



# Agenda Request Form

Meeting Date	Agenda Item Number
November 16, 2023	D-1

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

OCTOBER 2023

### General Fund

For the month ending October 31, 2023, the fourth month of the 2023-24 Fiscal Year, the School District's Operating Account (General Fund) has received \$70,518,947 in revenue (year-to-date) consisting of state funds of \$50,660,004 (19% of budget), \$18,531,032 local revenues (7% of budget), and other funds of \$1,327,911 (41% of budget). All operating expenditures of \$154,078,606 (29% of budget) are within the Board of Education's approved 2023-24 budget.

### Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$65,422,343 as of October 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 \$5,276,069 for sales tax collections received in October 2023, for the month of September 2023, the twelfth month of 60 monthly sales tax collections for the 2022-2027 SPLOST. Collections received were above projections for the month by \$656,665 and above cumulative projections by \$9,272,577.

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 October 31, 2023 is \$48,813,542 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 October 31, 2023 is \$18,945,568 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 OCTOBER 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	\$ 46,857,970	\$ 19,526,060	\$ 65,520,202	\$ 4,099,577	\$ 136,003,809
Investments	-	27,778,880	-	-	27,778,880
Receivables	899,569	1,508,602	-	15,966,009	18,374,180
Inventories	994,210	-	-	813,194	1,807,404
<b>TOTAL ASSETS</b>	<b>\$ 48,751,749</b>	<b>\$ 48,813,542</b>	<b>\$ 65,520,202</b>	<b>\$ 20,878,780</b>	<b>\$ 183,964,273</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,281,139	\$ -	\$ 97,859	\$ 1,306,506	\$ 2,685,504
Salaries and Benefits Payable	16,008,126	-	-	626,706	16,634,832
<b>FUND BALANCE</b>	<b>31,462,484</b>	<b>48,813,542</b>	<b>65,422,343</b>	<b>18,945,568</b>	<b>164,643,937</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 48,751,749</b>	<b>\$ 48,813,542</b>	<b>\$ 65,520,202</b>	<b>\$ 20,878,780</b>	<b>\$ 183,964,273</b>
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>	\$ 70,518,947	\$ 1,742,555	\$ 17,305,675	\$ 15,176,949	\$ 104,744,126
<b>EXPENDITURES</b>	154,078,606	30,435,660	26,706,860	15,737,938	226,959,064
<b>EXCESS REVENUE OVER EXPENDITURES</b>	(83,559,659)	(28,693,105)	(9,401,185)	(560,989)	(122,214,938)
<b>OTHER FINANCING SOURCES (USES)</b>	167,427	17,255,484	(17,255,484)	-	167,427
<b>BEGINNING FUND BALANCE</b>	114,854,716	60,251,163	92,079,012	19,506,557	286,691,448
<b>ENDING FUND BALANCE</b>	<b>\$ 31,462,484</b>	<b>\$ 48,813,542</b>	<b>\$ 65,422,343</b>	<b>\$ 18,945,568</b>	<b>\$ 164,643,937</b>

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

	2023-2024 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
<b>REVENUE</b>				
Local Revenue	\$ 278,889,605	\$ 18,531,032		\$ 260,358,573
State Revenue	261,331,178	50,660,004		210,671,174
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
<b>TOTAL REVENUE</b>	<b>543,459,662</b>	<b>70,518,947</b>		<b>472,940,715</b>
<b>EXPENDITURES</b>				
Instructional Services	372,167,165	100,505,577	\$ 407,808	271,253,780
Pupil Services	22,830,491	6,202,336	4,455	16,623,700
Improvement of Instructional Services	19,065,691	8,273,855	1,131,704	9,660,132
Instructional Staff Training	824,962	232,823	2,695	589,444
Educational Media Services	5,909,656	1,725,314	133,112	4,051,230
General Administration	4,029,126	1,295,249	-	2,733,877
School Administration	32,571,787	10,869,714	15,151	21,686,922
Support Services-Business	3,670,470	1,240,052	19,668	2,410,750
Maintenance & Operation of Plant Services	41,919,858	13,483,565	2,209,930	26,226,363
Student Transportation Services	29,231,913	7,874,036	1,785,386	19,572,491
Support Services-Central	5,673,995	2,064,736	1,627	3,607,632
School Nutrition Program	170,190	311,349	-	(141,159)
<b>TOTAL EXPENDITURES</b>	<b>538,065,304</b>	<b>154,078,606</b>	<b>5,711,536</b>	<b>378,275,162</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Assets	154,611	267,427		(112,816)
Accounts Transfers Out	(29,756,126)	(100,000)		(29,656,126)
<b>TOTAL OTHER FIN SOURCES (USES)</b>	<b>(29,601,515)</b>	<b>167,427</b>		<b>(29,768,942)</b>
<b>NET CHANGE FUND BALANCES</b>	<b>\$ (24,207,157)</b>	<b>\$ (83,392,232)</b>	<b>\$ (5,711,536)</b>	<b>\$ 64,896,611</b>

