



# Cherokee County Board of Commissioners

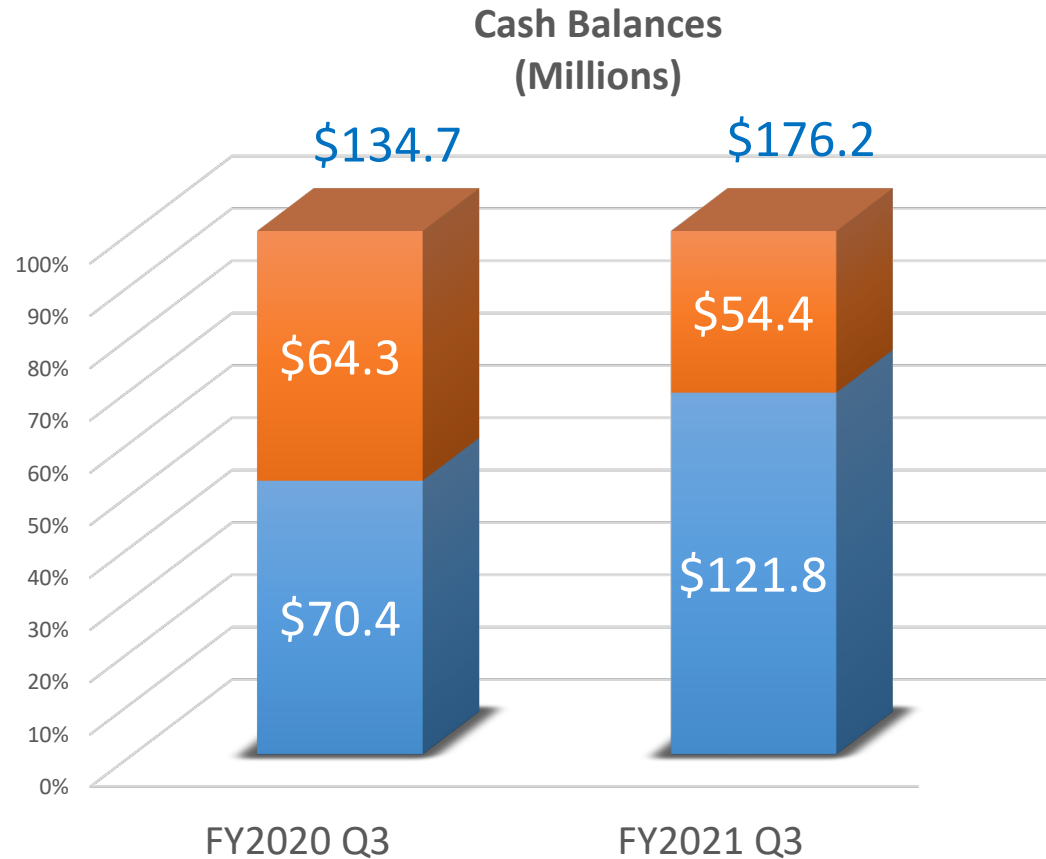
## Financial Update FY2021 Q3 Results

PRESENTED 08.17.2021

# County Wide Cash Position

## Q3 FY2021

(Millions)



Significant Operating Funds	FY2020 Cash Balance	FY2021 Cash Balance	Variance Better/ (Worse)
General Fund	\$46.3	\$59.0	\$12.7
E911	3.4	2.4	(0.9)
Senior Services	0.4	0.3	(0.0)
Parks & Recreation	0.5	1.0	0.4
Transportation	0.2	0.5	0.3
Fire District	16.2	20.2	3.9
CDBG	(0.1)	(0.0)	0.1
EMS	2.0	2.1	0.1
Ins & Benefits Fund	(2.0)	(1.9)	0.1
Other Funds	3.4	38.2	34.8
<b>Total</b>	<b>\$70.4</b>	<b>\$121.8</b>	<b>\$51.3</b>

