

Beaufort County Board of Education
Beaufort, South Carolina

Performance Expectations
PE 4.7 Monitoring
(includes PE 3.B.1 and PE 4.1)

FY 2020 Fourth Quarter Financial Statements
For Period Ending June 30, 2020

Date: September 15, 2020

I hereby present the FY2020 Fourth Quarter Financial Statements monitoring report for Performance Expectations 3.B.1, 4.1 and 4.7 according to the schedule set by the Beaufort County Board of Education. I certify the information contained in this report is true.

Date: 9/4/2020

Signed: 
Tonya Crosby
Chief Financial Officer

Accepted:

Date: 9/4/2020

Signed: 
Dr. Frank Rodriguez
Superintendent

Accepted:

Date: _____

Signed: _____
Christina Gwozdz
Board Chair

4.7 Provide the Board with quarterly financial reports for operations, referendum projects, and 8% projects.

- Report to the Board on a quarterly basis the current financial status of the District's operations and ongoing referendum and 8% capital projections

Statement of Compliance

The District is in compliance with PE 4.7.

Evidence of Compliance

Attached are the FY 2020 fourth quarter financial statements as well as a narrative describing the District's financial condition as of June 30, 2020.

3.B.1 Expend only those funds received in the fiscal year unless revenues are made available through other legal means, including the use of fund balances, the authorized transfer of funds from reserve funds, and tax anticipation notes.

Superintendent's interpretation

- Monitor the District's receipt of revenue vs. its expenditures
- Advise the Board of the status of revenues vs. expenditures
- Request Board authorization, as necessary, to utilize alternative revenue sources to satisfy expenses

Statement of Compliance

The District is in compliance with PE 3.B.1.

Evidence of Status of Compliance

Attached are the FY 2020 fourth quarter financial statements as well as a narrative describing the District's financial condition as of June 30, 2020.

4.1 Allocate resources based on the Board-adopted budget.

Superintendent's interpretation

- Work closely with others responsible to align department budgets with the Board's Policies and the District's Strategic plan before presenting the proposed budget for approval; and
- Monitor regularly department expenditures to ensure conformance with approved departmental budgets

Statement of Compliance

The District is in compliance with PE 4.1.

Evidence of Compliance

Attached are the FY 2020 fourth quarter financial statements as well as a narrative describing the District's financial condition as of June 30, 2020.



Quarterly Financial Report

For the Twelve Months Ended

June 30, 2020

Dr. Frank Rodriguez, Superintendent
Tonya Crosby, Chief Financial Officer
2900 Mink Point Blvd, P.O. Drawer 309
Beaufort, South Carolina 29902

www.beaufortschools.net



Beaufort County School District

4th Quarter FY 20 Financial Summary

September 15, 2020
(Unaudited)

A summary of the unaudited financial reports for the School District funds for the twelve months ended June 30, 2020 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 99.7% (FY19 revenue collections were 96.2%):

Local Revenues

- Unaudited local property tax collections are 98.6%; prior year collections were 93.5%. FY 2020 tax collections (including delinquent) of \$147.6M were less than the budgeted amount by \$2.1M at June 30, 2020.
- Total estimated tax revenues are \$13.2M more than audited tax revenues for FY 2019. This is primarily due to an increase in operating millage from 104.6 mills to 114.0 mills.
- 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 2019 were \$1.6 million and are estimating \$1.6 million for FY 2020. At the time of this report, August delinquent taxes and penalties were not available.
- The final interest allocation was also not available from the County as of the date of this report. 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 100.9% of the final budget at the end of June; prior year collections were 99.7%.
 - The largest difference was in Retiree Insurance revenue where actual revenue was more than budgeted revenue by \$534,131. Actual EFA funding was \$268,765 greater than budgeted. 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 146.0% of the FY 2020 budget. Federal Impact Aid, E-Rate funds, and FEMA reimbursements from Hurricane Matthew make up this revenue source.

General Fund Expenditures-Schedule B

- Total spending is reported at 95.4% of the \$254.2M budget, prior year spending was 97.8%. This represents under spending of \$11,663,971 (4.6% of budget).
 - By the end of the fourth quarter, instructional spending in the General Fund amounted to 95.3% of the annual budget. Prior year spending was 97.8%.
 - Support programs and intergovernmental transfers reported spending of 94.9% and 105.3%, respectively, of the annual budget. Charter School payments are categorized as intergovernmental transfers and exceeded the budget due to an increase in student enrollment.

Chart A listed below summarizes the FY 2019-20 activities of the General Fund.

