

Agenda Request Form

Meeting Date	Agenda Item Number
August 18, 2022	D-1
Title	
June 2022 Financial Report and Sales Tax Update	
Requested Action	
School Board Consideration of Superintendent's Recommendation for Approval of June 2022 Financial Report and Sales Tax Update	
Summary Explanation and Background	
Financial Report for June 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 JUNE 2022

General Fund

For the month ending June 30, 2022, the twelfth month of the 2021-22 Fiscal Year, the School District's Operating Account (General Fund) has received \$465,107,768 in revenue (year-to-date) consisting of state funds of \$237,482,007 (100% of amended budget), \$225,457,377 local revenues (104% of budget), and other funds of \$2,168,384 (163% of budget). All operating expenditures of \$434,450,069 (97% of amended budget) are within the Board of Education's approved 2021-22 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$99,589,250 as of June 30, 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 \$5,414,387 for sales tax collections received in June 2022, for the month of May 2022, the 53rd month of 57 monthly sales tax collections for the 2018-2022 SPLOST. Collections received were above projections for the month by \$2,266,544 and above cumulative projections by \$60,713,170. The School District also accrued \$5,488,700 for sales tax collections received in July 2022, for the month of June 2022, the 54th month of 57 monthly sales tax collections for the 2018-2022 SPLOST. Collections received were above projections for the month by \$2,290,520 and above cumulative projections by \$63,003,690.

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 June 30, 2022 is \$44,583,021 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 June 30, 2022 is \$17,955,787 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 JUNE 30, 2022**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 107,435,781	\$ 18,012,932	\$ 95,088,954	\$ 9,745,369	\$ 230,283,036
Investments	1,030,304	24,675,906	-	-	25,706,210
Receivables	39,912,365	1,894,183	5,488,700	10,984,687	58,279,935
Inventories	346,609	-	-	633,010	979,619
TOTAL ASSETS	\$ 148,725,059	\$ 44,583,021	\$ 100,577,654	\$ 21,363,066	\$ 315,248,800
<u>LIABILITIES</u>					
Accounts Payable	\$ 2,409,969	\$ -	\$ 988,404	\$ 744,502	\$ 4,142,875
Salaries and Benefits Payable	38,938,376	-	-	2,662,777	41,601,153
FUND BALANCE	107,376,714	44,583,021	99,589,250	17,955,787	269,504,772
TOTAL LIABILITIES AND FUND BALANCE	\$ 148,725,059	\$ 44,583,021	\$ 100,577,654	\$ 21,363,066	\$ 315,248,800
REVENUE AND EXPENSE					
<u>REVENUE</u>	\$ 465,107,768	\$ 17,802,130	\$ 62,384,694	\$ 66,650,056	\$ 611,944,648
<u>EXPENDITURES</u>	434,450,069	74,138,714	28,771,606	57,653,381	595,013,770
EXCESS REVENUE OVER EXPENDITURES	30,657,699	(56,336,584)	33,613,088	8,996,675	16,930,878
<u>OTHER FINANCING SOURCES (USES)</u>	(1,169,058)	22,649,847	14,510,342	1,151,168	37,142,299
<u>BEGINNING FUND BALANCE</u>	77,888,073	78,269,758	51,465,820	7,807,944	215,431,595
<u>ENDING FUND BALANCE</u>	\$ 107,376,714	\$ 44,583,021	\$ 99,589,250	\$ 17,955,787	\$ 269,504,772

**CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - JUNE 30, 2022**

	2021-2022			
	AMENDED	YEAR	ENCUMBRANCES	AVAILABLE
	BUDGET	TO DATE		BUDGET
REVENUE				
Local Revenue	\$ 216,705,392	\$ 225,457,377		\$ (8,751,985)
State Revenue	237,645,828	237,482,007		163,821
Federal Revenue	199,068	191,758		7,310
Investment Earnings	103,505	247,649		(144,144)
Miscellaneous Revenue	1,030,382	1,728,977		(698,595)
TOTAL REVENUE	455,684,175	465,107,768		(9,423,593)
EXPENDITURES				
Instructional Services	308,299,904	298,809,028	\$ -	9,490,876
Pupil Services	18,332,504	18,212,297	-	120,207
Improvement of Instructional Services	17,565,021	16,555,513	-	1,009,508
Instructional Staff Training	56,497	55,235	-	1,262
Educational Media Services	5,238,907	4,980,437	-	258,470
General Administration	3,463,494	3,636,114	-	(172,620)
School Administration	29,075,317	28,424,503	-	650,814
Support Services-Business	3,214,849	3,060,193	-	154,656
Maintenance & Operation of Plant Services	30,425,960	30,675,847	-	(249,887)
Student Transportation Services	24,507,517	25,344,634	-	(837,117)
Support Services-Central	5,279,044	4,524,692	-	754,352
School Nutrition Program	161,898	171,576	-	(9,678)
TOTAL EXPENDITURES	445,620,912	434,450,069	-	11,170,843
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	137,487	893,959		(756,472)
Accounts Transfers Out	(2,063,017)	(2,063,017)		-
TOTAL OTHER FIN SOURCES (USES)	(1,925,530)	(1,169,058)		(756,472)
NET CHANGE FUND BALANCES	\$ 8,137,733	\$ 29,488,641	\$ -	\$ (21,350,908)