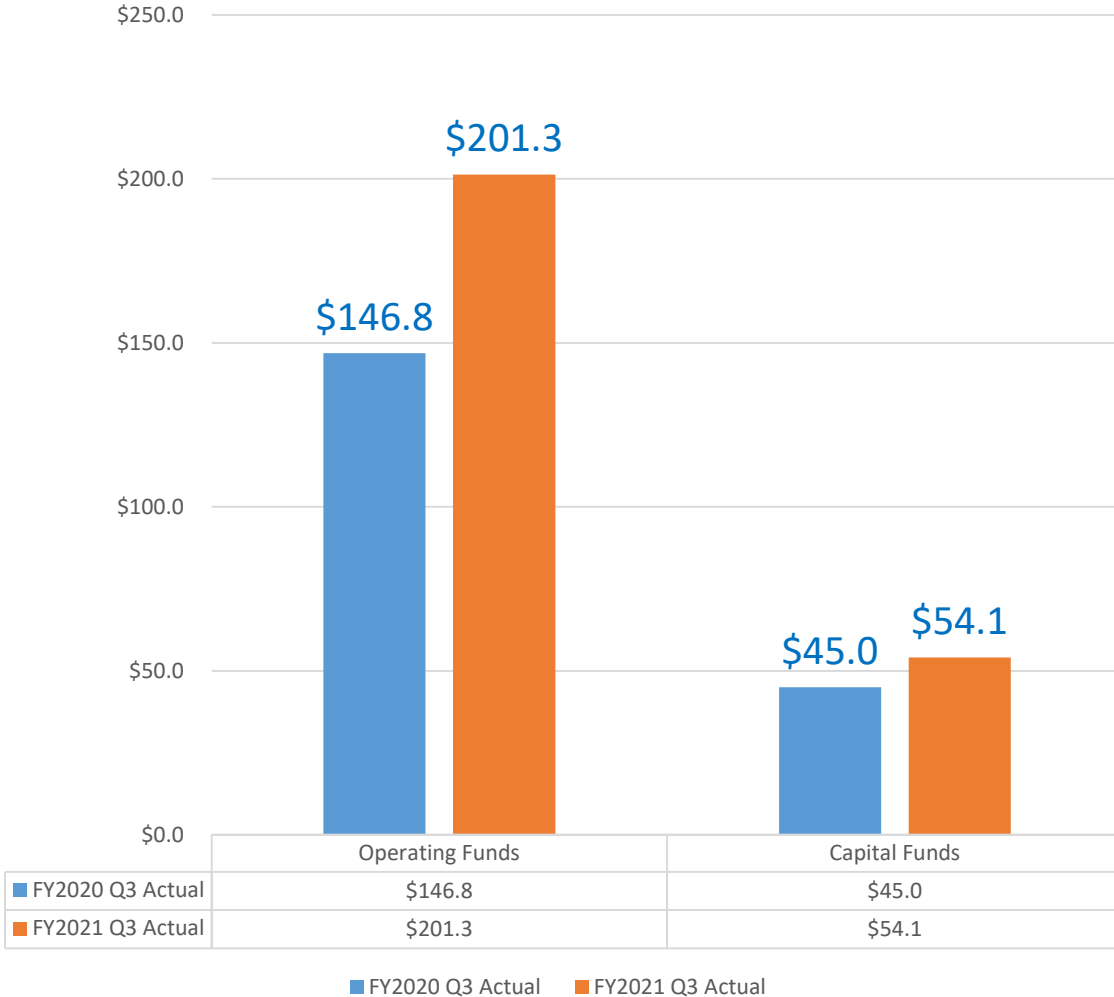
Capital Funds	FY2020 Cash Balance	FY2021 Cash Balance	Variance Better/ (Worse)
Impact Fee	11.9	8.8	(3.1)
SPLOST V, 2012, 2018	52.1	45.3	(6.8)
Debt Service	0.3	0.3	0.0
RRDA	0.0	0.1	0.1
<b>Total</b>	<b>64.3</b>	<b>54.4</b>	<b>(9.9)</b>

<b>GRAND TOTAL</b>	<b>134.7</b>	<b>176.2</b>	<b>41.4</b>
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# County Wide Revenue

## Q3 FY2021

(Millions)



### FY2020 vs FY2021 Variance Highlights

#### Operating Revenue

+\$54.5M

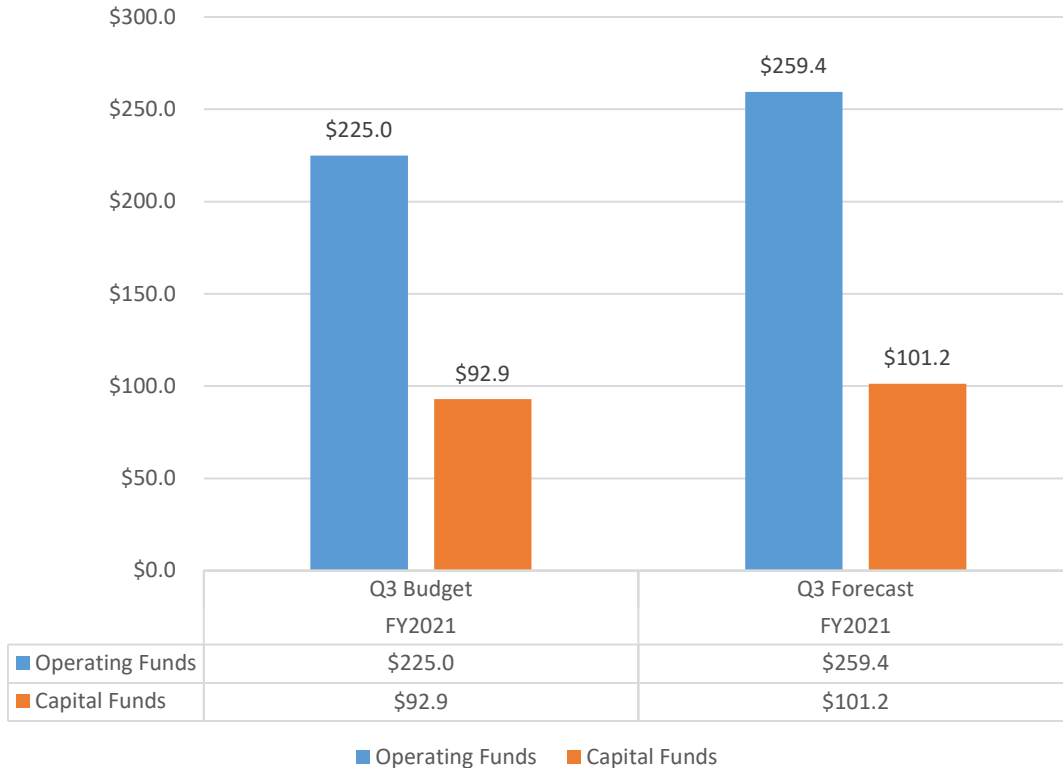
- Property Taxes +\$7.0M
- TAVT +\$3.0M
- ARPA +\$35.0M
- Landfill Fees +\$1.2M
- Other + \$8.3M

