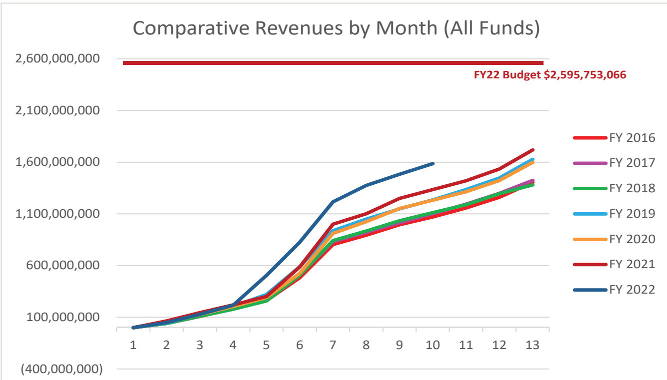
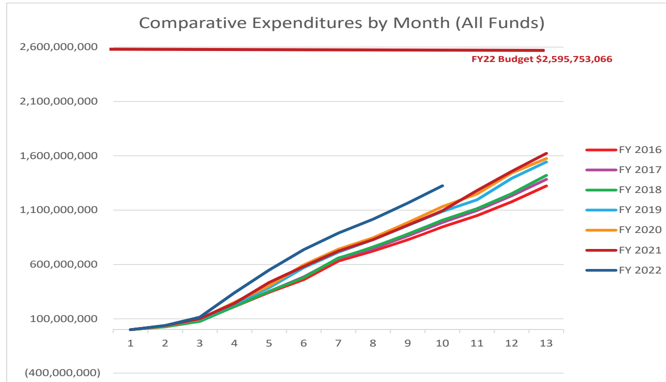
Notes of Interest

March 2022 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 4.9% over the 2020-2021 fiscal year. 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.
- 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 last year. With part of the state's COVID funds, the state is calculating kindergarten attendance as full-day attendance rather than half-day, meaning that our attendance for revenue counting purposes is higher than the previous years. This increase was extended during the latest legislative session but has not been made permanent beyond the 2023-2024 biennium.
- Federal grant revenues are higher and will remain high 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. The Federal Reserve has begun increasing interest rates in response to inflation, which will increase our budget for the upcoming 2022-2023 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.
- Most expense categories are higher due to expenses paid from ESSER and other COVID-19 relief funds.