



Agenda Request Form

Meeting Date	Agenda Item Number
November 21, 2019	D-1

Title
October 2019 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of October 2019 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for October 2019 See Attached Reports
Priority Area
Organizational and Operational Effectiveness
Financial Impact
N/A
Exhibits: (List)
Financial Report and Sales Tax Update
Source of Additional Information
Kenneth Owen 770.479.1871 Dr. Brian V. Hightower 770.479.1871

CHEROKEE COUNTY BOARD OF EDUCATION

Dr. Brian V. Hightower, Superintendent
Kenneth Owen, Chief Financial Officer

FINANCIAL REPORT OCTOBER 2019

General Fund

For the month ending October 31, 2019, the fourth month of the 2019-20 Fiscal Year, the School District's Operating Account (General Fund) has received \$68,375,220 in revenue (year-to-date) consisting of state funds of 43,689,950 (19% of budget), \$13,994,902 local taxes (8% of budgeted amount), and other funds of \$10,690,368 (80% of budget). All operating expenditures of \$111,983,923 (26% of budget) are within the Board of Education's approved 2019-20 budget.

Building Fund/EdSPLOST Collections

The Capital Outlay Fund balance of \$16,233,517 as of October 31, 2019 reflects Special Purpose Local Option Sales Tax for Education (EdSPLOST) collections, 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 \$3,587,669 in October 2019, for the month of September 2019, the 21st month of 60 monthly sales tax collections for the 2018-2022 EdSPLOST. Collections received were above projections (detail included) for the month by \$711,285 and above cumulative projections by \$13,266,488.

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 October 31, 2019 is \$47,324,744 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 October 31, 2019 is \$7,540,835 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 OCTOBER 31, 2019

BALANCE SHEET										
			GENERAL FUND		DEBT SERVICE FUND		BUILDING FUND		FED FUNDS AND SCHOOL NUTRITION	TOTAL
ASSETS										
Cash			\$ 22,381,086		\$ 28,642,583		\$ 16,233,517		\$ 2,668,025	\$ 69,925,211
Investments			1,671,582		18,682,161		-		-	20,353,743
Inventory			216,563		-		-		773,879	990,442
Accounts Receivable			488,476		-		-		5,419,598	5,908,074
TOTAL ASSETS			\$ 24,757,707		\$ 47,324,744		\$ 16,233,517		\$ 8,861,502	\$ 97,177,470
LIABILITIES										
Salaries and Benefits Payable			\$ 13,093,423		\$ -		\$ -		\$ 405,369	\$ 13,498,792
Accounts Payable			83,538		-		-		915,298	998,836
FUND BALANCE										
Fund Balance 10/31/2019			11,580,746		47,324,744		16,233,517		7,540,835	82,679,842
TOTAL LIABILITIES AND FUND BALANCE			\$ 24,757,707		\$ 47,324,744		\$ 16,233,517		\$ 8,861,502	\$ 97,177,470
REVENUE AND EXPENSE										
Revenue			\$ 68,375,220		\$ 1,158,646		\$ 11,267,607		\$ 9,844,347	\$ 90,645,820
Expense			111,983,923		26,669,435		9,161,793		9,068,885	156,884,036
Excess Revenue over Expense			(43,608,703)		(25,510,789)		2,105,814		775,462	\$ (66,238,216)
BEGINNING FUND BALANCE 7/01/2019			55,189,449		72,835,533		14,127,703		6,765,373	148,918,058
ENDING FUND BALANCE 10/31/2019			\$ 11,580,746		\$ 47,324,744		\$ 16,233,517		\$ 7,540,835	\$ 82,679,842

General Fund
Comparison of Budget to Actual
July 1, 2019 to October 31, 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	13,994,902	170,408,010
State	232,765,766	43,689,950	189,075,816
Other	3,490,472	808,490	2,681,982
Tan	9,750,000	9,750,000	-
Total Revenue	\$ 430,577,388	68,375,220	\$ 362,202,168
Expense			
Instructional Services	\$ 289,098,233	\$ 73,293,015	\$ 215,805,218
Pupil Services	17,150,954	4,383,983	12,766,971
Improvement of Instructional Services	14,544,707	4,691,619	9,853,088
Instructional Staff Training	486,551	202,533	284,018
Educational Media Services	5,213,589	1,256,703	3,956,886
General Administration	3,092,156	1,097,977	1,994,179
School Administration	26,938,663	8,437,396	18,501,267
Support Services - Business	2,887,636	1,009,602	1,878,034
Maintenance & Operation of Plant	30,788,776	9,166,326	21,622,450
Student Transportation Services	22,700,754	6,247,883	16,452,871
Support Services - Central	4,860,206	1,867,054	2,993,152
Facilities Acquisition and Construction Services	317,155	129,832	187,323
Outgoing Transfers	1,777,096	200,000	1,577,096
Debt Service	9,777,659	-	9,777,659
Total Expense	\$ 429,634,135	\$ 111,983,923	\$ 317,650,212
Excess Revenue over Expense	\$ 943,253	\$ (43,608,703)	\$ 44,551,956

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

1% SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH OCTOBER 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>
October 2019	September 2019 (21)	2,876,384	3,587,669	711,285
		<u>\$ 59,241,347</u>	<u>\$ 72,507,835</u>	<u>\$ 13,266,488</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.