



Agenda Request Form

Meeting Date	Agenda Item Number
April 20, 2023	D-1

Title
March 2023 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of March 2023 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for March 2023 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

MARCH 2023

General Fund

For the month ending March 31, 2023, the ninth month of the 2022-23 Fiscal Year, the School District's Operating Account (General Fund) has received \$373,769,488 in revenue (year-to-date) consisting of state funds of \$141,836,595 (52% of budget), \$229,248,765 local revenues (97% of budget), and other funds of \$2,684,128 (198% of budget). All operating expenditures of \$325,158,187 (69% of budget) are within the Board of Education's approved 2022-23 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$94,789,877 as of March 31, 2023 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 \$4,697,475 for sales tax collections received in March 2023, for the month of February 2023, the fifth month of 60 monthly sales tax collections for the 2022-2027 SPLOST. Collections received were above projections for the month by \$635,237 and above cumulative projections by \$3,466,837.

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 March 31, 2023 is \$57,565,642 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 March 31, 2023 is \$18,857,761 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 MARCH 31, 2023**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 173,113,408	\$ 29,056,854	\$ 94,789,877	\$ 9,883,543	\$ 306,843,682
Investments	-	27,985,802	-	-	27,985,802
Receivables	1,073,068	522,986	-	10,390,535	11,986,589
Inventories	44,887	-	-	657,325	702,212
TOTAL ASSETS	\$ 174,231,363	\$ 57,565,642	\$ 94,789,877	\$ 20,931,403	\$ 347,518,285
<u>LIABILITIES</u>					
Accounts Payable	\$ 183,875	\$ -	\$ -	\$ 1,186,016	\$ 1,369,891
Salaries and Benefits Payable	18,804,910	-	-	887,626	19,692,536
FUND BALANCE	155,242,578	57,565,642	94,789,877	18,857,761	326,455,858
TOTAL LIABILITIES AND FUND BALANCE	\$ 174,231,363	\$ 57,565,642	\$ 94,789,877	\$ 20,931,403	\$ 347,518,285
REVENUE AND EXPENSE					
<u>REVENUE</u>	\$ 373,769,488	\$ 22,283,390	\$ 44,819,261	\$ 42,902,288	\$ 483,774,427
<u>EXPENDITURES</u>	325,158,187	44,059,254	22,524,694	42,000,314	433,742,449
EXCESS REVENUE OVER EXPENDITURES	48,611,301	(21,775,864)	22,294,567	901,974	50,031,978
<u>OTHER FINANCING SOURCES (USES)</u>	(174,333)	34,764,818	(27,097,264)	-	7,493,221
<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>	\$ 155,242,578	\$ 57,565,642	\$ 94,789,877	\$ 18,857,761	\$ 326,455,858

**CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - MARCH 31, 2023**

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 237,452,907	\$ 229,248,765		\$ 8,204,142
State Revenue	234,849,043	141,836,595		93,012,448
Federal Revenue	199,068	187,892		11,176
Investment Earnings	105,058	2,377,775		(2,272,717)
Miscellaneous Revenue	1,053,566	118,461		935,105
TOTAL REVENUE	473,659,642	373,769,488		99,890,154
EXPENDITURES				
Instructional Services	322,016,221	217,865,689	\$ 518,045	103,632,487
Pupil Services	18,841,138	13,954,391	7,173	4,879,574
Improvement of Instructional Services	17,317,296	13,728,492	1,765,944	1,822,860
Instructional Staff Training	824,962	348,768	49,410	426,784
Educational Media Services	5,419,035	3,830,542	71,256	1,517,237
General Administration	3,724,817	2,989,357	-	735,460
School Administration	29,215,572	22,110,835	16,180	7,088,557
Support Services-Business	3,268,430	2,551,032	82,936	634,462
Maintenance & Operation of Plant Services	37,931,033	26,442,921	1,212,360	10,275,752
Student Transportation Services	27,133,593	17,232,549	441,176	9,459,868
Support Services-Central	5,465,341	3,782,814	2,360	1,680,167
School Nutrition Program	166,039	320,797	-	(154,758)
TOTAL EXPENDITURES	471,323,477	325,158,187	4,166,840	141,998,450
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	140,237	8,043,221		(7,902,984)
Accounts Transfers Out	(1,929,146)	(8,217,554)		6,288,408
TOTAL OTHER FIN SOURCES (USES)	(1,788,909)	(174,333)		(1,614,576)
NET CHANGE FUND BALANCES	\$ 547,256	\$ 48,436,968	\$ (4,166,840)	\$ (43,722,872)

