



Cherokee County Board of Commissioners

Financial Update FY2022 Q3 Results

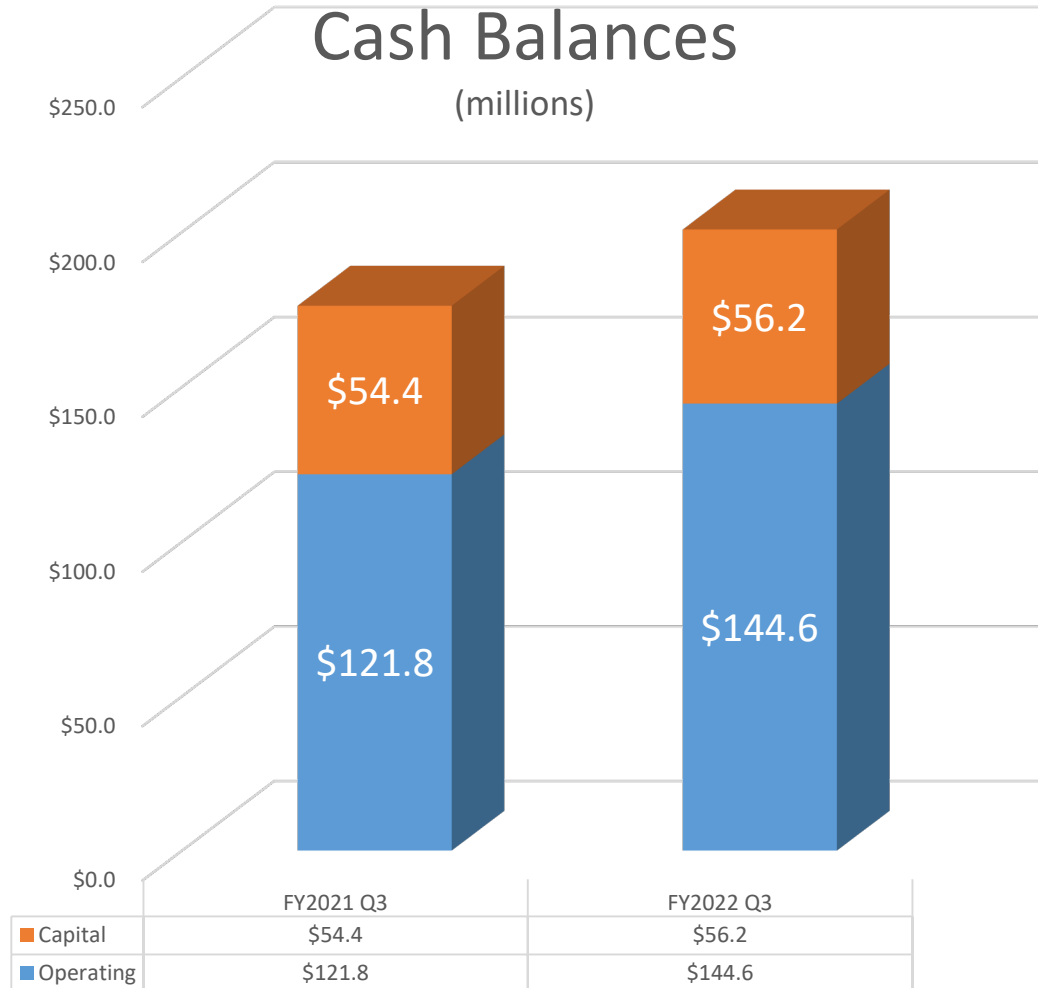
PRESENTED 08.02.2022

County Wide Cash Position

Q3 FY2022

(Millions)

Q3 FY2022



Significant Operating Funds	FY2021 Cash Balance	FY2022 Cash Balance	Variance Better/Worse
General Fund	\$59.0	\$64.3	\$5.3
E911	2.4	3.2	0.8
Senior Services	0.3	0.4	0.0
Parks & Recreation	1.0	1.7	0.7
Transportation	0.5	0.3	(0.2)
Fire District	20.2	23.1	2.9
CDBG	(0.0)	(0.1)	(0.0)
EMS	2.1	2.7	0.6
Ins & Benefits Fund	(1.9)	(1.5)	0.4
Other Funds	38.2	50.4	12.3
Total	\$121.8	\$144.6	\$22.8

