



# Cherokee County Board of Commissioners

## Financial Update FY2021 Q2 Results

PRESENTED 05.04.2021

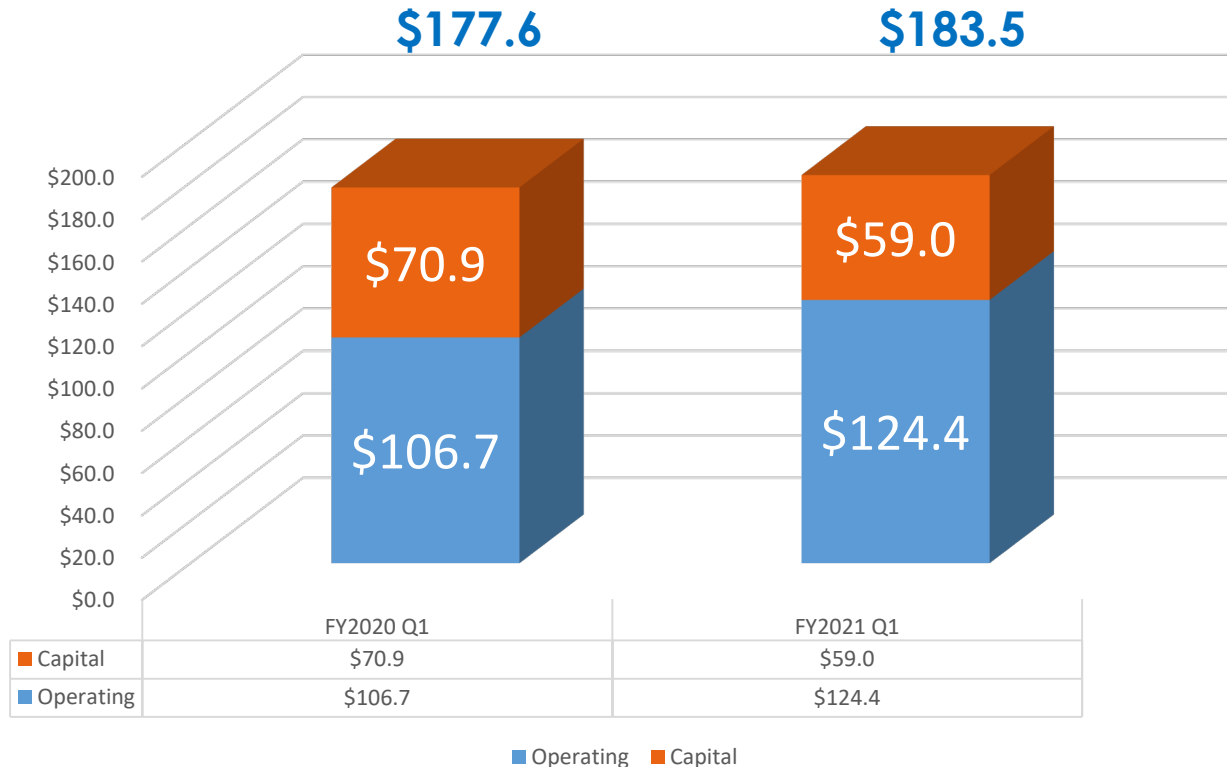
# County Wide Cash Position

## Q2 FY2021

(Millions)

### Cash Balances

(millions)



Significant Operating Funds	FY2020 Cash Balance	FY2021 Cash Balance	Variance Better/Worse
General Fund	\$74.9	\$88.5	\$13.6
E911	2.9	2.4	(0.5)
Senior Services	0.3	0.3	(0.1)
Parks & Recreation	1.0	1.0	0.0
Transportation	0.1	0.4	0.3
Fire District	23.7	28.7	5.0
CDBG	(0.0)	(0.1)	(0.1)
EMS	1.9	1.7	(0.2)
Ins & Benefits Fund	(1.5)	(1.6)	(0.1)
Other Funds	3.4	3.2	(0.3)
<b>Total</b>	<b>\$106.7</b>	<b>\$124.4</b>	<b>\$17.7</b>

