



Agenda Request Form

Meeting Date	Agenda Item Number
November 17, 2022	D-1

Title
October 2022 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of October 2022 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for October 2022 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 2022

General Fund

For the month ending October 31, 2022, the fourth month of the 2022-23 Fiscal Year, the School District's Operating Account (General Fund) has received \$62,259,483 in revenue (year-to-date) consisting of state funds of \$43,945,514 (19% of budget), \$17,740,201 local revenues (7% of budget), and other funds of \$573,768 (42% of budget). All operating expenditures of \$127,511,588 (27% of budget) are within the Board of Education's approved 2022-23 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$83,865,373 as of October 31, 2022 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 \$5,219,103 for sales tax collections received in October 2022, for the month of September 2022, the 57th month of 57 monthly sales tax collections for the 2018-2022 SPLOST. Collections received were above projections for the month by \$2,076,000 and above cumulative projections by \$69,415,320.

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, 2022 is \$39,864,220 representing funds accumulated from Ed-SPLOST collections, collections from the 1.5 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, 2022 is \$18,541,094 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, 2022**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 52,948,042	\$ 13,993,909	\$ 83,911,576	\$ 9,918,476	\$ 160,772,003
Investments	1,031,972	25,870,311	-	-	26,902,283
Receivables	1,006,342	-	-	9,881,595	10,887,937
Inventories	184,328	-	-	929,985	1,114,313
TOTAL ASSETS	\$ 55,170,684	\$ 39,864,220	\$ 83,911,576	\$ 20,730,056	\$ 199,676,536
<u>LIABILITIES</u>					
Accounts Payable	\$ 530,460	\$ -	\$ 46,203	\$ 1,579,348	\$ 2,156,011
Salaries and Benefits Payable	13,314,020	-	-	609,614	13,923,634
FUND BALANCE	41,326,204	39,864,220	83,865,373	18,541,094	183,596,891
TOTAL LIABILITIES AND FUND BALANCE	\$ 55,170,684	\$ 39,864,220	\$ 83,911,576	\$ 20,730,056	\$ 199,676,536
REVENUE AND EXPENSE					
<u>REVENUE</u>	\$ 62,259,483	\$ 1,618,160	\$ 17,288,267	\$ 16,664,911	\$ 97,830,821
<u>EXPENDITURES</u>	127,511,588	30,043,285	9,302,811	16,079,604	182,937,288
EXCESS REVENUE OVER EXPENDITURES	(65,252,105)	(28,425,125)	7,985,456	585,307	(85,106,467)
<u>OTHER FINANCING SOURCES (USES)</u>	(227,301)	23,712,657	(23,712,657)	-	(227,301)
<u>BEGINNING FUND BALANCE</u>	106,805,610	44,576,688	99,592,574	17,955,787	268,930,659
<u>ENDING FUND BALANCE</u>	\$ 41,326,204	\$ 39,864,220	\$ 83,865,373	\$ 18,541,094	\$ 183,596,891

**CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - OCTOBER 31, 2022**

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 237,452,907	\$ 17,740,201		\$ 219,712,706
State Revenue	234,849,043	43,945,514		190,903,529
Federal Revenue	199,068	187,892		11,176
Investment Earnings	105,058	385,876		(280,818)
Miscellaneous Revenue	1,053,566	-		1,053,566
TOTAL REVENUE	473,659,642	62,259,483		411,400,159
EXPENDITURES				
Instructional Services	322,016,221	81,661,850	\$ 266,950	240,087,421
Pupil Services	18,841,138	4,921,249	2,333	13,917,556
Improvement of Instructional Services	17,317,296	5,810,275	3,166,986	8,340,035
Instructional Staff Training	824,962	158,338	7,558	659,066
Educational Media Services	5,419,035	1,398,861	157,741	3,862,433
General Administration	3,724,817	1,238,340	-	2,486,477
School Administration	29,215,572	9,499,347	13,170	19,703,055
Support Services-Business	3,268,430	1,142,980	521,078	1,604,372
Maintenance & Operation of Plant Services	37,931,033	13,190,140	1,564,152	23,176,741
Student Transportation Services	27,133,593	6,617,908	630,561	19,885,124
Support Services-Central	5,465,341	1,872,300	346,931	3,246,110
School Nutrition Program	166,039	-	-	166,039
TOTAL EXPENDITURES	471,323,477	127,511,588	6,677,460	337,134,429
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	140,237	122,699		17,538
Accounts Transfers Out	(1,929,146)	(350,000)		(1,579,146)
TOTAL OTHER FIN SOURCES (USES)	(1,788,909)	(227,301)		(1,561,608)
NET CHANGE FUND BALANCES	\$ 547,256	\$ (65,479,406)	\$ (6,677,460)	\$ 72,704,122

