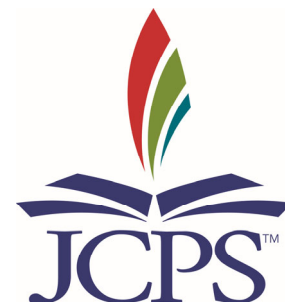


## Notes of Interest

### October 2022 Financial Report



**Cash Flows**—October is our tightest month every year for cash flows. With property tax bills issued in early November, October represents our lowest cash position and lowest fund balance every year. JCPS depends on local property taxes to fund our operations more than most school districts in Kentucky. JCPS receives half of its total revenue for the year between November and January, when the bulk of the property taxes are received, then spends more than it receives each month from February through October of the next year. Although our fund balance and cash have increased substantially due to vacancies and COVID stimulus grants, while our revenues have sustained, our long-term trend of tight cash flows in October will continue.

**Property tax** collections begin each year in November. This is our largest revenue source, and most property tax revenues are collected between November and January.

**Occupational taxes** are continuing their strong trend into the 2022-2023 school year. After a downturn in the 2020-2021 school year, caused by COVID shutdowns for many businesses and many employees of those businesses, occupational taxes have proven resilient, increasing beyond levels prior to the pandemic. Occupational taxes are based on payroll tax withholdings and business profits in Jefferson County, so they are our revenue source that correlates most closely with the health and strength of the local economy. Overall, our economy has been strong.

	2022-23	2021-22	2020-21
	<b>\$46.3</b> million	<b>\$40.3</b> million	<b>\$38.1</b> million
	<b>14.8%</b> Increase	<b>5.8%</b> Increase	

**Other state revenues** are largely employee fringes paid by the state on our behalf. These employee fringe benefits include employee health insurance and teacher's retirement employer match paid by the state for the benefit of our employees. These revenues are offset by an equal employee fringe benefit expense. These entries are not recorded each year until the prior year's on-behalf payments have been verified through our audit. This results in a few months where this revenue and the employee fringe expenses, which are spread across most expense categories, are not comparable to the previous two years which include these entries.

**Federal grants** continues to be very strong, although it is down significantly from the 2021-2022 school year. The longevity stipends paid from the federal COVID stimulus grants were \$5,000 in the fall of the 2021-22 school year, compared to \$1,000 in the current year.

**Interest income** remains strong for JCPS. With a very conservative investment policy closely mirroring the Kentucky Revised Statutes, much of our interest income is directly related to the Federal Reserve's borrowing rates. As the Fed "tightens" (increases) interest rates, this makes borrowing costs throughout America higher and slows inflation. Although a slowing economy will decrease occupational taxes, it increases the interest income JCPS earns.

**Other sources of revenues** vary widely based on the timing of bond sales.

	2022-23	2021-22	2020-21
<b>Bonds Issued</b>	<b>\$74.5</b> million July 2022	<b>\$86.4</b> million October 2021	<b>\$36.4</b> million February 2021