



Administrative Office

SUMTER SCHOOL DISTRICT

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RECEIVED

May 15, 2018

MAY 18 2018

The Honorable Molly Spearman, State Superintendent of Education
State of South Carolina Department of Education

**State Superintendent's
Office**

RE: Fiscal Caution Under S.C. Code 59-20-90 (Supp. 2017)

Dear Mrs. Spearman:

In response to your letter dated March 19, 2018 we would like to submit the following financial recovery plan:
The district has taken the following steps to restore the fund balance of the district:

1. A monthly budget report is being presented to the Finance Committee which will detail any significant variances so that they can be addressed quickly.
2. A monthly financial report is being presented by the Chief Finance Officer to the Board of Trustees.
3. The District has implemented a millage rate swap for Fiscal Year 2018 that should increase the fund balance by approximately \$2 million. In addition to this millage rate swap, the District anticipates increasing fund balance in Fiscal Year 2018 by another \$3 million due to careful oversight of expenditures. So, the total anticipated increase to fund balance for Fiscal Year 2018 is \$5 million which would bring the year end fund balance to around \$6 million.

A copy of our latest projection as of March 31, 2018 is attached.

4. The District has presented a balanced budget without a millage rate increase for Fiscal Year 2019. The Board of Trustees is also planning to ask for a millage rate increase. As part of that increase, \$500,000 would be added to fund balance if it is approved. The budget has received second reading approval from the Board of Trustees.
5. The plan going forward is regularly propose a balanced budget and to include a fund balance contribution as part of any millage rate increase until the targeted fund balance has been reached that would remove the district from fiscal caution.
6. We have also prepared a three year projection which is attached as well. It shows a surplus being added in Fiscal Years 2020 and 2021 totaling around \$3.1 million.
7. We anticipate an ending fund balance of \$9.6 million by the end of Fiscal Year 2021 if you factor in the projected increase for Fiscal Year 2018.

Please let me know if you have any questions on the above items.

Sincerely,

Debra W. Hamm, Ph.D., Interim Superintendent

Vision - Sumter School District will educate all students to embrace diversity, act responsibly, and contribute positively in a competitive, global society.

Mission - The mission of Sumter School District is to equip students to be responsible, successful, and productive citizens in a global society.

Sumter School District is an equal opportunity employer.

