

Agenda Request Form

Meeting Date	Agenda Item Number
April 15, 2021	D-1

Title
March 2021 Financial Report and Sales Tax Update
Requested Action
School Board Consideration of Superintendent's Recommendation for Approval of March 2021 Financial Report and Sales Tax Update
Summary Explanation and Background
Financial Report for March 2021 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 MARCH 2021

General Fund

For the month ending March 31, 2021, the ninth month of the 2020-21 Fiscal Year, the School District's Operating Account (General Fund) has received \$322,311,964 in revenue (year-to-date) consisting of state funds of \$128,221,292 (58% of budget), \$191,285,127 local taxes (97% of budgeted amount), and other funds of \$2,805,545 (157% of budget). All operating expenditures of \$273,655,063 (65% of budget) are within the Board of Education's approved 2020-21 budget.

Building Fund/Ed-SPLOST Collections

The Capital Outlay Fund balance of \$34,129,096 as of March 31, 2021 reflects Special Purpose Local Option Sales Tax for Education (Ed-SPLOST) collections, proceeds of bond sales for capital outlay purposes, and transfers from the General Fund less bond refundings, bond issuance costs, transfers of Ed-SPLOST to the Debt Service Fund and capital outlay expenses paid.

Cherokee County School District received \$3,874,440 in March 2021, for the month of February 2021, the 38th month of 60 monthly sales tax collections for the 2018-2022 Ed-SPLOST. Collections received were above projections (detail included) for the month by \$1,066,666 and above cumulative projections by \$32,667,380.

Ed-SPLOST 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 Ed-SPLOST 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 March 31, 2021 is \$76,234,043 representing funds accumulated from Ed-SPLOST 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 March 31, 2021 is \$6,523,398 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 MARCH 31, 2021

BALANCE SHEET

		GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS AND SCHOOL NUTRITION	TOTAL
ASSETS						
Cash		\$ 125,313,324	\$ 53,725,679	\$ 34,075,618	\$ 1,562,249	\$ 214,676,870
Investments		1,028,168	22,508,364	-	-	23,536,532
Inventory		239,871	-	-	646,138	886,009
Accounts Receivable		396,754	-	53,478	5,884,930	6,335,162
TOTAL ASSETS		\$ 126,978,117	\$ 76,234,043	\$ 34,129,096	\$ 8,093,317	\$ 245,434,573
LIABILITIES						
Salaries and Benefits Payable		\$ 13,865,400	\$ -	\$ -	\$ 608,390	\$ 14,473,790
Accounts Payable		484,880	-	-	961,529	1,446,409
Loans Payable		-	-	-	-	-
FUND BALANCE						
Fund Balance 3/31/2021		112,627,837	76,234,043	34,129,096	6,523,398	229,514,374
TOTAL LIABILITIES AND FUND BALANCE		\$ 126,978,117	\$ 76,234,043	\$ 34,129,096	\$ 8,093,317	\$ 245,434,573
REVENUE AND EXPENSE						
Revenue		\$ 322,311,964	\$ 42,332,337	\$ 38,527,928	\$ 25,021,008	\$ 428,193,237
Expense		273,655,063	42,680,730	54,764,386	24,682,080	395,782,259
Excess Revenue over Expense		48,656,901	(348,393)	(16,236,458)	338,928	32,410,978
BEGINNING FUND BALANCE 7/01/2020		63,970,936	76,582,436	50,365,554	6,184,470	197,103,396
ENDING FUND BALANCE 3/31/2021		\$ 112,627,837	\$ 76,234,043	\$ 34,129,096	\$ 6,523,398	\$ 229,514,374

General Fund
Comparison of Budget to Actual
July 1, 2020 to March 31, 2021

<u>Description</u>	<u>2020-21 Amended Budget</u>	<u>Year to Date</u>	<u>Available Budget</u>
<u>Revenue</u>			
Federal	\$ 199,090	\$ 199,090	\$ -
Local	198,068,541	191,285,127	6,783,414
State	220,586,761	128,221,292	92,365,469
Other	1,591,951	2,606,455	(1,014,504)
Total Revenue	\$ 420,446,343	322,311,964	\$ 98,134,379
<u>Expense</u>			
Instructional Services	\$ 291,809,122	\$ 187,092,661	\$ 104,716,461
Pupil Services	18,866,654	11,601,580	7,265,074
Improvement of Instructional Services	16,484,308	10,160,230	6,324,078
Instructional Staff Training	227,045	3,396	223,649
Educational Media Services	5,054,928	3,347,405	1,707,523
General Administration	3,245,486	2,462,439	783,047
School Administration	26,889,398	19,482,254	7,407,144
Support Services - Business	2,762,390	1,955,272	807,118
Maintenance & Operation of Plant	25,644,291	18,764,226	6,880,065
Student Transportation Services	22,740,587	14,895,920	7,844,667
Support Services - Central	4,257,245	3,283,292	973,953
School Nutrition Program	154,905	-	154,905
Facilities Acquisition and Construction Services	368,804	194,621	174,183
Outgoing Transfers	1,919,601	400,000	1,519,601
Debt Service	12,000	11,767	233
Total Expense	\$ 420,436,764	\$ 273,655,063	\$ 146,781,701
Excess Revenue over Expense	\$ 9,579	\$ 48,656,901	\$ (48,647,322)

SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH MARCH 2021

<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

SPECIAL PURPOSE LOCAL OPTION SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH MARCH 2021

<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
November 2020	October 2020 (34)	2,902,957	4,492,844	1,589,887
December 2020	November 2020 (35)	3,084,035	4,419,501	1,335,466
January 2021	December 2020 (36)	3,806,838	5,256,507	1,449,669
February 2021	January 2021 (37)	2,712,581	4,120,037	1,407,456
March 2021	February 2021 (38)	2,807,774	3,874,440	1,066,666
		<u>\$ 110,199,729</u>	<u>\$ 142,867,109</u>	<u>\$ 32,667,380</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.