



Cherokee County Board of Commissioners

Financial Update FY2022 Q1 Results

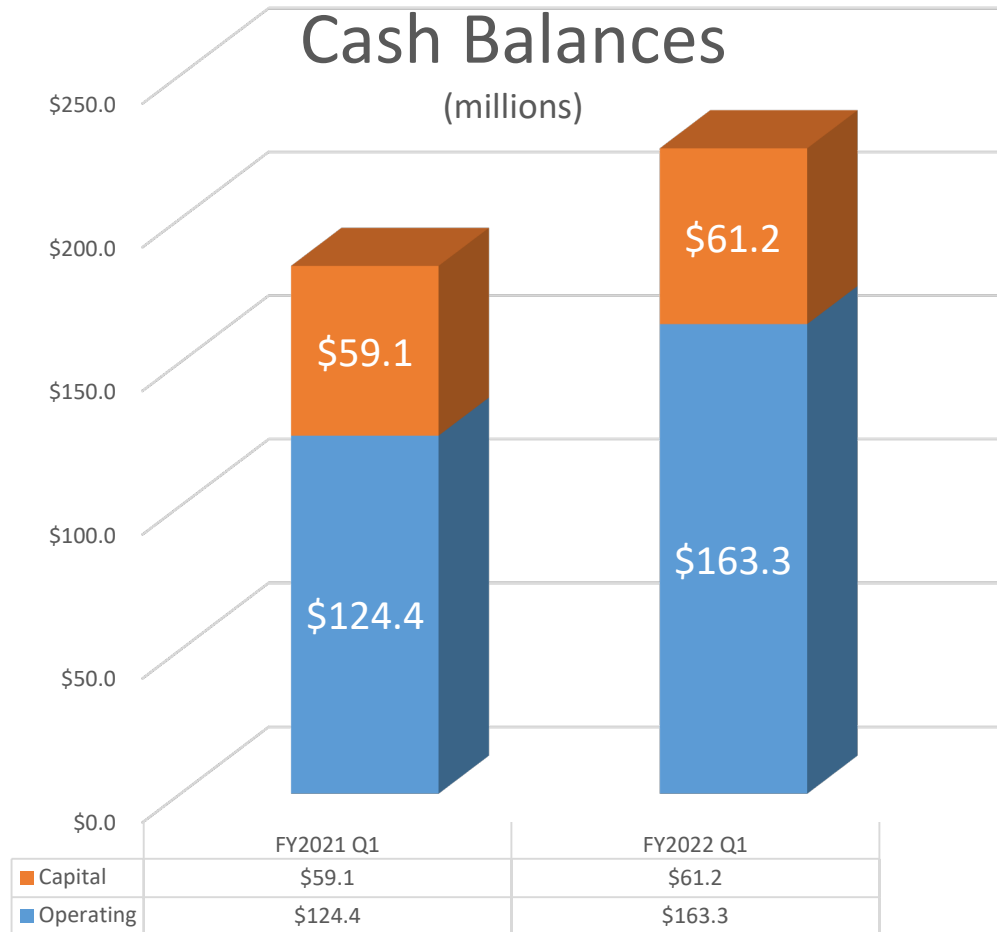
PRESENTED 03.15.2022

County Wide Cash Position

Q1 FY2022

(Millions)

Q1 FY2022



Significant Operating Funds	FY2021 Cash Balance	FY2022 Cash Balance	Variance Better/ (Worse)
General Fund	\$88.5	\$93.2	\$4.7
E911	2.4	2.6	0.2
Senior Services	0.3	0.3	0.0
Parks & Recreation	1.0	1.7	0.7
Transportation	0.4	0.4	0.0
Fire District	28.7	30.2	1.6
CDBG	(0.1)	(0.1)	0.0
EMS	1.7	1.9	0.2
Ins & Benefits Fund	(1.6)	(0.4)	1.2
Other Funds	3.2	33.4	30.2
Total	\$124.4	\$163.3	\$38.8

Capital Funds	FY2021 Cash Balance	FY2022 Cash Balance	Variance Better/ (Worse)
Impact Fee	\$12.6	\$8.8	(\$3.8)
SPLOST V, 2012, 2018	41.0	46.8	5.8
Debt Service	5.4	5.7	0.2
RRDA	0.1	(0.1)	(0.1)
Total	\$59.1	\$61.2	\$2.2

