



# Agenda Request Form

Meeting Date	Agenda Item Number
September 14, 2023	D-1

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

AUGUST 2023

#### **General Fund**

For the month ending August 31, 2023, the second month of the 2023-24 Fiscal Year, the School District's Operating Account (General Fund) has received \$10,644,302 in revenue (year-to-date) consisting of state funds of \$7,902,154 (3% of budget), \$2,328,947 local revenues (1% of budget), and other funds of \$413,201 (13% of budget). All operating expenditures of \$59,920,599 (11% of budget) are within the Board of Education's approved 2023-24 budget.

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

The Capital Outlay Fund balance of \$64,134,270 as of August 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 \$5,922,789 for sales tax collections received in August 2023, for the month of July 2023, the tenth month of 60 monthly sales tax collections for the 2022-2027 SPLOST. Collections received were above projections for the month by \$1,135,203 and above cumulative projections by \$8,124,812.

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 August 31, 2023 is \$47,521,518 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 August 31, 2023 is \$19,530,945 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 AUGUST 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	\$ 87,708,257	\$ 18,413,582	\$ 64,134,270	\$ 5,331,996	\$ 175,588,105
Investments	-	27,599,334	-	-	27,599,334
Receivables	725,447	1,508,602	-	15,380,677	17,614,726
Inventories	768,845	-	-	643,953	1,412,798
<b>TOTAL ASSETS</b>	<b>\$ 89,202,549</b>	<b>\$ 47,521,518</b>	<b>\$ 64,134,270</b>	<b>\$ 21,356,626</b>	<b>\$ 222,214,963</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 146,080	\$ -	\$ -	\$ 1,546,907	\$ 1,692,987
Salaries and Benefits Payable	15,608,540	-	-	278,774	15,887,314
<b>FUND BALANCE</b>	<b>73,447,929</b>	<b>47,521,518</b>	<b>64,134,270</b>	<b>19,530,945</b>	<b>204,634,662</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 89,202,549</b>	<b>\$ 47,521,518</b>	<b>\$ 64,134,270</b>	<b>\$ 21,356,626</b>	<b>\$ 222,214,963</b>
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>	<b>\$ 10,644,302</b>	<b>\$ 450,531</b>	<b>\$ 5,972,465</b>	<b>\$ 5,672,189</b>	<b>\$ 22,739,487</b>
<b>EXPENDITURES</b>	<b>59,920,599</b>	<b>30,435,660</b>	<b>7,041,587</b>	<b>5,647,801</b>	<b>103,045,647</b>
<b>EXCESS REVENUE OVER EXPENDITURES</b>	<b>(49,276,297)</b>	<b>(29,985,129)</b>	<b>(1,069,122)</b>	<b>24,388</b>	<b>(80,306,160)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	<b>51,412</b>	<b>17,255,484</b>	<b>(17,255,484)</b>	<b>-</b>	<b>51,412</b>
<b>BEGINNING FUND BALANCE</b>	<b>122,672,814</b>	<b>60,251,163</b>	<b>82,458,876</b>	<b>19,506,557</b>	<b>284,889,410</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 73,447,929</b>	<b>\$ 47,521,518</b>	<b>\$ 64,134,270</b>	<b>\$ 19,530,945</b>	<b>\$ 204,634,662</b>

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

	<b>2023-2024 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>				
Local Revenue	\$ 278,889,605	\$ 2,328,947		\$ 276,560,658
State Revenue	261,331,178	7,902,154		253,429,024
Federal Revenue	199,068	-		199,068
Investment Earnings	2,615,553	413,201		2,202,352
Miscellaneous Revenue	424,258	-		424,258
<b>TOTAL REVENUE</b>	<b>543,459,662</b>	<b>10,644,302</b>		<b>532,815,360</b>
<b>EXPENDITURES</b>				
Instructional Services	372,167,165	35,586,446	\$ 3,093,817	333,486,902
Pupil Services	22,830,491	2,045,671	11,286	20,773,534
Improvement of Instructional Services	19,065,691	4,775,040	1,692,383	12,598,268
Instructional Staff Training	824,962	68,730	1,817	754,415
Educational Media Services	5,909,656	511,724	200,457	5,197,475
General Administration	4,029,126	729,605	163	3,299,358
School Administration	32,571,787	5,220,911	14,089	27,336,787
Support Services-Business	3,670,470	712,094	26,909	2,931,467
Maintenance & Operation of Plant Services	41,919,858	6,830,629	2,265,087	32,824,142
Student Transportation Services	29,231,913	2,370,724	2,607,056	24,254,133
Support Services-Central	5,673,995	1,069,025	5,260	4,599,710
School Nutrition Program	170,190	-	-	170,190
<b>TOTAL EXPENDITURES</b>	<b>538,065,304</b>	<b>59,920,599</b>	<b>9,918,324</b>	<b>468,226,381</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Assets	154,611	51,412		103,199
Accounts Transfers Out	(29,756,126)	-		(29,756,126)
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>(29,601,515)</b>	<b>51,412</b>		<b>(29,652,927)</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ (24,207,157)</b>	<b>\$ (49,224,885)</b>	<b>\$ (9,918,324)</b>	<b>\$ 34,936,052</b>