#### Capital Revenue

+\$9.0M

- SPLOST +\$6.4M
- Impact Fees to Splost +\$5.0
- RRDA (\$2.0M)
- Other (.4M)

# County Wide Revenue FY2021 Budget vs Forecast (Millions)



## Operating Revenue

+\$34.5M

- TAVT +\$3.6M
- Real Estate Taxes +\$3.0M
- ARPA +\$25M
- Other +\$2.9M

## Capital Revenue

+\$8.3M

- SPLOST +\$6.1M
- LMIG +\$1.5M
- Other +\$0.7M



# General Fund Revenue

## Q3 FY2021

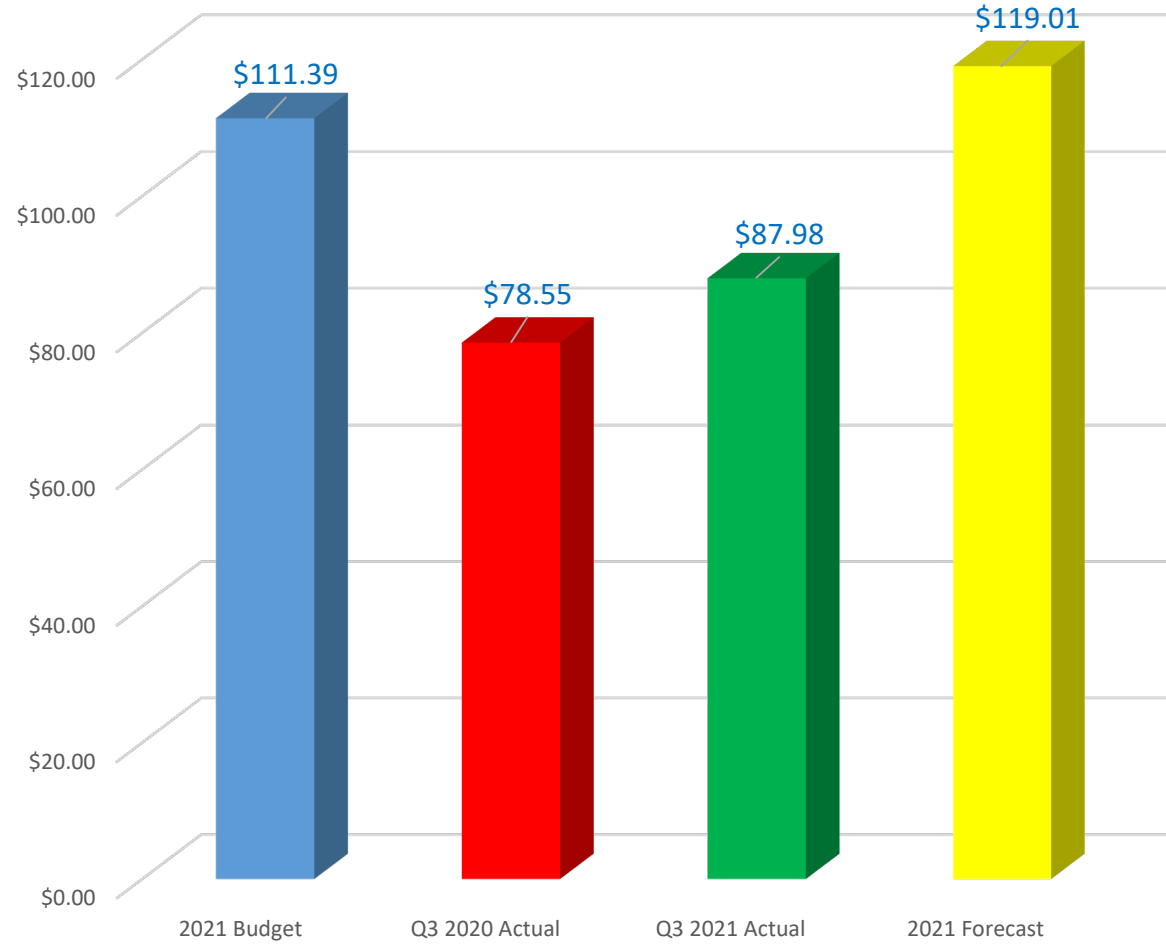
	FY2020 Q3 Actual	FY2021 Q3 Actual	Variance (Under)/Over	Variance Explanations
Taxes	\$64,938,085	\$73,199,300	\$8,261,215	Current Property Taxes +\$4.2M, TAVT +\$3.0M, Real Estate Taxes +\$976k
Licenses and Permits	\$2,384,087	\$2,707,343	\$323,256	Business Licenses (\$79k) - timing only, Building Inspections +\$388k
Intergovernmental	\$111,069	\$100,884	(\$10,185)	Range Revenue
Charges and Services	\$6,314,103	\$7,186,372	\$872,269	Landfill fees +\$1.2M Tax Commissions (\$295k)
Fines and Forfeitures	\$2,781,086	\$3,523,737	\$742,651	Superior +\$339k, State \$46k, Magistrate \$13k Probate +\$183k
Investment Income	\$654,145	\$47,898	(\$606,247)	Interest Rates dropped drastically in 2021
Miscellaneous	\$529,541	\$432,762	(\$96,779)	Blalock Reimbursement (\$33K) - timing only, Indigent Defense (\$60K)
Other Financing Sources	\$842,003	\$780,747	(\$61,256)	Capital Leases (\$73k), Insurance Recovery (\$70k)
Use of Reserves Budgeted	\$0	\$0	\$0	
<b>Total Revenue</b>	<b>\$78,554,119</b>	<b>\$87,979,043</b>	<b>\$9,424,924</b>	

