



Agenda Request Form

Meeting Date	Agenda Item Number
August 17, 2023	D-3

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

JULY 2023

General Fund

For the month ending July 31, 2023, the first month of the 2023-24 Fiscal Year, the School District's Operating Account (General Fund) has received \$7,354,678 in revenue (year-to-date) consisting of state funds of \$4,121,955 (2% of budget), \$3,232,677 local revenues (1% of budget), and other funds of \$46 (0% of budget). All operating expenditures of \$11,926,969 (2% of budget) are within the Board of Education's approved 2023-24 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$59,915,304 as of July 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 \$5,509,360 for sales tax collections received in July 2023, for the month of June 2023, the ninth month of 60 monthly sales tax collections for the 2022-2027 SPLOST. Collections received were above projections for the month by \$690,838 and above cumulative projections by \$6,989,609. For timely and proper reporting, June Ed-SPLOST revenue was accrued in June 2023 in the Building Fund.

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 July 31, 2023 is \$47,097,110 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 July 31, 2023 is \$19,322,267 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 JULY 31, 2023**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 114,058,669	\$ 18,213,983	\$ 61,331,435	\$ 6,700,504	\$ 200,304,591
Investments	-	27,519,707	-	-	27,519,707
Receivables	18,474,124	1,363,420	-	12,770,242	32,607,786
Inventories	105,780	-	-	605,183	710,963
TOTAL ASSETS	\$ 132,638,573	\$ 47,097,110	\$ 61,331,435	\$ 20,075,929	\$ 261,143,047
LIABILITIES					
Accounts Payable	\$ 1,919,776	\$ -	\$ 1,416,132	\$ 753,662	\$ 4,089,570
Salaries and Benefits Payable	15,133,272	-	-	-	15,133,272
FUND BALANCE	119,548,835	47,097,110	59,915,304	19,322,267	245,883,516
TOTAL LIABILITIES AND FUND BALANCE	\$ 136,601,883	\$ 47,097,110	\$ 61,331,436	\$ 20,075,929	\$ 265,106,358
REVENUE AND EXPENSE					
REVENUE	\$ 7,354,678	\$ 93,648	\$ 62,875	\$ 563,083	\$ 8,074,284
EXPENDITURES	11,926,969	30,435,660	1,847,221	734,580	44,944,430
EXCESS REVENUE OVER EXPENDITURES	(4,572,291)	(30,342,012)	(1,784,346)	(171,497)	(36,870,146)
OTHER FINANCING SOURCES (USES)	9,824	17,255,484	(17,255,484)	-	9,824
BEGINNING FUND BALANCE	124,111,302	60,183,638	78,955,134	19,493,764	282,743,838
ENDING FUND BALANCE	\$ 119,548,835	\$ 47,097,110	\$ 59,915,304	\$ 19,322,267	\$ 245,883,516

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

	2023-2024 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 278,889,605	\$ 3,232,677		\$ 275,656,928
State Revenue	261,331,178	4,121,955		257,209,223
Federal Revenue	199,068	-		199,068
Investment Earnings	2,615,553	46		2,615,507
Miscellaneous Revenue	424,258	-		424,258
TOTAL REVENUE	543,459,662	7,354,678		536,104,984
EXPENDITURES				
Instructional Services	372,167,165	1,932,856	\$ 6,652,000	363,582,309
Pupil Services	22,830,491	218,895	14,491	22,597,105
Improvement of Instructional Services	19,065,691	2,389,793	1,214,501	15,461,397
Instructional Staff Training	824,962	954	2,880	821,128
Educational Media Services	5,909,656	-	20,627	5,889,029
General Administration	4,029,126	270,177	20	3,758,929
School Administration	32,571,787	2,589,088	10,626	29,972,073
Support Services-Business	3,670,470	283,502	143,763	3,243,205
Maintenance & Operation of Plant Services	41,919,858	2,961,433	2,158,982	36,799,443
Student Transportation Services	29,231,913	459,444	2,802,921	25,969,548
Support Services-Central	5,673,995	820,827	16,804	4,836,364
School Nutrition Program	170,190	-	-	170,190
TOTAL EXPENDITURES	538,065,304	11,926,969	13,037,615	513,100,720
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	154,611	9,824		144,787
Accounts Transfers Out	(29,756,126)	-		(29,756,126)
TOTAL OTHER FIN SOURCES (USES)	(29,601,515)	9,824		(29,611,339)
NET CHANGE FUND BALANCES	\$ (24,207,157)	\$ (4,562,467)	\$ (13,037,615)	\$ (6,607,075)