Capital Funds	FY2021 Cash Balance	FY2022 Cash Balance	Variance Better/Worse
Impact Fee	\$8.8	\$10.0	\$1.3
SPLOST V, 2012, 2018	45.3	45.9	0.6
Debt Service	0.3	0.4	0.1
RRDA	0.1	(0.1)	(0.2)
Total	\$54.4	\$56.2	\$1.8

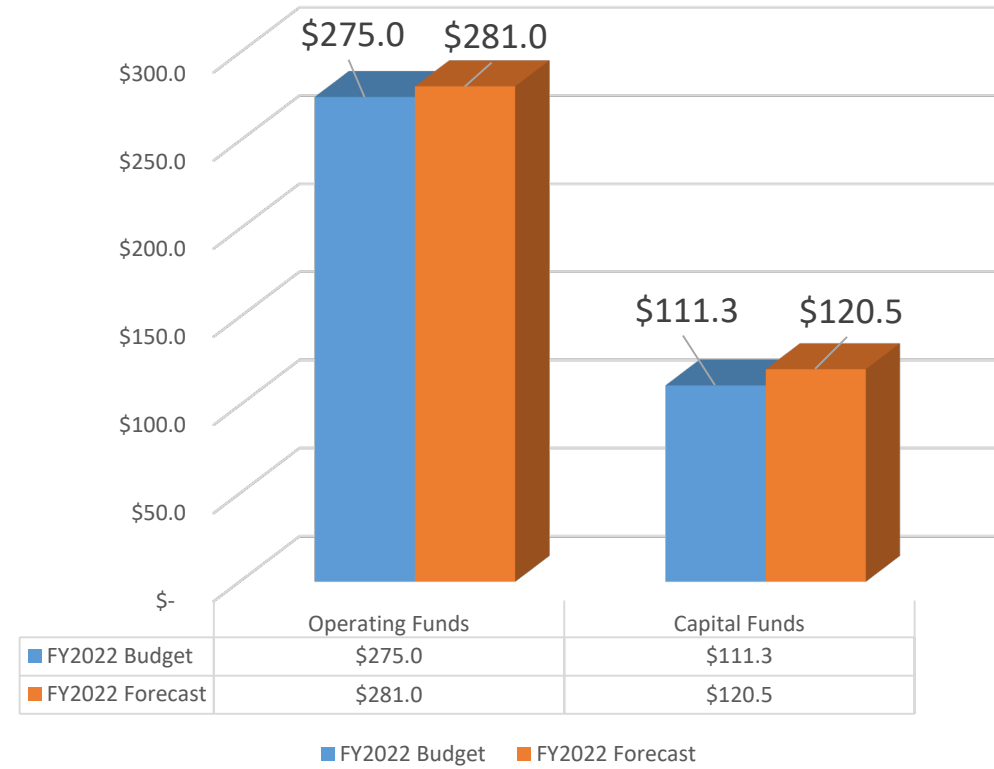
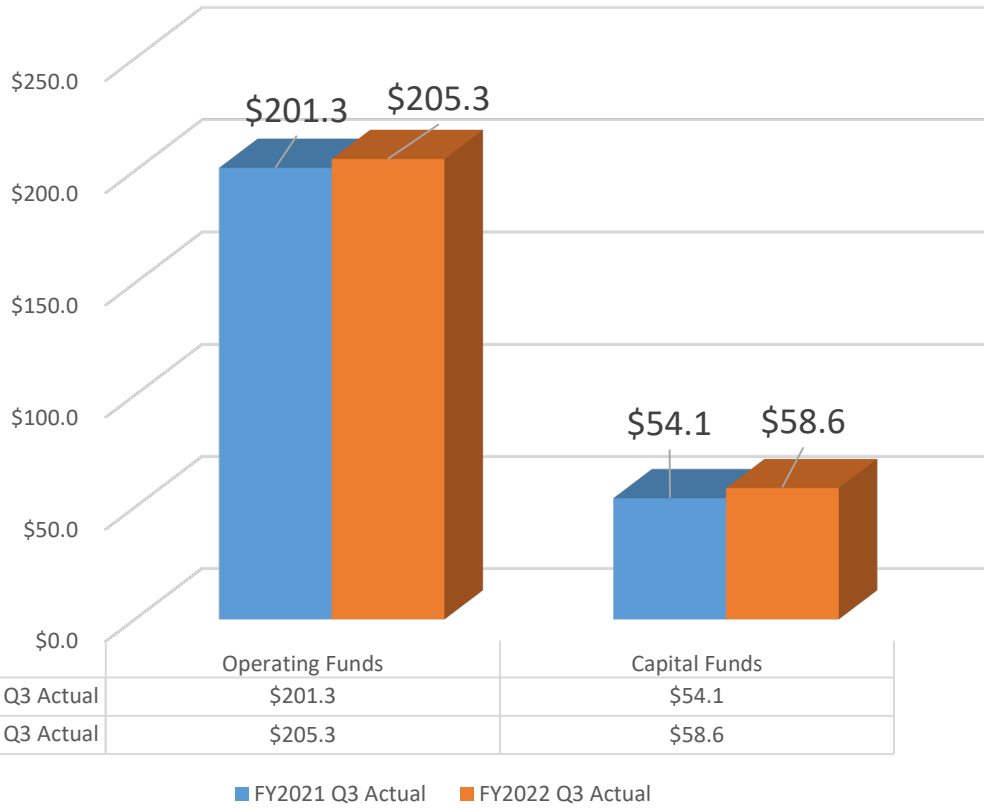
GRAND TOTAL	\$176.2	\$200.8	\$24.6
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Other Funds includes \$19.7M ARPA in FY2022