March, 2018	BUDGETED	YEAR TO DATE	FY 18 PROJECTED	DIFFERENCE BETWEEN BUDGETED AND PROJECTED
100 GENERAL FUND				
REVENUE:				
1-210 AD VALOREM TAXES	33,813,120.00	25,780,006.99	30,369,834.00	-3,443,286.00
1-280 REVENUE IN LIEU OF TAXES	0.00	1,765,373.31	1,765,373.00	1,765,373.00
1-350 TUITION FOR SUMMER SCHOOL	0.00	0.00	5,000.00	5,000.00
1-510 INTEREST ON INVESTMENTS	5,000.00	146,438.08	165,000.00	160,000.00
1-740 STUDENT FEES	0.00	765.00	2,000.00	2,000.00
1-910 RENTALS	0.00	8,125.00	4,000.00	4,000.00
1-920 CONTRIBUTIONS & DONATIONS	500.00	0.00	0.00	-500.00
1-950 REFUND OF PRIOR YEAR EXP	0.00	212.00	212.00	212.00
1-994 LEGAL SETTLEMENTS	0.00	18.71	0.00	0.00
1-999 REVENUE FROM OTHER LOCAL	65,000.00	24,588.08	40,000.00	-25,000.00
3-131 HANDICAPPED TRANSPORTATIO	25,000.00	0.00	25,000.00	0.00
3-160 SCHOOL BUS DRIVERS SALARY	950,000.00	960,070.20	1,280,093.59	330,093.59
3-161 EAA BUS DRIVER SALARIES	4,000.00	0.00	4,000.00	0.00
3-162 BUS DRIVER'S WORKERS COMP	70,000.00	71,424.45	71,424.45	1,424.45
3-180 FRINGE BENEFITS EMPLOYER	21,276,550.00	14,783,260.26	19,694,725.00	-1,581,825.00
3-181 RETIREE INSURANCE	3,820,671.00	3,031,408.05	4,152,480.82	331,809.82
3-311 KINDERGARTEN	2,252,356.00	1,735,987.46	2,212,786.15	-39,569.85
3-312 PRIMARY	6,983,447.00	4,990,502.40	6,503,396.09	-480,050.91
3-313 ELEMENTARY	10,567,626.00	7,841,163.10	10,419,872.12	-147,753.88
3-314 HIGH SCHOOL	2,107,170.00	1,752,923.16	2,456,520.30	349,350.30
3-315 TRANABLE MENTALLY HANDICA	279,099.00	205,719.21	272,452.91	-6,646.09
3-316 SPEECH HANDICAPPED	3,627,108.00	2,748,025.06	3,689,826.98	62,718.98
3-317 HOMEBOUND	45,572.00	29,607.29	36,520.62	-9,051.38
3-321 EMOTIONALLY HANDICAPPED	226,980.00	157,870.61	202,710.18	-24,269.82
3-322 EDUCABLE MENTALLY HANDICA	282,803.00	218,956.62	297,083.10	14,280.10
3-323 LEARNING DISABILITIES	3,876,634.00	2,820,336.16	3,710,190.83	-166,443.17
3-324 HEARING HANDICAPPED	146,407.00	107,747.13	142,586.46	-3,820.54
3-325 VISUALLY HANDICAPPED	77,969.00	62,462.02	86,097.02	8,128.02
3-326 ORTHOPEDICALLY HANDICAPPE	100,235.00	67,265.19	84,615.65	-15,619.35
3-327 VOCATIONAL	7,632,209.00	5,364,050.43	6,927,422.41	-704,786.59
3-331 AUTISM	685,424.00	478,869.83	753,956.25	68,532.25
3-332 HIGH ACHIEVING STUDENTS	662,978.00	482,146.23	634,143.34	-28,834.66
3-334 ESOL	146,488.00	102,611.93	132,276.15	-14,211.85
3-351 ACADEMIC ASSISTANCE	1,926,944.00	1,464,907.17	1,970,237.09	43,293.09
3-352 POVERTY	5,427,007.00	3,988,494.51	5,274,454.51	-152,552.49
3-353 DUAL ENROLLMENT	67,477.00	54,980.86	76,359.50	8,882.50
3-375 ED FOUNDATION SUPPLEMENT	0.00	242,180.00	242,180.00	242,180.00
3-810 REIMB FOR PROPERTY TAX	4,260,602.00	3,834,541.44	4,260,602.00	0.00
3-820 HOMESTEAD EXEMPTION	1,568,458.00	0.00	1,568,458.00	0.00
3-825 NEW SCHOOL TAX CREDIT	12,305,799.00	7,388,991.60	12,305,799.00	0.00
3-830 MERCHANT'S INVENTORY	564,144.00	0.00	564,144.00	0.00
3-840 MANUFACTURING REIMB	515,000.00	0.00	515,000.00	0.00
3-890 OTHER STATE PROPERTY TAX	50,000.00	0.00	50,000.00	0.00
3-992 STATE FOREST COMMISSION	135,000.00	260,156.91	260,157.00	125,157.00
3-993 ON BEHALF RETIREMENT	0.00	970,185.08	970,185.08	970,185.08
3-999 OTHER STATE REVENUE	0.00	11,052.93	10,491.00	10,491.00
4-110 IMPACT AID	330,000.00	330,992.22	330,000.00	0.00
TOTAL REVENUE	126,880,777.00	94,284,416.68	124,539,666.60	-2,341,110.40
EXPENDITURE:				
110 REGULAR SALARIES	62,772,585.39	37,853,604.30	59,207,629.12	3,564,956.27
111 ADMINISTRATIVE SALARIES	5,783,921.00	4,007,216.28	5,826,634.92	-42,713.92
115 PARAPROFESSIONAL SALARIES	10,127,642.95	6,050,357.16	9,162,737.16	964,905.79
116 MAINTENANCE SALARIES	0.00	6,455.00	10,000.00	-10,000.00
118 CROSSING GUARD SALARIES	0.00	6,317.01	10,000.00	-10,000.00
120 SUBSTITUTE SALARIES	745,000.00	567,911.53	867,911.53	-122,911.53
130 SUPPLEMENT/OVERTIME SALARIES	1,430,227.02	1,427,769.02	1,870,787.76	-440,560.74
140 TERMINAL LEAVE PAYOUT	0.00	74,567.64	75,000.00	-75,000.00
210 GROUP HEALTH INSURANCE	11,374,067.43	6,591,238.76	9,844,152.00	1,529,915.43
220 EMPLOYEE RETIREMENT	15,307,633.55	9,248,890.96	14,265,984.00	1,041,649.55
230 SOCIAL SECURITY	6,203,257.82	3,624,581.98	5,568,984.00	634,273.82
260 UNEMPLOYMENT COMPENSATION	50,000.00	40,058.88	50,000.00	0.00
270 WORKERS COMPENSATION	1,214,455.59	758,309.29	1,149,360.00	65,095.59
290 OTHER EMPLOYEE BENEFITS	0.00	9,286.00	9,286.00	-9,286.00
311 INSTRUCTIONAL SERVICES	438,000.00	394,586.43	410,000.00	28,000.00
312 INST PROGRAMS IMPROVEMENT	77,267.36	36,128.10	70,000.00	7,267.36
313 PUPIL SERVICES	1,500.00	0.00	1,500.00	0.00
315 MANAGEMENT SERVICES	92,211.50	52,480.40	70,000.00	22,211.50
316 DATA PROCESSING	27,000.00	11,890.00	27,000.00	0.00
317 STATISTICAL SERVICES	3,102.38	828.00	2,200.00	902.38
318 BOE AUDIT SERVICE	31,700.00	26,500.00	39,000.00	-7,300.00
319 OTHER PROF & TECH(LEGAL)	50,000.00	128,517.89	250,000.00	-200,000.00

