

Agenda Request Form

Cherokee County School District

Meeting Date
October 17, 2019

Agenda Item Number
D-1

Title
September 2019 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of September 2019 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for September 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

SEPTEMBER 2019

General Fund

For the month ending September 30, 2019, the third month of the 2019-20 Fiscal Year, the School District's Operating Account (General Fund) has received \$40,151,368 in revenue (year-to-date) consisting of state funds of 25,836,817 (11% of budget), \$3,904,321 local taxes (2% of budgeted amount), and other funds of \$10,410,230 (78% of budget). All operating expenditures of \$77,742,904 (18% of budget) are within the Board of Education's approved 2019-20 budget.

Building Fund/EdSPLOST Collections

The Capital Outlay Fund balance of \$13,391,628 as of September 30, 2019 reflects Special Purpose Local Option Sales Tax for Education (EdSPLOST) collections for August 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 \$3,627,866 in September 2019, for the month of August 2019, the 20th month of 60 monthly sales tax collections for the 2018-2022 EdSPLOST. Collections received were above projections (detail included) for the month by \$724,757 and above cumulative projections by \$12,555,203.

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 September 30, 2019 is \$46,694,544 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 September 30, 2019 is \$6,765,373 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 SEPTEMBER 30, 2019

BALANCE SHEET										
			GENERAL FUND		DEBT SERVICE FUND		BUILDING FUND		FED FUNDS AND SCHOOL NUTRITION	TOTAL
ASSETS										
Cash			\$ 28,492,781		\$ 28,129,592		\$ 13,391,628		\$ 3,279,529	\$ 73,293,530
Investments			1,666,653		18,564,952		-		-	20,231,605
Inventory			215,062		-		-		657,614	872,676
Accounts Receivable			533,856		-		-		4,023,604	4,557,460
TOTAL ASSETS			\$ 30,908,352		\$ 46,694,544		\$ 13,391,628		\$ 7,960,747	\$ 98,955,271
LIABILITIES										
Salaries and Benefits Payable			\$ 13,115,057		\$ -		\$ -		\$ 417,047	\$ 13,532,104
Accounts Payable			195,382		-		-		778,327	973,709
FUND BALANCE										
Fund Balance 9/30/2019			17,597,913		46,694,544		13,391,628		6,765,373	84,449,458
TOTAL LIABILITIES AND FUND BALANCE			\$ 30,908,352		\$ 46,694,544		\$ 13,391,628		\$ 7,960,747	\$ 98,955,271
REVENUE AND EXPENSE										
Revenue			\$ 40,151,368		\$ 528,446		\$ 7,639,487		\$ 6,034,027	\$ 54,353,328
Expense			77,742,904		26,669,435		8,375,562		6,034,027	118,821,928
Excess Revenue over Expense			(37,591,536)		(26,140,989)		(736,075)		-	\$ (64,468,600)
BEGINNING FUND BALANCE 7/01/2019			55,189,449		72,835,533		14,127,703		6,765,373	148,918,058
ENDING FUND BALANCE 9/30/2019			\$ 17,597,913		\$ 46,694,544		\$ 13,391,628		\$ 6,765,373	\$ 84,449,458

General Fund
Comparison of Budget to Actual
July 1, 2019 to September 30, 2019

<u>Description</u>	<u>2019-20 Budget</u>	<u>Year to Date</u>	<u>Available Budget</u>
Revenue			
Federal	\$ 168,238	131,878	\$ 36,360
Local	184,402,912	3,904,321	180,498,591
State	232,765,766	25,836,817	206,928,949
Other	3,490,472	528,352	2,962,120
Tan	9,750,000	9,750,000	-
Total Revenue	\$ 430,577,388	40,151,368	\$ 390,426,020
Expense			
Instructional Services	\$ 289,098,233	\$ 49,494,406	\$ 239,603,827
Pupil Services	17,150,954	2,926,718	14,224,236
Improvement of Instructional Services	14,544,707	3,558,175	10,986,532
Instructional Staff Training	486,551	127,544	359,007
Educational Media Services	5,213,589	816,944	4,396,645
General Administration	3,092,156	853,373	2,238,783
School Administration	26,938,663	6,212,439	20,726,224
Support Services - Business	2,887,636	794,097	2,093,539
Maintenance & Operation of Plant	30,788,776	6,675,417	24,113,359
Student Transportation Services	22,700,754	4,382,101	18,318,653
Support Services - Central	4,860,206	1,621,522	3,238,684
Facilities Acquisition and Construction Services	317,155	80,168	236,987
Outgoing Transfers	1,777,096	200,000	1,577,096
Debt Service	9,777,659	-	9,777,659
Total Expense	\$ 429,634,135	\$ 77,742,904	\$ 351,891,231
Excess Revenue over Expense	\$ 943,253	\$ (37,591,536)	\$ 38,534,789

1% SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH SEPTEMBER 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
August 2019	July 2019 (19)	2,957,783	3,871,832	914,049
September 2019	August 2019 (20)	2,903,109	3,627,866	724,757
		<u>\$ 56,364,963</u>	<u>\$ 68,920,166</u>	<u>\$ 12,555,203</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.