CHART A					
	FY 2019-20 Final Budget	FY 2019-20 Projected Actual*	FY 2019-20 Unaudited Actual	Amount Variance	Percent Variance
Total Revenues	\$ 253,224,859	\$ 250,894,884	\$ 252,478,889	\$ 745,970	0.3%
Total Expenditures	\$ 254,297,442	\$ 248,797,442	\$ 242,633,471	\$ 11,663,971	4.6%
Incr/(Decr) in Fund Balance	\$ (1,072,583)	\$ 2,097,442	\$ 9,845,419	\$ (10,918,002)	
% of Next Year's Budget	12.77%	14.02%	17.06%		

* Projections presented on 05/19/20 - Beaufort County Board of Education

Fund Balance

Audited FY 2019	Budget FY 2020	Unaudited FY 2020
\$33,546,772	\$32,474,189	\$43,392,191

The FY 2019-20 approved budget had a planned fund balance decrease of \$1,072,583. The current projected fund balance increase is \$9.8M. The \$10.9M difference between the budgeted and projected decrease in fund balance is primarily due to reductions in spending as a result of COVID-19 curtailments.

Government Finance Officers Association best practices recommends 60 days of expenditures on hand. The unaudited results reflect 62 days, which is a seven-day increase 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, 2020
UNAUDITED**

	Budgeted Amounts		Unaudited Actual	Variance with Final Budget	
	Original	Final			
LOCAL					
Ad Valorem Taxes-Including Delinquent	\$ 149,733,105	\$ 149,733,105	\$ 147,582,913	\$ (2,150,192)	98.6%
Penalties and Interest on taxes	\$ 800,000	\$ 800,000	\$ 716,863	\$ (83,137)	
Other	\$ 1,118,500	\$ 1,118,500	\$ 1,394,341	\$ 275,841	
Total Local Revenues	<u>\$ 151,651,605</u>	<u>\$ 151,651,605</u>	<u>\$ 149,694,116</u>	<u>\$ (1,957,489)</u>	
STATE					
Retiree Insurance	\$ 5,265,497	\$ 5,265,497	\$ 5,799,628	\$ 534,131	
Fringe Benefits Employer Contribution	\$ 7,901,292	\$ 7,901,292	\$ 8,001,333	\$ 100,041	
Reimb. For Local Property Taxes	\$ 46,327,162	\$ 46,327,162	\$ 46,320,250	\$ (6,912)	
Education Finance Act (EFA)	\$ 21,914,148	\$ 21,914,148	\$ 22,182,913	\$ 268,765	
School Bus Driver Salary	\$ 1,100,000	\$ 1,100,000	\$ 1,139,631	\$ 39,631	
Reimbursement Local Property Tax Relief	\$ 7,036,261	\$ 7,036,261	\$ 7,036,261	\$ 0	
Merchant's Inventory Tax	\$ 332,079	\$ 332,079	\$ 332,079	\$ 0	
Homestead Exemption	\$ 2,045,867	\$ 2,045,867	\$ 2,045,867	\$ 0	
PEBA-On Behalf Payment	\$ 1,200,000	\$ 1,200,000	\$ 1,206,425	\$ 6,425	
Other State Sources	\$ 225,000	\$ 225,000	\$ 111,669	\$ (113,331)	
Total State Revenues	<u>\$ 93,347,306</u>	<u>\$ 93,347,306</u>	<u>\$ 94,176,056</u>	<u>\$ 828,750</u>	100.9%
FEDERAL	\$ 690,000	\$ 690,000	\$ 1,007,698	\$ 317,698	146.0%
Transfers In	\$ 7,535,948	\$ 7,535,948	\$ 7,601,019	\$ 65,071	
TOTAL REVENUE	<u><u>\$ 253,224,859</u></u>	<u><u>\$ 253,224,859</u></u>	<u><u>\$ 252,478,889</u></u>	<u><u>\$ (745,970)</u></u>	99.7%

