

Agenda Request Form

Meeting Date	Agenda Item Number
October 21, 2021	D-1

Title
September 2021 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of September 2021 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for September 2021 See Attached Reports
Priority Area
Organizational and Operational Effectiveness
Financial Impact
N/A
Exhibits: (List)
Financial Report and Sales Tax Update
Source of Additional Information
Kenneth Owen 770.479.1871 Dr. Brian V. Hightower 770.479.1871

CHEROKEE COUNTY BOARD OF EDUCATION

Dr. Brian V. Hightower, Superintendent
Kenneth Owen, Chief Financial Officer

FINANCIAL REPORT SEPTEMBER 2021

General Fund

For the month ending September 30, 2021, the third month of the 2021-22 Fiscal Year, the School District's Operating Account (General Fund) has received \$27,547,761 in revenue (year-to-date) consisting of state funds of \$21,900,662 (10% of budget), \$5,453,521 local revenues (3% of budget), and other funds of \$193,578 (15% of budget). All operating expenditures of \$80,955,685 (19% of budget) are within the Board of Education's approved 2021-22 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$39,859,650 as of September 30, 2021 reflects Special Purpose Local Option Sales Tax for Education (Ed-SPLOST) collections, proceeds of bond sales for capital outlay purposes, and transfers from the General Fund less bond refundings, bond issuance costs, transfers of Ed-SPLOST to the Debt Service Fund and capital outlay expenses paid.

Cherokee County School District received \$4,730,696 for sales tax collections received in September 2021, for the month of August 2021, the 44th month of 60 monthly sales tax collections for the 2018-2022 SPLOST. Collections received were above projections for the month by \$1,650,788 and above cumulative projections by \$42,961,697.

Ed-SPLOST collections are accumulated within the Building Fund to be used for specified capital outlay purchases (limited pay-as-you-go) and transferred to the Debt Service Fund at the appropriate time to meet annual bond obligations (January and July). Excess Ed-SPLOST collections above projections are used to meet critical capital outlay needs and/or transferred to the Debt Service Fund as a safeguard against future negative economic conditions, assuring the School District can meet future bond payments.

Debt Service Fund

The Debt Service Fund balance as of September 30, 2021 is \$62,830,851 representing funds accumulated from Ed-SPLOST collections, collections from the 1.25 mills of property tax approved by the School Board, interest earned from investments and Invested Sinking Fund earnings. The Invested Sinking Fund is attached to the Series 2010B Bond issuance and is structured to fully pay the annual debt service on the Series 2010B bonds through January 2028. Annual Debt Service payments are made in February and August of each year, according to the Debt Service Schedule published annually in the Cherokee County School District Budget Book.

Federal/State/Competitive Grants and School Nutrition Funds

The School Nutrition Fund Balance as of September 30, 2021 is \$9,120,512 and represents the difference between revenues from all sources and all expenditures. This amount is held in reserve to cover potential funding shortfalls or unexpected expenses.

Federal, State and Competitive grant funds are annually awarded to the School District based on funding formulas (Federal Title Programs) and/or program applications (State and competitive grants). As funds are expended, reimbursements are sought from the various programs. Local funds are not intended to cover shortfalls within grant programs nor are grants intended to carry a fund balance.

