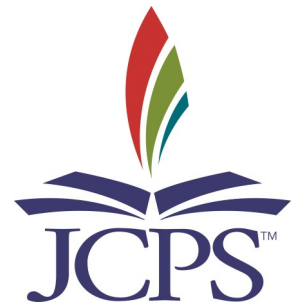


Notes & Analysis

July 2024 Financial Report



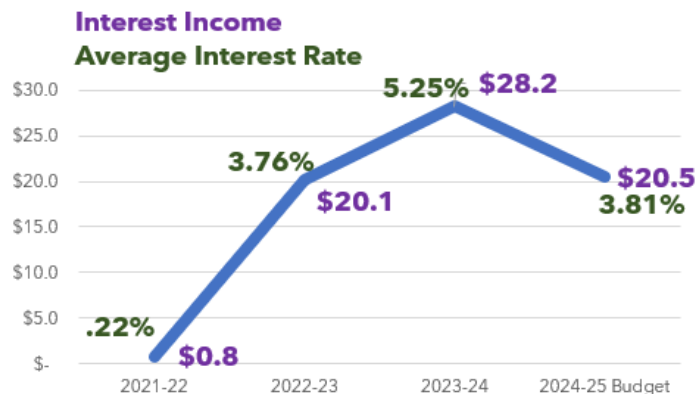
Fiscal year end reviews, reconciliations, and audit will proceed for a few months for JCPS Finance. During this time, we are preparing our financial statements, and our auditors are auditing our activities for the previous year to ensure our financial statements are accurate and reliable. Although ending balances will change through this process, we are forecasting our June 30, 2024 General Fund fund balance of approximately \$374 million, or a \$52 million loss for the year. This is in line with our expectations as we come to our soft landing from the funding cliff after most ESSER funding has been spent.

Amazon Teachers Classroom Allowance is in its third year. The program has been extremely popular as JCPS has taken an active step to change the narrative that teacher must use their personal money to provide for their classroom. In this program, JCPS provides an Amazon allowance for every teacher to use for their classroom. This allowance doesn't take the place of allocated budget for necessities, such as supplies, paper, and instructional items. Instead, these funds are for anything each teacher feels will make their classroom into the learning atmosphere they desire.

July financial transaction activity is extremely light. With most of our staff on summer break, our expenses are down significantly. Many of our revenues, including property taxes, have a collection period that begins later in the year or has peaks at later points in the year.

< 2% of total annual revenues

Interest income is anticipated to decrease in the 2024-25 school year. At a glance, this is our forecast:



JCPS Cash Flows are a significant factor in our financial planning both annually and long-term. JCPS receives over 50% of its General Fund revenues between November and January each year then operates at a net cash flow deficit the rest of the months. This means we must hit targets of cash balances and fund balances as of June 30 to ensure we are able to properly support our schools.

COVID-19 stimulus grants have had a profound effect on our cash flows. These grants were written specifically without supplement-not-supplant rules. This permitted districts to use the grants for some expenses they may have incurred otherwise. In JCPS, we used the grants for educational supports combatting learning loss, expanded access to technology, nurses and other health supports, and new district-wide curriculum. Although our goal was to support student instruction, some General Fund budget went unused as grants were expended. The result was higher General Fund cash than ever before.

Trends in Cash Flows clearly show an annual spike during our period of property tax collection between November and January followed by a longer period of decreasing cash through October. The COVID stimulus grants have cause our spikes to be higher and our low-cash periods to be higher as well, but we have started seeing this begin to trend back down. Going forward, our high-cash points and low-cash points will trend back toward traditional levels.