# General Fund Revenue FY2021 Forecast vs Budget

	FY2021 Budget	FY2021 Forecast	Budget Variance (Under)/Over	Variance Explanations
Taxes	\$87,823,267	\$94,145,433	\$6,322,166	TAVT +\$3.6M, Real Estate Taxes +\$2.2M, IPT +\$0.6M
Licenses and Permits	\$2,757,000	\$3,321,115	\$564,115	Building Inspection +\$500k
Intergovernmental	\$105,000	\$120,381	\$15,381	Range Revenue running under budget
Charges and Services	\$9,995,000	\$10,111,418	\$116,418	Landfill +\$854k, Tax Commissions (\$592k), Probation Fees (\$131k)
Fines and Forfeitures	\$4,441,324	\$5,217,341	\$776,017	Superior Court +\$773k, State Court (\$221k), Probate Court +\$189k, Magistrate Court (\$56k)
Investment Income	\$250,000	\$53,898	(\$196,102)	Lower Interest Rates
Miscellaneous	\$828,730	\$794,856	(\$33,874)	Rents (\$37k) - budgeted for DCSS
Other Financing Sources	\$942,733	\$1,003,098	\$60,365	Capital Leases +\$6K, Insurance Recovery +\$6K
Use of Reserves Budgeted	\$4,242,886	\$0	(\$4,242,886)	Forecasting no use of reserves
<b>Total Revenue</b>	<b>\$111,385,940</b>	<b>\$114,767,540</b>	<b>\$3,381,600</b>	

