



Agenda Request Form

Meeting Date	Agenda Item Number
October 19, 2023	D-1

Title
September 2023 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of September 2023 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for September 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
Dr. Brian V. Hightower 770.479.1871 Kenneth Owen 770.479.1871

CHEROKEE COUNTY BOARD OF EDUCATION

Dr. Brian V. Hightower, Superintendent

Kenneth Owen, Chief Financial Officer

FINANCIAL REPORT

SEPTEMBER 2023

General Fund

For the month ending September 30, 2023, the third month of the 2023-24 Fiscal Year, the School District's Operating Account (General Fund) has received \$36,453,393 in revenue (year-to-date) consisting of state funds of \$29,299,710 (11% of budget), \$5,825,772 local revenues (2% of budget), and other funds of \$1,327,911 (41% of budget). All operating expenditures of \$110,502,251 (21% of budget) are within the Board of Education's approved 2023-24 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$70,246,143 as of September 30, 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 \$5,339,709 for sales tax collections received in September 2023, for the month of August 2023, the eleventh month of 60 monthly sales tax collections for the 2022-2027 SPLOST. Collections received were above projections for the month by \$491,100 and above cumulative projections by \$8,615,912.

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 September 30, 2023 is \$47,701,165 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 September 30, 2023 is \$17,498,410 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 SEPTEMBER 30, 2023**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 57,002,604	\$ 18,504,919	\$ 70,246,143	\$ 1,216,052	\$ 146,969,718
Investments	-	27,687,644	-	-	27,687,644
Receivables	854,300	1,508,602	-	17,715,289	20,078,191
Inventories	733,191	-	-	815,634	1,548,825
TOTAL ASSETS	\$ 58,590,095	\$ 47,701,165	\$ 70,246,143	\$ 19,746,975	\$ 196,284,378
LIABILITIES					
Accounts Payable	\$ 1,753,253	\$ -	\$ -	\$ 1,588,489	\$ 3,341,742
Salaries and Benefits Payable	16,052,779	-	-	660,076	16,712,855
FUND BALANCE	40,784,063	47,701,165	70,246,143	17,498,410	176,229,781
TOTAL LIABILITIES AND FUND BALANCE	\$ 58,590,095	\$ 47,701,165	\$ 70,246,143	\$ 19,746,975	\$ 196,284,378
REVENUE AND EXPENSE					
REVENUE	\$ 36,453,393	\$ 630,178	\$ 11,988,043	\$ 9,648,727	\$ 58,720,341
EXPENDITURES	110,502,251	30,435,660	16,565,428	11,656,874	169,160,213
EXCESS REVENUE OVER EXPENDITURES	(74,048,858)	(29,805,482)	(4,577,385)	(2,008,147)	(110,439,872)
OTHER FINANCING SOURCES (USES)	(21,795)	17,255,484	(17,255,484)	-	(21,795)
BEGINNING FUND BALANCE	114,854,716	60,251,163	92,079,012	19,506,557	286,691,448
ENDING FUND BALANCE	\$ 40,784,063	\$ 47,701,165	\$ 70,246,143	\$ 17,498,410	\$ 176,229,781

**CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2023 - SEPTEMBER 30, 2023**

	2023-2024 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 278,889,605	\$ 5,825,772		\$ 273,063,833
State Revenue	261,331,178	29,299,710		232,031,468
Federal Revenue	199,068	217,661		(18,593)
Investment Earnings	2,615,553	1,110,250		1,505,303
Miscellaneous Revenue	424,258	-		424,258
TOTAL REVENUE	543,459,662	36,453,393		507,006,269
EXPENDITURES				
Instructional Services	372,167,165	70,411,058	\$ 1,534,216	300,221,891
Pupil Services	22,830,491	4,224,981	2,226	18,603,284
Improvement of Instructional Services	19,065,691	6,741,450	1,242,591	11,081,650
Instructional Staff Training	824,962	170,039	4,247	650,676
Educational Media Services	5,909,656	1,192,150	146,792	4,570,714
General Administration	4,029,126	1,022,072	915	3,006,139
School Administration	32,571,787	8,206,542	16,333	24,348,912
Support Services-Business	3,670,470	987,846	24,687	2,657,937
Maintenance & Operation of Plant Services	41,919,858	9,602,194	2,170,293	30,147,371
Student Transportation Services	29,231,913	5,799,166	2,137,086	21,295,661
Support Services-Central	5,673,995	1,833,404	2,679	3,837,912
School Nutrition Program	170,190	311,349	-	(141,159)
TOTAL EXPENDITURES	538,065,304	110,502,251	7,282,065	420,280,988
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	154,611	78,205		76,406
Accounts Transfers Out	(29,756,126)	(100,000)		(29,656,126)
TOTAL OTHER FIN SOURCES (USES)	(29,601,515)	(21,795)		(29,579,720)
NET CHANGE FUND BALANCES	\$ (24,207,157)	\$ (74,070,653)	\$ (7,282,065)	\$ 57,145,561

**CHEROKEE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2023 - SEPTEMBER 30, 2023**

	2023-2024 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 19,469,523	\$ 84,972	\$ 19,384,551
Investment Earnings	1,186,018	293,772	892,246
Miscellaneous Revenue	2,936,976	251,434	2,685,542
TOTAL REVENUE	23,592,517	630,178	22,962,339
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	\$ (12,549,998)	\$ 16,706,830

**CHEROKEE COUNTY SCHOOL DISTRICT
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2023 - SEPTEMBER 30, 2023**

	2023-2024 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 57,052,068	\$ 10,984,464		\$ 46,067,604
State Revenue	2,500,000	-		2,500,000
Investment Earnings	2,719,957	1,003,579		1,716,378
TOTAL REVENUE	62,272,025	11,988,043		50,283,982
EXPENDITURES				
Instructional Services	26,465,978	4,942,540	\$ 1,014,360	20,509,078
Facilities Acquisition and Construction Svcs.	162,371,770	11,622,888	1,846,632	148,902,250
TOTAL EXPENDITURES	188,837,748	16,565,428	2,860,992	169,411,328
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)	\$ (21,832,869)	\$ (2,860,992)	\$ (13,111,733)

**CHEROKEE COUNTY SCHOOL DISTRICT
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2023 - SEPTEMBER 30, 2023**

	2023-2024 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 7,897,437	\$ 845,551		\$ 7,051,886
State Revenue	1,666,380	416,847		1,249,533
Federal Revenue	45,207,663	8,162,490		37,045,173
Investment Earnings	25,000	223,839		(198,839)
TOTAL REVENUE	54,796,480	9,648,727		45,147,753
EXPENDITURES				
Instructional Services	23,040,667	4,330,889	\$ 392,708	18,317,070
Pupil Services	8,911,315	1,652,162	11,409	7,247,744
Improvement of Instructional Services	1,219,313	271,000	149	948,164
Instructional Staff Training	2,358,070	385,568	408,759	1,563,743
School Administration	13,209	-	-	13,209
Maintenance & Operation of Plant Services	593,502	66,982	-	526,520
Student Transportation Services	592,591	65,060	-	527,531
Support Services-Central	187,212	13,690	35,727	137,795
School Nutrition Program	21,593,231	4,871,523	212,114	16,509,594
TOTAL EXPENDITURES	58,509,110	11,656,874	1,060,866	45,791,370
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)	\$ (2,008,147)	\$ (1,060,866)	\$ 621,970

CHEROKEE COUNTY SCHOOL DISTRICT
 SPECIAL PURPOSE LOCAL OPTION SALES TAX (2022-2027)
 COMPARISON OF COLLECTIONS
 THROUGH SEPTEMBER 30, 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
September 2023	August 2023	11	4,848,609	5,339,709	491,100
			<u>\$ 51,267,470</u>	<u>\$ 59,883,382</u>	<u>\$ 8,615,912</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