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

	<b>2023-2024 BUDGET</b>	<b>YEAR TO DATE</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>			
Local Revenue	\$ 19,469,523	\$ -	\$ 19,469,523
Investment Earnings	1,186,018	199,097	986,921
Miscellaneous Revenue	2,936,976	251,434	2,685,542
<b>TOTAL REVENUE</b>	<b>23,592,517</b>	<b>450,531</b>	<b>23,141,986</b>
<b>EXPENDITURES</b>			
Debt Service	44,860,790	30,435,660	14,425,130
<b>TOTAL EXPENDITURES</b>	<b>44,860,790</b>	<b>30,435,660</b>	<b>14,425,130</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Accounts Transfers In	25,425,105	17,255,484	8,169,621
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>25,425,105</b>	<b>17,255,484</b>	<b>8,169,621</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ 4,156,832</b>	<b>\$ (12,729,645)</b>	<b>\$ 16,886,477</b>

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

	<b>2023-2024 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>				
Local Revenue	\$ 57,052,068	\$ 5,644,757		\$ 51,407,311
State Revenue	2,500,000	-		2,500,000
Investment Earnings	2,719,957	327,708		2,392,249
<b>TOTAL REVENUE</b>	<b>62,272,025</b>	<b>5,972,465</b>		<b>56,299,560</b>
<b>EXPENDITURES</b>				
Instructional Services	26,465,978	1,823,015	\$ 3,469,046	21,173,917
Facilities Acquisition and Construction Svcs.	162,371,770	5,218,572	1,211,258	155,941,940
<b>TOTAL EXPENDITURES</b>	<b>188,837,748</b>	<b>7,041,587</b>	<b>4,680,304</b>	<b>177,115,857</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
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)
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>88,760,129</b>	<b>(17,255,484)</b>		<b>106,015,613</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ (37,805,594)</b>	<b>\$ (18,324,606)</b>	<b>\$ (4,680,304)</b>	<b>\$ (14,800,684)</b>

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

	<b>2023-2024 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>				
Local Revenue	\$ 7,897,437	\$ 918,955		\$ 6,978,482
State Revenue	1,666,380	163,862		1,502,518
Federal Revenue	45,207,663	4,511,843		40,695,820
Investment Earnings	25,000	77,529		(52,529)
<b>TOTAL REVENUE</b>	<b>54,796,480</b>	<b>5,672,189</b>		<b>49,124,291</b>
<b>EXPENDITURES</b>				
Instructional Services	23,040,667	2,174,177	\$ 61,906	20,804,584
Pupil Services	8,911,315	843,179	8,759	8,059,377
Improvement of Instructional Services	1,219,313	157,191	1,284	1,060,838
Instructional Staff Training	2,358,070	209,307	372,668	1,776,095
School Administration	13,209	-	-	13,209
Maintenance & Operation of Plant Services	593,502	44,642	-	548,860
Student Transportation Services	592,591	23,055	-	569,536
Support Services-Central	187,212	-	-	187,212
School Nutrition Program	21,593,231	2,196,250	221,221	19,175,760
<b>TOTAL EXPENDITURES</b>	<b>58,509,110</b>	<b>5,647,801</b>	<b>665,838</b>	<b>52,195,471</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Accounts Transfers In	1,265,587	-		1,265,587
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>1,265,587</b>	<b>-</b>		<b>1,265,587</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ (2,447,043)</b>	<b>\$ 24,388</b>	<b>\$ (665,838)</b>	<b>\$ (1,805,593)</b>

**CHEROKEE COUNTY SCHOOL DISTRICT**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX (2022-2027)**  
**COMPARISON OF COLLECTIONS**  
**THROUGH AUGUST 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
August 2023	July 2023	10	4,787,586	5,922,789	1,135,203
			<u>\$ 46,418,861</u>	<u>\$ 54,543,673</u>	<u>\$ 8,124,812</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>