



Agenda Request Form

Meeting Date	Agenda Item Number
September 16, 2021	D-1

Title
August 2021 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of August 2021 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for August 2021 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 2021

General Fund

For the month ending August 31, 2021, the second month of the 2021-22 Fiscal Year, the School District's Operating Account (General Fund) has received \$6,552,885 in revenue (year-to-date) consisting of state funds of \$3,787,006 (2% of budget), \$2,085,519 local revenues (1% of budget), and other funds of \$680,360 (51% of budget). All operating expenditures of \$44,466,330 (10% of budget) are within the Board of Education's approved 2021-22 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$36,354,985 as of August 31, 2021 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 \$4,931,357 for sales tax collections received in August 2021, for the month of July 2021, the 43rd month of 60 monthly sales tax collections for the 2018-2022 SPLOST. Collections received were above projections for the month by \$1,793,445 and above cumulative projections by \$41,310,909.

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, 2021 is \$62,682,525 representing funds accumulated from Ed-SPLOST collections, collections from the 1.25 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, 2021 is \$8,141,953 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, 2021**

BALANCE SHEET	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS/ SCHOOL NUTRITION	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 52,896,614	\$ 39,824,404	\$ 36,606,692	\$ 75,088	\$ 129,402,798
Investments	1,029,318	22,858,121	-	-	23,887,439
Receivables	731,220	-	-	9,423,118	10,154,338
Inventories	112,517	-	-	392,643	505,160
TOTAL ASSETS	\$ 54,769,669	\$ 62,682,525	\$ 36,606,692	\$ 9,890,849	\$ 163,949,735
LIABILITIES					
Accounts Payable	\$ 1,415,780	\$ -	\$ 251,707	\$ 1,694,598	\$ 3,362,085
Salaries and Benefits Payable	12,163,416	-	-	54,298	12,217,714
FUND BALANCE	41,190,473	62,682,525	36,354,985	8,141,953	148,369,936
TOTAL LIABILITIES AND FUND BALANCE	\$ 54,769,669	\$ 62,682,525	\$ 36,606,692	\$ 9,890,849	\$ 163,949,735
REVENUE AND EXPENSE					
REVENUE	\$ 6,552,885	\$ 326,084	\$ 5,045,550	\$ 4,509,780	\$ 16,434,299
EXPENDITURES	44,466,330	31,768,210	4,405,597	4,175,771	84,815,908
EXCESS REVENUE OVER EXPENDITURES	(37,913,445)	(31,442,126)	639,953	334,009	(68,381,609)
OTHER FINANCING SOURCES (USES)	(4,282)	15,854,893	(15,854,893)		(4,282)
BEGINNING FUND BALANCE	79,108,200	78,269,758	51,569,925	7,807,944	216,755,827
ENDING FUND BALANCE	\$ 41,190,473	\$ 62,682,525	\$ 36,354,985	\$ 8,141,953	\$ 148,369,936

**CHEROKEE COUNTY SCHOOL DISTRICT
GENERAL FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - AUGUST 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 216,705,392	\$ 2,085,519		\$ 214,619,873
State Revenue	219,397,237	3,787,006		215,610,231
Federal Revenue	199,068	-		199,068
Investment Earnings	103,505	4,711		98,794
Miscellaneous Revenue	1,030,382	675,649		354,733
TOTAL REVENUE	437,435,584	6,552,885		430,882,699
EXPENDITURES				
Instructional Services	300,689,376	27,958,529	\$ 1,016,584	271,714,263
Pupil Services	17,849,137	1,525,880	7,679	16,315,578
Improvement of Instructional Services	17,289,495	1,938,447	166,657	15,184,391
Instructional Staff Training	38,267	6,299	-	31,968
Educational Media Services	5,148,785	378,069	191,861	4,578,855
General Administration	3,439,853	521,029	-	2,918,824
School Administration	28,369,752	4,139,698	20,039	24,210,015
Support Services-Business	3,152,666	561,659	-	2,591,007
Maintenance & Operation of Plant Services	30,260,790	4,610,696	1,230,775	24,419,319
Student Transportation Services	23,525,146	1,945,205	84,366	21,495,575
Support Services-Central	5,235,077	880,819	53,912	4,300,346
School Nutrition Program	161,898	-	-	161,898
TOTAL EXPENDITURES	435,160,242	44,466,330	2,771,873	387,922,039
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	137,487	195,718		(58,231)
Accounts Transfers Out	(2,063,017)	(200,000)		(1,863,017)
TOTAL OTHER FIN SOURCES (USES)	(1,925,530)	(4,282)		(1,921,248)
NET CHANGE FUND BALANCES	\$ 349,812	\$ (37,917,727)	\$ (2,771,873)	\$ 41,039,412