County Wide Revenue

Q3 FY2022

(Millions)





General Fund Revenue

Q3 FY2022 vs Q3 FY2021

	FY2021 Q3 Actual	FY2022 Q3 Actual	Budget Variance (Under)/Over	Variance Explanations
Taxes	\$73,199,300	\$78,425,714	\$5,226,414	Property Tax +\$4.8M, TAVT +\$891K, Real Estate Taxes (\$320K)
Licenses and Permits	\$2,707,343	\$3,048,023	\$340,680	Building Inspections +\$192K, Alcohol/Business Licenses +\$149K
Intergovernmental	\$100,884	\$182,785	\$81,901	One time reimbursments
Charges and Services	\$7,186,372	\$8,018,314	\$831,942	Tax Commissions +\$340K, Landfill Fees +\$247K, Probation Fees +\$143K, Recycling +\$33K
Fines and Forfeitures	\$3,523,737	\$3,208,425	(\$315,312)	Superior Court (\$128K), State (\$44K), Probate (\$88K), Speed Cameras +\$141K, Penalties (\$23K)
Investment Income	\$47,898	\$165,302	\$117,404	
Miscellaneous	\$432,762	\$493,840	\$61,078	Rents +38K, Indigent Defense +\$17K
Other Financing Sources	\$780,747	\$991,082	\$210,335	Custodial +\$79K, Capital leases +\$61K, Insurance Recovery +\$83K
Use of Reserves Budgeted				
Total Revenue	\$87,979,043	\$94,533,485	\$6,554,442	