# General Fund Revenue FY2021

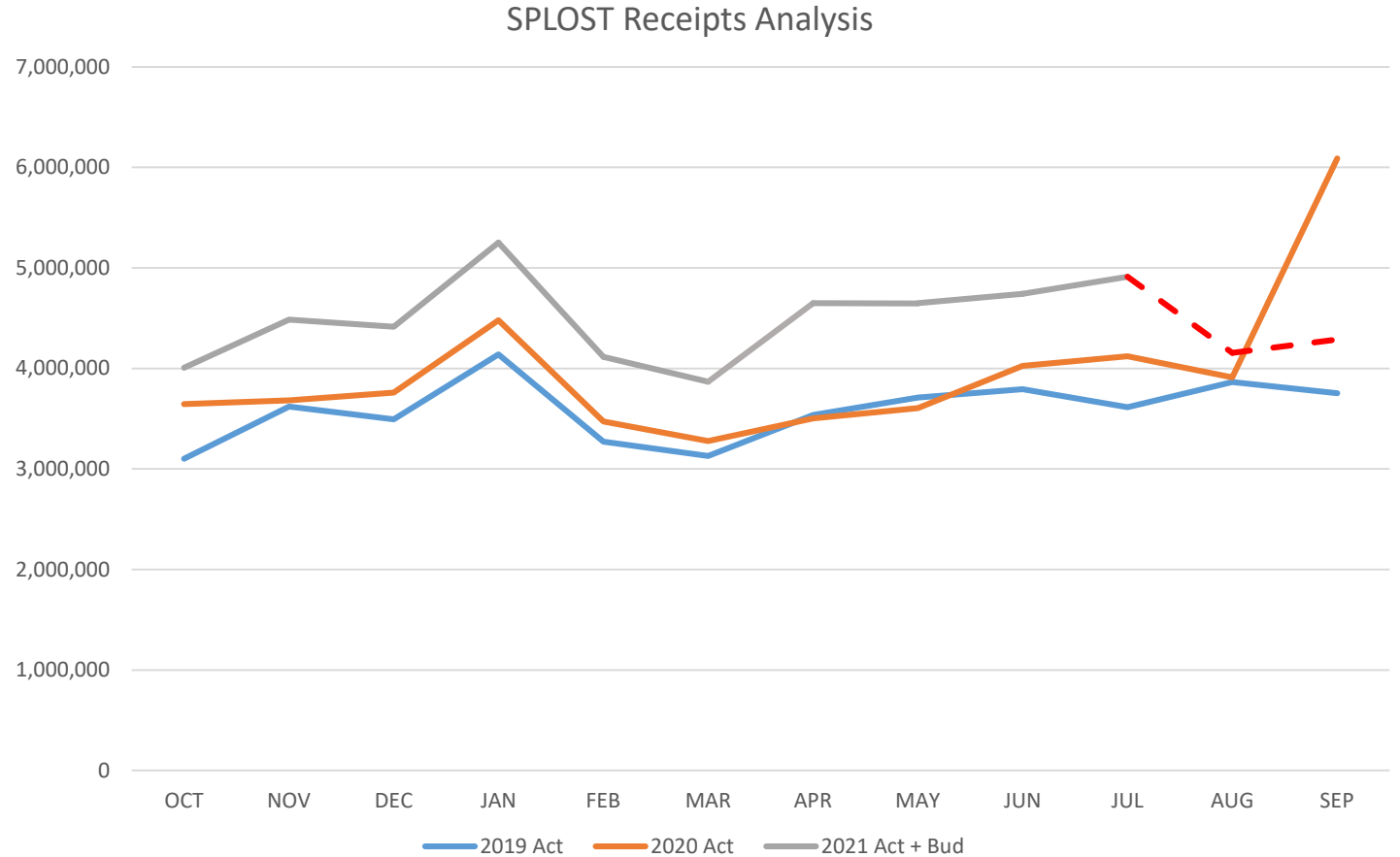
(Millions)





# 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	4,649,878
JUN	3,793,025	4,024,719	4,742,059
JUL	3,614,207	4,119,626	4,912,086
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>53,532,449</b>







