



Agenda Request Form

Meeting Date	Agenda Item Number
November 19, 2020	D-1

Title
October 2020 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of October 2020 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for October 2020 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 2020

General Fund

For the month ending October 31, 2020, the fourth month of the 2020-21 Fiscal Year, the School District's Operating Account (General Fund) has received \$53,747,543 in revenue (year-to-date) consisting of state funds of \$39,323,557 (18% of budget), \$13,793,703 local taxes (7% of budgeted amount), and other funds of \$630,283 (36% of budget). All operating expenditures of \$108,287,789 (26% of budget) are within the Board of Education's approved 2020-21 budget.

Building Fund/EdSPLOST Collections

The Capital Outlay Fund balance of \$40,604,294 as of October 31, 2020 reflects Special Purpose Local Option Sales Tax for Education (EdSPLOST) collections, proceeds of bond sales for capital outlay purposes, and transfers from the General Fund less bond refundings, bond issuance costs, transfers of EdSPLOST to the Debt Service Fund and capital outlay expenses paid.

Cherokee County School District received \$4,013,861 in October 2020, for the month of September 2020, the 33rd month of 60 monthly sales tax collections for the 2018-2022 EdSPLOST. Collections received were above projections (detail included) for the month by \$1,051,185 and above cumulative projections by \$25,818,236.

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, 2020 is \$62,545,830 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, 2020 is \$6,096,047 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, 2020

BALANCE SHEET									
		GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS AND SCHOOL NUTRITION				TOTAL
ASSETS									
Cash		\$ 31,589,821	\$ 41,897,238	\$ 41,631,673	\$ 541,221				\$ 115,659,953
Investments		1,023,746	20,648,592	-	-				21,672,338
Inventory		192,033	-	-	731,919				923,952
Accounts Receivable		427,337	-	-	6,274,960				6,702,297
TOTAL ASSETS		\$ 33,232,937	\$ 62,545,830	\$ 41,631,673	\$ 7,548,100				\$ 144,958,540
LIABILITIES									
Salaries and Benefits Payable		\$ 13,701,841	\$ -	\$ -	\$ 408,615				\$ 14,110,456
Accounts Payable		600,406	-	1,027,379	1,043,438				2,671,223
Loans Payable		9,500,000	-	-	-				9,500,000
FUND BALANCE									
Fund Balance 10/31/2020		9,430,690	62,545,830	40,604,294	6,096,047				118,676,861
TOTAL LIABILITIES AND FUND BALANCE		\$ 33,232,937	\$ 62,545,830	\$ 41,631,673	\$ 7,548,100				\$ 144,958,540
REVENUE AND EXPENSE									
Revenue		\$ 53,747,543	\$ 16,736,040	\$ 14,448,889	\$ 8,446,196				\$ 93,378,668
Expense		108,287,789	30,772,646	24,210,149	8,534,619				171,805,203
Excess Revenue over Expense		(54,540,246)	(14,036,606)	(9,761,260)	(88,423)				\$ (78,426,535)
BEGINNING FUND BALANCE 7/01/2020		63,970,936	76,582,436	50,365,554	6,184,470				197,103,396
ENDING FUND BALANCE 10/31/2020		\$ 9,430,690	\$ 62,545,830	\$ 40,604,294	\$ 6,096,047				\$ 118,676,861

General Fund
Comparison of Budget to Actual
July 1, 2020 to October 31, 2020

Description	2020-21 Budget	Year to Date	Available Budget
Revenue			
Federal	\$ 168,238	\$ 199,090	\$ (30,852)
Local	198,068,541	13,793,703	184,274,838
State	212,587,837	39,323,557	173,264,280
Other	1,591,951	431,193	1,160,758
Total Revenue	\$ 412,416,567	53,747,543	\$ 358,669,024
Expense			
Instructional Services	\$ 282,077,241	\$ 70,714,070	\$ 211,363,171
Pupil Services	18,866,654	4,334,943	14,531,711
Improvement of Instructional Services	14,462,288	4,551,388	9,910,900
Instructional Staff Training	227,045	2,417	224,628
Educational Media Services	5,054,928	1,263,116	3,791,812
General Administration	3,245,486	1,165,635	2,079,851
School Administration	26,889,398	8,488,779	18,400,619
Support Services - Business	2,762,390	901,440	1,860,950
Maintenance & Operation of Plant	29,350,728	9,445,108	19,905,620
Student Transportation Services	22,740,587	5,561,893	17,178,694
Support Services - Central	4,257,245	1,477,132	2,780,113
School Nutrition Program	154,905	-	154,905
Facilities Acquisition and Construction Services	368,804	181,868	186,936
Outgoing Transfers	1,919,601	200,000	1,719,601
Debt Service	29,688	-	29,688
Total Expense	\$ 412,406,988	\$ 108,287,789	\$ 304,119,199
Excess Revenue over Expense	\$ 9,579	\$ (54,540,246)	\$ 54,549,825

1% SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH OCTOBER 2020

<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	3,380,345	561,793
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 2020

<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
November 2019	October 2019 (22)	2,818,405	3,686,737	868,332
December 2019	November 2019 (23)	2,994,209	3,760,601	766,392
January 2020	December 2019 (24)	3,695,959	4,469,659	773,700
February 2020	January 2020 (25)	2,633,574	3,457,342	823,768
March 2020	February 2020 (26)	2,725,994	3,283,286	557,292
April 2020	March 2020 (27)	2,902,497	3,504,562	602,065
May 2020	April 2020 (28)	2,892,430	3,609,128	716,698
June 2020	May 2020 (29)	2,967,144	4,030,403	1,063,259
July 2020	June 2020 (30)	3,014,591	4,125,359	1,110,768
August 2020	July 2020 (31)	3,046,516	4,146,043	1,099,527
September 2020	August 2020 (32)	2,990,202	6,095,125	3,104,923
October 2020	September 2020 (33)	2,962,676	4,013,861	1,051,185
		<u>\$ 94,885,544</u>	<u>\$ 120,703,780</u>	<u>\$ 25,818,236</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.