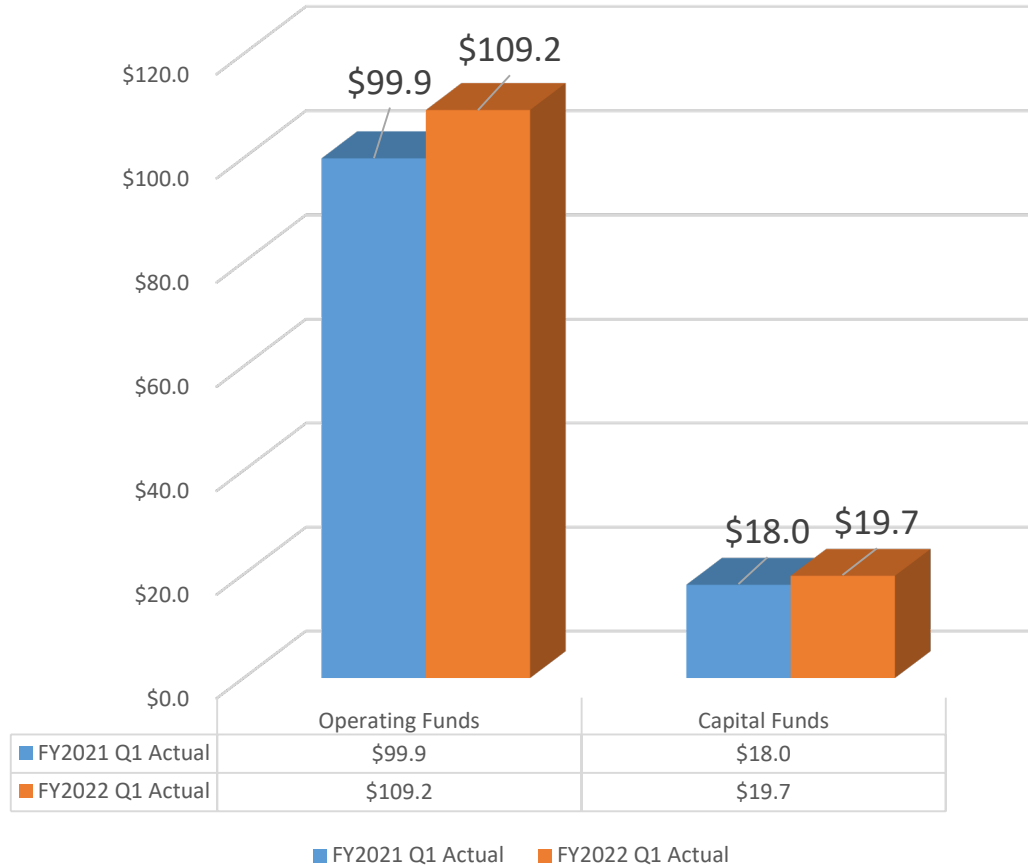
GRAND TOTAL **\$183.5** **\$224.5** **\$41.0**

Other Funds includes \$8.1M ERAP, \$23.0M ARPA in FY2022

County Wide Revenue

Q1 FY2022

(Millions)