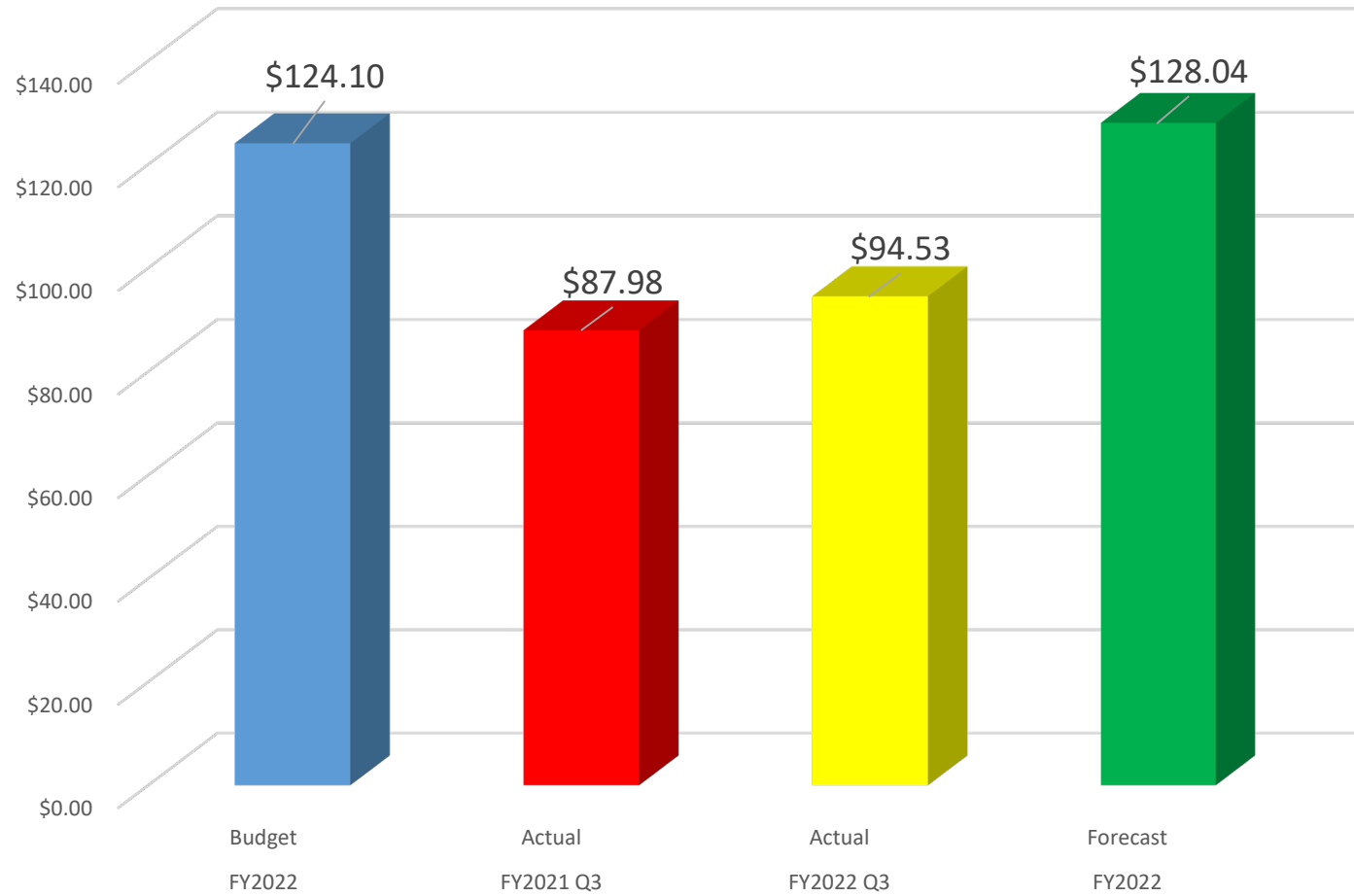


General Fund Revenue FY2022 Forecast vs Budget

	FY2022 Budget	FY2022 Forecast	Budget Variance (Under)/Over	Variance Explanations
Taxes	\$98,534,471	\$100,318,633	\$1,784,162	TAVT +\$2.1M, Real Estate +\$184K, Insurance Premium (\$500K), TV/Bank Franchise (\$105K)
Licenses and Permits	\$2,840,000	\$3,607,195	\$767,195	Alcohol/Business Licenses +\$208K, Building Inspection +\$538K
Intergovernmental	\$102,000	\$194,035	\$92,035	Unbudgeted reimbursements +\$95K, Land Protection Grant +\$7K, Range Revenue (\$14K)
Charges and Services	\$10,169,503	\$10,904,662	\$735,159	Tax Commissions +\$48K, Probation Fees +\$107K, Recycling +\$47K, Landfill +\$409K
Fines and Forfeitures	\$4,670,449	\$4,924,598	\$254,149	Superior +\$238K, State (\$265K), Magistrate (\$31K), Probate +\$87K, Speed Cameras +\$210K
Investment Income	\$60,000	\$240,302	\$180,302	
Miscellaneous	\$791,730	\$867,887	\$76,157	Rents +\$65K
Other Financing Sources	\$1,221,050	\$1,301,150	\$46,773	Insurance Recovery +\$22K, Sale of Assets +\$24K
Use of Reserves Budgeted	\$5,626,003	\$5,677,584	\$0	
Total Revenue	\$124,015,206	\$128,036,046	\$3,935,932	

