

Agenda Request Form

Cherokee County School District

Meeting Date
September 19, 2019

Agenda Item Number
D-1

Title
July 2019 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of July 2019 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for July 2019 See Attached Reports
Major System Priority
Increasing Accountability
Financial Impact
N/A
Exhibits: (List)
Financial Report and Sales Tax Update

Board Action
(For Official School Board Records Only)

Source of Additional Information
Kenneth Owen 770.479.1871 Dr. Brian V. Hightower 770.479.1871

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

Approved in Open Board Meeting on: _____
(Date)

By: _____
(School Board Chairman)

CHEROKEE COUNTY BOARD OF EDUCATION

Dr. Brian V. Hightower, Superintendent

Kenneth Owen, Chief Financial Officer

FINANCIAL REPORT

JULY 2019

General Fund

For the month ending July 31, 2019, the first month of the 2019-20 Fiscal Year, the School District's Operating Account (General Fund) has received \$3,236,348 in revenue (year-to-date) consisting of state funds of \$2,994,376 (1% of budget), and other funds of \$241,972 (7% of budget). All operating expenditures of \$7,356,810 (2% of budget) are within the Board of Education's approved 2019-20 budget.

Building Fund/EdSPLOST Collections

The Capital Outlay Fund balance of \$12,026,012 as of July 31, 2019 reflects proceeds of bond sales for capital outlay purposes, less bond refundings, transfers from the General Fund, bond issuance costs, and capital outlay expenses paid.

Cherokee County School District received \$3,621,310 in July 2019, for the month of June 2019, the 18th month of 60 monthly sales tax collections for the 2018-2022 EdSPLOST. Collections received were above projections (detail included) for the month by \$694,523 and above cumulative projections by \$10,916,397. For timely and proper reporting, June EdSPLOST revenue was accrued in June 2019 in the Debt Service Fund.

EdSPLOST 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 EdSPLOST 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 July 31, 2019 is \$46,553,716 representing funds accumulated from EdSPLOST collections, collections from the one mill 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 July 31, 2019 is \$6,578,428 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 JULY 31, 2019
BALANCE SHEET

			GENERAL FUND		DEBT SERVICE FUND		BUILDING FUND		FED FUNDS AND SCHOOL NUTRITION		TOTAL
<u>ASSETS</u>											
Cash			\$ 44,878,611		\$ 28,022,988		\$ 12,240,546		\$ 2,102,311		\$ 87,244,456
Investments			1,666,227		18,501,763		-		-		20,167,990
Inventory			143,516		-		-		632,503		776,019
Accounts Receivable			17,656,168		28,965		-		4,833,195		22,518,328
TOTAL ASSETS			\$ 64,344,522		\$ 46,553,716		\$ 12,240,546		\$ 7,568,009		\$ 130,706,793
<u>LIABILITIES</u>											
Salaries and Benefits Payable			\$ 11,691,633		\$ -		\$ -		\$ 168,040		\$ 11,859,673
Accounts Payable			1,583,902		-		214,534		821,541		2,619,977
<u>FUND BALANCE</u>											
Fund Balance 7/31/2019			51,068,987		46,553,716		12,026,012		6,578,428		116,227,143
TOTAL LIABILITIES AND FUND BALANCE			\$ 64,344,522		\$ 46,553,716		\$ 12,240,546		\$ 7,568,009		\$ 130,706,793
<u>REVENUE AND EXPENSE</u>											
Revenue			\$ 3,236,348		\$ 1,624,545		\$ 115,486		\$ 300,070		\$ 5,276,449
Expense			7,356,810		26,669,435		2,571,735		487,015		37,084,995
Excess Revenue over Expense			(4,120,462)		(25,044,890)		(2,456,249)		(186,945)		\$ (31,808,546)
BEGINNING FUND BALANCE 7/01/2019			55,189,449		71,598,606		14,482,261		6,765,373		148,035,689
ENDING FUND BALANCE 7/31/2019			\$ 51,068,987		\$ 46,553,716		\$ 12,026,012		\$ 6,578,428		\$ 116,227,143

**General Fund
Comparison of Budget to Actual
July 1, 2019 to July 31, 2019**

<u>Description</u>	<u>2019-20 Budget</u>	<u>Year to Date</u>	<u>Available Budget</u>
<u>Revenue</u>			
Federal	\$ 168,238	-	\$ 168,238
Local	184,402,912	-	184,402,912
State	232,765,766	2,994,376	229,771,390
Other	3,490,472	241,972	3,248,500
Tan	9,750,000	-	9,750,000
Total Revenue	\$ 430,577,388	3,236,348	\$ 427,341,040
<u>Expense</u>			
Instructional Services	\$ 289,098,233	\$ 1,291,350	\$ 287,806,883
Pupil Services	17,150,954	148,515	17,002,439
Improvement of Instructional Services	14,544,707	828,880	13,715,827
Instructional Staff Training	486,551	15,446	471,105
Educational Media Services	5,213,589	14	5,213,575
General Administration	3,092,156	259,487	2,832,669
School Administration	26,938,663	1,772,958	25,165,705
Support Services - Business	2,887,636	226,829	2,660,807
Maintenance & Operation of Plant	30,788,776	1,744,518	29,044,258
Student Transportation Services	22,700,754	345,439	22,355,315
Support Services - Central	4,860,206	675,932	4,184,274
Facilities Acquisition and Construction Services	317,155	47,442	269,713
Outgoing Transfers	1,777,096	-	1,777,096
Debt Service	9,777,659	-	9,777,659
Total Expense	\$ 429,634,135	\$ 7,356,810	\$ 422,277,325
Excess Revenue over Expense	\$ 943,253	\$ (4,120,462)	\$ 5,063,715

1% SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
AS OF JULY 2019

<u>REPORTING MONTH</u>	<u>60 MONTH COLLECTION PERIOD</u>	<u>PROJECTED COLLECTIONS</u>	<u>BOE 1% COLLECTIONS</u>	<u>DIFFERENCE BETWEEN ACTUAL AND PROJECTED COLLECTIONS</u>
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	3,366,506	547,954
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
		<u>\$ 50,504,071</u>	<u>\$ 61,420,468</u>	<u>\$ 10,916,397</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.