CHEROKEE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - OCTOBER 31, 2022

	2022-2023 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 17,891,756	\$ 1,002,638	\$ 16,889,118
Investment Earnings	1,025,948	366,778	659,170
Miscellaneous Revenue	2,936,976	248,744	2,688,232
TOTAL REVENUE	21,854,680	1,618,160	20,236,520
EXPENDITURES			
Debt Service	44,057,895	30,043,285	14,014,610
TOTAL EXPENDITURES	44,057,895	30,043,285	14,014,610
OTHER FINANCING SOURCES (USES)			
Accounts Transfers In	34,764,818	23,712,657	11,052,161
TOTAL OTHER FIN SOURCES (USES)	34,764,818	23,712,657	11,052,161
NET CHANGE FUND BALANCES	\$ 12,561,603	\$ (4,712,468)	\$ 17,274,071

**CHEROKEE COUNTY SCHOOL DISTRICT
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - OCTOBER 31 2022**

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 56,262,984	\$ 16,678,743		\$ 39,584,241
State Revenue	8,100,000	-		8,100,000
Investment Earnings	36,920	609,524		(572,604)
TOTAL REVENUE	64,399,904	17,288,267		47,111,637
EXPENDITURES				
Instructional Services	34,137,792	2,441,161	\$ 4,082,091	27,614,540
Facilities Acquisition and Construction Svs.	100,936,029	6,861,650	424,379	93,650,000
TOTAL EXPENDITURES	135,073,821	9,302,811	4,506,470	121,264,540
OTHER FINANCING SOURCES (USES)				
Bond Issuance	115,000,000	-		115,000,000
Premiums on Bonds Sold	17,250,000	-		17,250,000
Accounts Transfers Out	(34,764,818)	(23,712,657)		(11,052,161)
TOTAL OTHER FIN SOURCES (USES)	97,485,182	(23,712,657)		121,197,839
NET CHANGE FUND BALANCES	\$ 26,811,265	\$ (15,727,201)	\$ (4,506,470)	\$ 47,044,936

CHEROKEE COUNTY SCHOOL DISTRICT
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - OCTOBER 31, 2022

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 7,651,393	\$ 2,265,018		\$ 5,386,375
State Revenue	1,343,074	534,998		808,076
Federal Revenue	43,348,526	13,742,651		29,605,875
Investment Earnings	15,000	122,244		(107,244)
TOTAL REVENUE	52,357,993	16,664,911		35,693,082
EXPENDITURES				
Instructional Services	23,616,084	6,082,458	\$ 667,918	16,865,708
Pupil Services	6,603,948	2,067,931	43,783	4,492,234
Improvement of Instructional Services	1,557,857	350,077	2,256	1,205,524
Instructional Staff Training	2,707,984	538,602	275,451	1,893,931
School Administration	9,802	-	-	9,802
Maintenance & Operation of Plant Services	780,000	188,403	-	591,597
Student Transportation Services	483,530	116,390	-	367,140
Support Services-Central	35,000	39,594	-	(4,594)
School Nutrition Program	17,976,598	6,696,149	346,484	10,933,965
TOTAL EXPENDITURES	53,770,803	16,079,604	1,335,892	36,355,307
OTHER FINANCING SOURCES (USES)				
Accounts Transfers In	1,425,400	-		1,425,400
TOTAL OTHER FIN SOURCES (USES)	1,425,400	-		1,425,400
NET CHANGE FUND BALANCES	\$ 12,590	\$ 585,307	\$ (1,335,892)	\$ 763,175

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH OCTOBER 31, 2022

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 31, 2022

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
November 2021	October 2021	46	2,990,046	4,807,242	1,817,196
December 2021	November 2021	47	3,176,556	5,233,983	2,057,427
January 2022	December 2021	48	3,921,043	5,946,714	2,025,671
February 2022	January 2022	49	2,793,958	4,611,391	1,817,433
March 2022	February 2022	50	2,892,007	4,646,103	1,754,096
April 2022	March 2022	51	3,079,259	5,299,759	2,220,500
May 2022	April 2022	52	3,068,579	5,240,222	2,171,643
June 2022	May 2022	53	3,147,843	5,414,387	2,266,544
July 2022	June 2022	54	3,198,180	5,488,700	2,290,520
August 2022	July 2022	55	3,232,049	5,448,418	2,216,369
September 2022	August 2022	56	3,172,306	5,291,567	2,119,261
October 2022	September 2022	57	3,143,103	5,219,103	2,076,000
			<u>\$169,413,995</u>	<u>\$238,829,315</u>	<u>\$ 69,415,320</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.