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

	2023-2024 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 19,469,523	\$ 93,648	\$ 19,375,875
Investment Earnings	1,186,018	-	1,186,018
Miscellaneous Revenue	2,936,976	-	2,936,976
TOTAL REVENUE	23,592,517	93,648	23,498,869
EXPENDITURES			
Debt Service	44,860,790	30,435,660	14,425,130
TOTAL EXPENDITURES	44,860,790	30,435,660	14,425,130
OTHER FINANCING SOURCES (USES)			
Accounts Transfers In	25,425,105	17,255,484	8,169,621
TOTAL OTHER FIN SOURCES (USES)	25,425,105	17,255,484	8,169,621
NET CHANGE FUND BALANCES	\$ 4,156,832	\$ (13,086,528)	\$ 17,243,360

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

	2023-2024 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 57,052,068	\$ 62,875		\$ 56,989,193
State Revenue	2,500,000	-		2,500,000
Investment Earnings	2,719,957	-		2,719,957
TOTAL REVENUE	62,272,025	62,875		62,209,150
EXPENDITURES				
Instructional Services	26,465,978	1,225,661	\$ 3,418,441	21,821,876
Facilities Acquisition and Construction Svcs.	162,371,770	621,560	343,324	161,406,886
TOTAL EXPENDITURES	188,837,748	1,847,221	3,761,765	183,228,762
OTHER FINANCING SOURCES (USES)				
Bond Issuance	75,000,000	-		75,000,000
Premiums on Bonds Sold	11,250,000	-		11,250,000
Accounts Transfers In	27,935,234	-		27,935,234
Accounts Transfers Out	(25,425,105)	(17,255,484)		(8,169,621)
TOTAL OTHER FIN SOURCES (USES)	88,760,129	(17,255,484)		106,015,613
NET CHANGE FUND BALANCES	\$ (37,805,594)	\$ (19,039,830)	\$ (3,761,765)	\$ (15,003,999)

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

	2023-2024 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 7,897,437	\$ -		\$ 7,897,437
State Revenue	1,666,380	-		1,666,380
Federal Revenue	45,207,663	563,083		44,644,580
Investment Earnings	25,000	-		25,000
TOTAL REVENUE	54,796,480	563,083		54,233,397
EXPENDITURES				
Instructional Services	23,040,667	301,530	\$ 1,220	22,737,917
Pupil Services	8,911,315	87,915	5,598	8,817,802
Improvement of Instructional Services	1,219,313	42,479	-	1,176,834
Instructional Staff Training	2,358,070	79,390	358,250	1,920,430
School Administration	13,209	-	-	13,209
Maintenance & Operation of Plant Services	593,502	51,769	-	541,733
Student Transportation Services	592,591	-	4,350	588,241
Support Services-Central	187,212	-	-	187,212
School Nutrition Program	21,593,231	171,497	310,775	21,110,959
TOTAL EXPENDITURES	58,509,110	734,580	680,193	57,094,337
OTHER FINANCING SOURCES (USES)				
Accounts Transfers In	1,265,587	-		1,265,587
TOTAL OTHER FIN SOURCES (USES)	1,265,587	-		1,265,587
NET CHANGE FUND BALANCES	\$ (2,447,043)	\$ (171,497)	\$ (680,193)	\$ (1,595,353)

CHEROKEE COUNTY SCHOOL DISTRICT
 SPECIAL PURPOSE LOCAL OPTION SALES TAX (2022-2027)
 COMPARISON OF COLLECTIONS
 THROUGH JULY 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
June 2023	May 2023	8	4,604,100	5,494,145	890,045
July 2023	June 2023	9	4,818,522	5,509,360	690,838
			<u>\$ 41,631,275</u>	<u>\$ 48,620,884</u>	<u>\$ 6,989,609</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