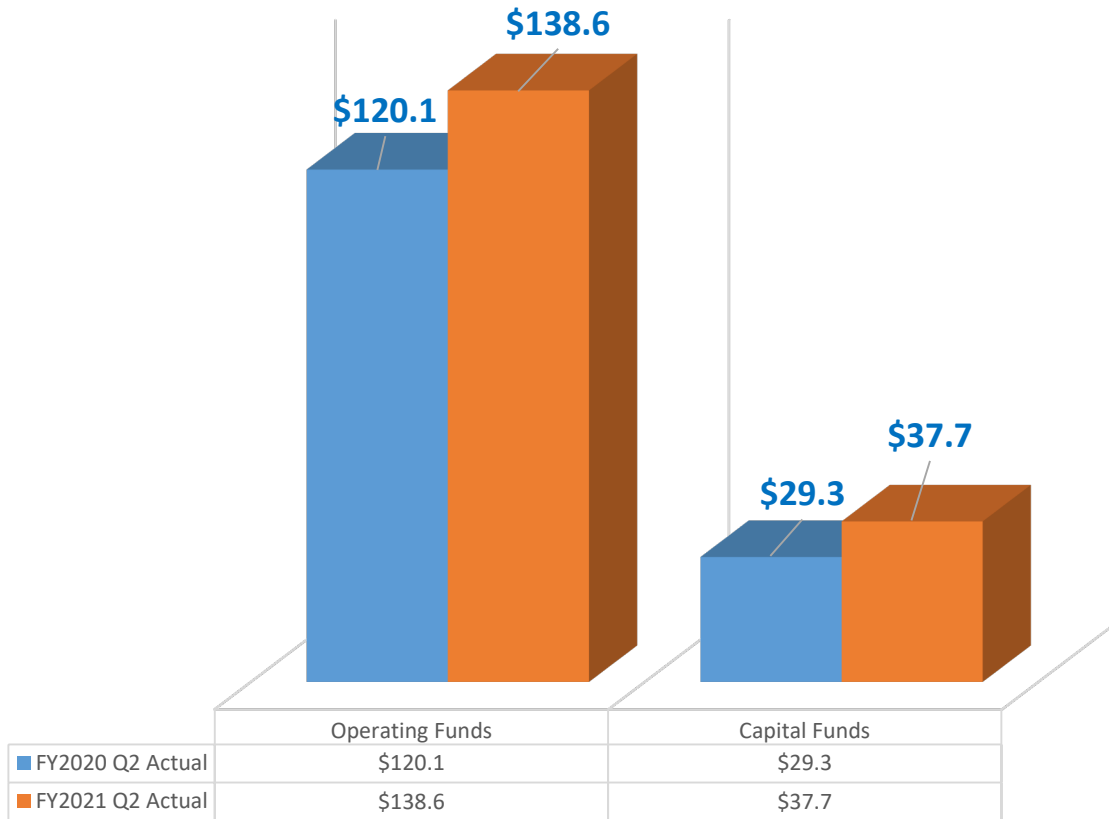
Capital Funds	FY2020 Cash Balance	FY2021 Cash Balance	Variance Better/Worse
Impact Fee	\$10.5	\$12.6	\$2.1
SPLOST V, 2012, 2018	55.2	41.0	(14.2)
Debt Service	5.2	5.4	0.3
RRDA	0.0	0.0	0.0
<b>Total</b>	<b>\$70.9</b>	<b>\$59.0</b>	<b>(\$11.9)</b>

<b>GRAND TOTAL</b>	<b>\$177.6</b>	<b>\$183.5</b>	<b>\$5.9</b>
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# County Wide Revenue

## Q2 FY2021

(Millions)



### FY2020 vs FY2021 Variance Highlights

#### Operating Revenue

+\$18.5M

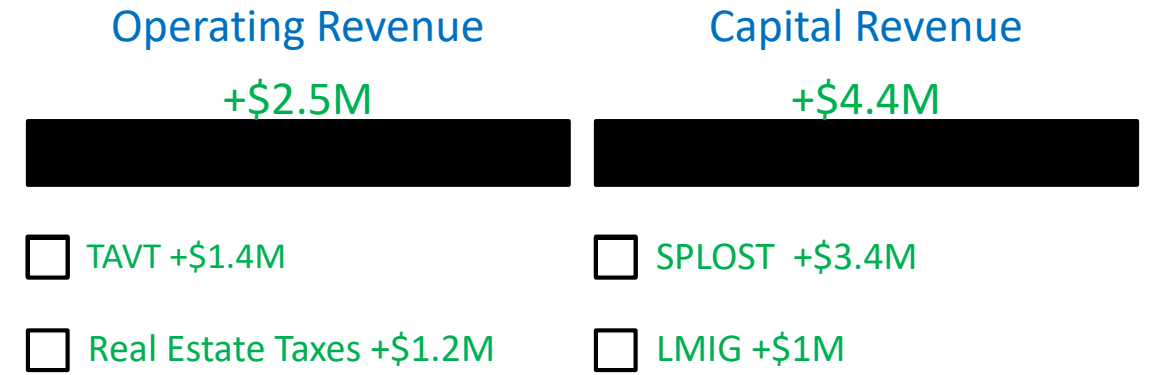
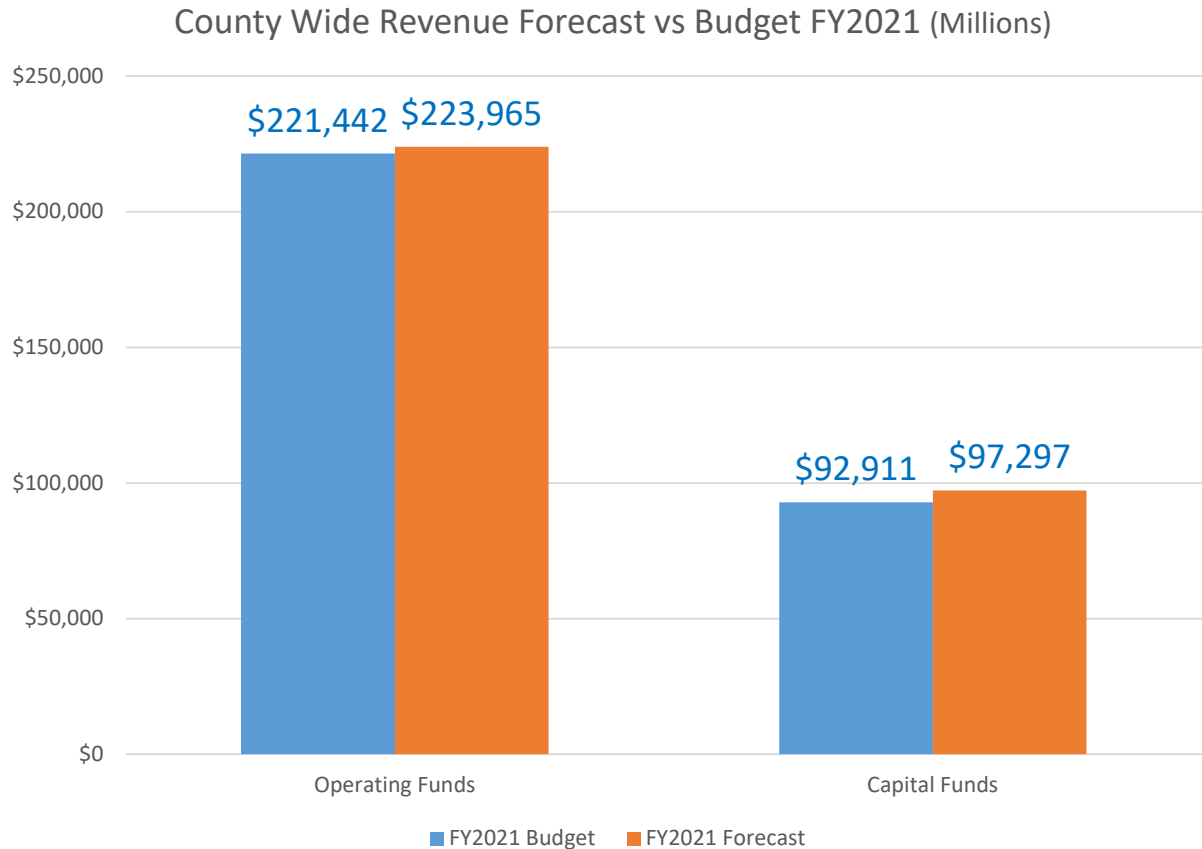
- Taxes +\$7.4.M
- Cares Act +\$7.8M
- Real Estate Taxes +\$825k
- Landfill Fees +\$911k
- Grants +\$952k