March, 2018	BUDGETED	YEAR TO DATE	FY 18 PROJECTED	DIFFERENCE
321 PUBLIC UTILITIES	263,000.00	201,949.84	300,000.00	-37,000.00
323 REPAIRS AND MAINTENANCE	804,119.00	445,919.07	750,000.00	54,119.00
324 PROPERTY INSURANCE	914,074.00	920,264.92	921,456.00	-7,382.00
325 RENTALS	835,773.18	513,431.15	865,000.00	-29,226.82
331 PUPIL TRANSPORTATION	66,125.00	17,910.85	55,000.00	11,125.00
332 TRAVEL	365,727.61	177,213.87	200,000.00	165,727.61
340 COMMUNICATION	386,610.00	245,100.50	345,000.00	41,610.00
345 TECHNOLOGY SERVICES	322,842.39	306,554.47	300,000.00	22,842.39
350 ADVERTISING	2,000.00	972.58	1,000.00	1,000.00
360 PRINTING AND BINDING	9,319.29	1,510.56	15,000.00	-5,680.71
373 TUITION TO OTHER ENTITY	650.00	0.00	0.00	650.00
380 HEAD OF ORGANIZATIONAL UNIT TRAVEL	5,000.00	1,741.00	2,000.00	3,000.00
390 OTHER PURCHASED SERVICES	1,000.00	38,717.45	50,000.00	-49,000.00
395 OTHER PROFESSIONAL SERVICES	360,488.00	340,937.92	305,000.00	55,488.00
399 MISC PURCHASED SERVICES	180,467.40	106,051.79	176,450.00	4,017.40
410 SUPPLIES	2,688,625.85	1,190,024.09	2,700,000.00	-11,374.15
430 LIBRARY BOOKS	354,941.05	80,552.42	104,941.05	250,000.00
440 PERIODICALS	11,338.81	6,917.97	10,000.00	1,338.81
445 TECH AND SOFTWARE SUPPLIES	230,654.70	137,949.42	145,000.00	85,654.70
470 ENERGY	4,580,903.00	2,967,340.61	4,200,000.00	380,903.00
545 TECHNOLOGY AND SOFTWARE	14,934.18	0.00	0.00	14,934.18
610 REDEMPTION OF PRINCIPAL	129,505.00	132,094.96	132,095.00	-2,590.00
620 INTEREST	148,995.00	10,765.11	576,495.00	-427,500.00
640 DUES AND FEES	106,156.90	104,000.32	106,000.00	156.90
650 INSURANCE AND JUDGEMENTS	45,183.00	693.00	0.00	45,183.00
660 PUPIL ACTIVITY	396,000.00	306,885.73	400,000.00	-4,000.00
690 OTHER OBJECTS	678,157.65	34,521.50	219,415.65	458,742.00
721 PAYMENTS TO OTH GOVT UNIT	35,000.00	10,460.58	35,000.00	0.00
TOTAL EXPENDITURE	129,667,163.00	79,217,976.31	121,703,019.19	7,964,143.81
OTHER FINANCING SOURCE:				
5-230 TRANSFER FROM EIA	3,336,386.00	0.00	3,517,001.00	180,615.00
5-280 TRANSFER INDIRECT COSTS	800,000.00	545,308.38	800,000.00	0.00
5-300 SALES OF FIXED ASSETS	0.00	1,125.00	0.00	0.00
5-999 PREMIUM ON DEBT ISSUANCE	0.00	281,390.00	281,390.00	281,390.00
TOTAL OTHER FINANCING SOURCE	4,136,386.00	827,823.38	4,598,391.00	180,615.00
OTHER FINANCING USE:				
710 TRANSFERS TO OTHER FUNDS	1,350,000.00	299,075.00	1,950,000.00	-600,000.00
TOTAL OTHER FINANCING USE	1,350,000.00	299,075.00	1,950,000.00	-600,000.00
	0.00	15,595,188.75	5,485,038.41	5,203,648.41

