Cherokee County School District

Agenda Request Form

Meeting Date	Agenda Item Number
January 19, 2023	D-1

Title

December 2022 Financial Report and Sales Tax Update

Requested Action

School Board Consideration of Superintendent's Recommendation for Approval of December 2022 Financial Report and Sales Tax Update

Summary Explanation and Background

Financial Report for December 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
DECEMBER 2022

General Fund

For the month ending December 31, 2022, the sixth month of the 2022-23 Fiscal Year, the School District's Operating Account (General Fund) has received $293,319,340 in revenue (year-to-date) consisting of state funds of $83,272,271 (35% of budget), $209,160,931 local revenues (88% of budget), and other funds of $886,138 (65% of budget). All operating expenditures of $208,082,851 (44% of budget) are within the Board of Education's approved 2022-23 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of $91,211,902 as of December 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 $5,405,654 for sales tax collections received in December 2022, for the month of November 2022, the 2nd month of 60 monthly sales tax collections for the 2022-2027 SPLOST. Collections received were above projections for the month by $598,412 and above cumulative projections by $1,291,189.

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 December 31, 2022 is $57,265,416 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 December 31, 2022 is $18,404,886 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 DECEMBER 31, 2022

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
ASSETS					
Cash and Cash Equivalents	$ 205,538,858	$ 31,236,331	$ 91,211,902	$ 7,843,856	$ 335,830,947
Investments	-	26,029,085	-	-	26,029,085
Receivables	936,720	-	-	11,629,232	12,565,952
Inventories	69,058	-	-	810,972	880,030
TOTAL ASSETS	$ 206,544,636	$ 57,265,416	$ 91,211,902	$ 20,284,060	$ 375,306,014
LIABILITIES					
Accounts Payable	$ 1,135,383	$ -	$ -	$ 997,226	$ 2,132,609
Salaries and Benefits Payable	13,495,617	-	-	881,948	14,377,565
FUND BALANCE	191,913,636	57,265,416	91,211,902	18,404,886	358,795,840
TOTAL LIABILITIES AND FUND BALANCE	$ 206,544,636	$ 57,265,416	$ 91,211,902	$ 20,284,060	$ 375,306,014
REVENUE AND EXPENSE					
REVENUE	$ 293,319,340	$ 19,019,356	$ 28,320,839	$ 26,841,834	$ 367,501,369
EXPENDITURES	208,082,851	30,043,285	12,988,854	26,392,735	277,507,725
EXCESS REVENUE OVER EXPENDITURES	85,236,489	(11,023,929)	15,331,985	449,099	89,993,644
OTHER FINANCING SOURCES (USES)	(128,463)	23,712,657	(23,712,657)	-	(128,463)
BEGINNING FUND BALANCE	106,805,610	44,576,688	99,592,574	17,955,787	268,930,659
ENDING FUND BALANCE	**$ 191,913,636**	**$ 57,265,416**	**$ 91,211,902**	**$ 18,404,886**	**$ 358,795,840**

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

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	$ 237,452,907	$ 209,160,931		$ 28,291,976
State Revenue	234,849,043	83,272,271		151,576,772
Federal Revenue	199,068	187,892		11,176
Investment Earnings	105,058	579,785		(474,727)
Miscellaneous Revenue	1,053,566	118,461		935,105
TOTAL REVENUE	**473,659,642**	**293,319,340**		**180,340,302**
EXPENDITURES				
Instructional Services	322,016,221	136,766,592	$ 282,874	184,966,755
Pupil Services	18,841,138	8,790,421	17,215	10,033,502
Improvement of Instructional Services	17,317,296	8,850,837	2,976,103	5,490,356
Instructional Staff Training	824,962	229,441	6,869	588,652
Educational Media Services	5,419,035	2,459,425	122,483	2,837,127
General Administration	3,724,817	2,101,230	-	1,623,587
School Administration	29,215,572	14,676,638	18,185	14,520,749
Support Services-Business	3,268,430	1,760,876	149,913	1,357,641
Maintenance & Operation of Plant Services	37,931,033	18,624,968	1,354,394	17,951,671
Student Transportation Services	27,133,593	11,150,127	1,359,493	14,623,973
Support Services-Central	5,465,341	2,353,401	65,958	3,045,982
School Nutrition Program	166,039	318,895	-	(152,856)
TOTAL EXPENDITURES	**471,323,477**	**208,082,851**	**6,353,487**	**256,887,139**
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	140,237	321,537		(181,300)
Accounts Transfers Out	(1,929,146)	(450,000)		(1,479,146)
TOTAL OTHER FIN SOURCES (USES)	**(1,788,909)**	**(128,463)**		**(1,660,446)**
NET CHANGE FUND BALANCES	**$ 547,256**	**$ 85,108,026**	**$ (6,353,487)**	**$ (78,207,283)**