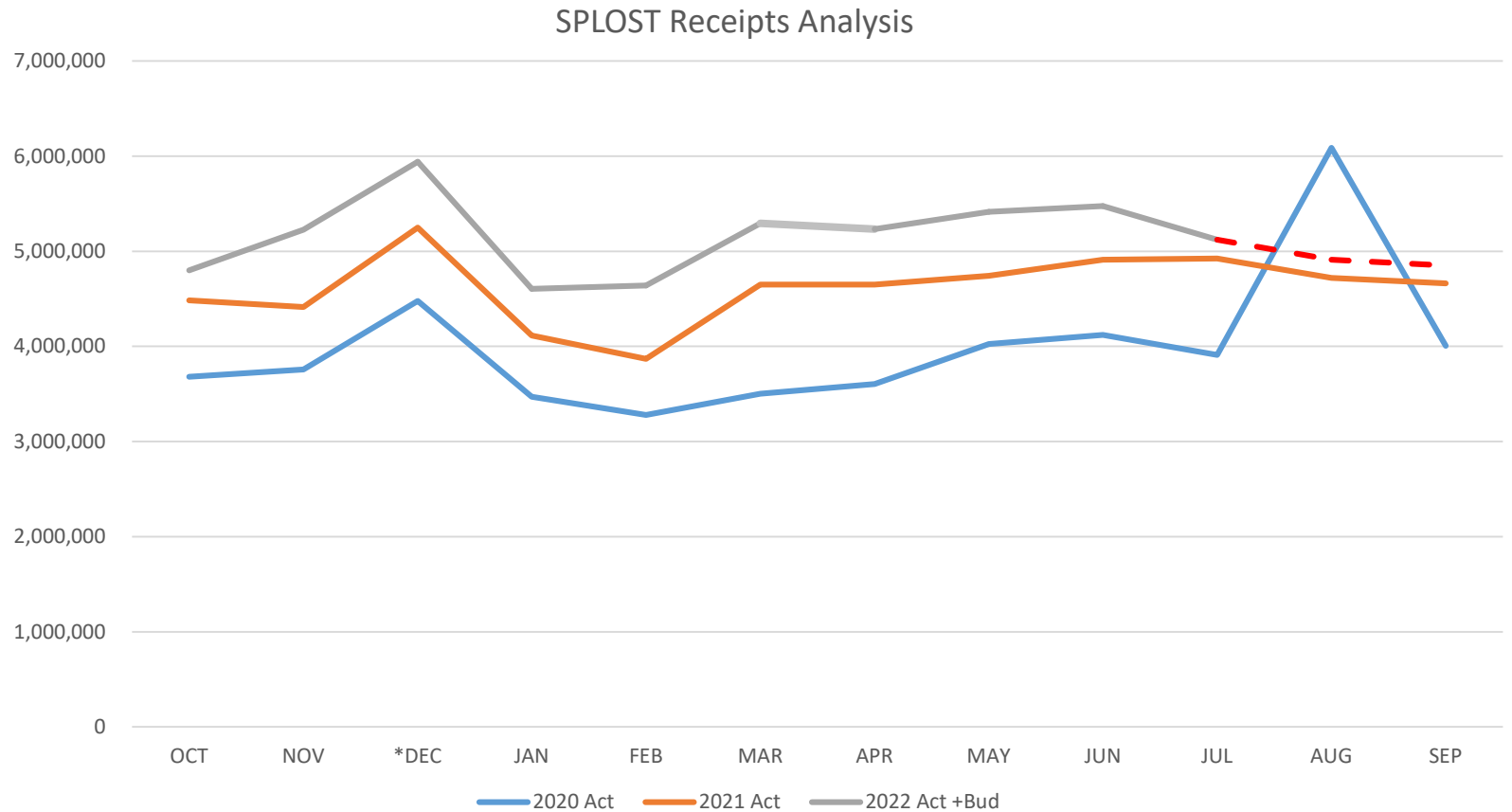
General Fund Revenue FY2022

(Millions)