CHEROKEE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - JUNE 30, 2022

	2021-2022 AMENDED BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 12,126,442	\$ 13,833,592	\$ (1,707,150)
Investment Earnings	927,755	983,892	(56,137)
Miscellaneous Revenue	2,936,976	2,984,646	(47,670)
TOTAL REVENUE	15,991,173	17,802,130	(1,810,957)
EXPENDITURES			
Debt Service	74,136,315	74,138,714	(2,399)
TOTAL EXPENDITURES	74,136,315	74,138,714	(2,399)
OTHER FINANCING SOURCES (USES)			
Accounts Transfers In	22,649,847	22,649,847	-
TOTAL OTHER FIN SOURCES (USES)	22,649,847	22,649,847	-
NET CHANGE FUND BALANCES	\$ (35,495,295)	\$ (33,686,737)	\$ (1,808,558)

**CHEROKEE COUNTY SCHOOL DISTRICT
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - JUNE 30, 2022**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 37,910,683	\$ 62,015,767		\$ (24,105,084)
State Revenue	124,697	179,982		(55,285)
Investment Earnings	31,810	188,945		(157,135)
TOTAL REVENUE	38,067,190	62,384,694		(24,317,504)
EXPENDITURES				
Instructional Services	22,510,889	9,241,213	\$ -	13,269,676
Support Services-Business	358,000	430,415	-	(72,415)
Maintenance & Operation of Plant Services	445,000	307,248	-	137,752
Student Transportation Services	1,200,000	1,356,782	-	(156,782)
Facilities Acquisition and Construction Svs.	10,500,000	17,435,948	-	(6,935,948)
TOTAL EXPENDITURES	35,013,889	28,771,606	-	6,242,283
OTHER FINANCING SOURCES (USES)				
Bond Issuance	24,500,000	29,615,000		(5,115,000)
Premiums on Bonds Sold	5,000,000	7,545,189		(2,545,189)
Accounts Transfers Out	(22,649,847)	(22,649,847)		-
TOTAL OTHER FIN SOURCES (USES)	6,850,153	14,510,342		(7,660,189)
NET CHANGE FUND BALANCES	\$ 9,903,454	\$ 48,123,430	\$ -	\$ (38,219,976)

CHEROKEE COUNTY SCHOOL DISTRICT
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - JUNE 30, 2022

	2021-2022			
	AMENDED	YEAR		AVAILABLE
	BUDGET	TO DATE	ENCUMBRANCES	BUDGET
REVENUE				
Local Revenue	\$ 7,738,854	\$ 1,171,969		\$ 6,566,885
State Revenue	1,881,987	1,982,368		(100,381)
Federal Revenue	45,730,455	63,470,784		(17,740,329)
Investment Earnings	15,000	24,935		(9,935)
TOTAL REVENUE	55,366,296	66,650,056		(11,283,760)
EXPENDITURES				
Instructional Services	24,247,960	23,809,295	\$ -	438,665
Pupil Services	5,471,529	6,548,570	-	(1,077,041)
Improvement of Instructional Services	2,499,810	1,942,464	-	557,346
Instructional Staff Training	1,462,929	1,879,994	-	(417,065)
Educational Media Services	45,984	45,213	-	771
General Administration	12,044	13,580	-	(1,536)
School Administration	354,736	370,082	-	(15,346)
Support Services-Business	31,751	32,295	-	(544)
Maintenance & Operation of Plant Services	2,485,400	750,786	-	1,734,614
Student Transportation Services	952,997	1,005,395	-	(52,398)
Support Services-Central	44,897	52,468	-	(7,571)
School Nutrition Program	18,333,589	21,203,239	-	(2,869,650)
TOTAL EXPENDITURES	55,943,626	57,653,381	-	(1,709,755)
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	\$ 573,838	\$ 10,147,843	\$ -	\$ (9,574,005)

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH JULY 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 JULY 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
			<u>\$159,866,537</u>	<u>\$222,870,227</u>	<u>\$ 63,003,690</u>