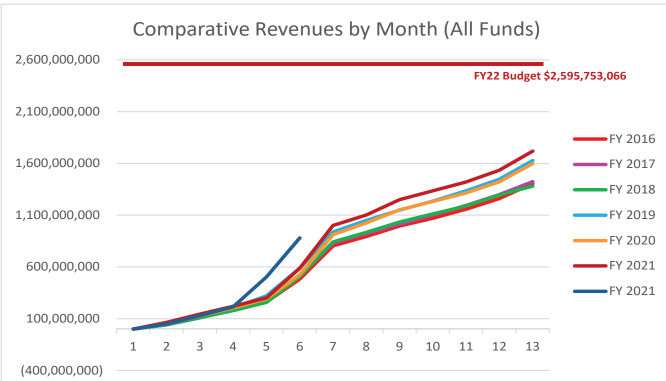
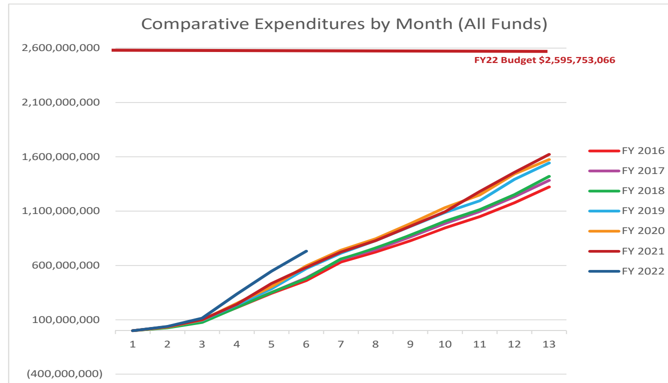
Notes of Interest

November 2021 Financial Report





- COVID stimulus grants make the 2021-2022 fiscal year outpace all other fiscal years. Most of these grants were received in prior fiscal years but didn't ramp up spending until later in those years.
- Property taxes have increased 4.1% over the 2020-2021 fiscal year through November. This increase does not include the additional tax over 4% levied in 2020-2021 or the growth of that additional levy collected in 2021-2022. These amounts are escrowed until the Kentucky Supreme Court case is resolved. This balance is accumulated on the General Fund balance sheet in an account called Tax Rate Court Case Escrow.
- Other state revenues and most expense categories include KTRS employer match and health insurance for all JCPS employees. These entries have been recorded as monthly allocations for the 2021-2022 fiscal year, and all years are comparable.
- Occupational taxes have returned to pre-pandemic levels and have increased thus far this year. 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 are higher and will continue to increase for the next three years due to ESSER 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.