

## Notes of Interest

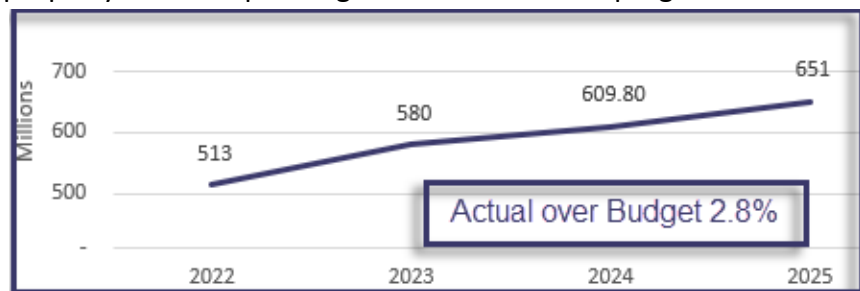
### May 2025 Financial Report

**Monthly Update:** May is a busine month around JCPS as state testing occurs and we prepare for graduations. Additionally, as our audit planning begins, employees are working simultaneously to finish the current school year and prepare for opening school again in August.

**Property taxes** are the largest revenue source for the District and these tax collections generally reflect the increasing property values of Jefferson County residents and businesses and the growing wealth from property ownership. This growth sustains JCPS programs and student support. Since tax

bills are mailed at the beginning of November, with discounts available for early payment and penalties for late payment, we receive most of these

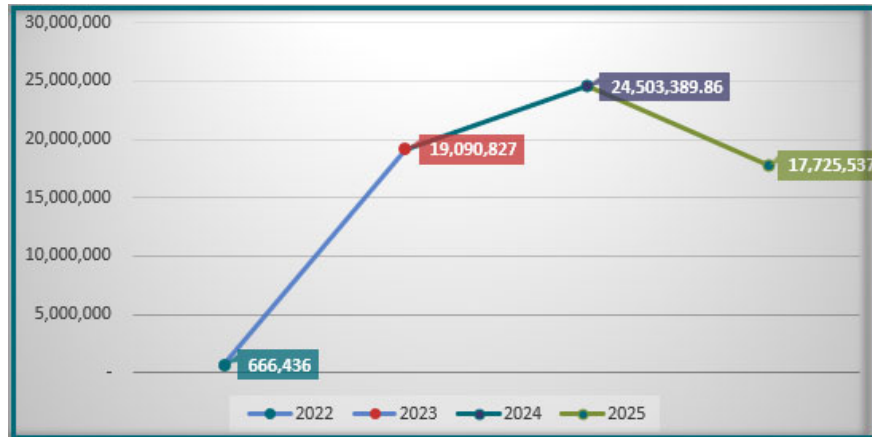
payments between November and February 1 of each year. By May, we can see how the year's collections compare to previous years.



**Occupational taxes** are based reflect the Jefferson County employee wages and closely mirror the local economy. By this measure, the economy appears strong, however inflation and other economic pressures may affect our ongoing trajectory.



**Investment Income** reflects a decrease of 27.7 % compared to the previous year. 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. The Federal Reserve decreased rates three times since September of 2024 by a total of 1%. We are still projecting to meet our 2025 budget of \$20.5M.



Current market predictions are we will see another cut in September, and perhaps one more before 2025 concludes.

**Budget to actual analysis** is an important review for both long-term planning and forecasting our year's results. This is especially critical during tight budget times. Most of our expense codes are tracking within each code's established allocation.

### Revenues

- Property taxes are expected to exceed forecast by about \$17.9 million
- Occupational taxes are expected to exceed forecast by about \$2.8 million
- SEEK Program are expected to exceed forecast by about \$2.7 million
- Interest on investments is expected to meet forecast

**Budget status update** With the changes to reduce the number of TARC drivers leased to JCPS, our budget reductions for the 2025-26 budget year exceed the goal of \$100 million. We still have significant work to secure our financial strength for the 2026-27 year and going forward in addition to funding our unmet needs that must be addressed.

