



# Quarterly Financial Report

For the Twelve Months Ended

June 30, 2019

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# Beaufort County School District

## 4th Quarter FY 19 Financial Summary

September 23, 2019  
(Unaudited)

A summary of the unaudited financial reports for the School District funds for the twelve months ended June 30, 2019 is attached. This summary is provided to the public and board members on a quarterly basis to keep them informed of the District's current financial condition. This report demonstrates the revenues and expenditures in a condensed format. Since these statements are prepared prior to our external audit, changes may occur.

The attached report is divided into the following areas:

1. **Schedule A: General Fund Revenue Summary**
2. **Schedule B: General Fund Revenue and Expenditure Summary**
3. **Schedule C: All Funds Summary**

### General Fund Revenues- Schedule A

Total General Fund revenues received are estimated at 96.2% (FY18 revenue collections were 102.2%):

#### Local Revenues

- Unaudited local property tax collections are 93.5%; prior year collections were 101.8%. FY 2019 tax collections (including delinquent) of \$134.4M were less than the budgeted amount by \$9.3M at June 30, 2019.
- Total estimated tax revenues are \$6.6M less than audited tax revenues for FY 2018. This is primarily due to a county wide reassessment in tax year 2018. The reassessment resulted in an overall increase in assessed value. Operating millage was rolled back 8.5% to 104.6 mills which resulted in a shortfall in tax collections for FY 2019.
- Delinquent taxes and penalties on taxes collected during July and August after each fiscal year are accrued into the prior fiscal year. The total amounts of the general fund accrual for delinquent taxes and penalties on taxes for FY 2018 and FY 2019 were \$1.6 million and \$1.0 million respectively.
- At the time of this report, the final interest allocation was not available from the County. Without this revenue, there is a shortfall of local other revenue in general fund in the amount of \$128,568. Based on historical information, we are estimating \$125k in additional interest income when the final allocation is received.

#### State, Federal and Other Revenues

- State revenues are estimated at 99.7% of the final budget at the end of June; prior year collections were 102.1%.
  - The largest difference was in EFA revenue where actual revenue was less than budgeted revenue by \$835,315. The budgeted amounts were based on data provided by the state during the budget preparation process and were adjusted by the state during the fiscal year.
- Federal revenue collections finished at 119.0% of the FY 2019 budget. Federal Impact Aid and E-Rate reimbursements make up this revenue source.

#### **General Fund Expenditures-Schedule B**

- Total spending is reported at 97.9% of the \$241.3M budget, prior year spending was 99.7%. This represents under spending of \$5,099,049 (2.1% of budget).
  - By the end of the fourth quarter, instructional spending in the General Fund amounted to 97.8% of the annual budget. Prior year spending was 99.8%.
  - Support programs and intergovernmental transfers reported spending of 97.1% and 108.2%, respectively, of the annual budget. Charter School payments are categorized as intergovernmental transfers and exceeded the budget due to state revisions of EFA student weightings and increased prior year revenues.

Chart A listed below summarizes the FY 2018-19 activities of the General Fund.

#### CHART A

|                             | FY 2018-19<br>Final<br>Budget | FY 2018-19<br>Projected<br>Actual* | FY 2018-19<br>Unaudited<br>Actual | Amount<br>Variance | Percent<br>Variance |
|-----------------------------|-------------------------------|------------------------------------|-----------------------------------|--------------------|---------------------|
| Total Revenues              | \$ 239,209,379                | \$ 231,194,460                     | \$ 230,037,345                    | \$ 9,172,034       | 3.8%                |
| Total Expenditures          | \$ 241,317,106                | \$ 240,717,106                     | \$ 236,218,057                    | \$ 5,099,049       | 2.1%                |
| Incr/(Decr) in Fund Balance | \$ (2,107,727)                | \$ (9,522,646)                     | \$ (6,180,712)                    | \$ 4,072,985       |                     |
| % of Next Year's Budget     | 14.75%                        | 11.83%                             | 13.14%                            |                    |                     |