**BEAUFORT COUNTY SCHOOL DISTRICT
BEAUFORT, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	
REVENUES					
Local	\$ 151,651,605	\$ 151,651,605	\$ 149,694,116	\$ (1,957,489)	
State	\$ 93,347,306	\$ 93,347,306	\$ 94,176,056	\$ 828,750	
Federal	\$ 690,000	\$ 690,000	\$ 1,007,698	\$ 317,698	
Total Revenues	<u>\$ 245,688,911</u>	<u>\$ 245,688,911</u>	<u>\$ 244,877,870</u>	<u>\$ (811,041)</u>	99.7%
EXPENDITURES					
Current					
Instruction	\$ 154,323,779	\$ 154,165,473	\$ 146,993,223	\$ 7,172,250	95.3%
Support services	\$ 93,392,462	\$ 93,550,768	\$ 88,737,980	\$ 4,812,788	94.9%
Payments to other governmental units	\$ 6,411,201	\$ 6,411,201	\$ 6,752,293	\$ (341,092)	105.3%
Debt service-interest	\$ 60,000	\$ 60,000	\$ 39,975	\$ 20,025	
Total Expenditures	<u>\$ 254,187,442</u>	<u>\$ 254,187,442</u>	<u>\$ 242,523,471</u>	<u>\$ 11,663,971</u>	95.4%
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (8,498,531)</u>	<u>\$ (8,498,531)</u>	<u>\$ 2,354,400</u>	<u>\$ 10,852,931</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	7,535,948	7,535,948	7,601,019	65,071	
Transfers out	(110,000)	(110,000)	(110,000)	-	
Total other financing sources (uses)	<u>7,425,948</u>	<u>7,425,948</u>	<u>7,491,019</u>	<u>65,071</u>	
Net change in fund balances	(1,072,583)	(1,072,583)	9,845,419	10,918,002	
FUND BALANCES, BEGINNING OF YEAR	<u>33,546,772</u>	<u>33,546,772</u>	<u>33,546,772</u>	<u>-</u>	
FUND BALANCES, END OF YEAR	<u>\$ 32,474,189</u>	<u>\$ 32,474,189</u>	<u>\$ 43,392,191</u>	<u>\$ 10,918,002</u>	
Total Expenditures + Transfers Out	\$ 254,297,442	\$ 254,297,442	\$ 242,633,471	\$ 11,663,971	95.4%
Next Year's Budgeted Expenditures			\$ 254,297,442		
Percentage of Next Year's Budgeted Expenditures			17.06%		

	General Fund	Special Projects Funds	EIA	Capital Projects	Debt Service Fund	Internal Service Fund	Food Service Fund	Student Activity Fund	Total
REVENUES									
Local									
Property Taxes	147,582,913	-	-	-	62,421,966	-	-	-	210,004,878
Interest	23,322	-	-	1,669,040	186,349	-	1,658	1,710	1,882,080
Insurance Proceeds	-	-	-	-	-	48,026	-	-	48,026
Other	2,087,882	399,629	-	675,382	16	1,131,038	1,269,475	3,199,038	8,762,459
Total Local	149,694,116	399,629	-	2,344,423	62,608,330	1,179,064	1,271,133	3,200,749	220,697,443
State	94,176,056	15,065,944	14,590,353	-	1,330,568	-	-	-	125,162,921
Federal	1,007,698	368,685	-	19,885	-	-	8,732,454	-	10,128,722
Total Revenues	244,877,870	15,834,257	14,590,353	2,364,307	63,938,898	1,179,064	10,003,587	3,200,749	355,989,086
EXPENDITURES									
Current									
Instruction	146,993,223	14,603,911	14,590,353			1,057,173			177,244,661
Support services	88,737,980	1,230,346		32,568,581		73,864	9,931,397	2,758,335	135,300,503
Community services			-						-
Intergovernmental services	6,752,293		-						6,752,293
Debt service									
Principal					55,580,900				55,580,900
Interest	39,975				11,693,683				11,733,658
Other objects				244,986	34,782				279,768
Total Expenditures	242,523,471	15,834,257	14,590,353	32,813,567	67,309,365	1,131,038	9,931,397	2,758,335	386,891,783
Excess (deficiency) of revenues over (under) expenditures	2,354,400	-	-	(30,449,260)	(3,370,467)	48,026	72,191	442,413	(30,902,697)
OTHER FINANCING SOURCES (USES)									
Transfers in	7,601,019	-	-	14,063,512	2,724,007	-	110,000	-	24,498,538
Transfers out	(110,000)	-	-	(14,148,297)	(2,724,007)	-	-	-	(16,982,304)
Sale of capital assets	-	-	-	43,136	-	-	-	-	43,136
Premium on general obligations bonds	-	-	-	7,723,210	11,343	-	-	-	7,734,552
Proceeds of Gen Obligation Bonds	-	-	-	93,980,747	-	-	-	-	93,980,747
TOAL OTHER FINANCING SOURCES (USES)	7,491,019	-	-	101,662,308	11,343	-	110,000	-	109,274,669
Net change in fund balances	9,845,419	-	-	71,213,048	(3,359,124)	48,026	182,191	442,413	78,371,973
FUND BALANCE JULY 1, 2019	33,546,772	-	-	30,359,266	19,102,507	1,377,723	2,387,061	2,605,955	89,379,284
FUND BALANCE AT JUNE 30, 2020	\$ 43,392,191	\$ -	\$ -	\$ 101,572,314	\$ 15,743,383	\$ 1,425,749	\$ 2,569,252	\$ 3,048,368	\$ 167,751,257
Percentage of Next Year's Budget	17.06%								