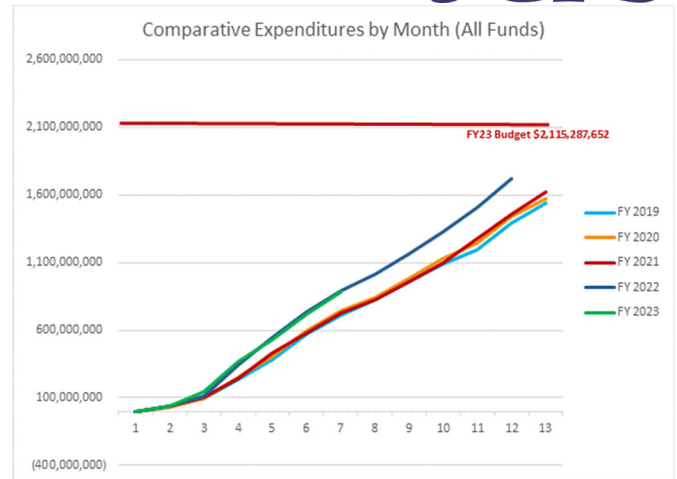
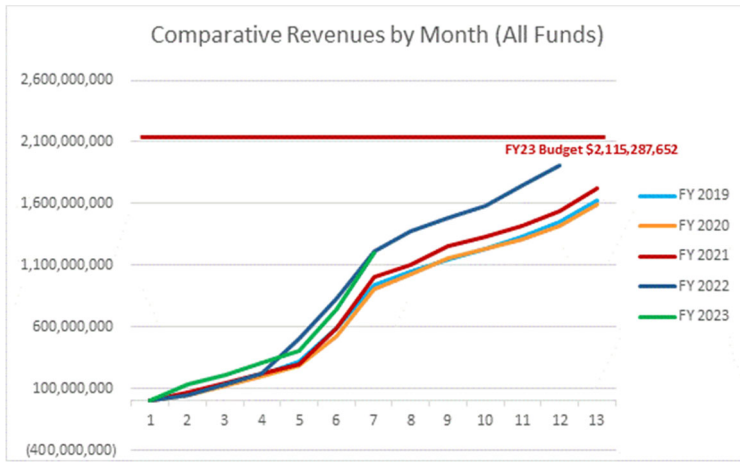
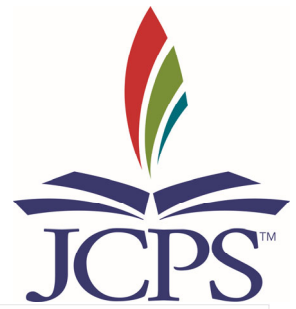


Notes of Interest

November 2022 Financial Report



Property tax collections have begun for the year. November collections can vary based on the timing of collections and when Thanksgiving holiday falls within the calendar. Although collections were down slightly in November, they rebounded in December.

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, and we haven't seen signs of weakening yet.

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. We still have almost \$140 million from ARP-ESSER alone to spend and draw down. Most of these funds have been allocated to school priorities, we still have plenty of time before the deadline to spend the grant. Federal grants will continue to be strong for a few more years.

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
Bonds Issued	\$74.5 million July 2022	\$86.4 million October 2021	\$36.4 million February 2021