

Agenda Request Form

Meeting Date	Agenda Item Number
November 18, 2021	D-1
Title	
October 2021 Financial Report and Sales Tax Update	
Requested Action	
School Board Consideration of Superintendent's Recommendation for Approval of October 2021 Financial Report and Sales Tax Update	
Summary Explanation and Background	
Financial Report for October 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 OCTOBER 2021

General Fund

For the month ending October 31, 2021, the fourth month of the 2021-22 Fiscal Year, the School District's Operating Account (General Fund) has received \$57,572,064 in revenue (year-to-date) consisting of state funds of \$39,821,054 (18% of budget), \$17,194,693 local revenues (8% of budget), and other funds of \$556,317 (42% of budget). All operating expenditures of \$116,573,859 (27% of budget) are within the Board of Education's approved 2021-22 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$43,166,018 as of October 31, 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 \$4,672,519 for sales tax collections received in October 2021, for the month of September 2021, the 45th month of 60 monthly sales tax collections for the 2018-2022 SPLOST. Collections received were above projections for the month by \$1,620,963 and above cumulative projections by \$44,582,660.

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 October 31, 2021 is \$63,574,081 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 October 31, 2021 is \$10,119,987 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 OCTOBER 31, 2021**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 31,804,640	\$ 40,573,754	\$ 43,196,953	\$ 4,537,959	\$ 120,113,306
Investments	1,029,572	23,000,327	-	-	24,029,899
Receivables	265,079	-	-	7,138,061	7,403,140
Inventories	102,461	-	-	993,638	1,096,099
TOTAL ASSETS	\$ 33,201,752	\$ 63,574,081	\$ 43,196,953	\$ 12,669,658	\$ 152,642,444
LIABILITIES					
Accounts Payable	\$ 435,746	\$ -	\$ 30,935	\$ 2,017,843	\$ 2,484,524
Salaries and Benefits Payable	13,583,433	-	-	531,828	14,115,261
FUND BALANCE	19,182,573	63,574,081	43,166,018	10,119,987	136,042,659
TOTAL LIABILITIES AND FUND BALANCE	\$ 33,201,752	\$ 63,574,081	\$ 43,196,953	\$ 12,669,658	\$ 152,642,444
REVENUE AND EXPENSE					
REVENUE	\$ 57,572,064	\$ 1,217,640	\$ 14,548,438	\$ 13,667,912	\$ 87,006,054
EXPENDITURES	116,573,859	31,768,210	6,993,347	11,355,869	166,691,285
EXCESS REVENUE OVER EXPENDITURES	(59,001,795)	(30,550,570)	7,555,091	2,312,043	(79,685,231)
OTHER FINANCING SOURCES (USES)	160,579	15,854,893	(15,854,893)		160,579
BEGINNING FUND BALANCE	78,023,789	78,269,758	51,465,820	7,807,944	215,567,311
ENDING FUND BALANCE	\$ 19,182,573	\$ 63,574,081	\$ 43,166,018	\$ 10,119,987	\$ 136,042,659

**CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - OCTOBER 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 216,705,392	\$ 17,194,693		\$ 199,510,699
State Revenue	219,397,237	39,821,054		179,576,183
Federal Revenue	199,068	191,758		7,310
Investment Earnings	103,505	12,985		90,520
Miscellaneous Revenue	1,030,382	351,574		678,808
TOTAL REVENUE	437,435,584	57,572,064		379,863,520
EXPENDITURES				
Instructional Services	300,689,376	78,126,056	\$ 534,788	222,028,532
Pupil Services	17,849,137	4,484,737	4,593	13,359,807
Improvement of Instructional Services	17,289,495	4,382,838	67,324	12,839,333
Instructional Staff Training	38,267	6,375	-	31,892
Educational Media Services	5,148,785	1,221,182	187,729	3,739,874
General Administration	3,439,853	1,195,245	2,830	2,241,778
School Administration	28,369,752	8,786,022	20,460	19,563,270
Support Services-Business	3,152,666	994,600	5,646	2,152,420
Maintenance & Operation of Plant Services	30,260,790	9,773,727	1,156,561	19,330,502
Student Transportation Services	23,525,146	5,934,700	70,628	17,519,818
Support Services-Central	5,235,077	1,668,377	30,628	3,536,072
School Nutrition Program	161,898	-	-	161,898
TOTAL EXPENDITURES	435,160,242	116,573,859	2,081,187	316,505,196
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	137,487	360,579		(223,092)
Accounts Transfers Out	(2,063,017)	(200,000)		(1,863,017)
TOTAL OTHER FIN SOURCES (USES)	(1,925,530)	160,579		(2,086,109)
NET CHANGE FUND BALANCES	\$ 349,812	\$ (58,841,216)	\$ (2,081,187)	\$ 61,272,215

**CHEROKEE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - OCTOBER 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 12,126,442	\$ 746,749	\$ 11,379,693
Investment Earnings	927,755	222,187	705,568
Miscellaneous Revenue	2,936,976	248,704	2,688,272
TOTAL REVENUE	15,991,173	1,217,640	14,773,533
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)	\$ (14,695,677)	\$ 7,936,327

**CHEROKEE COUNTY SCHOOL DISTRICT
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - OCTOBER 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 37,910,683	\$ 14,544,538		\$ 23,366,145
State Revenue	124,697	-		124,697
Investment Earnings	31,810	3,900		27,910
TOTAL REVENUE	38,067,190	14,548,438		23,518,752
EXPENDITURES				
Instructional Services	22,510,889	1,808,652	\$ 1,288,696	19,413,541
Support Services-Business	358,000	-	-	358,000
Maintenance & Operation of Plant Services	445,000	307,248	-	137,752
Student Transportation Services	1,200,000	-	58,831	1,141,169
Facilities Acquisition and Construction Svs.	10,500,000	4,877,447	29,425	5,593,128
TOTAL EXPENDITURES	35,013,889	6,993,347	1,376,952	26,643,590
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	\$ (8,299,802)	\$ (1,376,952)	\$ 19,580,208

**CHEROKEE COUNTY SCHOOL DISTRICT
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - OCTOBER 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 7,738,854	\$ 315,353		\$ 7,423,501
State Revenue	1,352,349	446,031		906,318
Federal Revenue	40,169,633	12,905,900		27,263,733
Investment Earnings	15,000	628		14,372
TOTAL REVENUE	49,275,836	13,667,912		35,607,924
EXPENDITURES				
Instructional Services	20,499,141	2,610,026	\$ 286,287	17,602,828
Pupil Services	5,228,469	1,244,979	133,656	3,849,834
Improvement of Instructional Services	2,358,572	198,930	101	2,159,541
Instructional Staff Training	1,454,170	402,478	67,828	983,864
Maintenance & Operation of Plant Services	2,400,000	255,865		2,144,135
Student Transportation Services	444,979	94,100		350,879
Support Services-Central	23,000	26,124	200	(3,324)
School Nutrition Program	17,369,523	6,523,367	254,550	10,591,606
TOTAL EXPENDITURES	49,777,854	11,355,869	742,622	37,679,363
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	\$ 2,312,043	\$ (742,622)	\$ (920,271)

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH OCTOBER 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 OCTOBER 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
October 2021	September 2021	45	3,051,556	4,672,519	1,620,963
			<u>\$131,599,066</u>	<u>\$176,181,726</u>	<u>\$ 44,582,660</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.