# County Wide Expenditures Q3 FY2021

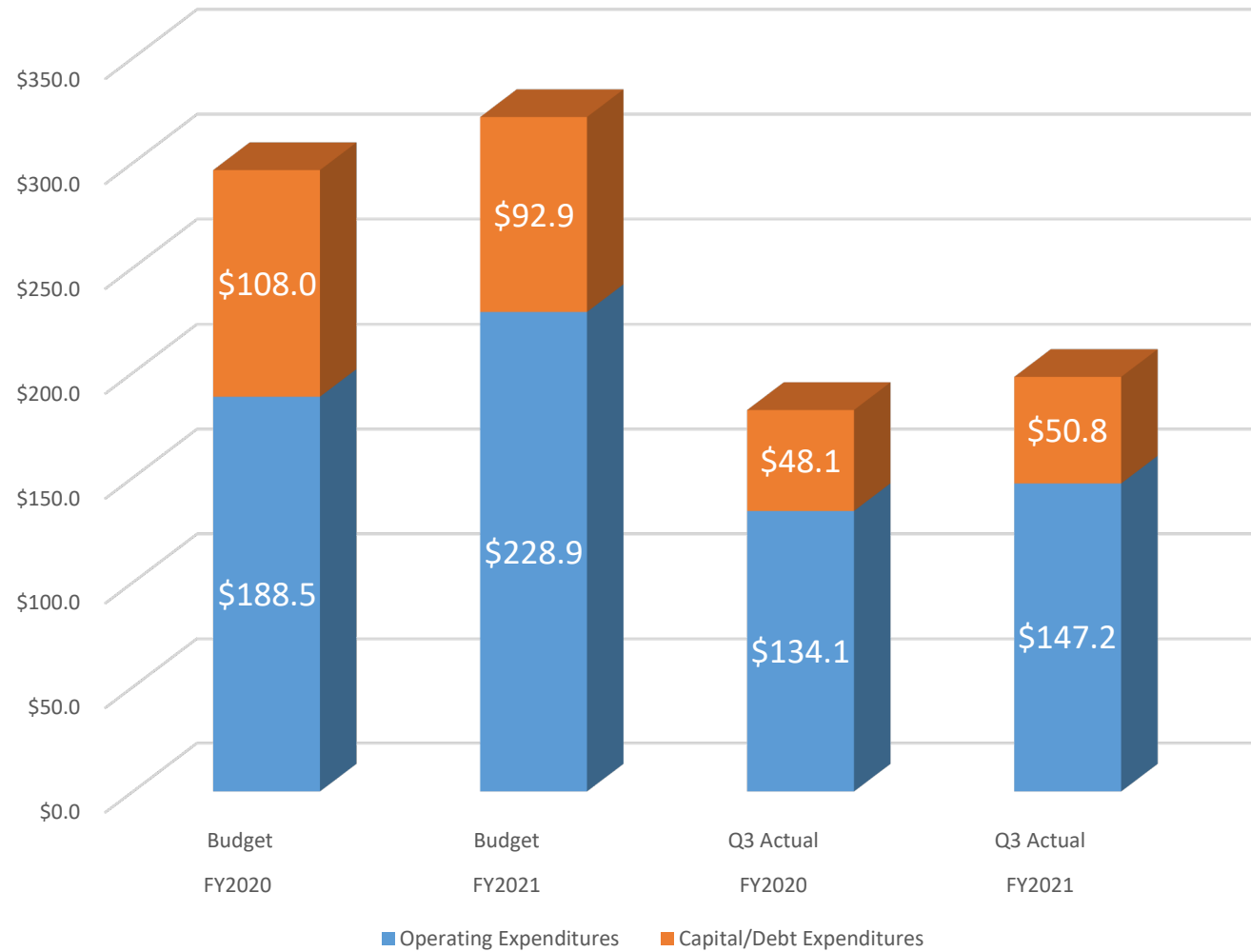
	FY2020 Budget	FY2020 Q3 Actual	FY2021 Budget	FY2021 Q3 Actual	FY2020 % Spent	FY2021 % Spent
Compensation	86,162,858	58,661,303	93,619,418	63,463,442	68.1%	67.8%
Insurance Benefits	27,818,309	23,468,333	38,328,857	29,375,822	84.4%	76.6%
Payroll Taxes	6,525,076	4,198,463	7,121,200	4,534,421	64.3%	63.7%
Workers Comp	962,015	1,105,344	1,188,544	955,351	114.9%	80.4%
Retirement Plans	12,248,545	8,397,877	14,352,588	9,714,754	68.6%	67.7%
Other Personnel	3,300	11,502	3,300	24,924	348.5%	755.3%
<b>Total Personnel</b>	<b>133,720,103</b>	<b>95,842,822</b>	<b>154,613,907</b>	<b>108,068,714</b>	<b>71.7%</b>	<b>69.9%</b>
Operating Costs	34,187,053	24,206,909	37,941,218	25,810,176	70.8%	67.0%
Capital	80,755,340	28,260,174	62,483,268	24,310,535	35.0%	38.9%
Non-Op Costs	21,584,652	14,070,920	37,628,589	16,863,605	65.2%	44.8%
Debt Service	9,331,061	8,424,027	7,466,766	6,519,429	90.3%	87.3%
Utilities/Insurance	5,433,228	3,886,637	5,921,346	4,680,368	71.5%	79.0%
Transfers	11,492,452	7,483,878	15,179,660	11,704,340	65.1%	77.1%
<b>Total Expenditures</b>	<b>296,503,889</b>	<b>182,175,367</b>	<b>321,234,754</b>	<b>197,957,167</b>	<b>61.4%</b>	<b>61.5%</b>

# County Wide Total Expenditures Q3 FY2021

(Millions)