Total SPLOST 2018 Receipts FY2022 Forecast

	2020 Act	2021 Act	2022 Act +Bud
OCT	3,680,899	4,485,634	4,799,648
NOV	3,758,270	4,413,138	5,227,215
*DEC	4,478,355	5,250,552	5,940,408
JAN	3,471,614	4,113,997	4,605,723
FEB	3,277,908	3,867,825	4,639,755
MAR	3,501,383	4,649,900	5,292,442
APR	3,603,816	4,649,878	5,232,056
MAY	4,024,719	4,742,059	5,415,770
JUN	4,119,626	4,912,086	5,475,015
JUL	3,909,356	4,923,717	5,120,666
AUG	6,087,689	4,721,310	4,910,162
SEP	4,006,954	4,664,187	4,850,754
Total	47,920,587	55,394,283	61,509,614



Note: Spike in August 2020 was due to a 3 year audit adjustment from the state.



Total SPLOST 2018 Receipts Forecast FY2022

Growth Rate 4.0%

	2018	2019	2020	2021	2022	2023	2024	Total
OCT		3,621,148	3,680,899	4,485,634	4,799,648	4,991,634	5,191,299	
NOV		3,493,054	3,758,270	4,413,138	5,227,215	5,436,304	5,653,756	
DEC		4,140,065	4,478,355	5,250,552	5,940,408	6,178,024	6,425,145	
JAN		3,272,362	3,471,614	4,113,997	4,605,723	4,789,952	4,981,550	
FEB		3,130,550	3,277,908	3,867,825	4,639,755	4,825,345	5,018,359	
MAR		3,537,710	3,501,383	4,649,900	5,292,442	5,504,139	5,724,305	
APR		3,711,123	3,603,816	4,649,878	5,232,056	5,441,338	5,658,992	
MAY		3,793,025	4,024,719	4,742,059	5,415,770	5,632,401	5,857,697	
JUN		3,614,207	4,119,626	4,912,086	5,475,015	5,694,016	5,921,776	
JUL	3,473,050	3,863,533	3,909,356	4,923,717	5,120,666	5,325,492		
AUG	3,372,907	3,753,062	6,087,689	4,721,310	4,910,162	5,106,569		
SEP	3,101,224	3,644,224	4,006,954	4,664,187	4,850,754	5,044,785		
Total	9,947,180	43,574,062	47,920,587	55,394,283	61,509,614	63,969,999	50,432,879	332,748,605