#### Capital Revenue

+\$8.4M

- SPLOST +\$3.6M
- Impact Fees to Splost +\$5.0

# County Wide Revenue FY2021 Forecast vs Budget (Millions)





# General Fund Revenue

## Q2 FY2021

	FY2020 Q2 Actual	FY2021 Q2 Actual	Budget Variance (Under)/Over	Variance Explanations
Taxes	\$60,323,241	\$65,567,896	\$5,244,655	Current Property Taxes +\$3.9M, TAVT +\$901K, Real Estate Taxes +\$583K
Licenses and Permits	\$1,781,190	\$1,933,235	\$152,045	Business Licenses (\$113K) - timing only, Building Inspections +\$261K
Intergovernmental	\$35,035	\$17,350	(\$17,685)	Range Revenue
Charges and Services	\$5,028,646	\$5,504,900	\$476,254	Landfill fees +\$911K Tax Commissions (\$315K)
Fines and Forfeitures	\$1,960,224	\$2,058,296	\$98,072	Superior +\$191k, State (\$105K), Magistrate (\$42k), Probate +\$77k
Investment Income	\$563,356	\$37,275	(\$526,081)	Interest Rates dropped drastically in 2021
Miscellaneous	\$383,911	\$298,450	(\$85,461)	Blalock Reimbursement (\$33K) - timing only, Indigent Defense (\$53K)
Other Financing Sources	\$548,850	\$510,006	(\$38,844)	Capital Leases (\$16K), Insurance Recovery (\$44K)
Use of Reserves Budgeted	\$0	\$0	\$0	
<b>Total Revenue</b>	<b>\$70,624,453</b>	<b>\$75,927,408</b>	<b>\$5,302,955</b>	