# Operating and Capital Funds Expenditures Q3 FY2020 vs Q3 FY2021 (Millions)



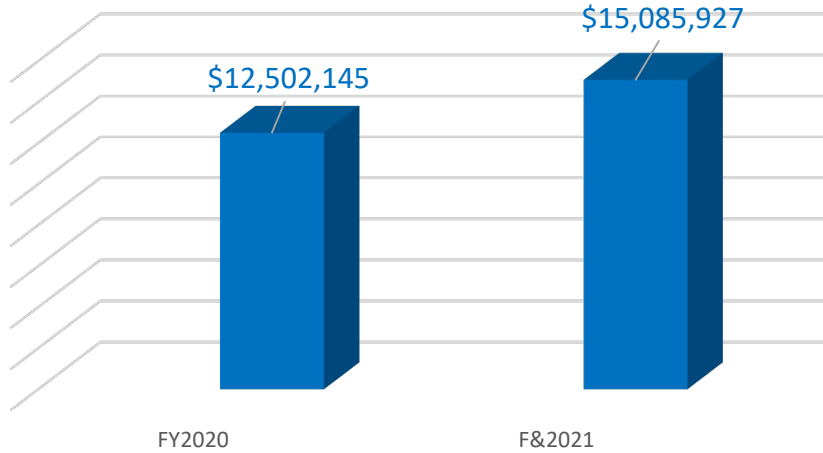


# General Fund Expenditures Q3 FY2021

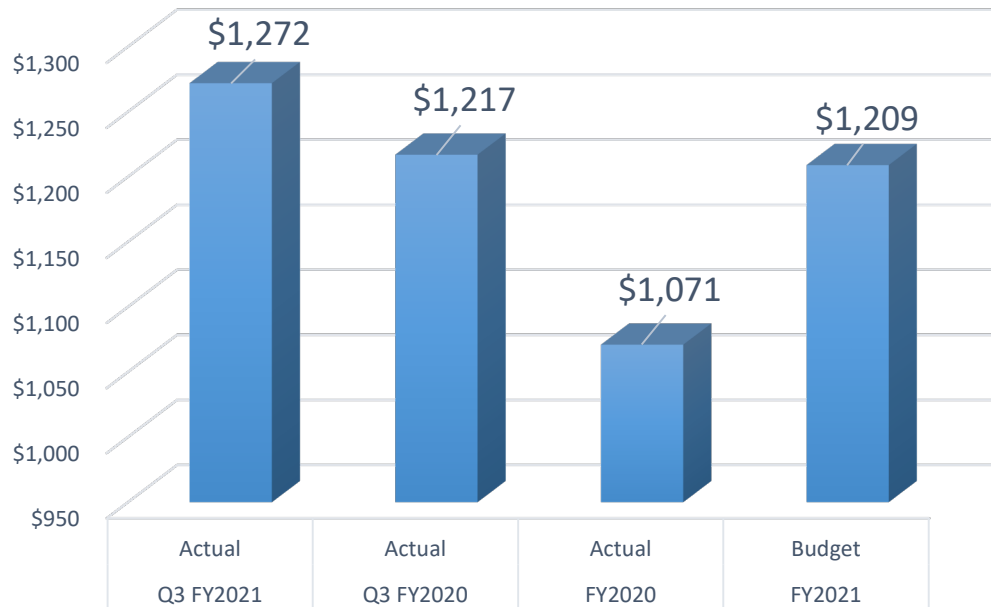
	FY2020 Budget	FY2020 Q3 Actual	FY2021 Budget	FY2021 Q3 Actual	FY2020 % Spent	FY2021 % Spent
Compensation	49,030,999	34,130,899	53,075,244	36,736,235	69.6%	69.2%
Insurance Benefits	6,638,190	5,281,314	9,677,642	6,869,430	79.6%	71.0%
Payroll Taxes	3,692,369	2,446,449	4,023,604	2,623,859	66.3%	65.2%
Workers Comp	507,497		732,186	655,011	0.0%	89.5%
Retirement Plans	6,933,731	4,851,599	8,112,321	5,590,964	70.0%	68.9%
Other Personnel	3,300	10,512	3,300	21,609	318.5%	654.8%
<b>Total Personnel</b>	<b>66,806,086</b>	<b>46,720,773</b>	<b>75,624,297</b>	<b>52,497,108</b>	<b>69.9%</b>	<b>69.4%</b>
Operating Costs	18,791,403	13,228,303	19,287,897	12,298,498	70.4%	62.0%
Capital	264,355	263,189	483,582	276,040	99.6%	57.1%
Non-Op Costs	3,731,443	2,734,074	3,869,608	2,862,018	73.3%	74.0%
Debt Service	344,363	241,163	335,661	254,068	70.0%	75.7%
Utilities/Insurance	3,154,461	2,900,724	3,515,536	2,872,480	92.0%	81.7%
Transfers	7,348,289	5,813,088	8,269,359	6,014,533	79.1%	72.7%
<b>Total Expenditures</b>	<b>100,440,400</b>	<b>71,901,314</b>	<b>111,385,940</b>	<b>77,074,745</b>	<b>71.6%</b>	<b>68.8%</b>