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

	<b>2023-2024 BUDGET</b>	<b>YEAR TO DATE</b>	<b>AVAILABLE BUDGET</b>
<b>REVENUE</b>			
Local Revenue	\$ 19,469,523	\$ 1,106,096	\$ 18,363,427
Investment Earnings	1,186,018	385,025	800,993
Miscellaneous Revenue	2,936,976	251,434	2,685,542
<b>TOTAL REVENUE</b>	<b>23,592,517</b>	<b>1,742,555</b>	<b>21,849,962</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>\$ (11,437,621)</b>	<b>\$ 15,594,453</b>

**CHEROKEE COUNTY SCHOOL DISTRICT  
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL  
JULY 1, 2023 - OCTOBER 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	\$ 16,302,096		\$ 40,749,972
State Revenue	2,500,000	-		2,500,000
Investment Earnings	2,719,957	1,003,579		1,716,378
<b>TOTAL REVENUE</b>	<b>62,272,025</b>	<b>17,305,675</b>		<b>44,966,350</b>
<b>EXPENDITURES</b>				
Instructional Services	26,465,978	7,006,324	\$ 295,049	19,164,605
Facilities Acquisition and Construction Svcs.	162,371,770	19,700,536	1,748,308	140,922,926
<b>TOTAL EXPENDITURES</b>	<b>188,837,748</b>	<b>26,706,860</b>	<b>2,043,357</b>	<b>160,087,531</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>\$ (26,656,669)</b>	<b>\$ (2,043,357)</b>	<b>\$ (9,105,568)</b>

**CHEROKEE COUNTY SCHOOL DISTRICT  
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL  
JULY 1, 2023 - OCTOBER 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	\$ 1,457,954		\$ 6,439,483
State Revenue	1,666,380	551,077		1,115,303
Federal Revenue	45,207,663	12,943,887		32,263,776
Investment Earnings	25,000	224,031		(199,031)
<b>TOTAL REVENUE</b>	<b>54,796,480</b>	<b>15,176,949</b>		<b>39,619,531</b>
<b>EXPENDITURES</b>				
Instructional Services	23,040,667	6,395,114	\$ 437,290	16,208,263
Pupil Services	8,911,315	2,486,992	31,124	6,393,199
Improvement of Instructional Services	1,219,313	383,818	-	835,495
Instructional Staff Training	2,358,070	583,889	410,879	1,363,302
School Administration	13,209	-	-	13,209
Maintenance & Operation of Plant Services	593,502	89,305	-	504,197
Student Transportation Services	592,591	107,066	-	485,525
Support Services-Central	187,212	57,398	-	129,814
School Nutrition Program	21,593,231	5,634,356	227,089	15,731,786
<b>TOTAL EXPENDITURES</b>	<b>58,509,110</b>	<b>15,737,938</b>	<b>1,106,382</b>	<b>41,664,790</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>\$ (560,989)</b>	<b>\$ (1,106,382)</b>	<b>\$ (779,672)</b>

CHEROKEE COUNTY SCHOOL DISTRICT  
 SPECIAL PURPOSE LOCAL OPTION SALES TAX (2022-2027)  
 COMPARISON OF COLLECTIONS  
 THROUGH OCTOBER 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
September 2023	August 2023	11	4,848,609	5,339,709	491,100
October 2023	September 2023	12	4,619,404	5,276,069	656,665
			<u>\$ 55,886,874</u>	<u>\$ 65,159,451</u>	<u>\$ 9,272,577</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>