❑ YTD SPLOST Receipts of \$252,961,892 forecasted for April 2023

❑ All Receipts after April 2023 will be considered Excess SPLOST Receipts



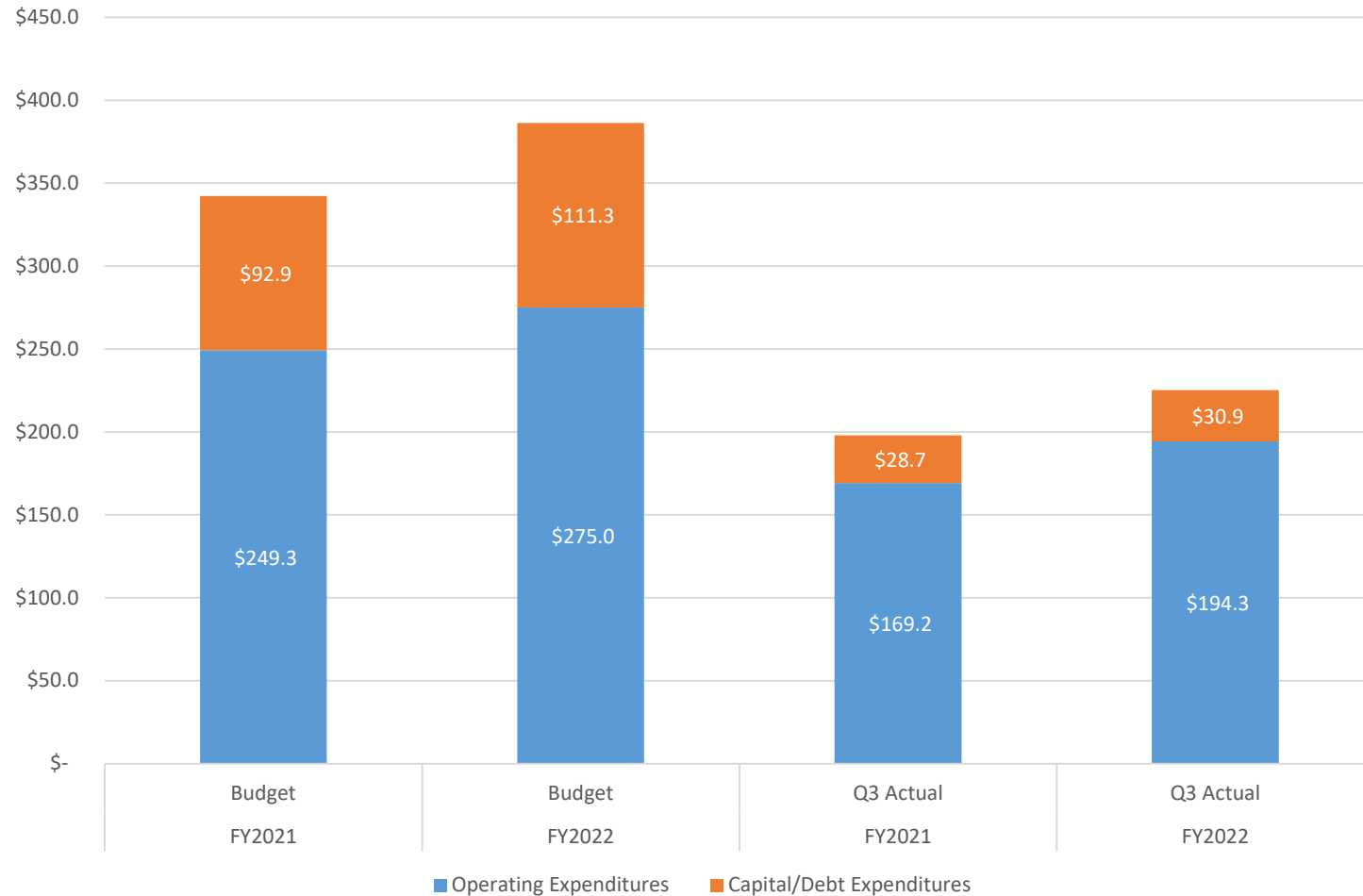
County Wide Expenditures Q3 FY2022

	FY2021 Budget	FY2021 Q3 Actual	FY2022 Budget	FY2022 Q3 Actual	FY2021 % Spent	FY2022 % Spent
Compensation	93,619,418	63,463,442	101,607,551	68,163,694	67.8%	67.1%
Insurance Benefits	38,334,857	29,375,822	41,867,885	30,756,013	76.6%	73.5%
Payroll Taxes	7,121,200	4,534,421	7,779,828	4,908,096	63.7%	63.1%
Workers Comp	1,188,544	955,351	1,531,825	695,611	80.4%	45.4%
Retirement Plans	14,346,588	9,714,754	15,565,545	10,207,733	67.7%	65.6%
Other Personnel	3,300	24,924	-	7,073	755.3%	
Total Personnel	154,613,907	108,068,714	168,352,634	114,738,220	69.9%	68.2%
Operating Costs	38,501,594	25,811,458	78,255,248	28,303,176	67.0%	36.2%
Capital	62,483,268	24,310,535	79,895,594	35,700,284	38.9%	44.7%
Non-Op Costs	37,628,589	16,862,323	30,293,606	21,213,603	44.8%	70.0%
Debt Service	7,466,766	6,519,429	9,649,668	9,154,558	87.3%	94.9%
Utilities/Insurance	5,921,274	4,680,368	6,627,216	5,362,860	79.0%	80.9%
Transfers	15,179,660	11,704,340	13,281,239	10,759,646	77.1%	81.0%
Total Expenditures	321,795,058	197,957,167	386,355,205	225,232,347	61.5%	58.3%

Operating and Capital Funds Expenditures

Q3 FY2021 vs Q3 FY2022

(Millions)



