



# Agenda Request Form

Meeting Date	Agenda Item Number
June 15, 2023	D-1

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

MAY 2023

#### **General Fund**

For the month ending May 31, 2023, the eleventh month of the 2022-23 Fiscal Year, the School District's Operating Account (General Fund) has received \$429,325,586 in revenue (year-to-date) consisting of state funds of \$188,726,173 (80% of budget), \$235,995,291 local revenues (99% of budget), and other funds of \$4,604,122 (339% of budget). All operating expenditures of \$404,685,537 (86% of budget) are within the Board of Education's approved 2022-23 budget.

#### **Building Fund/Ed-SPLOST Collections**

The Capital Outlay Fund balance of \$96,022,306 as of May 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 \$5,296,122 for sales tax collections received in May 2023, for the month of April 2023, the seventh month of 60 monthly sales tax collections for the 2022-2027 SPLOST. Collections received were above projections for the month by \$847,679 and above cumulative projections by \$5,408,726.

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 May 31, 2023 is \$58,269,814 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 May 31, 2023 is \$19,752,286 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 MAY 31, 2023**

<b>BALANCE SHEET</b>	<b>GENERAL FUND</b>	<b>DEBT SERVICE FUND</b>	<b>BUILDING FUND</b>	<b>FED FUNDS/ SCHOOL NUTRITION</b>	<b>TOTAL</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 149,473,909	\$ 29,487,137	\$ 96,022,306	\$ 10,580,629	\$ 285,563,981
Investments	-	27,989,169	-	-	27,989,169
Receivables	1,074,350	793,508	-	10,544,316	12,412,174
Inventories	157,191	-	-	762,064	919,255
<b>TOTAL ASSETS</b>	<b>\$ 150,705,450</b>	<b>\$ 58,269,814</b>	<b>\$ 96,022,306</b>	<b>\$ 21,887,009</b>	<b>\$ 326,884,579</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 685,050	\$ -	\$ -	\$ 894,088	\$ 1,579,138
Salaries and Benefits Payable	18,841,798	-	-	1,240,635	20,082,433
<b>FUND BALANCE</b>	<b>131,178,602</b>	<b>58,269,814</b>	<b>96,022,306</b>	<b>19,752,286</b>	<b>305,223,008</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 150,705,450</b>	<b>\$ 58,269,814</b>	<b>\$ 96,022,306</b>	<b>\$ 21,887,009</b>	<b>\$ 326,884,579</b>
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>	\$ 429,325,586	\$ 22,987,562	\$ 56,193,065	\$ 53,807,606	\$ 562,313,819
<b>EXPENDITURES</b>	404,685,537	44,059,254	32,666,069	52,011,107	533,421,967
<b>EXCESS REVENUE OVER EXPENDITURES</b>	24,640,049	(21,071,692)	23,526,996	1,796,499	28,891,852
<b>OTHER FINANCING SOURCES (USES)</b>	(267,057)	34,764,818	(27,097,264)	-	7,400,497
<b>BEGINNING FUND BALANCE</b>	106,805,610	44,576,688	99,592,574	17,955,787	268,930,659
<b>ENDING FUND BALANCE</b>	<b>\$ 131,178,602</b>	<b>\$ 58,269,814</b>	<b>\$ 96,022,306</b>	<b>\$ 19,752,286</b>	<b>\$ 305,223,008</b>

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

	2022-2023 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
<b>REVENUE</b>				
Local Revenue	\$ 237,452,907	\$ 235,995,291		\$ 1,457,616
State Revenue	234,849,043	188,726,173		46,122,870
Federal Revenue	199,068	187,892		11,176
Investment Earnings	105,058	4,297,769		(4,192,711)
Miscellaneous Revenue	1,053,566	118,461		935,105
<b>TOTAL REVENUE</b>	<b>473,659,642</b>	<b>429,325,586</b>		<b>44,334,056</b>
<b>EXPENDITURES</b>				
Instructional Services	322,016,221	272,538,158	\$ 945,792	48,532,271
Pupil Services	18,841,138	17,643,708	105	1,197,325
Improvement of Instructional Services	17,317,296	17,445,337	2,147,381	(2,275,422)
Instructional Staff Training	824,962	506,074	24,842	294,046
Educational Media Services	5,419,035	4,719,211	543	699,281
General Administration	3,724,817	3,540,539	-	184,278
School Administration	29,215,572	27,133,772	424	2,081,376
Support Services-Business	3,268,430	3,073,120	129,066	66,244
Maintenance & Operation of Plant Services	37,931,033	31,402,024	939,807	5,589,202
Student Transportation Services	27,133,593	21,458,636	113,966	5,560,991
Support Services-Central	5,465,341	4,893,458	864	571,019
School Nutrition Program	166,039	331,500	-	(165,461)
<b>TOTAL EXPENDITURES</b>	<b>471,323,477</b>	<b>404,685,537</b>	<b>4,302,790</b>	<b>62,335,150</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Assets	140,237	8,100,497		(7,960,260)
Accounts Transfers Out	(1,929,146)	(8,367,554)		6,438,408
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>(1,788,909)</b>	<b>(267,057)</b>		<b>(1,521,852)</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ 547,256</b>	<b>\$ 24,372,992</b>	<b>\$ (4,302,790)</b>	<b>\$ (19,522,946)</b>