FY2021 vs FY2022 Variance Highlights

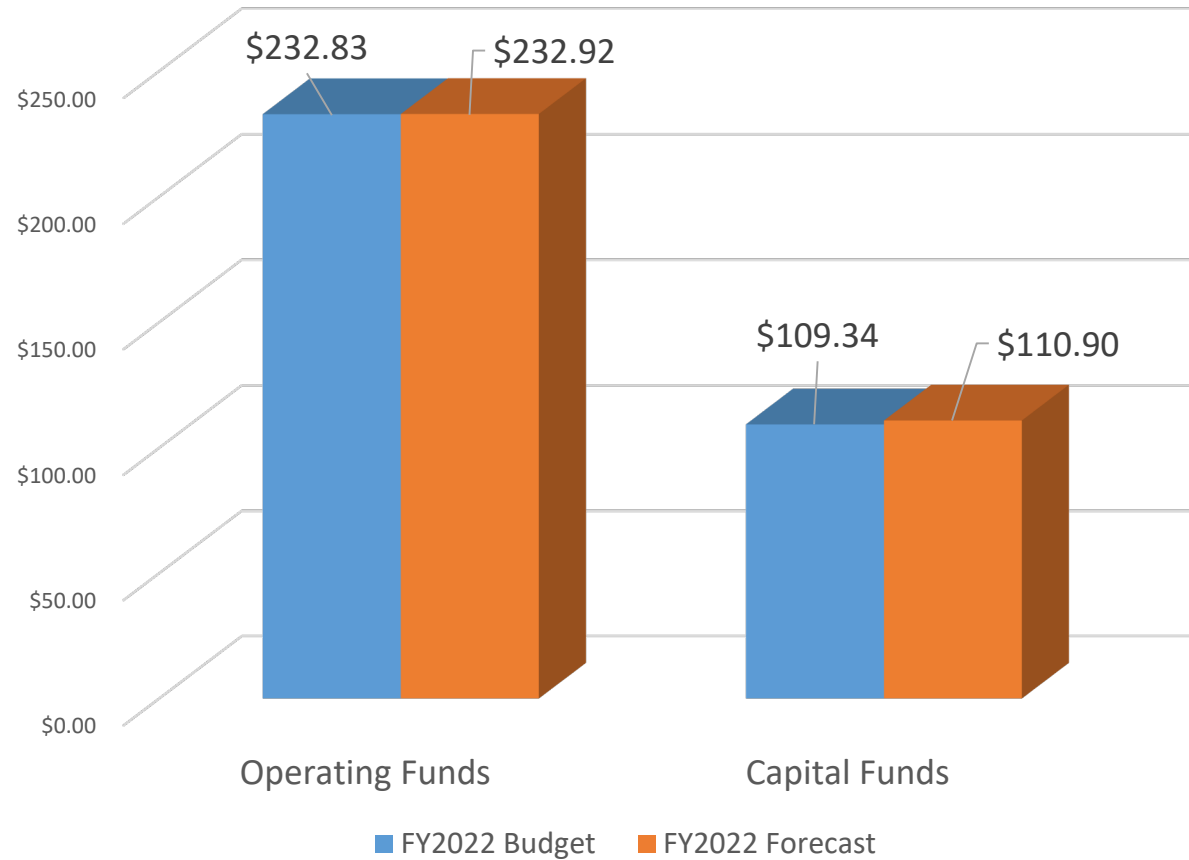
Operating
+\$9.3M

- Property Taxes +\$7.4M
- TAVT +\$290K
- Elections Grant +\$795K
- EMS +\$411K
- Other +\$404K

Capital
+\$1.7M

- SPLOST +\$1.1M
- SPLOST LMIG (\$2.1M)
- General Fund Transfer to RRDA +\$2.6M
- Other +\$100K

County Wide Revenue FY2022 Forecast vs Budget (Millions)





General Fund Revenue

Q1 FY2022 vs Q1 FY2021

	FY2021 Q1 Actual	FY2022 Q1 Actual	Budget Variance (Under)/Over	Variance Explanations
Taxes	\$57,089,102	\$62,100,022	\$5,010,920	Property Tax +\$4.6M, TAVT +\$290K, Real Estate Taxes +\$64K
Licenses and Permits	\$771,404	\$796,391	\$24,987	Alcohol/Business Licenses +\$26K
Intergovernmental	\$9,350	\$13,744	\$4,394	
Charges and Services	\$3,741,587	\$4,109,913	\$368,326	Tax Commissions +\$331K, Probation Fees +\$36K
Fines and Forfeitures	\$828,663	\$748,954	(\$79,709)	Superior Court (\$12K), State (\$54K), Magistrate (\$4K), Juvenile (\$8K)
Investment Income	\$20,168	\$16,394	(\$3,774)	
Miscellaneous	\$133,004	\$164,955	\$31,951	Indigent Defense Reimb +\$12K
Other Financing Sources	\$220,472	\$279,476	\$59,004	Custodial +\$26K, Insurance Recovery +\$31K
Use of Reserves Budgeted	\$0	\$0	\$0	
Total Revenue	\$62,813,750	\$68,229,849	\$5,416,099	



