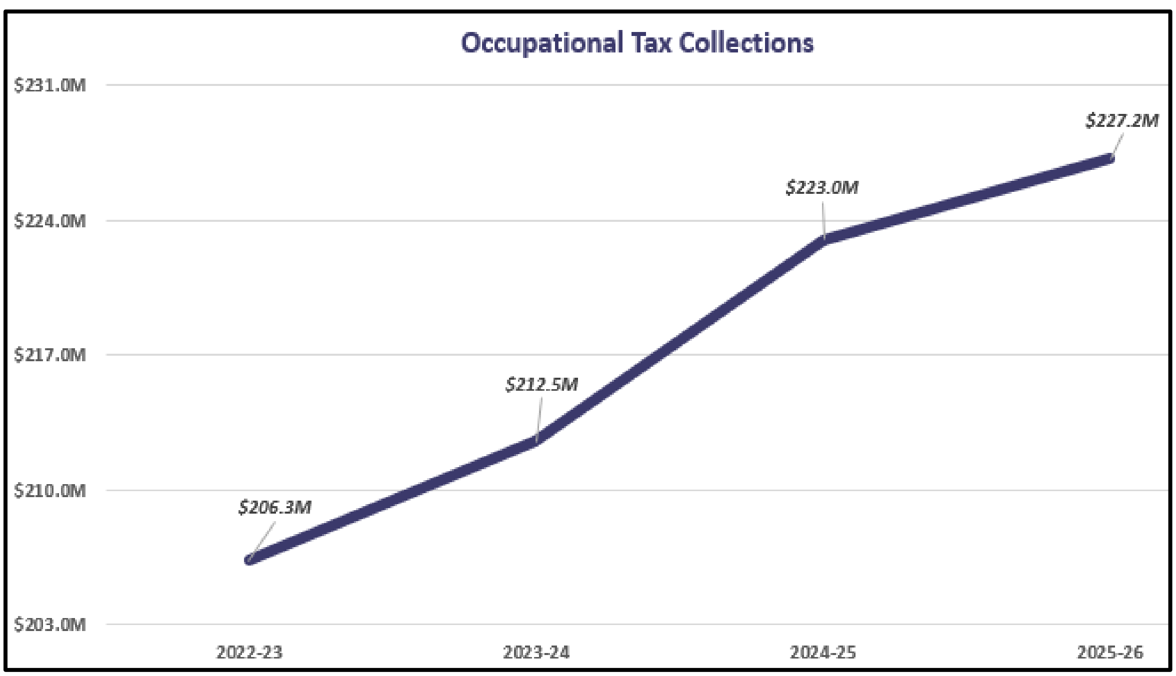
Notes of Interest
June 2026 Financial Report

Monthly Update: 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. In line with prior structural discussions, we are forecasting a June 30, 2026, General Fund balance of approximately $209 million, representing the anticipated $83.5 million deficit for the fiscal year.

Property taxes are the District's largest revenue source and are collected primarily during the winter months. Tax bills are mailed in early November, with discounts available for early payment and penalties applied after February 1, resulting in the majority of collections occurring between November and February. Because property tax collections are concentrated early in the fiscal year, cash balances typically decline during the spring and early summer months as the District funds ongoing operations until the next cycle of major revenue collections.

Increase over
2.6%
2024-2025

Occupational tax collections increased 1.9% in 2025–2026, continuing the District's long-term positive trend. Because occupational taxes are based on payroll withholdings and business profits within Jefferson County, they are the District's revenue source most closely tied to local economic conditions. Collections have increased approximately 10% over the past four years, reflecting continued stability in the local economy. Accounting staff will continue to monitor occupational tax collections for changes that may indicate shifts in local economic conditions.



Investment income decreased significantly in 2025–2026, totaling approximately $12.7 million compared to $21.5 million in the prior year. Investment earnings are influenced by market interest rates, investment opportunities, and available cash balances. The decline reflects the changing interest rate environment, as market rates have moderated from the elevated levels experienced in recent years.

Budget to actual analysis provides an important review of the District's financial results and supports both long-term planning and future budget development. As we approach the conclusion of the fiscal year, operational activity is substantially complete, and remaining changes to year-end balances are expected to be primarily related to audit adjustments, including items such as OPEB and lease accounting entries. Overall, expenditures continue to align with established departmental and program allocations.

Revenues

- **Occupational taxes** continue to demonstrate the strength of the local economy, with year-to-date collections exceeding the prior year by approximately ***1.9%***. Based on current trends, collections are expected to finish the fiscal year approximately ***$15 million*** above forecast, providing a favorable offset to lower-than-expected results in other revenue categories.
- **Property taxes** collections remained relatively unchanged during the month, with no significant additional collections received. Based on current collection trends, we anticipate ending the fiscal year approximately ***$12.9 million*** below forecast.
- **Investment Income** totaled $12.7 million for the fiscal year, approximately ***$6.3 million*** below forecast. Lower interest rates following Federal Reserve reductions reduced yields on cash and investment holdings compared to the elevated returns experienced in prior years. While earnings were below the current-year forecast, investment income remains above historical pre-rate increase levels and continues to provide a meaningful supplemental revenue source.

Expenses

- **Teacher pay** through June totaled ***52.0%*** of total General Fund expenses.
- **Other professional services** (objects 0322 and 0349) in General Fund decreased by 60% between FY25 and FY26 (down from $21.2 million to $8.4 million).
- General Fund actual expenses related to **Technology Hardware** (object 0734) decreased by $7 million from $13.8 million to $6.7 million; **Equipment** (object 0739) decreased by $5 million (from $6.9 million to $1.7 million); while **Furniture** purchases (object 0733) remained steady at about $5 million each year.

The 2025-26 General Fund Dashboard is now available for comparative Budget-to-Actuals comparisons. A "how to" video will be created for basic understanding of how to navigate this dashboard. With proper application, this dashboard can be a valuable tool for community transparency and a powerful resource for Board members, SBDM members, principals and other school leadership.