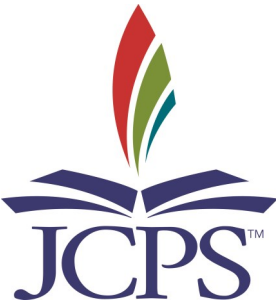


Notes & Analysis

August 2024 Financial Report



**August highlights** the return of all of our staff and our students each year. Finance and Human Resources work extremely hard to hire staff and assign them to all of our schools so we can meet the needs of our students. As our students arrive, we are starting to put into action countless hours of planning and summer training.

**State SEEK revenues** continue to decrease as increases from the Kentucky legislature do not match the rate of property tax assessment growth. While assessment growth is generally good, SEEK decreases based on assessment growth, and local property taxes are limited to 4%, resulting in General Fund revenues often being forced to lag behind inflation.

Year-to-date through		
August 2022	August 2023	August 2024
\$ 38.63	\$ 34.93	\$ 31.88

**Interest income** will be decreasing this year as the Federal Reserve has decreased interest rates by a half percentage point effective September 18, 2024. There are many forces that may affect interest rates, including signs of inflation, wages, international trade balance, and production levels throughout the economy. Economists cannot predict all the external forces that may affect interest rates, but current predictions are that the Federal Reserve will steadily decrease interest rates throughout the 2024-25 fiscal year down to around 3%, or another 1.75% decrease. JCPS has built a reduction of \$7.7 million into our 2024-25 budget.

**Budget to actual analysis** generally is less effective this early in the year. Many revenues vary within any given month, and expense analysis can be affected by year-end accrual entries. Detailed analysis will continue in September’s financial report.

**Budget status update** will be a new section of the Notes & Analysis each month as we right-size our budget and achieve our soft landing from the fiscal cliff. We are working collaboratively across the administration to accomplish this goal. In this section, we will update the Board on our goal of achieving a net \$100 million of budget savings for the 2024-25 school year.