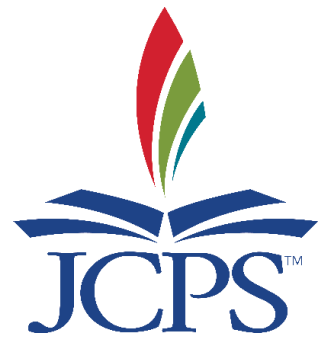


## Notes of Interest

October 2021 Financial Report



- School year 2021-2022 other state revenues and most expense categories lag behind the two comparison years due to on-behalf payments. The payments include KTRS employer match and health insurance for all employees, which benefit JCPS but are paid by the Commonwealth. These payments are recorded each year for our November Financial Report. At that time, these data categories will be comparable.
- Occupational taxes have returned to pre-pandemic levels, and we are forecasting steady growth during the 2021-2022 school year.
- Local grants have increased due to payment timing for two local grants. Local grants should end the year higher than the comparison years.
- State SEEK revenues will be higher this year than in the previous two comparison years. With part of the state's COVID funds, the state is calculating preschool attendance as full-day attendance rather than half-day, meaning that our attendance for revenue counting purposes is higher than the previous years. This is a one-time increase that will revert for the 2022-2023 school year.
- Federal grant revenues will be increasing for the next three years due to CARES Act and other COVID-19 relief funds. These funds are intended to reduce the effects of the pandemic. They do not fund additional programs or student opportunities other than programs related to COVID-19 learning loss.
- Interest income was significantly lower during the 2020-2021 fiscal year and is forecasted to remain low for the 2021-2022 year.
- Other sources of revenues are higher than in previous years mainly due to a \$94 million bond sold in October but also due to receiving indirect cost revenues from the COVID-19 stimulus grants. Indirect costs are charged to grants to subsidize our indirect administrative costs that the grants benefit from, such as Human Resources, Payroll, Purchasing, and Accounts Payable.
- Every year, General Fund's fund balance reaches its lowest level in October or early November before the new year's tax collections begin. Although our fund balances reach extremely low depths, especially considering each payroll costs about \$40 million, we monitor our cash flows and the District remains strong.