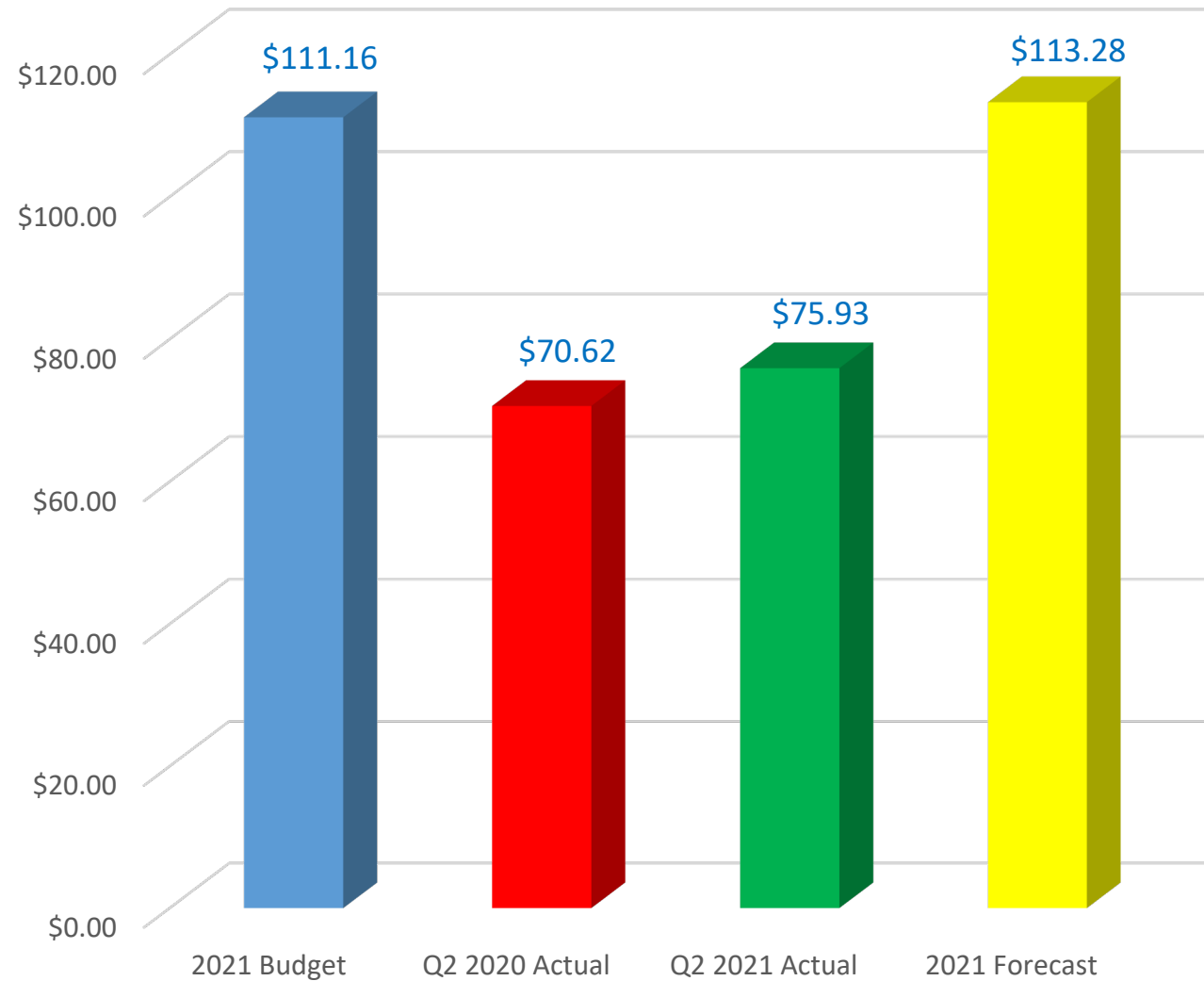
# General Fund Revenue

## FY2021 Forecast vs Budget

	FY2021 Budget	FY2021 Forecast	Budget Variance (Under)/Over	Variance Explanations
Taxes	\$87,823,267	\$89,949,019	\$2,125,752	TAVT +\$1.4M, Real Estate Taxes +\$877K, Prior Year (\$107K), Penalties (\$57K)
Licenses and Permits	\$2,757,000	\$3,111,488	\$354,488	Building Inspection +\$329K
Intergovernmental	\$105,000	\$97,348	(\$7,652)	Range Revenue running under budget
Charges and Services	\$9,980,000	\$9,498,050	(\$481,950)	Landfill +\$206K, Tax Commissions (\$524K), Probation Fees (\$140K)
Fines and Forfeitures	\$4,426,734	\$4,762,297	\$335,563	Superior Court +\$509K, State Court (\$209K), Probate Court +\$151K, Magistrate Court (\$27K)
Investment Income	\$250,000	\$67,275	(\$182,725)	Lower Interest Rates
Miscellaneous	\$828,730	\$797,229	(\$31,501)	Rents (\$33K) - budgeted for DCSS
Other Financing Sources	\$942,733	\$952,818	\$10,085	Capital Leases +\$6K, Insurance Recovery +\$4K
Use of Reserves Budgeted	\$4,046,366	\$4,046,366	\$0	
<b>Total Revenue</b>	<b>\$111,159,830</b>	<b>\$113,281,890</b>	<b>\$2,122,060</b>	

# General Fund Revenue FY2021

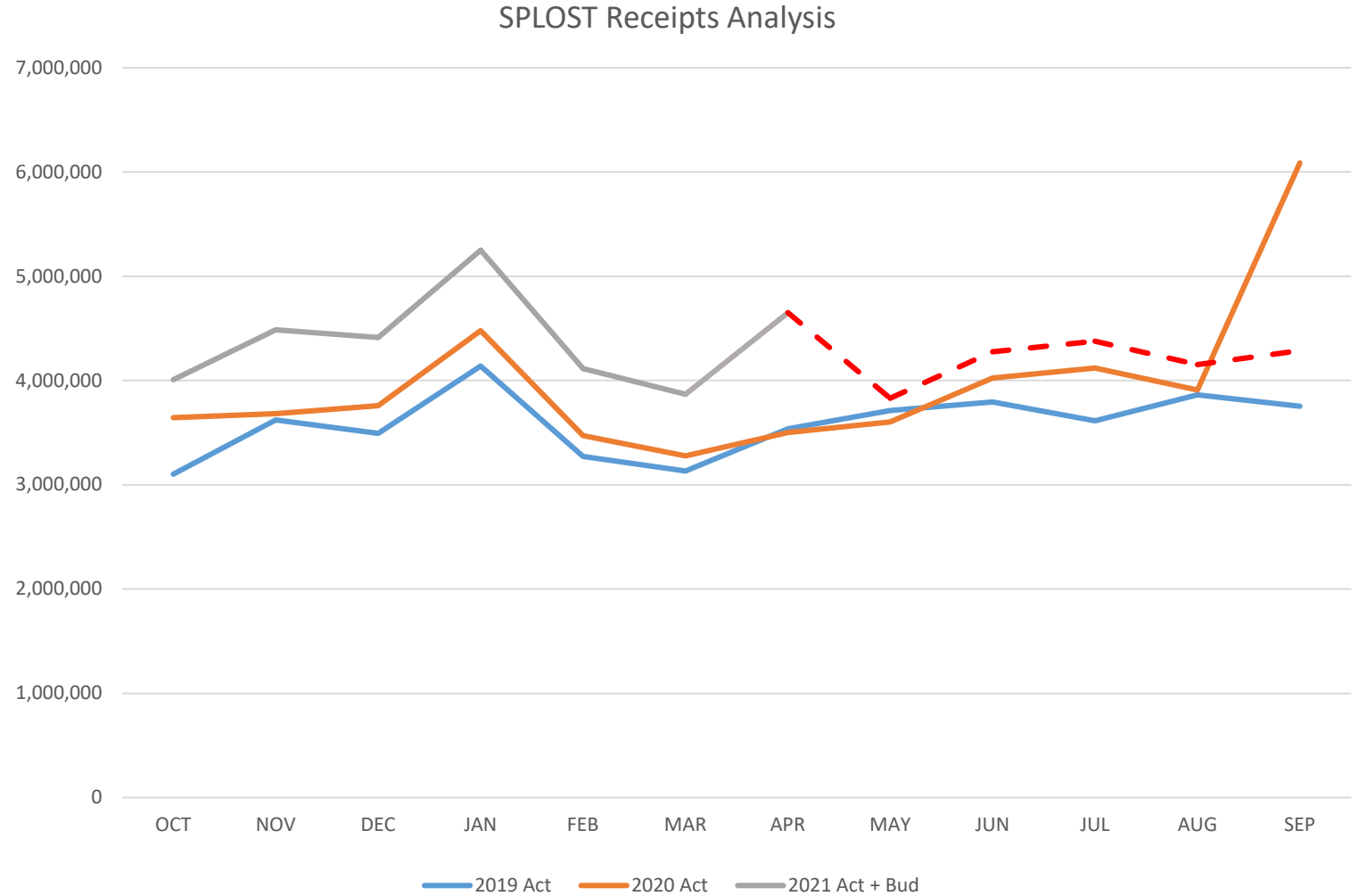
(Millions)