# Insurance & Benefits Analysis

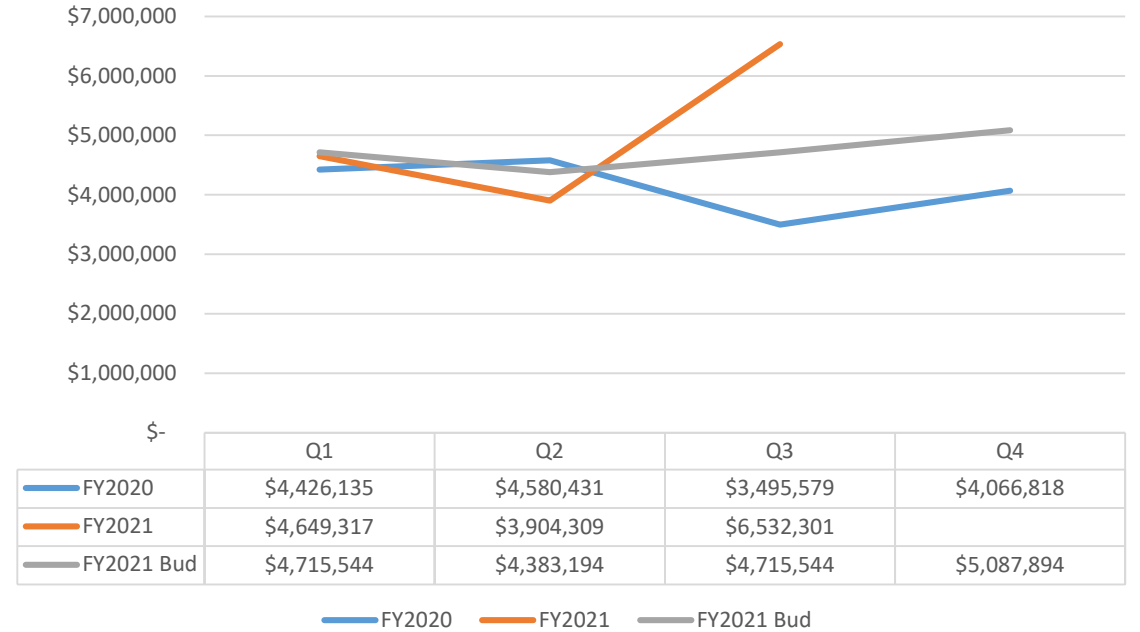
Q3 YTD Net Claims



Per Employee Per Month Cost



Net Claims Analysis



# FY2021 Forecast

## General Fund Forecast

	FY2021 Budget	FY2021 Forecast	Variance Fav/(Unfav)
Revenue	\$107,143,054	\$114,767,540	\$7,624,486
Expenditures	\$111,385,940	\$110,309,830	\$1,076,110
Use of Reserves	(\$4,242,886)	\$4,457,710	\$8,700,596

The General Fund Budgeted (\$4.2M) for the use of Fund Balance Reserves. The forecast is to increase Fund Balance by \$4.4M



Favorable Variance \$8.7M

## Fire Fund Forecast

	FY2021 Budget	FY2021 Forecast	Variance Fav/(Unfav)
Revenue	\$35,621,823	\$36,816,534	\$1,194,711
Expenditures	\$37,862,884	\$36,112,608	\$1,750,276
Use of Reserves	(\$2,241,061)	\$703,926	\$2,944,987

The Fire Fund Budgeted (\$2.2M) for the use of Fund Balance Reserves. The forecast is to increase Fund Balance by \$.7M.



Favorable Variance \$2.9M

# Cherokee County Financial Risks & Opportunities

## Risks

- ▶ COVID Resurgence
- ▶ Inflation
- ▶ Increase in Health Care Claims due to large claims
  - Claims \$1.3M over budget through 3<sup>rd</sup> Qtr.
  - Pending Stop/Loss claims reimbursement \$1.3M

## Opportunities

- ▶ American Rescue Plan \$25.1M
- ▶ SPLOST Receipts continue with strong growth ...20% growth over FY2020 through 3<sup>rd</sup> Qtr.
- ▶ TAVT Trends \$3.2M favorable YTD

# American Rescue Plan Act

- \$25,131,811 received on June 8, 2021
- Annual Single audit will be required
- **Interim Financial Rule**
  - Submitted Comments Due Date 7/16/2021
  - Important Rulings for Cherokee County
    1. Adjust revenue loss calculation and fiscal year-end dates
    2. Allow revenue loss to be calculated on a source-by-source basis
    3. Allow revenue loss funds to be used for rain day and reserve funds
  - Response from Treasury – No date announced to date



# American Rescue Plan Act Key Reporting Dates

## 1. Interim Report

- 8/31/2021 Due Date

## 2. Project and Expenditure Report

- Quarterly, 30 days after the end of each quarter

## 3. Recovery Plan Performance Report

- 8/31/2021 Due Date, annually thereafter by July 31

- Provide initial overview of status and uses of funding. This is a one-time report.

- Report on projects funded, expenditures, and contracts and sub awards over \$50,000 and other information.

- The “Recover Plan” will provide information on the projects that large recipients are undertaking with program funding and how they plan to ensure program outcomes are achieved in an effective, efficient, and equitable manner. The Recovery Plan will be posted on the website of the recipient as well as provided to Treasury.

# American Rescue Plan Act Recovery Plan Report

1. Executive Summary
2. Uses of Funds
3. Promoting equitable outcomes
4. Community Engagement
5. Labor Practices
6. Use of Evidence
7. Table of Expenses by Expenditure Category
8. Project Inventory
9. Performance Report
10. Required Performance indicators and Programmatic Data

# American Rescue Plan Act

- ❑ **Covered period: March 3, 2021 - December 31, 2024**
  - Unless otherwise noted (e.g. premium pay)
  
- ❑ **Costs can be incurred by December 31, 2024**
  - Must be **expended by December 31, 2026**
  
- ❑ **“Incurred” has the same meaning given to “financial obligation” in 2 CFR § 200.1**
  - *Financial Obligation*: “An order placed for property and services and entering into contracts, sub awards, and similar transactions that require payment”.
    - Definition does not qualify in GAAP