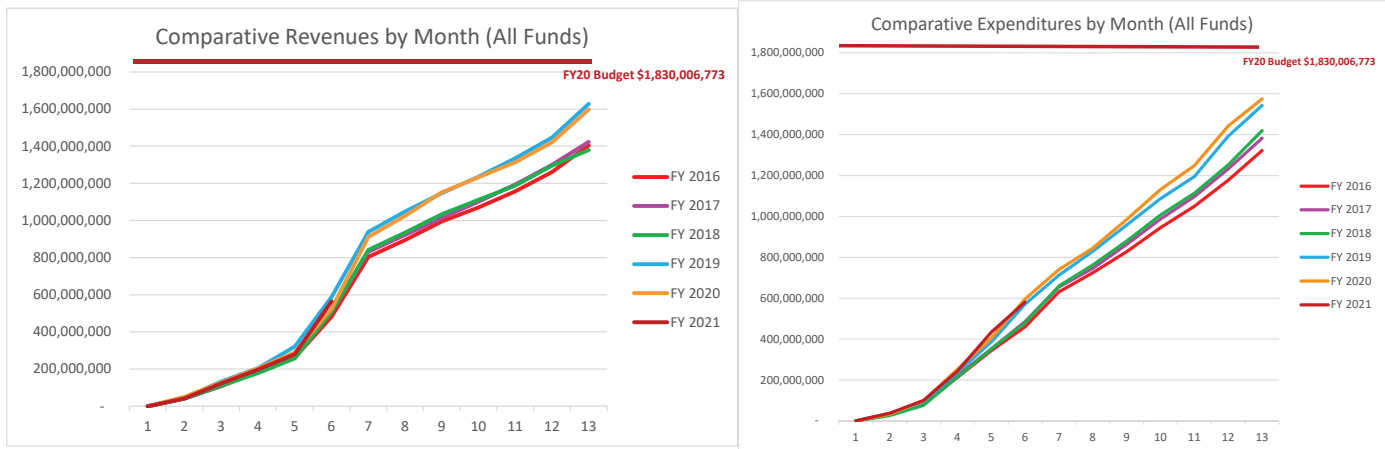
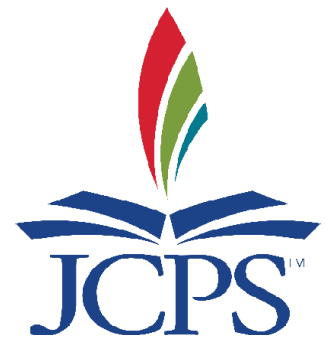


Notes of Interest

November 2020 Financial Report

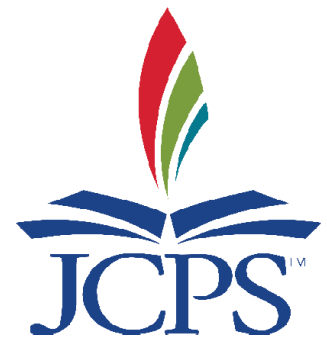


November Report Items of Note:

- Property taxes, our largest revenue source each year, begin the collection period in November each year. Property taxes were abnormally low in November 2019 due to Thanksgiving falling late in the month and many receipts shifting into December. This did not occur in 2020.
- 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 flow needs. Our cash balance in previous years was sufficient to meet our cash flow needs.

November property taxes and cash flows

Property taxes are such a large portion of the District's annual revenues that 50% of our annual collections will occur between November and January. After the lean months ending in October each year, we are now collecting the funds that must sustain all of our activities through October of 2021.