**CHEROKEE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - AUGUST 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	AVAILABLE BUDGET
REVENUE			
Local Revenue	\$ 12,126,442	\$ -	\$ 12,126,442
Investment Earnings	927,755	77,379	850,376
Miscellaneous Revenue	2,936,976	248,705	2,688,271
TOTAL REVENUE	15,991,173	326,084	15,665,089
EXPENDITURES			
Debt Service	45,400,370	31,768,210	13,632,160
TOTAL EXPENDITURES	45,400,370	31,768,210	13,632,160
OTHER FINANCING SOURCES (USES)			
Accounts Transfers In	22,649,847	15,854,893	6,794,954
TOTAL OTHER FIN SOURCES (USES)	22,649,847	15,854,893	6,794,954
NET CHANGE FUND BALANCES	\$ (6,759,350)	\$ (15,587,233)	\$ 8,827,883

**CHEROKEE COUNTY SCHOOL DISTRICT
BUILDING FUND COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - AUGUST 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 37,910,683	\$ 5,044,281		\$ 32,866,402
State Revenue	124,697	-		124,697
Investment Earnings	31,810	1,269		30,541
TOTAL REVENUE	38,067,190	5,045,550		33,021,640
EXPENDITURES				
Instructional Services	22,510,889	1,286,940	\$ 1,458,226	19,765,723
Support Services-Business	358,000	-	-	358,000
Maintenance & Operation of Plant Services	445,000	232,274	74,974	137,752
Student Transportation Services	1,200,000	-	58,831	1,141,169
Facilities Acquisition and Construction Svs.	10,500,000	2,886,383	231,640	7,381,977
TOTAL EXPENDITURES	35,013,889	4,405,597	1,823,671	28,784,621
OTHER FINANCING SOURCES (USES)				
Bond Issuance	24,500,000	-		24,500,000
Premiums on Bonds Sold	5,000,000	-		5,000,000
Accounts Transfers Out	(22,649,847)	(15,854,893)		(6,794,954)
TOTAL OTHER FIN SOURCES (USES)	6,850,153	(15,854,893)		22,705,046
NET CHANGE FUND BALANCES	\$ 9,903,454	\$ (15,214,940)	\$ (1,823,671)	\$ 26,942,065

**CHEROKEE COUNTY SCHOOL DISTRICT
FEDERAL FUNDS AND SCHOOL NUTRITION COMPARISON OF BUDGET TO ACTUAL
JULY 1, 2021 - AUGUST 31, 2021**

	2021-2022 BUDGET	YEAR TO DATE	ENCUMBRANCES	AVAILABLE BUDGET
REVENUE				
Local Revenue	\$ 7,738,854	\$ 2,357		\$ 7,736,497
State Revenue	1,352,349	88,488		1,263,861
Federal Revenue	40,169,633	4,418,772		35,750,861
Investment Earnings	15,000	163		14,837
TOTAL REVENUE	49,275,836	4,509,780		44,766,056
EXPENDITURES				
Instructional Services	20,499,141	901,530	\$ 109,194	19,488,417
Pupil Services	5,228,469	408,910	4,270	4,815,289
Improvement of Instructional Services	2,358,572	50,190	510	2,307,872
Instructional Staff Training	1,454,170	170,850	48,656	1,234,664
Maintenance & Operation of Plant Services	2,400,000	221,802	-	2,178,198
Student Transportation Services	444,979	14,996	-	429,983
Support Services-Central	23,000	24,999	-	(1,999)
School Nutrition Program	17,369,523	2,382,494	226,538	14,760,491
TOTAL EXPENDITURES	49,777,854	4,175,771	389,168	45,212,915
OTHER FINANCING SOURCES (USES)				
Accounts Transfers In	1,151,168	-		1,151,168
TOTAL OTHER FIN SOURCES (USES)	1,151,168	-		1,151,168
NET CHANGE FUND BALANCES	\$ 649,150	\$ 334,009	\$ (389,168)	\$ 704,309

