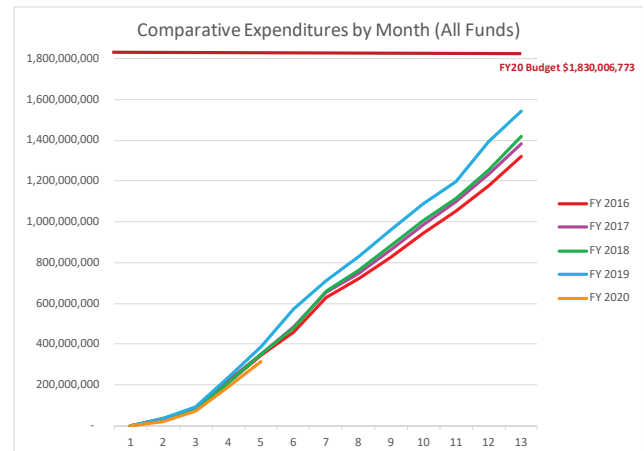
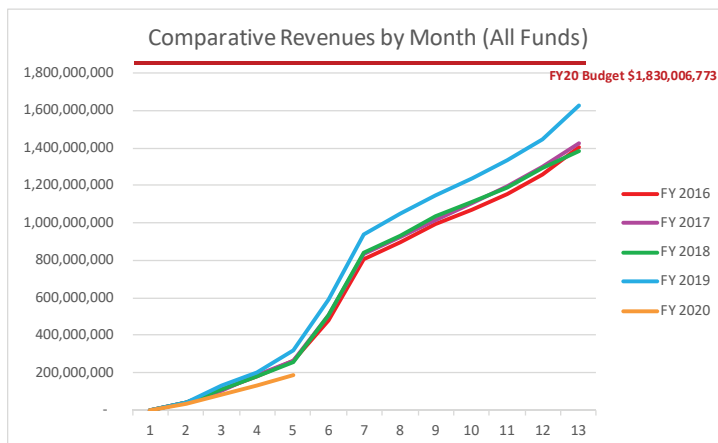
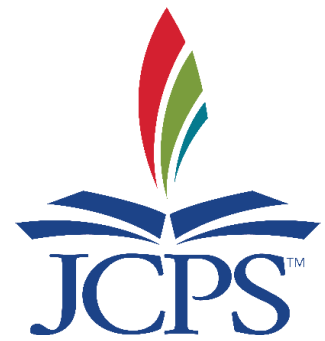


## Notes of Interest

### October Financial Report



*Graph notes: State-paid employee fringe benefits increased significantly for the 2018-2019 school year, causing the graph to increase sharply. These state-paid benefits are recorded each November, which will cause the 2019-2020 chart data to be more comparable to previous years.*

**Cash Flows and Property Taxes:** Property taxes are the District's largest revenue source, and collections begin each November. This causes our revenues to be cyclical while our expenditures are much more routine. The result is that our October General Fund fund balance is always our lowest of the year. Finance monitors this every year in depth. While \$20.6 million is a significant amount of money, it is far less than one routine \$35 million payroll. While many in the state question school district fund balance levels, this cash flow deficit is exactly why fund balances are required.

#### Items of Note:

- SEEK state revenues continue to decrease as a result of the state funding formula, which continues to decrease the amount sent to JCPS as our assessments increase.
- Interest is high in 2019-2020 compared to the previous two years. This trend may begin to reverse as the Federal Reserve has begun to lower interest rates and as our cash balances have declined some.
- Other state revenues and most expense categories appear larger in 2017-2018. The state-paid fringe benefits entries are included in that year and have not been booked in the month-to-date numbers for 2018-2019 and 2019-2020. This data will be comparable for our November financial report.
- Construction Fund fund balance varies depending on when bonds are sold to finance major construction and renovation projects. In 2018-2019, we sold a bond in October, which is why other sources of revenues was significantly higher that year.