**CHEROKEE COUNTY SCHOOL DISTRICT
FINANCIAL REPORT
AS OF SEPTEMBER 30, 2021**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 36,983,504	\$ 39,902,829	\$ 40,032,932	\$ 2,747,116	\$ 119,666,381
Investments	1,029,318	22,928,022	-	-	23,957,340
Receivables	777,005	-	-	7,542,781	8,319,786
Inventories	46,713	-	-	586,646	633,359
TOTAL ASSETS	\$ 38,836,540	\$ 62,830,851	\$ 40,032,932	\$ 10,876,543	\$ 152,576,866
LIABILITIES					
Accounts Payable	\$ 761,820	\$ -	\$ 173,282	\$ 1,386,129	\$ 2,321,231
Salaries and Benefits Payable	13,440,995	-	-	369,902	13,810,897
FUND BALANCE	24,633,725	62,830,851	39,859,650	9,120,512	136,444,738
TOTAL LIABILITIES AND FUND BALANCE	\$ 38,836,540	\$ 62,830,851	\$ 40,032,932	\$ 10,876,543	\$ 152,576,866
REVENUE AND EXPENSE					
REVENUE	\$ 27,547,761	\$ 474,410	\$ 9,777,625	\$ 8,703,158	\$ 46,502,954
EXPENDITURES	80,955,685	31,768,210	5,528,902	7,390,590	125,643,387
EXCESS REVENUE OVER EXPENDITURES	(53,407,924)	(31,293,800)	4,248,723	1,312,568	(79,140,433)
OTHER FINANCING SOURCES (USES)	17,860	15,854,893	(15,854,893)		17,860
BEGINNING FUND BALANCE	78,023,789	78,269,758	51,465,820	7,807,944	215,567,311
ENDING FUND BALANCE	\$ 24,633,725	\$ 62,830,851	\$ 39,859,650	\$ 9,120,512	\$ 136,444,738

**CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - SEPTEMBER 30, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 216,705,392	\$ 5,453,521		\$ 211,251,871
State Revenue	219,397,237	21,900,662		197,496,575
Federal Revenue	199,068	-		199,068
Investment Earnings	103,505	8,834		94,671
Miscellaneous Revenue	1,030,382	184,744		845,638
TOTAL REVENUE	437,435,584	27,547,761		409,887,823
EXPENDITURES				
Instructional Services	300,689,376	53,278,385	\$ 479,162	246,931,829
Pupil Services	17,849,137	2,934,828	4,788	14,909,521
Improvement of Instructional Services	17,289,495	3,196,337	35,745	14,057,413
Instructional Staff Training	38,267	6,299	-	31,968
Educational Media Services	5,148,785	788,881	182,441	4,177,463
General Administration	3,439,853	935,103	-	2,504,750
School Administration	28,369,752	6,472,599	14,384	21,882,769
Support Services-Business	3,152,666	770,547	958	2,381,161
Maintenance & Operation of Plant Services	30,260,790	7,539,800	1,321,153	21,399,837
Student Transportation Services	23,525,146	3,942,705	80,608	19,501,833
Support Services-Central	5,235,077	1,090,201	29,096	4,115,780
School Nutrition Program	161,898	-	-	161,898
TOTAL EXPENDITURES	435,160,242	80,955,685	2,148,335	352,056,222
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	137,487	217,860		(80,373)
Accounts Transfers Out	(2,063,017)	(200,000)		(1,863,017)
TOTAL OTHER FIN SOURCES (USES)	(1,925,530)	17,860		(1,943,390)
NET CHANGE FUND BALANCES	\$ 349,812	\$ (53,390,064)	\$ (2,148,335)	\$ 55,888,211

**CHEROKEE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - SEPTEMBER 30, 2021**

	2021-2022 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 12,126,442	\$ 77,013	\$ 12,049,429
Investment Earnings	927,755	148,692	779,063
Miscellaneous Revenue	2,936,976	248,705	2,688,271
TOTAL REVENUE	15,991,173	474,410	15,516,763
EXPENDITURES			
Debt Service	45,400,370	31,768,210	13,632,160
TOTAL EXPENDITURES	45,400,370	31,768,210	13,632,160
OTHER FINANCING SOURCES (USES)			
Accounts Transfers In	22,649,847	15,854,893	6,794,954
TOTAL OTHER FIN SOURCES (USES)	22,649,847	15,854,893	6,794,954
NET CHANGE FUND BALANCES	\$ (6,759,350)	\$ (15,438,907)	\$ 8,679,557

