



Agenda Request Form

Meeting Date	Agenda Item Number
September 17, 2020	D-1

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

AUGUST 2020

General Fund

For the month ending August 31, 2020, the second month of the 2020-21 Fiscal Year, the School District's Operating Account (General Fund) has received \$6,482,979 in revenue (year-to-date) consisting of state funds of \$4,645,024 (2% of budget), \$1,485,814 local taxes (1% of budgeted amount), and other funds of \$352,141 (20% of budget). All operating expenditures of \$40,219,932 (10% of budget) are within the Board of Education's approved 2020-21 budget.

Building Fund/EdSPLOST Collections

The Capital Outlay Fund balance of \$33,342,590 as of August 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 \$4,146,043 in August 2020, for the month of July 2020, the 31st month of 60 monthly sales tax collections for the 2018-2022 EdSPLOST. Collections received were above projections (detail included) for the month by \$1,099,527 and above cumulative projections by \$21,662,128.

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 August 31, 2020 is \$60,429,753 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 August 31, 2020 is \$5,987,417 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 AUGUST 31, 2020**

BALANCE SHEET							
		GENERAL FUND	DEBT SERVICE FUND	BUILDING FUND	FED FUNDS AND SCHOOL NUTRITION		TOTAL
ASSETS							
Cash		\$ 39,248,535	\$ 39,906,373	\$ 35,298,152	\$ 1,509,309		\$ 115,962,369
Investments		1,019,343	20,523,380	-	-		21,542,723
Inventory		183,153	-	-	945,868		1,129,021
Accounts Receivable		1,391,033	-	-	4,465,825		5,856,858
TOTAL ASSETS		\$ 41,842,064	\$ 60,429,753	\$ 35,298,152	\$ 6,921,002		\$ 144,490,971
LIABILITIES							
Salaries and Benefits Payable		\$ 12,367,923	\$ -	\$ -	\$ 165,412		\$ 12,533,335
Accounts Payable		184,142	-	1,955,562	768,173		2,907,877
FUND BALANCE							
Fund Balance 8/31/2020		29,289,999	60,429,753	33,342,590	5,987,417		129,049,759
TOTAL LIABILITIES AND FUND BALANCE		\$ 41,842,064	\$ 60,429,753	\$ 35,298,152	\$ 6,921,002		\$ 144,490,971
REVENUE AND EXPENSE							
Revenue		\$ 6,482,979	\$ 15,869,879	\$ 4,202,288	\$ 2,649,247		\$ 29,204,393
Expense		40,219,932	30,772,646	21,225,288	2,849,255		95,067,121
Excess Revenue over Expense		(33,736,953)	(14,902,767)	(17,023,000)	(200,008)		\$ (65,862,728)
BEGINNING FUND BALANCE 7/01/2020		63,026,952	75,332,520	50,365,590	6,187,425		194,912,487
ENDING FUND BALANCE 8/31/2020		\$ 29,289,999	\$ 60,429,753	\$ 33,342,590	\$ 5,987,417		\$ 129,049,759

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

Description	2020-21 Budget	Year to Date	Available Budget
Revenue			
Federal	\$ 168,238	\$ -	\$ 168,238
Local	198,068,541	1,485,814	196,582,727
State	212,587,837	4,645,024	207,942,813
Other	1,591,951	352,141	1,239,810
Total Revenue	\$ 412,416,567	6,482,979	\$ 405,933,588
Expense			
Instructional Services	\$ 282,077,241	\$ 23,529,570	\$ 258,547,671
Pupil Services	18,866,654	1,491,098	17,375,556
Improvement of Instructional Services	14,462,288	2,143,829	12,318,459
Instructional Staff Training	227,045	161	226,884
Educational Media Services	5,054,928	380,678	4,674,250
General Administration	3,245,486	688,365	2,557,121
School Administration	26,889,398	4,065,860	22,823,538
Support Services - Business	2,762,390	428,895	2,333,495
Maintenance & Operation of Plant	29,350,728	4,333,924	25,016,804
Student Transportation Services	22,740,587	1,956,500	20,784,087
Support Services - Central	4,257,245	884,123	3,373,122
School Nutrition Program	154,905	-	154,905
Facilities Acquisition and Construction Services	368,804	116,929	251,875
Outgoing Transfers	1,919,601	200,000	1,719,601
Debt Service	29,688	-	29,688
Total Expense	\$ 412,406,988	\$ 40,219,932	\$ 372,187,056
Excess Revenue over Expense	\$ 9,579	\$ (33,736,953)	\$ 33,746,532

1% SALES TAX (2018-2022)
COMPARISON OF COLLECTIONS
THROUGH AUGUST 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 AUGUST 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
		<u>\$ 88,932,666</u>	<u>\$ 110,594,794</u>	<u>\$ 21,662,128</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.