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

	<b>2022-2023 BUDGET</b>	<b>YEAR TO DATE</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>			
Local Revenue	\$ 17,891,756	\$ 19,661,915	\$ (1,770,159)
Investment Earnings	1,025,948	1,584,679	(558,731)
Miscellaneous Revenue	2,936,976	1,740,968	1,196,008
<b>TOTAL REVENUE</b>	<b>21,854,680</b>	<b>22,987,562</b>	<b>(1,132,882)</b>
<b>EXPENDITURES</b>			
Debt Service	44,057,895	44,059,254	(1,359)
<b>TOTAL EXPENDITURES</b>	<b>44,057,895</b>	<b>44,059,254</b>	<b>(1,359)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Accounts Transfers In	34,764,818	34,764,818	-
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>34,764,818</b>	<b>34,764,818</b>	<b>-</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ 12,561,603</b>	<b>\$ 13,693,126</b>	<b>\$ (1,131,523)</b>

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

	<b>2022-2023 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>				
Local Revenue	\$ 56,262,984	\$ 53,736,961		\$ 2,526,023
State Revenue	8,100,000	-		8,100,000
Investment Earnings	36,920	2,456,104		(2,419,184)
<b>TOTAL REVENUE</b>	<b>64,399,904</b>	<b>56,193,065</b>		<b>8,206,839</b>
<b>EXPENDITURES</b>				
Instructional Services	34,137,792	9,330,203	\$ 1,067,526	23,740,063
Facilities Acquisition and Construction Svcs.	100,936,029	23,335,866	3,172,222	74,427,941
<b>TOTAL EXPENDITURES</b>	<b>135,073,821</b>	<b>32,666,069</b>	<b>4,239,748</b>	<b>98,168,004</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
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)		-
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>97,485,182</b>	<b>(27,097,264)</b>		<b>124,582,446</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ 26,811,265</b>	<b>\$ (3,570,268)</b>	<b>\$ (4,239,748)</b>	<b>\$ 34,621,281</b>

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

	<b>2022-2023 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>				
Local Revenue	\$ 7,651,393	\$ 7,831,049		\$ (179,656)
State Revenue	1,343,074	1,668,958		(325,884)
Federal Revenue	43,348,526	43,699,112		(350,586)
Investment Earnings	15,000	608,487		(593,487)
<b>TOTAL REVENUE</b>	<b>52,357,993</b>	<b>53,807,606</b>		<b>(1,449,613)</b>
<b>EXPENDITURES</b>				
Instructional Services	23,616,084	20,047,951	\$ 497,057	3,071,076
Pupil Services	6,603,948	7,201,961	17,079	(615,092)
Improvement of Instructional Services	1,557,857	1,028,023	16	529,818
Instructional Staff Training	2,707,984	2,126,576	46,400	535,008
School Administration	9,802	1,734	-	8,068
Maintenance & Operation of Plant Services	780,000	606,359	-	173,641
Student Transportation Services	483,530	463,020	-	20,510
Support Services-Central	35,000	50,242	-	(15,242)
School Nutrition Program	17,976,598	20,485,241	538,247	(3,046,890)
<b>TOTAL EXPENDITURES</b>	<b>53,770,803</b>	<b>52,011,107</b>	<b>1,098,799</b>	<b>660,897</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Accounts Transfers In	1,425,400	-		1,425,400
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>1,425,400</b>	<b>-</b>		<b>1,425,400</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ 12,590</b>	<b>\$ 1,796,499</b>	<b>\$ (1,098,799)</b>	<b>\$ (685,110)</b>

CHEROKEE COUNTY SCHOOL DISTRICT  
 SPECIAL PURPOSE LOCAL OPTION SALES TAX (2022-2027)  
 COMPARISON OF COLLECTIONS  
 THROUGH MAY 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
April 2023	March 2023	6	4,325,376	5,419,587	1,094,211
May 2023	April 2023	7	4,448,443	5,296,122	847,679
			<u>\$ 32,208,653</u>	<u>\$ 37,617,379</u>	<u>\$ 5,408,726</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
<b>TOTALS</b>	<b>\$ 14,547,775</b>	<b>\$ 56,408,226</b>	<b>\$ 57,536,391</b>	<b>\$ 58,687,118</b>	<b>\$ 59,860,861</b>	<b>\$ 44,746,770</b>	<b>\$ 291,787,141</b>