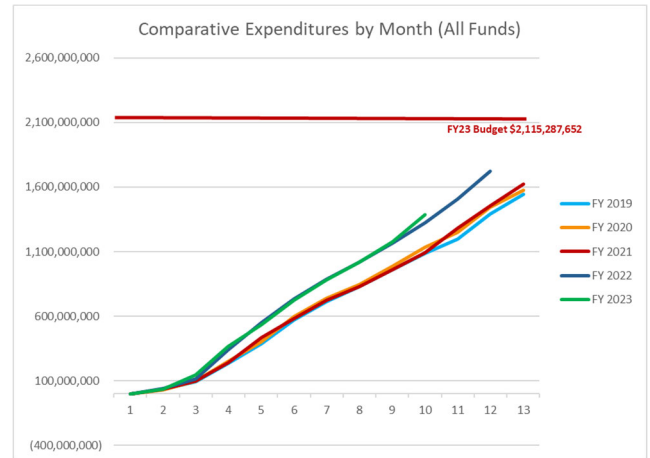
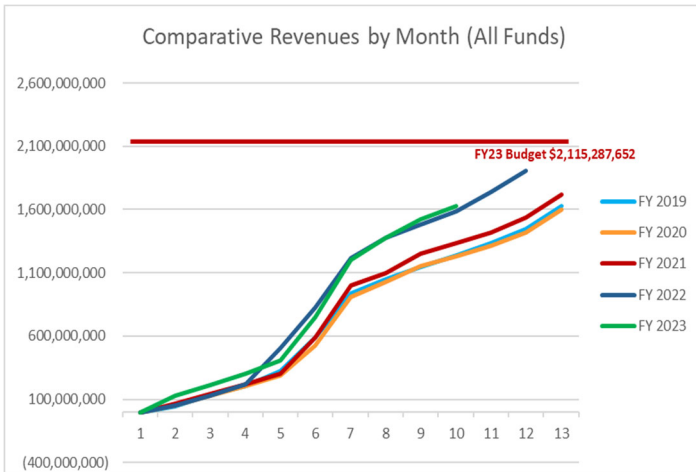
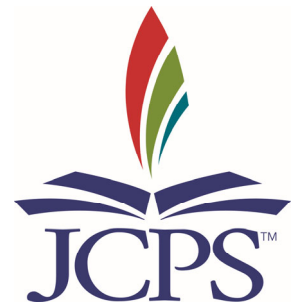


Notes of Interest

March 2023 Financial Report



Property tax collections are showing an increase of 13.1% over the previous year, although the tax season is not complete. This is partly due to the housing market which was strong through the assessment date of January 1, 2022. The COVID-19 pandemic also affected these collections, though, because property valuation assessments were postponed for the January 1, 2021 assessment year due to the inability for the public to safely meet PVA staff in person to contest assessments. This caused two years’ assessment changes to be applied as of January 1, 2022.

Occupational taxes are continuing their strong trend into the 2022-2023 school year, increasing 2.9% over the previous year. After the 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