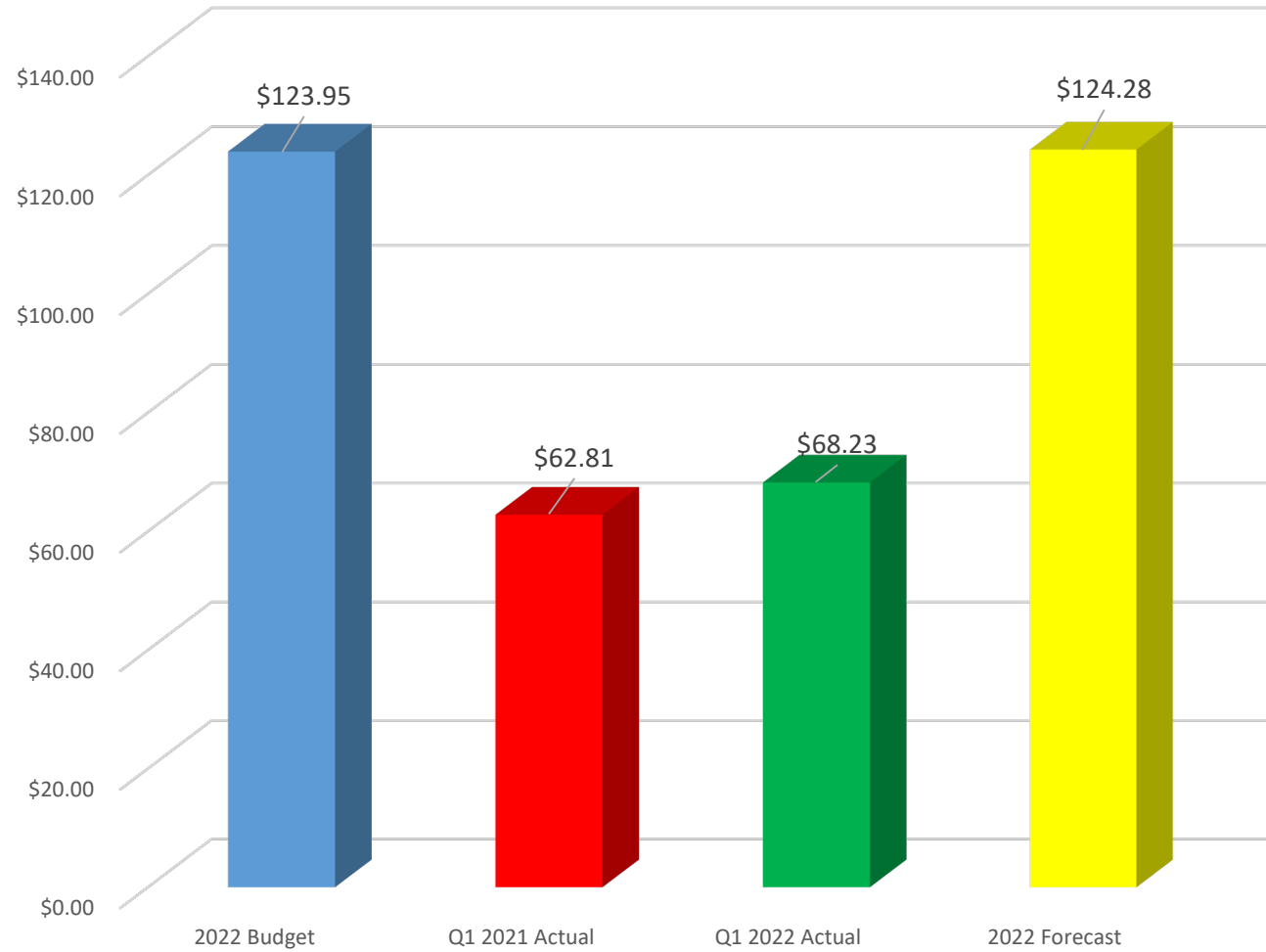
General Fund Revenue

FY2022 Forecast vs Budget

	FY2022 Budget	FY2022 Forecast	Budget Variance (Under)/Over	Variance Explanations
Taxes	\$98,534,471	\$98,706,351	\$171,880	TAVT +\$422K, Real Estate +\$217K, Insurance Premium (\$500K)
Licenses and Permits	\$2,840,000	\$2,971,317	\$131,317	Alcohol/Business Licenses +\$31K, Building Inspection +\$93K
Intergovernmental	\$102,000	\$104,494	\$2,494	
Charges and Services	\$10,157,003	\$10,231,889	\$74,886	Tax Commissions +\$27K, Probation Fees +\$17K, Recycling +\$16K
Fines and Forfeitures	\$4,670,449	\$4,592,786	(\$77,663)	Superior +\$207K, State (\$375K), Magistrate (\$10K), Probate +\$125K, Juvenile (\$24K)
Investment Income	\$60,000	\$55,874	(\$4,126)	
Miscellaneous	\$791,730	\$800,001	\$8,271	
Other Financing Sources	\$1,172,206	\$1,193,636	\$21,430	Insurance Recovery
Use of Reserves Budgeted	\$5,626,003	\$5,626,003	\$0	
Total Revenue	\$123,953,862	\$124,282,351	\$328,489	

General Fund Revenue FY2022

(Millions)