# SPLOST 2018 Receipts Forecast FY2021

	2019 Act	2020 Act	2021 Act + Bud
OCT	3,101,224	3,644,224	4,006,954
NOV	3,621,148	3,680,899	4,485,634
DEC	3,493,054	3,758,270	4,413,138
JAN	4,140,065	4,478,355	5,250,552
FEB	3,272,362	3,471,614	4,113,997
MAR	3,130,550	3,277,908	3,867,825
APR	3,537,710	3,501,383	4,649,900
MAY	3,711,123	3,603,816	3,829,171
JUN	3,793,025	4,024,719	4,276,394
JUL	3,614,207	4,119,626	4,377,235
AUG	3,863,533	3,909,356	4,153,816
SEP	3,753,062	6,087,689	4,286,609
<b>Total</b>	<b>43,031,063</b>	<b>47,557,858</b>	<b>51,711,226</b>





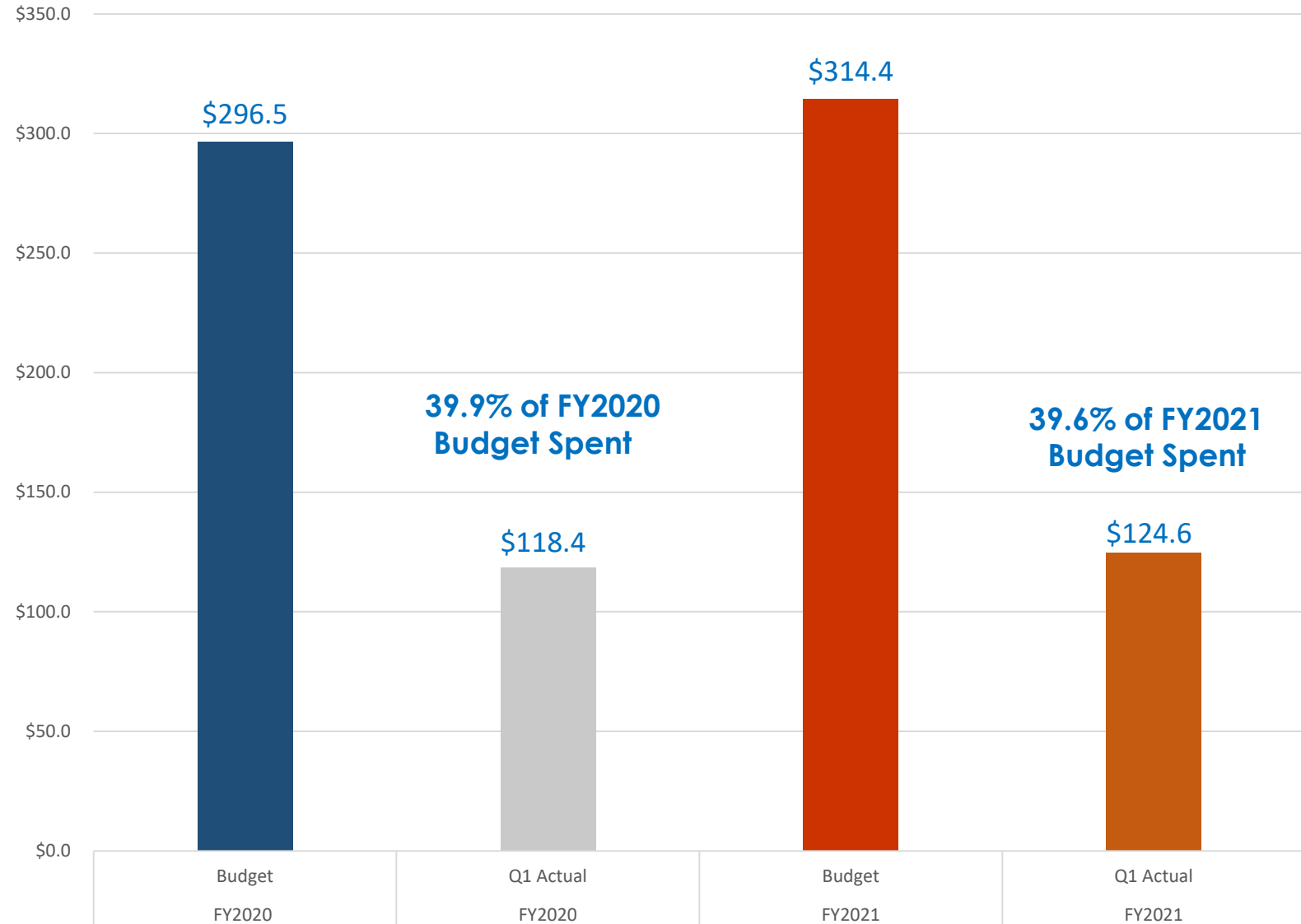


# County Wide Expenditures Q2 FY2021

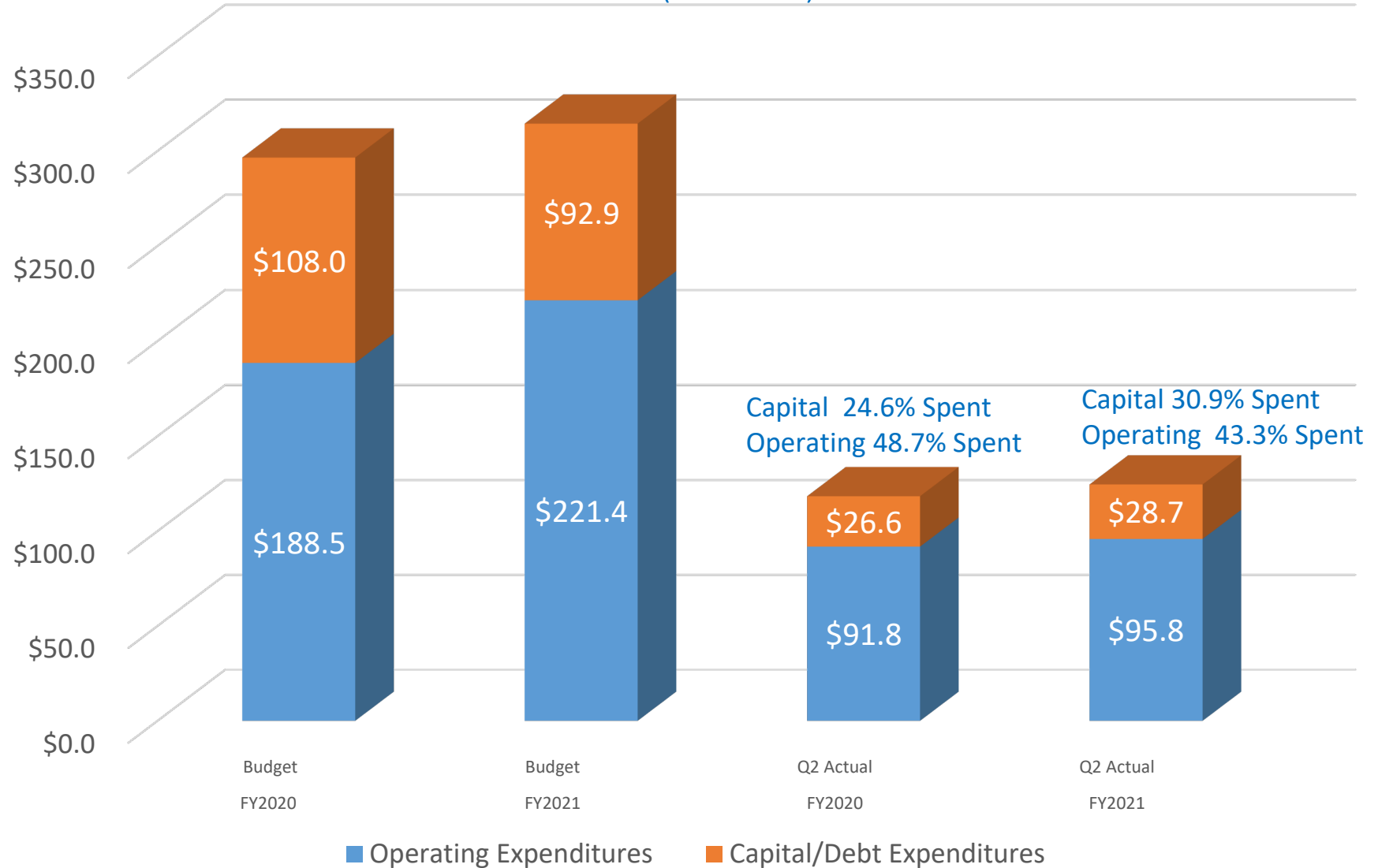
	FY2020 Budget	FY2020 Q2 Actual	FY2021 Budget	FY2021 Q2 Actual	FY2020 % Spent	FY2021 % Spent
Compensation	86,162,858	39,313,445	93,596,229	42,903,379	45.6%	45.8%
Insurance Benefits	27,818,309	16,135,917	38,364,341	18,363,436	58.0%	47.9%