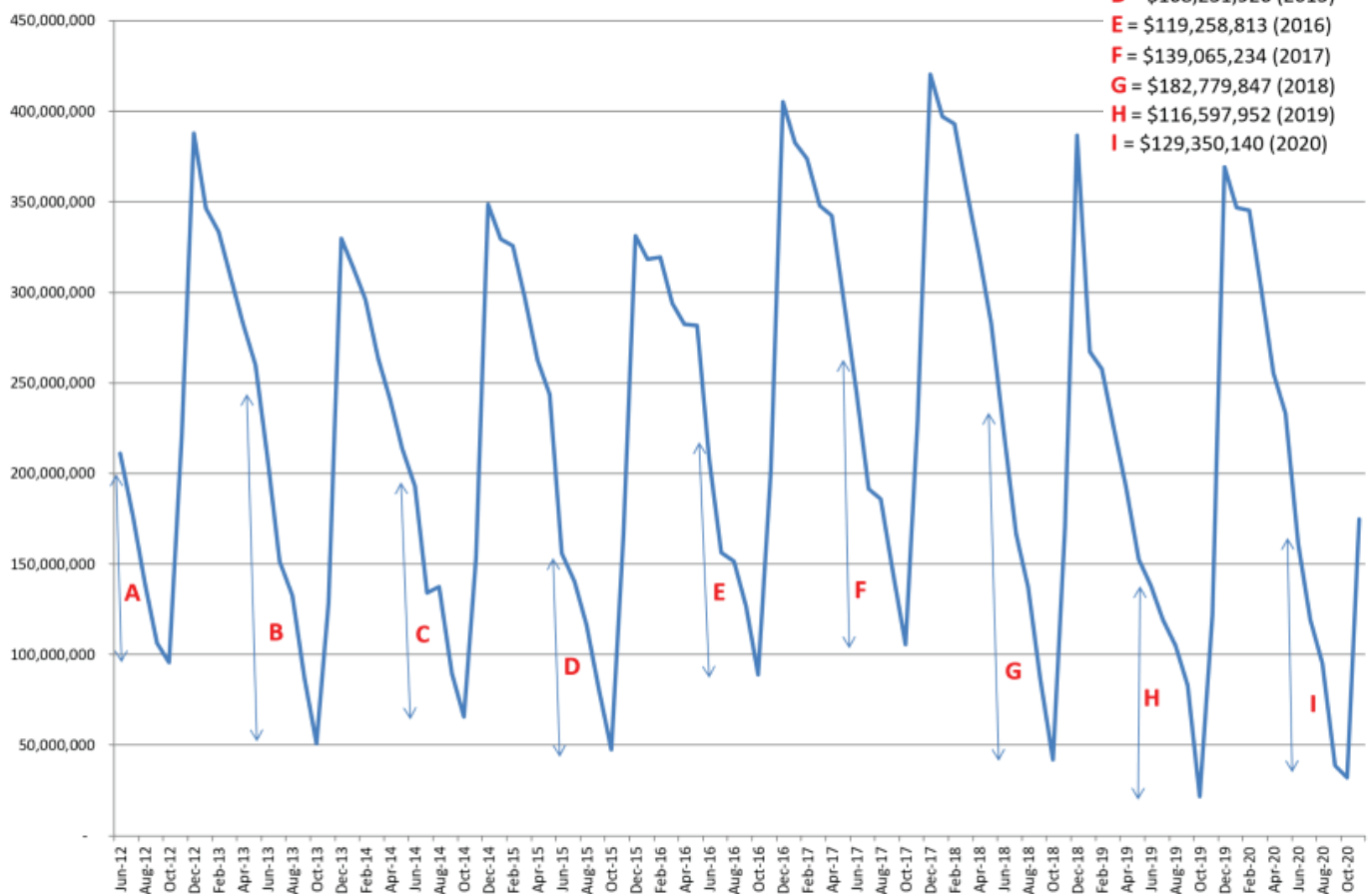
Notes of Interest
November 2020 Financial Report

Last month, we discussed how cash flows are tight during October every year before we begin receiving property tax collections for the year. This graph illustrates this annual trend:

Cash Decrease from July 1 to November 1:

Monthly Cash Balances
June 2012 through November 2020

- A = \$115,256,763 (2012)
- B = \$157,408,171 (2013)
- C = \$127,218,892 (2014)
- D = \$108,231,926 (2015)
- E = \$119,258,813 (2016)
- F = \$139,065,234 (2017)
- G = \$182,779,847 (2018)
- H = \$116,597,952 (2019)
- I = \$129,350,140 (2020)



Although 2020 looks similar to cash flows in previous years, This was because we sold investments to ensure we had cash available to pay our bills. This reduced our investments balance to its lowest level in many years and means that our interest income will be lower. Our first priority is always to pay our employees and vendors, though. If cash levels continue to decrease, we will further decrease our investments and may use a short-term line of credit that the Board approves every year in May. This gives JCPS a level of financial security to weather down economies.

Investments Balance	
October 31, 2017	61,382,786
October 31, 2018	65,208,061
October 31, 2019	55,067,630
October 31, 2020	16,053,600