Agenda Request Form

Cherokee County School District

Meeting Date	Agenda Item Number
September 19, 2019	D-2

Title

August 2019 Financial Report and Sales Tax Update

Requested Action

School Board Consideration of Superintendent's Recommendation for Approval of August 2019 Financial Report and Sales Tax Update

Summary Explanation and Background

Financial Report for August 2019

See Attached Reports

Major System Priority

Increasing Accountability

Financial Impact

N/A

Exhibits: (List)

Financial Report and Sales Tax Update

Board Action	Source of Additional Information
(For Official School Board Records Only)	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)

Initialized: 3/3/99
Revised: 2/1/16

CHEROKEE COUNTY BOARD OF EDUCATION
Dr. Brian V. Hightower, Superintendent
Kenneth Owen, Chief Financial Officer

FINANCIAL REPORT
AUGUST 2019

General Fund

For the month ending August 31, 2019, the second month of the 2019-20 Fiscal Year, the School District's Operating Account (General Fund) has received $7,685,702 in revenue (year-to-date) consisting of state funds of $6,031,242 (3% of budget), $1,345,921 local taxes (1% of budgeted amount), and other funds of $308,539 (2% of budget). All operating expenditures of $41,772,716 (10% of budget) are within the Board of Education's approved 2019-20 budget.

Building Fund/EdSPLOST Collections

The Capital Outlay Fund balance of $13,832,435 as of August 31, 2019 reflects Special Purpose Local Option Sales Tax for Education (EdSPLOST) collections for July 2019, 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 $3,871,832 in August 2019, for the month of July 2019, the 19th month of 60 monthly sales tax collections for the 2018-2022 EdSPLOST. Collections received were above projections (detail included) for the month by $914,049 and above cumulative projections by $11,830,446.

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 August 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 August 31, 2019 is $6,991,653 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 AUGUST 31, 2019

BALANCE SHEET

	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS AND SCHOOL NUTRITION	TOTAL
ASSETS					
Cash	$ 30,886,939	$ 28,051,953	$ 13,832,435	$ 1,622,377	$ 74,393,704
Investments	1,666,454	18,501,763	-	-	20,168,217
Inventory	144,146	-	-	643,557	787,703
Accounts Receivable	444,494	-	-	5,864,958	6,309,452
TOTAL ASSETS	$ 33,142,033	$ 46,553,716	$ 13,832,435	$ 8,130,892	$ 101,659,076
LIABILITIES					
Salaries and Benefits Payable	$ 12,034,537	$ -	$ -	$ 139,641	$ 12,174,178
Accounts Payable	5,061	-	-	999,598	1,004,659
FUND BALANCE					
Fund Balance 8/31/2019	21,102,435	46,553,716	13,832,435	6,991,653	88,480,239
TOTAL LIABILITIES AND FUND BALANCE	$ 33,142,033	$ 46,553,716	$ 13,832,435	$ 8,130,892	$ 101,659,076

REVENUE AND EXPENSE

Revenue	$ 7,685,702	$ 1,624,545	$ 3,987,318	$ 3,468,463	$ 16,766,028
Expense	41,772,716	26,669,435	4,637,144	3,250,140	76,329,435
Excess Revenue over Expense	(34,087,014)	(25,044,890)	(649,826)	218,323	$ (59,563,407)
BEGINNING FUND BALANCE 7/01/2019	55,189,449	71,598,606	14,482,261	6,773,330	148,043,646
ENDING FUND BALANCE 8/31/2019	**$ 21,102,435**	**$ 46,553,716**	**$ 13,832,435**	**$ 6,991,653**	**$ 88,480,239**

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

Description	2019-20 Budget	Year to Date	Available Budget
Revenue			
Federal	$ 168,238	-	$ 168,238
Local	184,402,912	1,345,921	183,056,991
State	232,765,766	6,031,242	226,734,524
Other	3,490,472	308,539	3,181,933
Tan	9,750,000	-	9,750,000
Total Revenue	**$ 430,577,388**	**7,685,702**	$ 422,891,686
Expense			
Instructional Services	$ 289,098,233	$ 25,352,447	$ 263,745,786
Pupil Services	17,150,954	1,505,117	15,645,837
Improvement of Instructional Services	14,544,707	2,149,644	12,395,063
Instructional Staff Training	486,551	44,162	442,389
Educational Media Services	5,213,589	392,497	4,821,092
General Administration	3,092,156	650,978	2,441,178
School Administration	26,938,663	3,980,571	22,958,092
Support Services - Business	2,887,636	452,645	2,434,991
Maintenance & Operation of Plant	30,788,776	3,992,212	26,796,564
Student Transportation Services	22,700,754	2,219,142	20,481,612
Support Services - Central	4,860,206	956,329	3,903,877
Facilities Acquisition and Construction Services	317,155	76,972	240,183
Outgoing Transfers	1,777,096	-	1,777,096
Debt Service	9,777,659	-	9,777,659
Total Expense	**$ 429,634,135**	**$ 41,772,716**	$ 387,861,419
Excess Revenue over Expense	**$ 943,253**	**$ (34,087,014)**	$ 35,030,267

1% SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH AUGUST 2019

REPORTING MONTH	60 MONTH COLLECTION PERIOD	PROJECTED COLLECTIONS	BOE 1% COLLECTIONS	DIFFERENCE BETWEEN ACTUAL AND PROJECTED COLLECTIONS
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
August 2019	**July 2019 (19)**	2,957,783	3,871,832	914,049
		$ 53,461,854	$ 65,292,300	$ 11,830,446

CHEROKEE COUNTY SCHOOL DISTRICT
1% SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
2018-2022 PROJECTED COLLECTIONS

	2018	2018-19	2019-20	2020-21	2021-22	2022
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	$ 16,152,539	$ 34,351,532	$ 35,382,079	$ 36,443,540	$ 37,536,847	$ 19,937,733
Total Projected Collections						$ 179,804,270

The amount shown in each month is the expected collection amount. Actual receipt would occur in the subsequent month.

Revised August 28, 2017