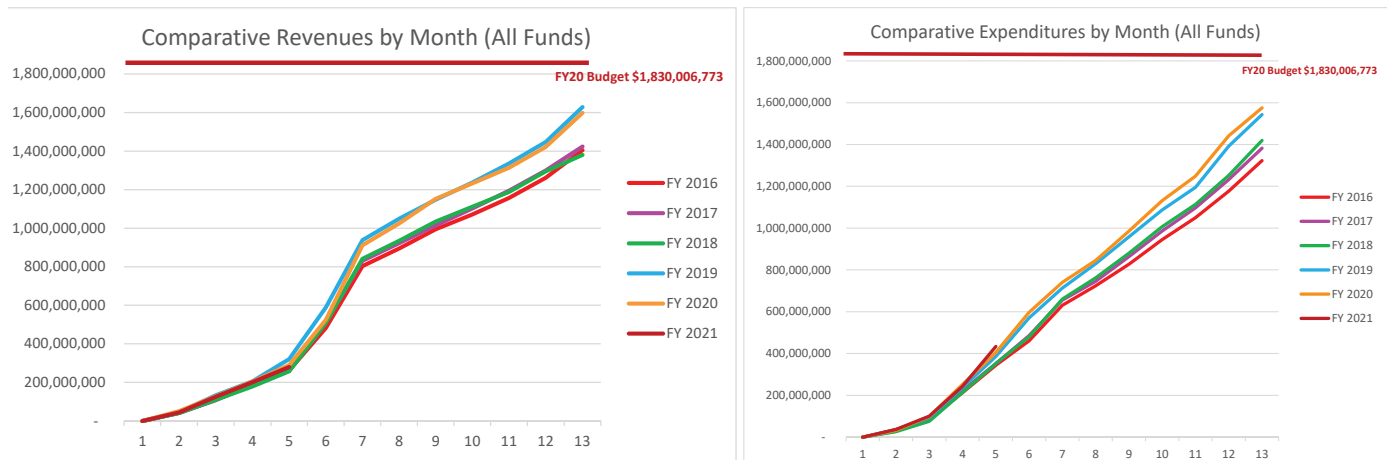
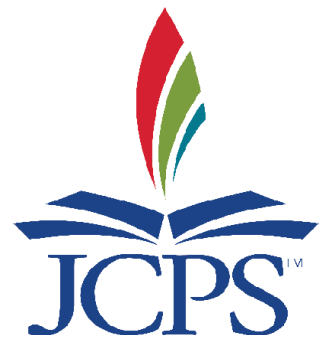


Notes of Interest

October 2020 Financial Report



Update on October cash flows

October is our tightest month every year for cash flows. With property tax bills issued in early November, October represents our lowest cash position and lowest fund balance every year. JCPS, more than most school districts in Kentucky, depends on local property taxes at a higher percentage for funding our operations than most Kentucky school districts. JCPS receives half of its total revenue for the year between November and January, when the bulk of the property taxes are received, then spends monthly more than it receives during each month the remainder of the year.

State SEEK revenue is directly impacted by local assessment growth. Without an adequate increase in the state SEEK per-pupil base amount revenue received from the state will decrease every year and districts will continue to depend more heavily on local revenues.

October Report Items of Note:

- Property taxes, our largest revenue source each year, begin the collection period in November each year.
- Although it is very early in the collection period, Occupational taxes are higher this year than in previous years. We will continue to review this to determine if a trend emerges.
- 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. In the 2020-2021 school year, the state is projecting that we will receive \$3.2 million less than in 2019-2020.
- Interest income should be significantly lower this year due to Federal Reserve interest rate reductions in response to the struggling economy.
- Investments were reduced to their lowest level in years as we liquidated \$45 million for cash flows needs. Our cash balance in previous years was sufficient to meet our cash flow needs.