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

	2022-2023 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	$ 17,891,756	$ 18,183,628	$ (291,872)
Investment Earnings	1,025,948	586,984	438,964
Miscellaneous Revenue	2,936,976	248,744	2,688,232
TOTAL REVENUE	**21,854,680**	**19,019,356**	**2,835,324**
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**	**$ 12,688,728**	**$ (127,125)**

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

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	$ 56,262,984	$ 27,413,183		$ 28,849,801
State Revenue	8,100,000	-		8,100,000
Investment Earnings	36,920	907,656		(870,736)
TOTAL REVENUE	**64,399,904**	**28,320,839**		**36,079,065**
EXPENDITURES				
Instructional Services	34,137,792	4,454,991	$ 3,024,886	26,657,915
Facilities Acquisition and Construction Svs.	100,936,029	8,533,863	368,057	92,034,109
TOTAL EXPENDITURES	**135,073,821**	**12,988,854**	**3,392,943**	**118,692,024**
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**	**$ (8,380,672)**	**$ (3,392,943)**	**$ 38,584,880**

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

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	$ 7,651,393	$ 3,592,868		$ 4,058,525
State Revenue	1,343,074	806,991		536,083
Federal Revenue	43,348,526	22,241,552		21,106,974
Investment Earnings	15,000	200,423		(185,423)
TOTAL REVENUE	**52,357,993**	**26,841,834**		**25,516,159**
EXPENDITURES				
Instructional Services	23,616,084	10,077,430	$ 291,781	13,246,873
Pupil Services	6,603,948	3,432,509	133,183	3,038,256
Improvement of Instructional Services	1,557,857	551,506	129	1,006,222
Instructional Staff Training	2,707,984	1,067,954	167,954	1,472,076
School Administration	9,802	-	-	9,802
Maintenance & Operation of Plant Services	780,000	274,447	-	505,553
Student Transportation Services	483,530	215,982	-	267,548
Support Services-Central	35,000	40,635	-	(5,635)
School Nutrition Program	17,976,598	10,732,272	331,196	6,913,130
TOTAL EXPENDITURES	**53,770,803**	**26,392,735**	**924,243**	**26,453,825**
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**	**$ 449,099**	**$ (924,243)**	**$ 487,734**

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2022-2027)
COMPARISON OF COLLECTIONS
THROUGH DECEMBER 31, 2022

REPORTING MONTH	60 MONTH COLLECTION MONTH	PERIOD	PROJECTED COLLECTIONS	ACTUAL COLLECTIONS	DIFFERENCE ACTUAL AND PROJECTED COLLECTIONS
November 2022	**October 2022**	**1**	$ 4,636,009	$ 5,328,786	$ 692,777
December 2022	**November 2022**	**2**	4,807,242	5,405,654	598,412
			$ 9,443,251	$ 10,734,440	$ 1,291,189

2022-2027 Ed-SPLOST Projected Collections

	2022	2023	2024	2025	2026	2027	TOTAL
January	-	4,824,820	4,921,317	5,019,743	5,120,138	5,222,541	25,108,558
February	-	4,062,238	4,143,483	4,226,353	4,310,880	4,397,097	21,140,052
March	-	4,325,376	4,411,884	4,500,122	4,590,124	4,681,927	22,509,432
April	-	4,448,443	4,537,412	4,628,160	4,720,723	4,815,138	23,149,876
May	-	4,604,100	4,696,182	4,790,105	4,885,907	4,983,625	23,959,919
June	-	4,818,522	4,914,893	5,013,191	5,113,455	5,215,724	25,075,784
July	-	4,787,586	4,883,338	4,981,005	5,080,625	5,182,237	24,914,790
August	-	4,848,609	4,945,582	5,044,493	5,145,383	5,248,291	25,232,358
September	-	4,619,404	4,711,792	4,806,027	4,902,148	5,000,191	24,039,561
October	4,636,009	4,766,013	4,861,333	4,958,560	5,057,731	-	24,279,647
November	4,807,242	4,899,541	4,997,532	5,097,482	5,199,432	-	25,001,229
December	5,104,524	5,403,573	5,511,645	5,621,878	5,734,315	-	27,375,934
TOTALS	**$ 14,547,775**	**$ 56,408,226**	**$ 57,536,391**	**$ 58,687,118**	**$ 59,860,861**	**$ 44,746,770**	**$ 291,787,141**