\* Projections presented on 06/03/19 - County Council Finance Committee

#### **Fund Balance**

PE 3.B.1, 4.1, and 4.7

September 23, 2019

Monitoring Report

| Audited<br>FY 2018 | Budget<br>FY 2019 | Unaudited<br>FY 2019 |
|--------------------|-------------------|----------------------|
| \$39,606,899       | \$37,499,172      | \$33,426,187         |

The FY 2018-19 approved budget had a planned fund balance decrease of \$2,107,727. The current projected fund balance decrease is \$6.2M. The \$4.1M difference between the budgeted and projected increase in fund balance is primarily due to the tax collection shortfall caused by an excessive roll back of the operational millage rate offset by reductions in spending to address the shortfall.

Government Finance Officers Association best practices recommends 60 days of expenditures on hand. The unaudited results reflect 52 days, which is a nine-day decrease from the prior year.

**All Funds- See Schedule C attached.**

BEAUFORT COUNTY SCHOOL DISTRICT  
BEAUFORT, SOUTH CAROLINA  
GENERAL FUND REVENUE DETAIL  
YEAR ENDED JUNE 30, 2019  
UNAUDITED

|   | Budgeted Amounts |                | Unaudited      | Variance with  |        |
|---|------------------|----------------|----------------|----------------|--------|
|   | Original         | Final          | Actual         | Final Budget   |        |
| LOCAL                                   |                  |                |                |                |        |
| Ad Valorem Taxes-Including Delinquent   | \$ 143,707,242   | \$ 143,707,242 | \$ 134,424,808 | \$ (9,282,434) | 93.5%  |
| Penalties and Interest on taxes         | \$ 800,000       | \$ 800,000     | \$ 767,572     | \$ (32,428)    |        |
| Other                                   | \$ 633,500       | \$ 633,500     | \$ 504,932     | \$ (128,568)   |        |
| Total Local Revenues                    | \$ 145,140,742   | \$ 145,140,742 | \$ 135,697,312 | \$ (9,443,430) |        |
| STATE                                   |                  |                |                |                |        |
| Retiree Insurance                       | \$ 4,779,728     | \$ 4,779,728   | \$ 5,265,497   | \$ 485,769     |        |
| Fringe Benefits Employer Contribution   | \$ 7,265,781     | \$ 7,265,781   | \$ 7,319,980   | \$ 54,199      |        |
| Reimb. For Local Property Taxes         | \$ 45,550,014    | \$ 45,550,014  | \$ 45,441,618  | \$ (108,396)   |        |
| Education Finance Act (EFA)             | \$ 16,574,183    | \$ 16,574,183  | \$ 15,738,868  | \$ (835,315)   |        |
| School Bus Driver Salary                | \$ 1,266,397     | \$ 1,266,397   | \$ 1,200,977   | \$ (65,420)    |        |
| Reimbursement Local Property Tax Relief | \$ 7,036,261     | \$ 7,036,261   | \$ 7,036,261   | \$ -           |        |
| Merchant's Inventory Tax                | \$ 332,079       | \$ 332,079     | \$ 332,079     | \$ -           |        |
| Homestead Exemption                     | \$ 2,045,867     | \$ 2,045,867   | \$ 2,045,867   | \$ -           |        |
| PEBA-On Behalf Payment                  | \$ 1,200,000     | \$ 1,200,000   | \$ 1,207,017   | \$ 7,017       |        |
| Other State Sources                     | \$ 185,000       | \$ 185,000     | \$ 424,605     | \$ 239,605     |        |
| Total State Revenues                    | \$ 86,235,310    | \$ 86,235,310  | \$ 86,012,769  | \$ (222,541)   | 99.7%  |
| FEDERAL                                 | \$ 680,000       | \$ 680,000     | \$ 809,072     | \$ 129,072     | 119.0% |
| Transfers In                            | \$ 7,153,327     | \$ 7,153,327   | \$ 7,518,192   | \$ 364,865     |        |
| TOTAL REVENUE                           | \$ 239,209,379   | \$ 239,209,379 | \$ 230,037,345 | \$ (9,172,034) | 96.2%  |



