

## Notes of Interest

### June 2025 Financial Report

**Fiscal year end** is an important time for JCPS Finance. This is the period when we close our books, begin preparing our financial statements, and our external auditors begin auditing our activities for the previous year. Both our auditors and Finance are reviewing transactions to ensure our financial statements are as accurate and reliable as possible, so ending balances are far from certain. Currently, we are forecasting our June 30, 2025 General Fund fund balance of approximately \$284 million, or a \$90 million loss for the year. This is in line with our expectations as we come to our soft landing from the funding cliff after most ESSER funding has been spent.

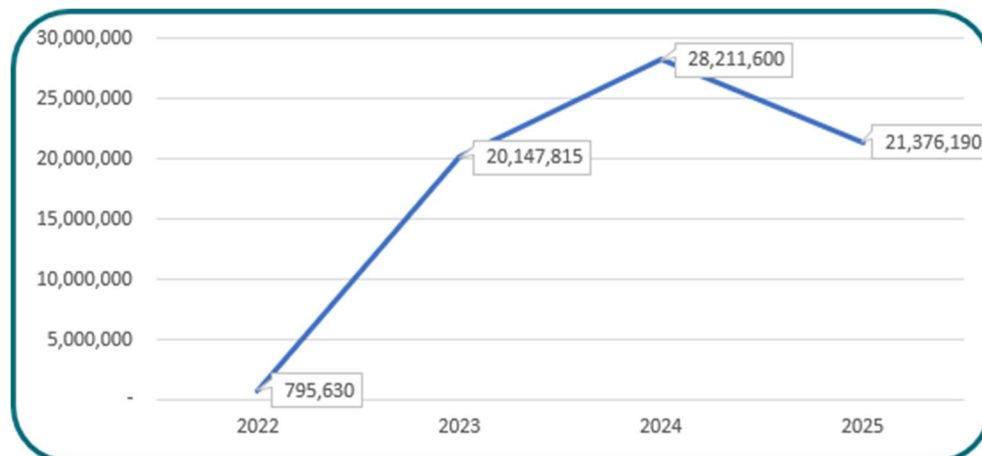
**Property taxes** are the largest revenue source for the District. Since tax bills are mailed at the beginning of November, with discounts available for early payment and penalties for late payment, we receive most of these payments between November and February 1 of each year.

Increase over  
**6.8%**  
2023-2024

**Occupational taxes** continued their strong trend into the 2024-2025 school year, increasing 5.3% over the previous year. 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.

<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>\$206.3M</b>	<b>\$212.5M</b>	<b>\$222.6M</b>

**Investment Income** reflects a decrease of 24.2 % 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.



**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 exceeded forecast by about \$17.9 million
- Occupational taxes exceeded forecast by about \$11.3 million
- SEEK Program exceeded forecast by about \$10.8 million
- Interest on investments exceeded forecast by about \$876 thousand

### **Expenses**

- Salaries are below 15.7% below forecast due in large part to our vacancy rate. This resulted in budget savings over \$159 million. These savings are partially offset by contracts with agencies providing employment contracts for employee groups like bus drivers, teachers, instructional assistants, and health services.
- Substitute categories are exceeding forecast by \$5.9 million as a result of our vacancies, though these codes exceed budget far less than the underspent salary budget savings.
- Contract bus services are \$10.6 million higher than 2024 due to the TARC contract as JCPS made every effort possible to support student transportation. Although we are higher year over year, we are \$9 million under forecast.
- Gasoline costs are higher than prior years due to the new police fleet, the increase in Transportation's transit vans, and Grounds' new trucks. However, Diesel costs are lower than prior years due to using more gasoline powered vehicles, using less diesel, and lower cost per gallon of diesel fuel. Combined Fuel costs are under forecast by \$2.4 million.

**Budget status update** As our fiscal year ends, we have shifted our focus to building the 2026-27 budget. We are currently reviewing our budget priorities to ensure that we achieve budget reductions that will sustain JCPS and minimize the impact felt in the classroom. This is essential to ensure we can make sustained progress for many classes of students to come.