Payroll Taxes	6,525,076	2,808,453	7,117,811	3,076,668	43.0%	43.2%
Workers Comp	962,015	894,175	1,188,544	592,278	92.9%	49.8%
Retirement Plans	12,248,545	5,599,322	14,305,272	6,547,549	45.7%	45.8%
Other Personnel	3,300	9,039	3,300	(907)	273.9%	-27.5%
<b>Total Personnel</b>	<b>133,720,103</b>	<b>64,760,351</b>	<b>154,575,497</b>	<b>71,482,403</b>	<b>48.4%</b>	<b>46.2%</b>
Operating Costs	34,187,053	15,993,466	37,695,116	15,062,319	46.8%	40.0%
Capital	80,755,340	17,292,208	60,075,041	14,957,933	21.4%	24.9%
Non-Op Costs	21,584,652	9,726,337	34,580,986	10,074,482	45.1%	29.1%
Debt Service	9,331,061	2,603,859	7,466,766	591,373	27.9%	7.9%
Utilities/Insurance	5,433,228	2,462,200	7,109,890	3,207,046	45.3%	45.1%
Transfers	11,492,452	5,534,153	12,849,116	9,184,374	48.2%	71.5%
<b>Total Expenditures</b>	<b>296,503,889</b>	<b>118,372,574</b>	<b>314,352,412</b>	<b>124,559,930</b>	<b>39.9%</b>	<b>39.6%</b>