BEAUFORT COUNTY SCHOOL DISTRICT  
BEAUFORT, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019

|  | Budgeted Amounts |                | Actual          | Variance with<br>Final Budget |        |
|--|------------------|----------------|-----------------|-------------------------------|--------|
|  | Original         | Final          |                 |                               |        |
| REVENUES   |                  |                |                 |                               |        |
| Local  | \$ 145,140,742   | \$ 145,140,742 | \$ 135,697,312  | \$ (9,443,430)                |        |
| State  | \$ 86,235,310    | \$ 86,235,310  | \$ 86,012,769   | \$ (222,541)                  |        |
| Federal  | \$ 680,000       | \$ 680,000     | \$ 809,072      | \$ 129,072                    |        |
| Total Revenues   | \$ 232,056,052   | \$ 232,056,052 | \$ 222,519,153  | \$ (9,536,899)                | 95.9%  |
| EXPENDITURES   |                  |                |                 |                               |        |
| Current  |                  |                |                 |                               |        |
| Instruction  | \$ 144,568,321   | \$ 144,627,130 | \$ 141,466,264  | \$ 3,160,866                  | 97.8%  |
| Support services   | \$ 90,731,790    | \$ 90,672,981  | \$ 88,082,348   | \$ 2,590,633                  | 97.1%  |
| Payments to other governmental units                         | \$ 5,866,995     | \$ 5,866,995   | \$ 6,347,868    | \$ (480,873)                  | 108.2% |
| Debt service-interest  | \$ 40,000        | \$ 40,000      | \$ 23,661       | \$ 16,339                     |        |
| Total Expenditures   | \$ 241,207,106   | \$ 241,207,106 | \$ 235,920,141  | \$ 5,286,965                  | 97.8%  |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ (9,151,054)   | \$ (9,151,054) | \$ (13,400,988) | \$ (4,249,934)                |        |
| OTHER FINANCING SOURCES (USES)                               |                  |                |                 |                               |        |
| Transfers in   | 7,153,327        | 7,153,327      | 7,518,192       | 364,865                       |        |
| Transfers out  | (110,000)        | (110,000)      | (297,916)       | (187,916)                     |        |
| Total other financing sources (uses)                         | 7,043,327        | 7,043,327      | 7,220,276       | 176,949                       |        |
| Net change in fund balances                                  | (2,107,727)      | (2,107,727)    | (6,180,712)     | (4,072,985)                   |        |
| FUND BALANCES, BEGINNING OF YEAR                             | 39,606,899       | 39,606,899     | 39,606,899      | -                             |        |
| FUND BALANCES, END OF YEAR                                   | \$ 37,499,172    | \$ 37,499,172  | \$ 33,426,187   | \$ (4,072,985)                |        |
| Total Expenditures + Transfers Out                           | \$ 241,317,106   | \$ 241,317,106 | \$ 236,218,057  | \$ 5,099,049                  | 97.9%  |
| Next Year's Budgeted Expenditures                            |                  |                | \$ 254,297,442  |                               |        |
| Percentage of Next Year's Budgeted Expenditures              |                  |                | 13.14%          |                               |        |