CHEROKEE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - MARCH 31, 2023

	2022-2023 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 17,891,756	\$ 19,454,213	\$ (1,562,457)
Investment Earnings	1,025,948	1,088,209	(62,261)
Miscellaneous Revenue	2,936,976	1,740,968	1,196,008
TOTAL REVENUE	21,854,680	22,283,390	(428,710)
EXPENDITURES			
Debt Service	44,057,895	44,059,254	(1,359)
TOTAL EXPENDITURES	44,057,895	44,059,254	(1,359)
OTHER FINANCING SOURCES (USES)			
Accounts Transfers In	34,764,818	34,764,818	-
TOTAL OTHER FIN SOURCES (USES)	34,764,818	34,764,818	-
NET CHANGE FUND BALANCES	\$ 12,561,603	\$ 12,988,954	\$ (427,351)

**CHEROKEE COUNTY SCHOOL DISTRICT
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - MARCH 31, 2023**

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 56,262,984	\$ 43,005,956		\$ 13,257,028
State Revenue	8,100,000	-		8,100,000
Investment Earnings	36,920	1,813,305		(1,776,385)
TOTAL REVENUE	64,399,904	44,819,261		19,580,643
EXPENDITURES				
Instructional Services	34,137,792	7,080,527	\$ 1,766,601	25,290,664
Facilities Acquisition and Construction Svs.	100,936,029	15,444,167	1,953,984	83,537,878
TOTAL EXPENDITURES	135,073,821	22,524,694	3,720,585	108,828,542
OTHER FINANCING SOURCES (USES)				
Bond Issuance	115,000,000	-		115,000,000
Premiums on Bonds Sold	17,250,000	-		17,250,000
Accounts Transfers In	-	7,667,554		(7,667,554)
Accounts Transfers Out	(34,764,818)	(34,764,818)		-
TOTAL OTHER FIN SOURCES (USES)	97,485,182	(27,097,264)		124,582,446
NET CHANGE FUND BALANCES	\$ 26,811,265	\$ (4,802,697)	\$ (3,720,585)	\$ 35,334,547

CHEROKEE COUNTY SCHOOL DISTRICT
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2022 - MARCH 31, 2023

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 7,651,393	\$ 6,161,677		\$ 1,489,716
State Revenue	1,343,074	1,361,689		(18,615)
Federal Revenue	43,348,526	34,989,072		8,359,454
Investment Earnings	15,000	389,850		(374,850)
TOTAL REVENUE	52,357,993	42,902,288		9,455,705
EXPENDITURES				
Instructional Services	23,616,084	15,974,882	\$ 845,152	6,796,050
Pupil Services	6,603,948	5,688,191	101,395	814,362
Improvement of Instructional Services	1,557,857	851,669	439	705,749
Instructional Staff Training	2,707,984	1,690,497	111,424	906,063
School Administration	9,802	650	492	8,660
Maintenance & Operation of Plant Services	780,000	470,870	-	309,130
Student Transportation Services	483,530	349,687	-	133,843
Support Services-Central	35,000	48,209	-	(13,209)
School Nutrition Program	17,976,598	16,925,659	389,920	661,019
TOTAL EXPENDITURES	53,770,803	42,000,314	1,448,822	10,321,667
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	\$ 901,974	\$ (1,448,822)	\$ 559,438

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2022-2027)
COMPARISON OF COLLECTIONS
THROUGH MARCH 31, 2023

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
January 2023	December 2022	3	5,104,524	6,617,076	1,512,552
February 2023	January 2023	4	4,824,820	4,852,679	27,859
March 2023	February 2023	5	4,062,238	4,697,475	635,237
			<u>\$ 23,434,833</u>	<u>\$ 26,901,670</u>	<u>\$ 3,466,837</u>

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