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH AUGUST 2021

REPORTING MONTH	60 MONTH COLLECTION MONTH	PERIOD	PROJECTED COLLECTIONS	BOE 1% COLLECTIONS	DIFFERENCE ACTUAL AND PROJECTED COLLECTIONS
February 2018	January 2018	1	\$ 2,482,396	\$ 2,974,362	\$ 491,966
March 2018	February 2018	2	2,569,511	2,610,220	40,709
April 2018	March 2018	3	2,735,881	3,482,968	747,087
May 2018	April 2018	4	2,726,393	3,174,263	447,870
June 2018	May 2018	5	2,796,817	3,361,741	564,924
July 2018	June 2018	6	2,841,541	3,476,673	635,132
August 2018	July 2018	7	2,871,634	3,479,906	608,272
September 2018	August 2018	8	2,818,552	3,380,345	561,793
October 2018	September 2018	9	2,792,606	3,108,962	316,356
November 2018	October 2018	10	2,736,315	3,627,964	891,649
December 2018	November 2018	11	2,906,999	3,499,055	592,056
January 2019	December 2018	12	3,588,310	4,145,833	557,523
February 2019	January 2019	13	2,556,868	3,278,360	721,492
March 2019	February 2019	14	2,646,596	3,135,700	489,104
April 2019	March 2019	15	2,817,958	3,559,057	741,099
May 2019	April 2019	16	2,808,185	3,717,585	909,400
June 2019	May 2019	17	2,880,722	3,800,003	919,281
July 2019	June 2019	18	2,926,787	3,621,310	694,523
August 2019	July 2019	19	2,957,783	3,871,832	914,049
September 2019	August 2019	20	2,903,109	3,627,866	724,757
October 2019	September 2019	21	2,876,384	3,587,669	711,285
November 2019	October 2019	22	2,818,405	3,686,737	868,332
December 2019	November 2019	23	2,994,209	3,760,601	766,392
January 2020	December 2019	24	3,695,959	4,469,659	773,700
February 2020	January 2020	25	2,633,574	3,457,342	823,768
March 2020	February 2020	26	2,725,994	3,283,286	557,292
April 2020	March 2020	27	2,902,497	3,504,562	602,065
May 2020	April 2020	28	2,892,430	3,609,128	716,698
June 2020	May 2020	29	2,967,144	4,030,403	1,063,259
July 2020	June 2020	30	3,014,591	4,125,359	1,110,768

CHEROKEE COUNTY SCHOOL DISTRICT
SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH AUGUST 2021

REPORTING MONTH	60 MONTH COLLECTION MONTH	PERIOD	PROJECTED COLLECTIONS	BOE 1% COLLECTIONS	DIFFERENCE ACTUAL AND PROJECTED COLLECTIONS
August 2020	July 2020	31	3,046,516	4,146,043	1,099,527
September 2020	August 2020	32	2,990,202	6,095,125	3,104,923
October 2020	September 2020	33	2,962,676	4,013,861	1,051,185
November 2020	October 2020	34	2,902,957	4,492,844	1,589,887
December 2020	November 2020	35	3,084,035	4,419,501	1,335,466
January 2021	December 2020	36	3,806,838	5,256,507	1,449,669
February 2021	January 2021	37	2,712,581	4,120,037	1,407,456
March 2021	February 2021	38	2,807,774	3,874,440	1,066,666
April 2021	March 2021	39	2,989,571	4,655,922	1,666,351
May 2021	April 2021	40	2,979,203	4,656,310	1,677,107
June 2021	May 2021	41	3,056,158	4,748,616	1,692,458
July 2021	June 2021	42	3,105,029	4,919,197	1,814,168
August 2021	July 2021	43	3,137,912	4,931,357	1,793,445
			<u>\$125,467,602</u>	<u>\$166,778,511</u>	<u>\$ 41,310,909</u>

**CHEROKEE COUNTY SCHOOL DISTRICT
1% SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
2018-2022 PROJECTED COLLECTIONS**

	<u>2018</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022</u>
July	\$ -	\$ 2,871,634	\$ 2,957,783	\$ 3,046,516	\$ 3,137,912	\$ 3,232,049
August	\$ -	\$ 2,818,552	\$ 2,903,109	\$ 2,990,202	\$ 3,079,908	\$ 3,172,306
September	\$ -	\$ 2,792,606	\$ 2,876,384	\$ 2,962,676	\$ 3,051,556	\$ 3,143,103
October	\$ -	\$ 2,736,315	\$ 2,818,405	\$ 2,902,957	\$ 2,990,046	\$ 3,079,747
November	\$ -	\$ 2,906,999	\$ 2,994,209	\$ 3,084,035	\$ 3,176,556	\$ 3,271,853
December	\$ -	\$ 3,588,310	\$ 3,695,959	\$ 3,806,838	\$ 3,921,043	\$ 4,038,675
January	\$ 2,482,396	\$ 2,556,868	\$ 2,633,574	\$ 2,712,581	\$ 2,793,958	\$ -
February	\$ 2,569,511	\$ 2,646,596	\$ 2,725,994	\$ 2,807,774	\$ 2,892,007	\$ -
March	\$ 2,735,881	\$ 2,817,958	\$ 2,902,497	\$ 2,989,571	\$ 3,079,259	\$ -
April	\$ 2,726,393	\$ 2,808,185	\$ 2,892,430	\$ 2,979,203	\$ 3,068,579	\$ -
May	\$ 2,796,817	\$ 2,880,722	\$ 2,967,144	\$ 3,056,158	\$ 3,147,843	\$ -
June	\$ 2,841,541	\$ 2,926,787	\$ 3,014,591	\$ 3,105,029	\$ 3,198,180	\$ -
Total by Fiscal Year	<u>\$ 16,152,539</u>	<u>\$ 34,351,532</u>	<u>\$ 35,382,079</u>	<u>\$ 36,443,540</u>	<u>\$ 37,536,847</u>	<u>\$ 19,937,733</u>
Total Projected Collections						<u><u>\$ 179,804,270</u></u>

The amount shown in each month is the expected collection amount. Actual receipt would occur in the subsequent month.