# County Wide Total Expenditures Q2 FY2021

(Millions)



# Operating and Capital Funds Expenditures Q2 FY2020 vs Q2FY2021 (Millions)



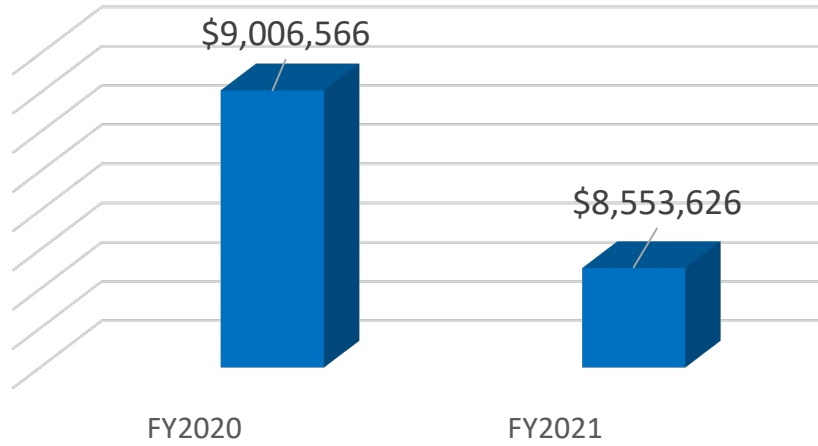


# General Fund Expenditures Q2 FY2021

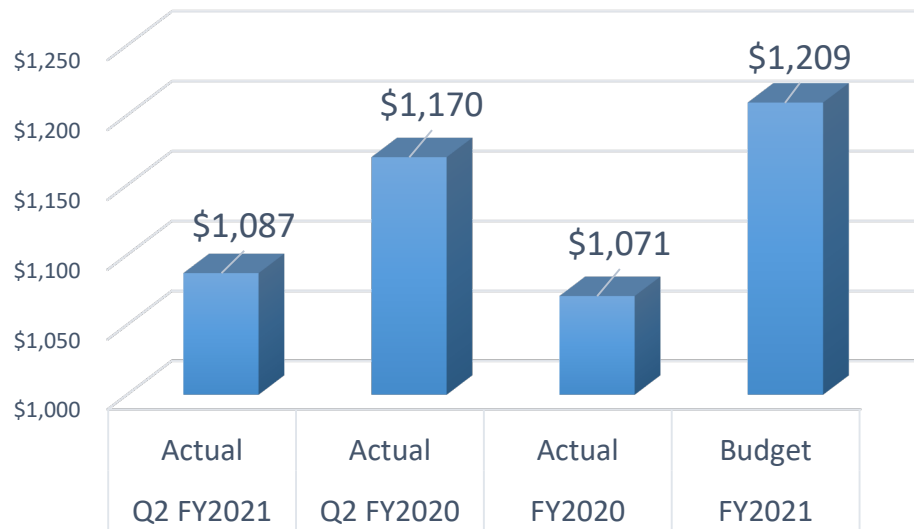
	FY2020 Budget	FY2020 Q2 Actual	FY2021 Budget	FY2021 Q2 Actual	FY2020 % Spent	FY2021 % Spent
Compensation	49,030,999	22,919,383	53,063,434	24,779,506	46.7%	46.7%
Insurance Benefits	6,638,190	3,470,910	9,675,765	4,594,528	52.3%	47.5%
Payroll Taxes	3,692,369	1,638,961	4,022,701	1,780,839	44.4%	44.3%
Workers Comp	507,497	438,246	732,186	391,978	86.4%	53.5%
Retirement Plans	6,933,731	3,246,107	8,112,321	3,745,853	46.8%	46.2%
Other Personnel	3,300	8,049	3,300	(907)	243.9%	-27.5%
Total Personnel	66,806,086	31,721,656	75,609,707	35,291,797	47.5%	46.7%
Operating Costs	18,791,403	8,887,424	19,282,723	7,671,796	47.3%	39.8%
Capital	264,355	177,464	277,236	107,522	67.1%	38.8%
Non-Op Costs	3,731,443	1,820,778	3,869,608	1,897,721	48.8%	49.0%
Debt Service	344,363	157,488	335,661	168,110	45.7%	50.1%
Utilities/Insuran ce	3,154,461	1,443,150	3,515,536	1,961,975	45.7%	55.8%
Transfers	7,348,289	4,535,214	8,269,359	3,982,218	61.7%	48.2%
<b>Total Expenditures</b>	<b>100,440,400</b>	<b>48,743,174</b>	<b>111,159,830</b>	<b>51,081,139</b>	<b>48.5%</b>	<b>46.0%</b>

