Notes of Interest

August 2020 Financial Report

Change from previous Notes documents: The graphs showing comparative revenues and expenditures are not presented. Accounting estimates have not been recorded yet in the 2020-2021 fiscal year for health insurance, KTRS employer match, and other employee fringe benefits that are paid by the state on our behalf. We record these entries each year after the previous year's entries have been audited. Exclusion of these entries for the current year prevents the data from being comparable and could cause the graphs to be misleading.

Update on Fiscal Year End:

We are progressing with our financial statement audit and are working daily on financial statement preparation. This means we are verifying data and adjusting as necessary to make our financials accurate for the audit. Although it is far too soon to know exactly where our fund balance will end up after audit, we expect that it will go down $35-$39 million from the previous year due to lower occupational taxes, lower interest revenue, and higher expenses required to adjust to the pandemic and begin Non-Traditional Instruction.

August Report Items of Note:

- Property taxes, our largest revenue source each year, do not begin their collection period until November each year.
- Occupational taxes have not begun their collection year. The collections attributed to the 2020-2021 school year begin in August. This is consistent with previous years.
- 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.
- Other state revenues and all expense categories are down significantly due to the adjustments for state-paid fringe benefits referenced in the change from previous Notes documents explained above.
- Interest income is negative due to the annual reversal of financial statement adjustments. Interest income should be significant lower this year due to Federal Reserve interest rates reductions in response to the struggling economy.
- Capital Outlay receives half of its funding in July and half in April or May each year. These funds are used to pay debt service on major construction or renovation projects.
- Building Fund receives most of its funding as a percentage of property tax revenues with the amount based on total assessments including both property and motor vehicle assessments. This collection period begins in November.