal year. We have adjusted our vacancy credit budget reallocation for the 2017-2018 budget to allow for the trend of higher vacancy credit.
- We are closely monitoring the pension discussions in Frankfort and the potential effects on JCPS. Our higher fund balance will help us endure some of the possible changes or increased retirements. We have already been told to expect the CERS employer match to rise approximately 8%, or \$15 million per year.

#### Budget changes

- Since the August financial report, we have issued our Working Budget for the year. During this process, we set our tax rates and finalize our budgeted revenues in General Fund. This is the last major budget adjustment for the year, although additional grants will be added and approved programs will be budgeted throughout the year.

#### Page 1

- Both revenues and expenses are lagging previous years on the graphs due to state-paid employee fringe benefits, such as the employer match for teachers and other degreed positions and health insurance for all employees. These monthly entries are generally made in October or November each year, once the prior year numbers have been audited. Current year estimates are built off the prior year numbers. Once the current year estimates are recorded, both graphs will be comparable to prior years.

#### Page 2

- Property tax collections will not begin until November, as with other years.
- Occupational taxes are maintaining a strong trajectory, as they have for the past few years.
- Other taxes are continuing a downward trend due to the weakened auction market for delinquent property tax bills. Previously, the County Clerk would auction blocks of delinquent bills, for which JCPS would receive 100% of the face value of the bills at the time of the sale. Much of this market has diminished as this market became less profitable.
- SEEK Program revenues show the continuing downward trend as our assessments rise which reduces the amount allocated to JCPS from the state.
- KSFCC (Kentucky School Facilities Construction Commission) Allocation is the debt service support that the state pays to finance renovations of school buildings. The increase in this revenue was a simple timing difference where the debt service payment dates on a refunding bond are a month earlier than the bond that was refunded.
- Most expense categories are lower in the 2017-2018 school year than previous years because the later school start date delayed the first full-employment payroll until September this year instead of late August.



## Notes of Interest

### Page 6

- Business Support Property Services are negative due to collections received from recycling computers.

### Page 7

- Plant Operations & Maintenance Other Purchased Services are negative because our federal e-Rate technology reimbursements have exceeded of total expense to date.
- Transportation Professional/Technical Services are negative due to reimbursements from grants for direct transportation services provided to the grant programs, such as preschool.

### Page 12

- Capital Outlay receives two roughly equal revenue payments each year, in July and May. These are based on our average daily attendance.

### Page 13 and 14

- Building Fund real estate tax collections follow the same calendar as General Fund. We will not begin receiving these collections until November.