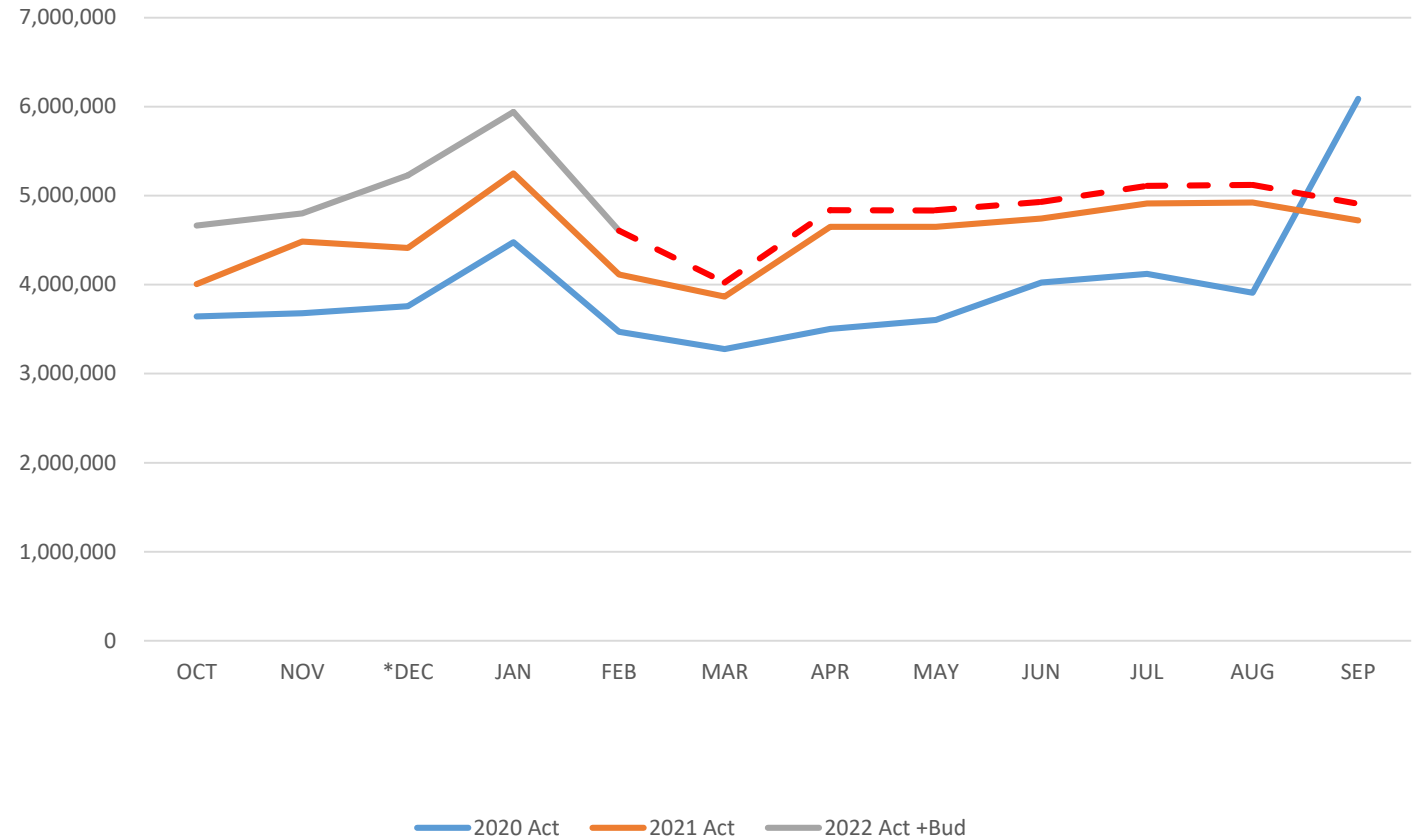




Total SPLOST 2018 Receipts Forecast FY2022

	2020 Act	2021 Act	2022 Act +Bud
OCT	3,644,224	4,006,954	4,664,187
NOV	3,680,899	4,485,634	4,799,648
*DEC	3,758,270	4,413,138	5,227,215
JAN	4,478,355	5,250,552	5,940,804
FEB	3,471,614	4,113,997	4,605,723
MAR	3,277,908	3,867,825	4,022,538
APR	3,501,383	4,649,900	4,835,896
MAY	3,603,816	4,649,878	4,835,873
JUN	4,024,719	4,742,059	4,931,742
JUL	4,119,626	4,912,086	5,108,570
AUG	3,909,356	4,923,717	5,120,666
SEP	6,087,689	4,721,310	4,910,162
Total	47,557,858	54,737,051	59,003,023