| REVENUES  |                        |            |                  |                   |                       |                   |                       |               |  |
|---|------------------------|------------|------------------|-------------------|-----------------------|-------------------|-----------------------|---------------|--|
| General Fund  | Special Projects Funds | EIA        | Capital Projects | Debt Service Fund | Internal Service Fund | Food Service Fund | Student Activity Fund | Total         |  |
| Local   |                        |            |                  |                   |                       |                   |                       |               |  |
| Property Taxes  | -                      | -          | -                | 60,583,296        | -                     | -                 | -                     | 195,008,104   |  |
| Interest  | 23,322                 | -          | 1,052,670        | 4,507             | -                     | 1,920             | 1,965                 | 1,084,384     |  |
| Insurance Proceeds  | -                      | -          | -                | -                 | 358,392               | -                 | -                     | 358,392       |  |
| Other   | 1,249,182              | 928,048    | 1,106,581        | 273,709           | 840,455               | 1,738,703         | 4,236,603             | 10,373,281    |  |
| Total Local   | 135,697,312            | 928,048    | 2,159,251        | 60,861,512        | 1,198,847             | 1,740,623         | 4,238,568             | 206,824,161   |  |
| State   | 86,012,769             | 3,931,526  | 14,604,018       | 211,143           | -                     | -                 | -                     | 104,759,456   |  |
| Federal   | 809,072                | 12,228,066 | 79,893           | -                 | -                     | 8,723,443         | -                     | 21,840,474    |  |
| Total Revenues  | 222,519,153            | 17,087,640 | 14,604,018       | 61,072,655        | 1,198,847             | 10,464,066        | 4,238,568             | 333,424,091   |  |
| EXPENDITURES  |                        |            |                  |                   |                       |                   |                       |               |  |
| Current   |                        |            |                  |                   |                       |                   |                       |               |  |
| Instruction   | 141,466,264            | 10,948,210 | 5,862,871        | -                 | 567,317               | -                 | 329,851               | 159,174,513   |  |
| Support services  | 88,082,348             | 5,164,468  | 1,669,932        | -                 | 273,138               | 10,440,843        | 3,404,815             | 136,338,117   |  |
| Community services  | -                      | 254,111    | -                | -                 | -                     | -                 | -                     | 254,111       |  |
| Intergovernmental services                                | 6,347,868              | 720,851    | -                | -                 | -                     | 262,804           | -                     | 7,331,523     |  |
| Debt service  | -                      | -          | -                | 46,880,700        | -                     | -                 | -                     | 46,880,700    |  |
| Principal   | -                      | -          | -                | 12,762,990        | -                     | -                 | -                     | 12,766,651    |  |
| Interest  | 23,661                 | -          | -                | 44,519            | -                     | -                 | -                     | 44,519        |  |
| Other objects   | -                      | -          | -                | -                 | -                     | -                 | -                     | -             |  |
| Total Expenditures  | 235,920,141            | 17,087,640 | 7,532,803        | 59,688,209        | 840,455               | 10,703,647        | 3,734,666             | 362,810,134   |  |
| Excess (deficiency) of revenues over (under) expenditures | (13,400,988)           | -          | 7,071,215        | 1,384,446         | 358,392               | (239,581)         | 503,902               | (29,386,043)  |  |
| OTHER FINANCING SOURCES (USES)                            |                        |            |                  |                   |                       |                   |                       |               |  |
| Transfers in  | 7,518,192              | -          | 103,870          | 2,723,958         | -                     | 110,000           | -                     | 10,456,020    |  |
| Transfers out   | (297,916)              | -          | -                | (2,723,958)       | -                     | -                 | -                     | (10,093,089)  |  |
| Sale of capital assets                                    | -                      | -          | 3,831            | -                 | -                     | -                 | -                     | 3,831         |  |
| Premium on general obligations bonds                      | -                      | -          | 1,485,732        | 23,746            | -                     | -                 | -                     | 1,509,478     |  |
| Proceeds of Gen Obligation Bonds                          | -                      | -          | 29,250,000       | -                 | -                     | -                 | -                     | 29,250,000    |  |
| TOAL OTHER FINANCING SOURCES (USES)                       | 7,220,276              | -          | (7,071,215)      | 23,746            | -                     | 110,000           | -                     | 31,126,240    |  |
| Net change in fund balances                               | (6,180,712)            | -          | -                | 1,408,192         | 358,392               | (129,581)         | 503,902               | 1,740,197     |  |
| FUND BALANCE JULY 1, 2018                                 | 39,606,899             | -          | -                | 26,856,298        | 1,019,332             | 2,220,425         | 2,102,052             | 87,868,804    |  |
| FUND BALANCE AT JUNE 30, 2019                             | \$ 33,426,187          | \$ -       | \$ -             | \$ 32,636,302     | \$ 17,471,990         | \$ 1,377,724      | \$ 2,605,954          | \$ 89,609,001 |  |
| Percentage of Next Year's Budget                          | 13.14%                 |            |                  |                   |                       |                   |                       |               |  |