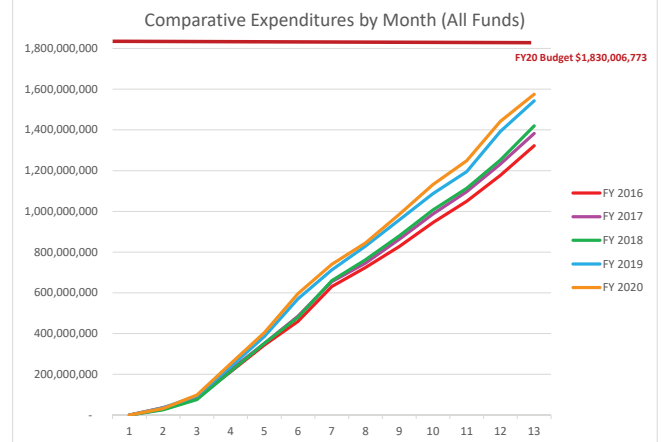
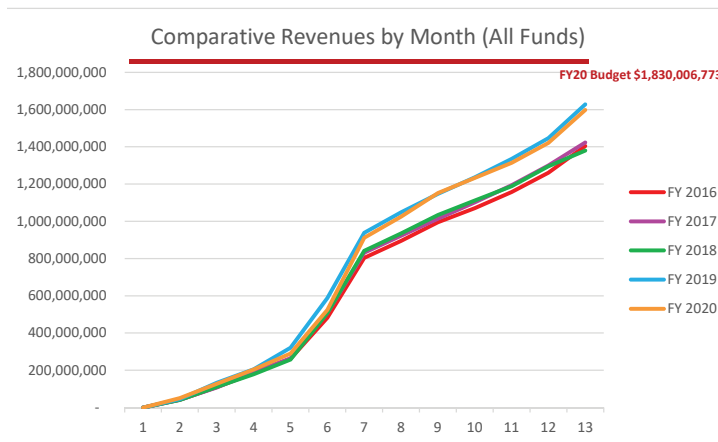
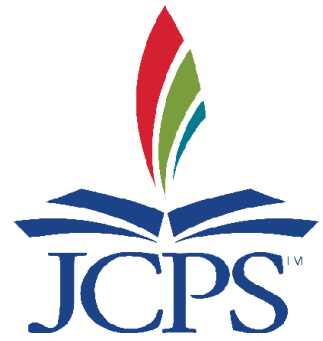


Notes of Interest

June (Unaudited) Financial Report



Update on Fiscal Year End:

We have begun our financial statement audit and are working daily on financial statement preparation. This generally means that we are verifying data and adjusting as necessary to make our financials accurate for the audit. Although it is far too soon to know where our fund balance will end up after audit, we know it will go down from the previous year, although a portion of that decrease will be offset by CARES Act revenues in the 2020-2021 school year.

Items of Note:

- Property taxes, our largest revenue source each year, show a 4.7% gain over April of the previous year.
- Occupational taxes are down \$14.3 million from last year. We anticipate much of this downturn to be a result of the delayed corporate tax deadlines, but some of this will be due to unpaid taxes due to the COVID 19 strain on businesses.
- SEEK state revenues continue to decrease as a result of the state funding formula, which lowers the amount sent to JCPS as our assessments increase.
- Interest rates have drastically reduced as the Federal Reserve reduced interest rates twice in March, with rates dropping 2.25%. This drop affects our outlook for the remainder of the 2019-2020 year and forecast of the 2020-2021 year.
- Construction Fund fund balance varies depending on when bonds are sold to finance major construction and renovation projects. We sold a bond in June 2020, which is why the fund has plenty of fund balance to complete the major renovation projects in progress.
- Daycare operations revenues and expenses are decreasing as enrollment at the Georgia Chaffee Teenage Parent Program has decreased. This decrease is the continuation of a trend extending numerous years.
- Most of our fee-based enterprise funds, including Daycare operations, Adult Education, and Tuition-based Preschool, show revenue decreases due to coronavirus closures.