

## Notes of Interest

### May 2026 Financial Report

**Monthly Update:** May is a busy 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 District’s largest source of revenue and generally reflect rising property values across Jefferson County, as well as increased wealth generated through property ownership by residents and businesses. This continued growth provides critical funding to sustain JCPS programs and support services for students.



Property tax bills are mailed at the beginning of November, with discounts available for early payment and penalties assessed for late payment. As a result, the majority of collections are received between November and February 1 each year. By May, collection activity has largely stabilized, allowing us to evaluate current-year revenues and compare them to prior years’ trends. As of May, we have received **98.2%** of our forecast.

**Occupational taxes** are tied to employee wages in Jefferson County and therefore closely reflect the strength of the local economy. Economic indicators for Jefferson County remain positive, with continued job growth, business investment, rising property values, and a relatively low unemployment rate of **4.4%**. While growth is expected to continue, regional economists forecast a more moderate pace in 2026 as inflationary pressures, slower consumer spending, and broader national economic conditions create headwinds. Overall, the local economy remains stable and positioned for continued expansion, though growth rates may be lower than those experienced in recent years.



Revenue growth has increased in each of the past four years, including a **2.6%** increase in 2026 compared to 2025 as of May.

**Other taxes** include Delinquent and Omitted property, Motor vehicle, Franchise, and Revenue in lieu of taxes. As of May we have an increase of **8.73%** over 2025.

Other Taxes			
<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 ACTUAL</u>	<u>2026 YTD</u>
<b>\$63.8M</b>	<b>\$69.0M</b>	<b>\$68.2M</b>	<b>\$74.1M</b>
	8.24%	-1.25%	8.73%

**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** collections showed improvement this month; however, **we still anticipate ending the fiscal year approximately \$12 million below forecast.**
- Year-to-date **Occupational taxes** reflect continued strength in the local economy, with revenues increasing **2.6%** over the prior year through May. Based on recent trends, **collections are projected to finish approximately \$15 million above forecast.**
- **Investment Income** is weaker than expected for the fiscal year, primarily due to Federal Reserve interest rate reductions, which have lowered yields on cash and investment holdings. In addition, broader market conditions and reduced investor and consumer confidence have contributed to softer returns. As a result, interest earnings are **projected to fall approximately \$6 million below the current-year forecast.**
- **Other tax** revenues continue to demonstrate strong year-over-year growth. Based on the past three years’ trends, we project year-end collections to **exceed forecast by approximately \$11 million.**
- **Total revenue** through May is 2.79% over 2025 at \$1.5 billion, and **we anticipate ending slightly above forecast.**

**Expenses**

- **Teacher pay** through May is **52.6%** of total expenses.
- **Other professional services** (object 0349), including encumbrances, is approximately **\$4.9 million below** forecast.
- **Other repairs and maintenance** (object 0439), including encumbrances as of May is **81% of the revised budget.**
- **General supplies** (object 0610) through May including encumbrances is **58.6% of the revised budget.**
- **Vehicles** (object 0732) through May including encumbrances is **87.5% of the revised budget.**
- **Other equipment** (object 0739) though May including encumbrances is **52% of the revised budget.**


**Budget status updates:**

This month’s financial “theme” is understanding how to interpret budget-to-actuals. As previously mentioned in this report, to understand budget-to-actuals for a school district, we must understand both our revenues and expenses.

Our revenues establish the funding basis for the “budget” component of budget-to-actuals. That is, we budget all of the revenues so that we meet the state requirement that “revenues equal budgeted expenses”. As a reminder, the difference between total revenues—including prior year Fund Balance-- and total expenses is the Contingency.

The two divisions of Finance and Accountability, Research & Systems Improvement (ARSI) have collaborated to create a dashboard for exploring budget-to-actuals throughout the school year. The user will be able to disaggregate data by school/department, by type of expense and even by account project. Resources will be linked and a tutorial will be created.

This dashboard will be ready by July 1st.



**JCPS Finance Dashboard Fund 1**  
 Fiscal Year 2026 July 1, 2025 to June 30, 2026  
 Last Updated: 06/01/2026  
 Developed by ARSI - Maintained by Financial Services Division

Overall Funding 25-26

Project # ▼

School/Location (Name of School) ▼

School Cost Center (Location #) ▼

Category (Type of Expense) ▼

Object (Type of Expense - Code) ▼

2026 Revised Budget  
**1,887,950,838**

2026 Encumbrances/Requisitions  
**44,098,174**

2026 Actual  
**1,586,025,125**

Funding by Object Category