SPLOST 2018 Receipts Forecast FY2022





Total SPLOST 2018 Receipts Forecast FY2022

	2018	2019	2020	2021	2022	2023	2024	Total
OCT		\$3,101,224	\$3,644,224	\$4,006,954	4,664,187	\$4,850,755	\$5,044,785	
NOV		\$3,621,148	\$3,680,899	\$4,485,634	4,799,648	\$4,991,633	\$5,191,299	
*DEC		\$3,493,054	\$3,758,270	\$4,413,138	5,227,215	\$5,436,303	\$5,653,755	
JAN		\$4,140,065	\$4,478,355	\$5,250,552	5,940,804	\$6,178,436	\$6,425,574	
FEB		\$3,272,362	\$3,471,614	\$4,113,997	4,605,723	\$4,789,952	\$4,981,550	
MAR		\$3,130,550	\$3,277,908	\$3,867,825	4,022,538	\$4,183,440	\$4,350,778	
APR		\$3,537,710	\$3,501,383	\$4,649,900	4,835,896	\$5,029,332	\$5,230,505	
MAY		\$3,711,123	\$3,603,816	\$4,649,878	4,835,873	\$5,029,308	\$5,230,480	
JUN		\$3,793,025	\$4,024,719	\$4,742,059	4,931,742	\$5,129,011	\$5,334,172	
JUL		\$3,614,207	\$4,119,626	\$4,912,086	5,108,570	\$5,312,913	\$5,525,429	
AUG	\$3,473,050	\$3,863,533	\$3,909,356	\$4,923,717	5,120,666	\$5,325,493		
SEP	\$3,372,907	\$3,753,062	\$6,087,689	\$4,721,310	4,910,162	\$5,106,568		
Total	\$6,845,957	\$43,031,063	\$47,557,858	\$54,737,051	\$59,003,023	\$61,363,144	\$52,968,326	\$325,506,421

- ❑ YTD SPLOST Receipts of \$252,961,892 forecasted for July 2023
- ❑ All Receipts after July 2023 will be considered Excess SPLOST Receipts
- ❑ The County is projected to have \$47M in Excess SPLOST Receipts



County Wide Expenditures Q1 FY2022

	FY2021 Budget	FY2021 Q1 Actual	FY2022 Budget	FY2022 Q1 Actual	FY2021 % Spent	FY2022 % Spent
Compensation	\$93,552,919	\$18,717,769	\$100,725,187	\$22,744,679	20.0%	22.6%
Insurance Benefits	\$38,312,945	\$8,438,165	\$41,843,859	\$11,052,888	22.0%	26.4%
Payroll Taxes	\$7,114,793	\$1,335,066	\$7,697,819	\$1,629,873	18.8%	21.2%
Workers Comp	\$1,188,472	\$471,151	\$1,531,753	\$383,268	39.6%	25.0%
Retirement Plans	\$14,333,760	\$2,839,467	\$15,548,621	\$3,483,256	19.8%	22.4%
Other Personnel	\$3,300	\$4,142	\$0	\$2,734	125.5%	
Total Personnel	\$154,506,189	\$31,805,760	\$167,347,239	\$39,296,698	20.6%	23.5%
Operating Costs	\$37,377,824	\$6,456,605	\$38,556,079	\$8,055,777	17.3%	20.9%
Capital	\$59,766,251	\$6,556,620	\$78,209,994	\$7,189,055	11.0%	9.2%
Non-Op Costs	\$26,016,702	\$4,152,304	\$29,566,956	\$5,664,474	16.0%	19.2%
Debt Service	\$7,466,766	\$295,306	\$9,649,668	\$3,103,629	4.0%	32.2%
Utilities/Insuran ce	\$5,921,346	\$1,660,955	\$6,622,120	\$2,174,089	28.1%	32.8%
Transfers	\$14,037,660	\$2,068,397	\$12,278,239	\$4,953,791	14.7%	40.3%
Total Expenditures	\$305,092,738	\$52,995,947	\$342,230,295	\$70,437,513	17.4%	20.6%

Operating and Capital Funds Expenditures Q1 FY2021 vs Q1FY2022 (Millions)





