



Agenda Request Form

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

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

FEBRUARY 2020

General Fund

For the month ending February 29, 2020, the eighth month of the 2019-20 Fiscal Year, the School District's Operating Account (General Fund) has received \$308,107,243 in revenue (year-to-date) consisting of state funds of \$121,295,905 (52% of budget), \$174,631,308 local taxes (95% of budgeted amount), and other funds of \$12,180,030 (91% of budget). All operating expenditures of \$260,416,461 (61% of budget) are within the Board of Education's approved 2019-20 budget.

Building Fund/EdSPLOST Collections

The Capital Outlay Fund balance of \$44,633,818 as of February 29, 2020 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 \$3,457,342 in February 2020, for the month of January 2020, the 25th month of 60 monthly sales tax collections for the 2018-2022 EdSPLOST. Collections received were above projections (detail included) for the month by \$823,768 and above cumulative projections by \$16,498,680.

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 February 29, 2020 is \$70,376,839 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 February 29, 2020 is \$7,560,663 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 FEBRUARY 29, 2020**

BALANCE SHEET							
	GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS AND SCHOOL NUTRITION	TOTAL		
ASSETS							
Cash	\$ 113,791,800	\$ 50,185,729	\$ 44,633,818	\$ 3,618,413	\$ 212,229,760		
Investments	1,010,503	20,191,110	-	-	21,201,613		
Inventory	209,608	-	-	762,915	972,523		
Accounts Receivable	724,693	-	-	4,821,242	5,545,935		
TOTAL ASSETS	\$ 115,736,604	\$ 70,376,839	\$ 44,633,818	\$ 9,202,570	\$ 239,949,831		
LIABILITIES							
Salaries and Benefits Payable	\$ 12,851,371	\$ -	\$ -	\$ 739,313	\$ 13,590,684		
Accounts Payable	5,002	-	-	902,594	907,596		
FUND BALANCE							
Fund Balance 2/29/2020	102,880,231	70,376,839	44,633,818	7,560,663	225,451,551		
TOTAL LIABILITIES AND FUND BALANCE	\$ 115,736,604	\$ 70,376,839	\$ 44,633,818	\$ 9,202,570	\$ 239,949,831		
REVENUE AND EXPENSE							
Revenue	\$ 308,107,243	\$ 34,391,150	\$ 67,643,895	\$ 21,835,834	\$ 431,978,122		
Expense	260,416,461	36,849,844	37,273,260	21,040,544	355,580,109		
Excess Revenue over Expense	47,690,782	(2,458,694)	30,370,635	795,290	\$ 76,398,013		
BEGINNING FUND BALANCE 7/01/2019	55,189,449	72,835,533	14,263,183	6,765,373	149,053,538		
ENDING FUND BALANCE 2/29/2020	\$ 102,880,231	\$ 70,376,839	\$ 44,633,818	\$ 7,560,663	\$ 225,451,551		

**General Fund
Comparison of Budget to Actual
July 1, 2019 to February 29, 2020**

Description	2019-20 Budget	Year to Date	Available Budget
Revenue			
Federal	\$ 168,238	131,878	\$ 36,360
Local	184,402,912	174,631,308	9,771,604
State	232,765,766	121,295,905	111,469,861
Other	3,490,472	2,298,152	1,192,320
Tan	9,750,000	9,750,000	-
Total Revenue	\$ 430,577,388	308,107,243	\$ 122,470,145
Expense			
Instructional Services	\$ 289,098,233	\$ 168,580,811	\$ 120,517,422
Pupil Services	17,150,954	10,269,961	6,880,993
Improvement of Instructional Services	14,544,707	9,898,894	4,645,813
Instructional Staff Training	486,551	439,013	47,538
Educational Media Services	5,213,589	3,055,576	2,158,013
General Administration	3,092,156	2,202,774	889,382
School Administration	26,938,663	17,320,570	9,618,093
Support Services - Business	2,887,636	1,937,560	950,076
Maintenance & Operation of Plant	30,788,776	18,097,125	12,691,651
Student Transportation Services	22,700,754	14,577,245	8,123,509
Support Services - Central	4,860,206	3,311,196	1,549,010
Facilities Acquisition and Construction Services	317,155	182,359	134,796
Outgoing Transfers	1,777,096	750,000	1,027,096
Debt Service	9,777,659	9,793,377	(15,718)
Total Expense	\$ 429,634,135	\$ 260,416,461	\$ 169,217,674
Excess Revenue over Expense	\$ 943,253	\$ 47,690,782	\$ (46,747,529)

1% SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH FEBRUARY 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	3,366,506	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 FEBRUARY 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
		<u>\$ 71,383,494</u>	<u>\$ 87,882,174</u>	<u>\$ 16,498,680</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.