# Insurance & Benefits Analysis

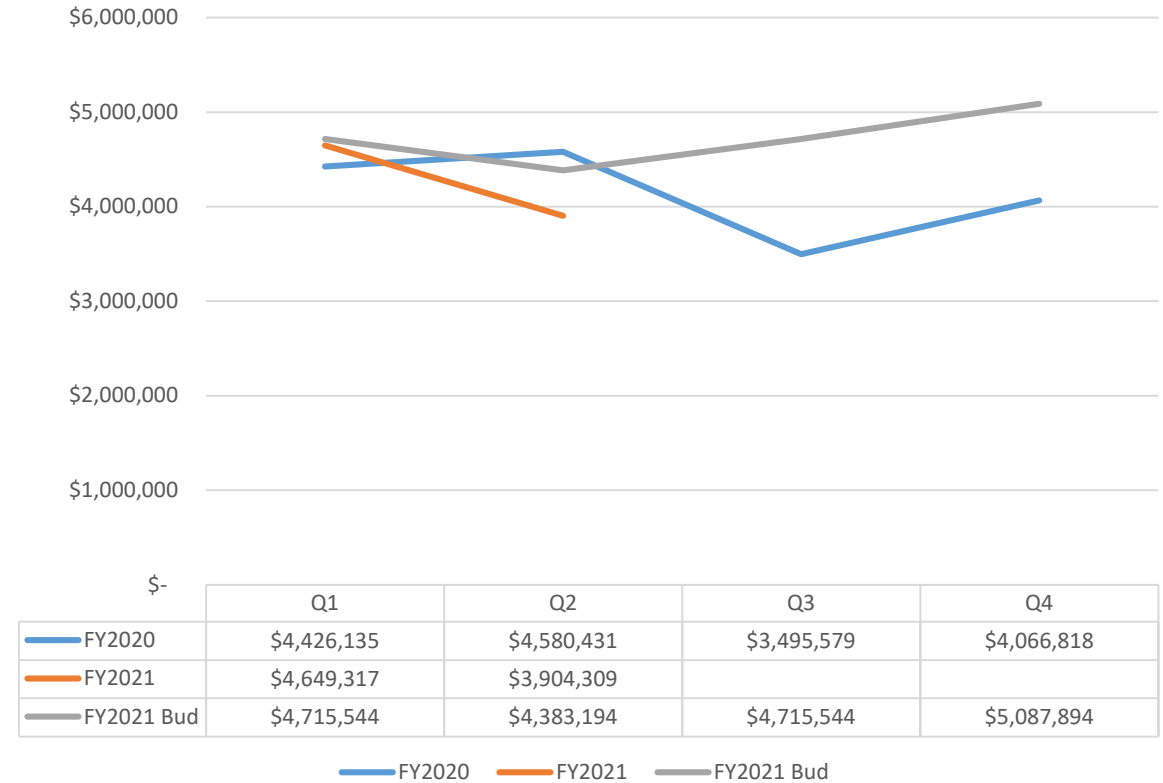
Q2 YTD Net Claims



Per Employee Per Month Cost



Net Claims Analysis



# Cherokee County Financial Risks & Opportunities

## Risks

- ▶ COVID Impact on Revenue  
Sources: Judicial trending to be \$300k over budget, Parks & Rec on budget
- ▶ Investment Income down due to interest rates
- ▶ Increase in Health Care Claims due to COVID – Currently on budget

## Opportunities

- ▶ American Rescue Plan that includes \$350 billion in aid to state, local, and territorial governments. Cherokee County funds estimated to be \$50M.
- ▶ SPLOST Receipts continue with strong growth
- ▶ TAVT Trends \$901k favorable in Q2

# FY2021 Forecast

## General Fund Forecast

	FY2021 Budget	FY2021 Forecast	Variance Fav/(Unfav)
Revenue	\$107,113,464	\$109,235,524	\$2,122,060
Expenditures	\$111,159,830	\$110,309,830	\$850,000
Use of Reserves	(\$4,046,366)	(\$1,074,306)	\$2,972,060

The General Fund Forecast for the Use of Fund Balance Reserves is \$1,074,306 compared to the budget of \$4,046,366



Favorable Variance \$2,972,060

## Fire Fund Forecast

	FY2021 Budget	FY2021 Forecast	Variance Fav/(Unfav)
Revenue	\$35,621,823	\$35,979,969	\$358,146
Expenditures	\$37,862,884	\$37,412,884	\$450,000
Use of Reserves	(\$2,241,061)	(\$1,432,915)	\$808,146

The Fire Fund Forecast for the Use of Fund Balance Reserves is \$1,432,915 compared to the budget of \$2,241,061



Favorable Variance \$808,146

# American Rescue Plan Act Key Dates & Amounts

- The deadline to spend funds is **December 31, 2024**
- Estimated **\$50,187,430** for Cherokee County
- The U.S. Treasury is required to pay the first tranche to counties not later than 60 days after the enactment  
**March 11<sup>th</sup> enactment date – May 10<sup>th</sup> \$25,093,715 available**
- The second payment no earlier than 12 months after the first payment  
**May 10<sup>th</sup> 2022 - \$25,093,715 available**



# American Rescue Plan Act

## Allowable Uses of Funds

1. Responding to or mitigate the public health emergency with respect to the COVID-19 emergency or its negative economic impacts;
  2. Providing government services to the extent of the reduction in revenue;
  3. Make necessary investments in water, sewer, or broadband infrastructure; and
  4. Responding to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.
- ❖ Local governments are required to provide “periodic reports” providing a detailed accounting of the use of funds.

# American Rescue Plan Act Financial Guiding Principles

- Avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment
- Replenishing reserves used to offset revenue declines during the pandemic should be given high priority
- Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary
- Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure

# American Rescue Plan Act Next Steps

- ▶ Identification of lost revenue
- ▶ Identification of all prior COVID-19 Expenditures that have not been funded by other COVID related grants
- ▶ Identification of all COVID-19 related expenditures for the FY2022 Budget
- ▶ Identification of future projects eligible for ARPA Funding