General Fund Expenditures Q1 FY2022

	FY2021 Budget	FY2021 Q1 Actual	FY2022 Budget	FY2022 Q1 Actual	FY2021 % Spent	FY2022 % Spent
Compensation	\$53,044,069	\$10,887,393	\$56,811,950	\$13,002,791	20.5%	22.9%
Insurance Benefits	\$9,660,171	\$1,938,255	\$10,598,457	\$2,261,232	20.1%	21.3%
Payroll Taxes	\$4,019,901	\$773,221	\$4,345,644	\$927,921	19.2%	21.4%
Workers Comp	\$732,186	\$319,916	\$853,647	\$251,251	43.7%	29.4%
Retirement Plans	\$8,105,559	\$1,626,770	\$8,771,937	\$1,987,517	20.1%	22.7%
Other Personnel	\$3,300	\$4,142			125.5%	
Total Personnel	\$75,565,186	\$15,549,697	\$81,381,635	\$18,430,712	20.6%	22.6%
Operating Costs	\$19,420,595	\$3,448,969	\$21,211,070	\$4,199,951	17.8%	19.8%
Capital	\$153,151	\$60,328	\$1,348,545	\$47,215	39.4%	3.5%
Non-Op Costs	\$3,869,608	\$943,961	\$4,120,576	\$1,014,590	24.4%	24.6%
Debt Service	\$335,661	\$83,675	\$390,178	\$106,775	24.9%	27.4%
Utilities/Insuran ce	\$3,515,536	\$1,051,102	\$3,906,482	\$1,362,628	29.9%	34.9%
Transfers	\$8,269,359	\$1,978,836	\$11,595,376	\$4,878,453	23.9%	42.1%
Total Expenditures	\$111,129,096	\$23,116,568	\$123,953,862	\$30,040,324	20.8%	24.2%

Cherokee County Financial Risks & Opportunities

Risks

- Inflation – Rising Costs
 1. Inflation rises 7.9% in February, a new 40-year high
 2. Gas national avg. cost/gallon \$4.31

- Employee Retention & Hiring

Opportunities

- ▶ SPLOST Receipts continue with strong growth
- ▶ TAVT Trends \$290k favorable in Q1
- ▶ RRDA Debt
 - ❑ Series 2007A Bonds paid off in January
 - ❑ Series 2007B Bonds will be paid off on 7/1/2022

General Fund Balance Reserves GFOA Guidance

- The adequacy of unrestricted fund balance in the general fund should take into account **each government's own unique circumstances**.
- GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of **no less than two months** of regular general fund operating revenues or regular general fund operating expenditures.

Historical Reserves

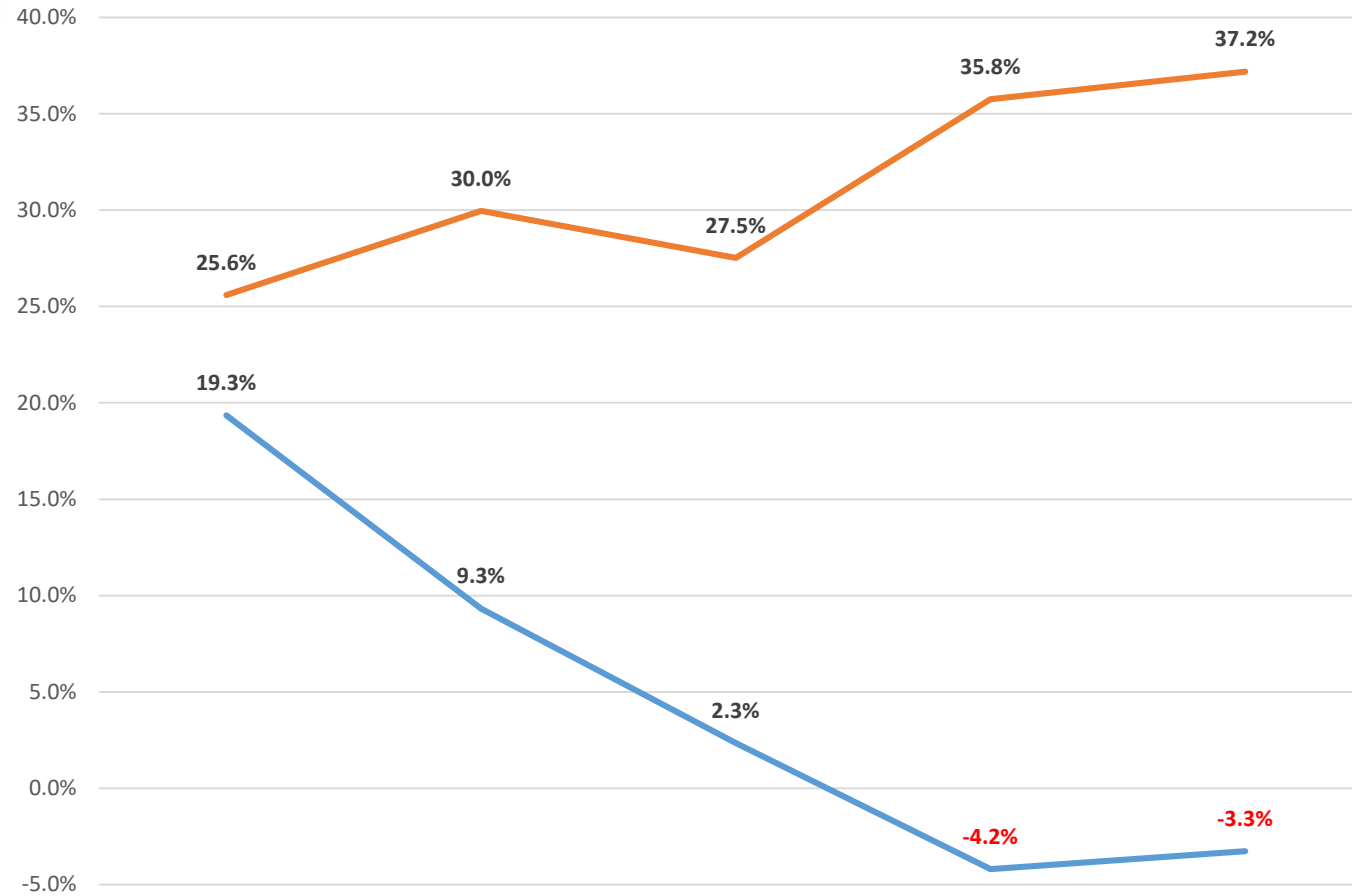
1. Historical Lowest Month Cash Balance – September
2. Annual Expenditures
3. Annual Revenue
4. M&O Digest and Millage Rates
5. Historical Trends
 - ❑ 2007-2011
 - ❑ 2017-2021