Q3 FY2021
67.9% of Operating spent
30.9% of Capital/Debt spent

Q3 FY2022
70.6% of Operating spent
27.8% of Capital/Debt spent



General Fund Expenditures Q3 FY2022

	FY2021 Budget	FY2021 Q3 Actual	FY2022 Budget	FY2022 Q3 Actual	FY2021 % Spent	FY2022 % Spent
Compensation	53,044,069	36,736,235	56,839,050	37,800,391	69.3%	66.5%
Insurance Benefits	9,660,171	6,869,430	10,601,225	7,425,828	71.1%	70.0%
Payroll Taxes	4,019,901	2,623,859	4,347,730	2,712,282	65.3%	62.4%
Workers Comp	732,186	655,011	853,647	453,494	89.5%	53.1%
Retirement Plans	8,105,559	5,590,964	8,774,417	5,763,752	69.0%	65.7%
Other Personnel	3,300	21,609		355	654.8%	
Total Personnel	75,565,186	52,497,108	81,416,069	54,156,102	69.5%	66.5%
Operating Costs	19,420,595	12,298,708	21,219,877	14,395,369	63.3%	67.8%
Capital	153,151	276,040	1,451,556	243,994	180.2%	16.8%
Non-Op Costs	3,869,398	2,861,808	4,120,576	3,056,742	74.0%	74.2%
Debt Service	335,661	254,068	390,178	284,634	75.7%	72.9%
Utilities/Insuran ce	3,515,536	2,872,480	3,906,482	3,350,758	81.7%	85.8%
Transfers	8,269,359	6,014,533	11,595,376	9,253,568	72.7%	79.8%
Total Expenditures	111,128,886	77,074,745	124,100,114	84,741,167	69.4%	68.3%

Health Care Costs

Insurance & Benefits Fund Net Health Claims (Millions)



PEPM			
		Q3	Q3
FY2021	FY2022	FY2022	FY2021
Actual	Budget	Actual	Actual
\$1,196	\$1,242	\$1,295	\$1,192

Cherokee County Economic Issues

Challenges

- Inflation – Rising Costs
 - National Inflation rose 9.1% in June, a new 40-year high
 - Atlanta-Sandy Springs-Roswell inflation increased 2.1% to 11.5% in June
 1. Gasoline 50.8%
 2. Food 10.1%
 3. Housing 11.0%

- Employee Vacancies @ 7/1/2022
 - Fire 29
 - Sheriff 60
 - General 182
 - Total 271

Recession

- The U.S. economy shrank in the last three months by **0.9%**.
- This is the second consecutive quarter where the economy has contracted. Two consecutive quarters of negative growth is often considered a recession.
- The National Bureau of Economic Research determines when the U.S. economy is in a recession

ACCG Fund Balance

County	Months of Reserve	Comments
Pierce	3	
Statesboro	3	In our financial policies for the General Fund, our stated policy ratio is 25% or 3 months. We have been as high as 41%, but the lowest sustainable figure is probably 16% +/-.
Troup	4.5	Anything collected beyond the 4.5 months rolls over into our Capital Reserve Budget
Habersham	1.42	GFOA recommends 25 percent or 90 days and I am working towards this goal for our county. I feel more comfortable at the 90 day reserve level.
Fayette	3	
Brooks	4 to 6	It is my opinion that a reserves balance should be indicative of the (1) operational needs that are required to meet (2) economic trends. Essentially, this should be a fluid number based on current and forecasted conditions. What your operational costs are today, may not be the same in 6-12mo, or year over year for that matter.
Houston	10	We've been there on 2-3 months reserves and do not ever wish to go back. I retain a warm fuzzy feeling anywhere above 6 months.
Jones	3	Currently closer to 8.5 months.
Peach	9.5	Peach County prefers to go no lower than 6 months
Thomas	7.8	
Cobb	3	

Expert guidance on rainy day funds varies. [Moody's](#) suggests a reserve fund of 30% to earn its top rating, but it is just one of a number of factors that go into a rating decision..



Cherokee County FY2023 Forecasted Fund Balance

	General Fund	Fire Fund
FY2022 Forecasted Fund Balance	\$61,777,615	\$10,599,974
FY2023 Budgeted Use of Reserves	(\$6,039,010)	(\$831,297)
FY2023 Forecasted Fund Balance	\$55,738,605	\$9,768,677
FY2023 Budgeted Expenditures	\$137,709,126	\$45,581,530
ARPA Annual Recurring Items		
Personnel	\$1,529,702	
EMS Squad Premium Pay	\$1,075,965	
Other	\$51,717	
FY2023 Adjusted Expenditures	\$140,366,510	\$45,581,530
Fund Balance Percentage of Expenditures	39.7%	21.4%
Months of Fund Balance	4.8	2.6