Notes of Interest
October Financial Report

Pension discussion

- Unfunded pension liabilities have been discussed in the news daily. To illustrate how the crisis could have occurred, the state's contribution to the teachers retirement system (KTRS) is included in other state revenues on page 2. While they have increased about 9% per year, the teachers retirement system unfunded pension liability has increased far more.
- County Employees Retirement System (CERS) unfunded pension liability has increased as well, albeit at a slower pace.

KTRS		CERS	
2014-15	3,675,381,169	2014-15	264,419,000
2015-16	4,301,069,425	2015-16	346,318,819
2016-17	5,422,750,549	2016-17	385,681,594

October short-term outlook

- Every year, October represents our leanest month-end, as property tax collections begin in early November. This annual cycle becomes slightly more extreme each year as monthly SEEK revenues continue to decrease leaving us more dependent on property taxes.

Budget changes

- Since the September financial report, we have made numerous budget adjustments including a number of changes designed to address various audit or review findings. These include training supplements for safe crisis management, certified time for ISAP rooms (in-school suspensions), additional resources at the Jefferson County Youth Detention Center, reorganized workspaces for Information Technology, enhancements to the new teacher induction, and additional teachers at nine schools. These budget allocations include $873,495 of one-time funding and $949,728 of recurrent budget.

Page 2

- Property tax collections will not begin until November, as with other years.
- Occupational taxes are maintaining a strong trajectory, as they have for the past few years.
- SEEK Program revenues show the continuing downward trend as our assessments rise which reduces the amount allocated to JCPS from the state.
- Other state revenues has been updated to reflect estimated payments the state makes on our behalf for employee health insurance and employer match payments to the teachers retirement system. These amounts reflect the amounts actually paid, rather than the unpaid liability that is discussed in the news.
- KSFCC (Kentucky School Facilities Construction Commission) Allocation is the debt service support that the state pays to finance renovations of school buildings. The increase in this revenue was a simple timing difference where the debt service payment dates on a refunding bond are a month earlier than the bond that was refunded.
- Most expense categories are lower in the 2017-2018 school year than previous years because the later school start date delayed the first full-employment payroll until September this year instead of late August. This will gradually correct itself over the course of the year.

Notes of Interest

Page 6

- Business Support Property Services are negative due to collections received from recycling computers.

Page 7

- Plant Operations & Maintenance Other Purchased Services are negative because our federal e-Rate technology reimbursements have exceeded of total expense to date.
- Transportation Professional/Technical Services are negative due to reimbursements from grants for direct transportation services provided to the grant programs, such as preschool.

Page 12

- Capital Outlay receives two roughly equal revenue payments each year, in July and May. These are based on our average daily attendance.

Page 13 and 14

- Building Fund real estate tax collections follow the same calendar as General Fund. We will not begin receiving these collections until November.