Historical Trends

General Fund Key Statistics					
	FY2007	FY2008	FY2009	FY2010	FY2011
Cash @ 9/30	\$12,447,783	\$6,574,729	\$1,602,274	(\$2,758,450)	(\$2,039,250)
Annual Expenditures	\$64,337,055	\$70,580,849	\$68,344,593	\$65,711,014	\$62,273,691
Annual Revenue	\$66,050,220	\$63,441,524	\$64,673,499	\$60,238,162	\$66,236,910
Rev. less Exp	\$1,713,165	(\$7,139,325)	(\$3,671,094)	(\$5,472,852)	\$3,963,219
Net M&O Digest	8,238,779,503	8,647,647,873	8,363,998,552	7,652,619,260	7,200,385,902
Net M&O Millage Rate	4.400	4.381	4.381	4.720	5.365
Net Taxes \$ Change	\$3,364,273	\$1,634,716	(\$1,242,668)	(\$522,315)	\$2,509,707
	FY2017	FY2018	FY2019	FY2020	FY2021
Cash @ 9/30	\$21,307,657	\$25,899,022	\$26,567,376	\$36,037,235	\$40,545,507
Annual Expenditures	\$83,253,033	\$86,438,817	\$96,513,609	\$100,752,569	\$109,028,246
Annual Revenue	\$85,206,836	\$91,330,928	\$98,196,082	\$109,869,275	\$116,135,630
Rev. less Exp	\$1,953,803	\$4,892,111	\$1,682,473	\$9,116,706	\$7,107,384
Net M&O Digest	9,201,964,768	9,749,081,332	10,486,874,839	11,181,121,509	11,968,534,311
Net M&O Millage Rate	5.483	5.366	5.216	5.212	5.212
Net Taxes \$ Change	\$2,252,255	\$1,859,198	\$2,385,969	\$3,576,466	\$4,103,996

- ❑ The cash balance trended down as expenditures were greater than revenue.
- ❑ The digest declined due to the housing market crash which would last 4 to 5 years
- ❑ Cash balances were actually negative in 2010 and 2011
- ❑ The cash balance has increased 88.8% from 2017 to 2021 while expenditures have increased at 30.96%

Cash as a Percentage of Annual Expenditures



➤ FY2021 we had 4.4 months of expenditures in cash compared to 2.31 months in 2007.

	Yr 1	Yr 2	Yr3	Yr4	Yr5
2007-2011	19.3%	9.3%	2.3%	-4.2%	-3.3%
2017-2021	25.6%	30.0%	27.5%	35.8%	37.2%

— 2007-2011 — 2017-2021



General Fund Balance Reserve Finance Recommendation

Current Fund Balance \$40,545,507

Contingency Reserves *	Recession/ Lost Revenue	\$24,790,772
Emergency Reserves	Cyber Security, Pandemic, Weather	\$5,000,000
Capital Reserves	Buildings/Equipment	\$5,000,000
Legal Settlements	HR, Workers Comp, Zoning	\$4,000,000
Commissioner's Discretionary	Land, Other Projects	<u>\$1,500,000</u>

Total Reserves \$40,290,772

Surplus/(Deficit) Required Fund Balance \$254,735

* 20% of GF Budgeted Revenue \$123,953,862