**CHEROKEE COUNTY SCHOOL DISTRICT
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - SEPTEMBER 30, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 37,910,683	\$ 9,774,977		\$ 28,135,706
State Revenue	124,697	-		124,697
Investment Earnings	31,810	2,648		29,162
TOTAL REVENUE	38,067,190	9,777,625		28,289,565
EXPENDITURES				
Instructional Services	22,510,889	1,565,183	\$ 1,399,554	19,546,152
Support Services-Business	358,000	-	-	358,000
Maintenance & Operation of Plant Services	445,000	270,294	36,954	137,752
Student Transportation Services	1,200,000	-	58,831	1,141,169
Facilities Acquisition and Construction Svs.	10,500,000	3,693,425	25,762	6,780,813
TOTAL EXPENDITURES	35,013,889	5,528,902	1,521,101	27,963,886
OTHER FINANCING SOURCES (USES)				
Bond Issuance	24,500,000	-		24,500,000
Premiums on Bonds Sold	5,000,000	-		5,000,000
Accounts Transfers Out	(22,649,847)	(15,854,893)		(6,794,954)
TOTAL OTHER FIN SOURCES (USES)	6,850,153	(15,854,893)		22,705,046
NET CHANGE FUND BALANCES	\$ 9,903,454	\$ (11,606,170)	\$ (1,521,101)	\$ 23,030,725

**CHEROKEE COUNTY SCHOOL DISTRICT
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - SEPTEMBER 30, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 7,738,854	\$ 208,996		\$ 7,529,858
State Revenue	1,352,349	274,421		1,077,928
Federal Revenue	40,169,633	8,219,326		31,950,307
Investment Earnings	15,000	415		14,585
TOTAL REVENUE	49,275,836	8,703,158		40,572,678
EXPENDITURES				
Instructional Services	20,499,141	1,710,321	\$ 233,741	18,555,079
Pupil Services	5,228,469	785,820	146,392	4,296,257
Improvement of Instructional Services	2,358,572	77,052	42	2,281,478
Instructional Staff Training	1,454,170	298,361	44,107	1,111,702
Maintenance & Operation of Plant Services	2,400,000	238,834		2,161,166
Student Transportation Services	444,979	51,950		393,029
Support Services-Central	23,000	26,124		(3,124)
School Nutrition Program	17,369,523	4,202,128	165,910	13,001,485
TOTAL EXPENDITURES	49,777,854	7,390,590	590,192	41,797,072
OTHER FINANCING SOURCES (USES)				
Accounts Transfers In	1,151,168	-		1,151,168
TOTAL OTHER FIN SOURCES (USES)	1,151,168	-		1,151,168
NET CHANGE FUND BALANCES	\$ 649,150	\$ 1,312,568	\$ (590,192)	\$ (73,226)

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH SEPTEMBER 2021

REPORTING MONTH	60 MONTH COLLECTION MONTH	PERIOD	PROJECTED COLLECTIONS	BOE 1% COLLECTIONS	DIFFERENCE ACTUAL AND PROJECTED COLLECTIONS
February 2018	January 2018	1	\$ 2,482,396	\$ 2,974,362	\$ 491,966
March 2018	February 2018	2	2,569,511	2,610,220	40,709
April 2018	March 2018	3	2,735,881	3,482,968	747,087
May 2018	April 2018	4	2,726,393	3,174,263	447,870
June 2018	May 2018	5	2,796,817	3,361,741	564,924
July 2018	June 2018	6	2,841,541	3,476,673	635,132
August 2018	July 2018	7	2,871,634	3,479,906	608,272
September 2018	August 2018	8	2,818,552	3,380,345	561,793
October 2018	September 2018	9	2,792,606	3,108,962	316,356
November 2018	October 2018	10	2,736,315	3,627,964	891,649
December 2018	November 2018	11	2,906,999	3,499,055	592,056
January 2019	December 2018	12	3,588,310	4,145,833	557,523
February 2019	January 2019	13	2,556,868	3,278,360	721,492
March 2019	February 2019	14	2,646,596	3,135,700	489,104
April 2019	March 2019	15	2,817,958	3,559,057	741,099
May 2019	April 2019	16	2,808,185	3,717,585	909,400
June 2019	May 2019	17	2,880,722	3,800,003	919,281
July 2019	June 2019	18	2,926,787	3,621,310	694,523
August 2019	July 2019	19	2,957,783	3,871,832	914,049
September 2019	August 2019	20	2,903,109	3,627,866	724,757
October 2019	September 2019	21	2,876,384	3,587,669	711,285
November 2019	October 2019	22	2,818,405	3,686,737	868,332
December 2019	November 2019	23	2,994,209	3,760,601	766,392
January 2020	December 2019	24	3,695,959	4,469,659	773,700
February 2020	January 2020	25	2,633,574	3,457,342	823,768
March 2020	February 2020	26	2,725,994	3,283,286	557,292
April 2020	March 2020	27	2,902,497	3,504,562	602,065
May 2020	April 2020	28	2,892,430	3,609,128	716,698
June 2020	May 2020	29	2,967,144	4,030,403	1,063,259
July 2020	June 2020	30	3,014,591	4,125,359	1,110,768

