Cherokee County School District

Agenda Request Form

Meeting Date	Agenda Item Number
November 17, 2022	D-2

Title

Committed Fund Balance

Requested Action

School Board Consideration of Superintendent's Recommendation to Commit $32,500,000 of the Fiscal Year 2022 General Fund Unassigned Fund Balance for Future Capital Outlay Purposes

Summary Explanation and Background

Pursuant to School Board Policy DCL - Fund Balance, the Superintendent recommends the School Board approve committing a portion of the Fiscal Year 2022 General Fund Unassigned Fund Balance for capital outlay purposes to decrease the amount of bonded indebtedness over the next five-year, Ed-SPLOST period. These monies would be committed to a variety of new/replacement construction projects to include, but not be limited to, Cherokee HS and Free Home ES. It is the belief of the Superintendent and staff that these funds, if designated in this regard, will also serve to mitigate many of the current market pricing factors being experienced since the development of CCSD's Ed-SPLOST project list (e.g., unexpected inflation, supply chain difficulties, product availability concerns and rising construction costs.

If approved, the designation of the $32,500,000 in General Fund reserves would not negatively impact CCSD's financial stability. Subsequent reserve amounts would be at 15%, and because of stable (federal, state and local) revenues and continued cost-spending measures through the remainder of the fiscal year, the Superintendent and staff fully expect CCSD's General Fund reserves would remain at the 15% amount of the total FY2023 budget, as prescribed in School Board Policy (DCL) and State Law (O.C.G.A. 20-2-167(a)5.

Priority Area

Organizational and Operational Effectiveness

Financial Impact

Commit $32,500,000 of Fund Balance for Future Capital Outlay Purposes

Exhibits: (List)

N/A

Source of Additional Information

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