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH SEPTEMBER 2021

REPORTING MONTH	60 MONTH COLLECTION MONTH	PERIOD	PROJECTED COLLECTIONS	BOE 1% COLLECTIONS	DIFFERENCE ACTUAL AND PROJECTED COLLECTIONS
August 2020	July 2020	31	3,046,516	4,146,043	1,099,527
September 2020	August 2020	32	2,990,202	6,095,125	3,104,923
October 2020	September 2020	33	2,962,676	4,013,861	1,051,185
November 2020	October 2020	34	2,902,957	4,492,844	1,589,887
December 2020	November 2020	35	3,084,035	4,419,501	1,335,466
January 2021	December 2020	36	3,806,838	5,256,507	1,449,669
February 2021	January 2021	37	2,712,581	4,120,037	1,407,456
March 2021	February 2021	38	2,807,774	3,874,440	1,066,666
April 2021	March 2021	39	2,989,571	4,655,922	1,666,351
May 2021	April 2021	40	2,979,203	4,656,310	1,677,107
June 2021	May 2021	41	3,056,158	4,748,616	1,692,458
July 2021	June 2021	42	3,105,029	4,919,197	1,814,168
August 2021	July 2021	43	3,137,912	4,931,357	1,793,445
September 2021	August 2021	44	3,079,908	4,730,696	1,650,788
			<u>\$128,547,510</u>	<u>\$171,509,207</u>	<u>\$ 42,961,697</u>

**CHEROKEE COUNTY SCHOOL DISTRICT
1% SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
2018-2022 PROJECTED COLLECTIONS**

	<u>2018</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022</u>
July	\$ -	\$ 2,871,634	\$ 2,957,783	\$ 3,046,516	\$ 3,137,912	\$ 3,232,049
August	\$ -	\$ 2,818,552	\$ 2,903,109	\$ 2,990,202	\$ 3,079,908	\$ 3,172,306
September	\$ -	\$ 2,792,606	\$ 2,876,384	\$ 2,962,676	\$ 3,051,556	\$ 3,143,103
October	\$ -	\$ 2,736,315	\$ 2,818,405	\$ 2,902,957	\$ 2,990,046	\$ 3,079,747
November	\$ -	\$ 2,906,999	\$ 2,994,209	\$ 3,084,035	\$ 3,176,556	\$ 3,271,853
December	\$ -	\$ 3,588,310	\$ 3,695,959	\$ 3,806,838	\$ 3,921,043	\$ 4,038,675
January	\$ 2,482,396	\$ 2,556,868	\$ 2,633,574	\$ 2,712,581	\$ 2,793,958	\$ -
February	\$ 2,569,511	\$ 2,646,596	\$ 2,725,994	\$ 2,807,774	\$ 2,892,007	\$ -
March	\$ 2,735,881	\$ 2,817,958	\$ 2,902,497	\$ 2,989,571	\$ 3,079,259	\$ -
April	\$ 2,726,393	\$ 2,808,185	\$ 2,892,430	\$ 2,979,203	\$ 3,068,579	\$ -
May	\$ 2,796,817	\$ 2,880,722	\$ 2,967,144	\$ 3,056,158	\$ 3,147,843	\$ -
June	\$ 2,841,541	\$ 2,926,787	\$ 3,014,591	\$ 3,105,029	\$ 3,198,180	\$ -
Total by Fiscal Year	<u>\$ 16,152,539</u>	<u>\$ 34,351,532</u>	<u>\$ 35,382,079</u>	<u>\$ 36,443,540</u>	<u>\$ 37,536,847</u>	<u>\$ 19,937,733</u>
Total Projected Collections						<u><u>\$ 179,804,270</u></u>

The amount shown in each month is the expected collection amount. Actual receipt would occur in the subsequent month.