Sumter School District
Four Year Financial Plan, Fiscal Years 2018-2021
General Fund

	Actual					Budgeted	Projected				Avg Ann Increase 2013-present	Assumptions					Description	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2018		2019	2020	2021				
Revenues																		
Real Property Tax Items	26,962,422	28,163,438	27,804,662	28,285,259	30,138,647	33,813,120	32,817,169	34,301,684	35,830,735	3%	12%	-3%	3%	3%				
Other Tax Items																		
Non-Property Tax Items																		
Charges for Services																		
Recovery Plan Items																		
State Aid	71,478,558	73,272,675	79,383,165	85,088,476	91,229,381	92,667,157	93,006,981	94,867,121	96,764,463	6%	2%	0.37%	2%	2%				
Federal Aid	394,647	241,930	387,839	452,789	516,235	330,000	475,000	508,250	543,828	7%	-36%	44%	7%	7%				
Other (includes Sale of Property, Misc.)	28,375	277,106	1,467,532	344,359	117,182	70,500	260,000	260,000	260,000	43%	-40%	269%	0%	0%				
Total Revenues	98,864,002	101,955,149	109,043,198	114,170,883	122,001,445	126,880,777	126,559,150	129,937,055	133,399,025	5%	4%	0%	3%	3%				
Interfund Transfers	4,918,545	3,914,283	4,068,085	4,068,704	5,874,867	4,136,386	5,295,246	5,560,008	5,838,009	5%	-30%	28%	5%	5%				
Total Revenues and Other Sources	\$103,782,547	\$105,869,432	\$113,111,283	\$118,239,587	\$127,876,312	\$131,017,163	\$131,854,396	\$135,497,063	\$139,237,034	5%	2%	1%	3%	3%				
Expenditures by Function																		
Support Services	43,387,501	46,820,721	49,544,739	51,751,742	50,465,451	53,926,148	53,983,101	55,062,763	56,164,018	4%	7%	0%	2%	2%				
Instruction	58,902,172	58,305,219	62,720,960	69,748,214	75,353,181	75,427,515	76,415,069	77,943,370	79,502,238	6%	0%	1%	2%	2%				
Capital Outlay	34,934	27,685	97,495	143,489	11,084	0	0	0	0	-25%	-100%		0%	0%				
Recovery Plan Items																		
Community Services	57,422	75,191	255,188	227,122	32,010	0	0	0	0	-14%	-100%		0%	0%				
Intergovernmental	108,550	57,984	51,965	72,417	60,799	35,000	43,900	43,900	43,900	-13%	-42%	25%	0%	0%				
Debt Service (Principal and Interest)	174,551	222,707	109,644	274,153	128,487	278,500	477,326	477,326	477,326	-7%	117%	71%	0%	0%				
Total Expenditures	102,665,130	105,509,507	112,779,991	122,217,137	126,051,012	129,667,163	130,919,396	133,527,359	136,187,482	5%	3%	1%	2%	2%				
Interfund Transfers	452,096	310,597	286,051	398,824	1,046,070	1,350,000	935,000	935,000	935,000	23%	29%	-31%	0%	0%				
Total Expenditures and Other Uses	\$103,117,226	\$105,820,104	\$113,066,042	\$122,615,961	\$127,097,082	\$131,017,163	\$131,854,396	\$134,462,359	\$137,122,482	5%	3%	1%	2%	2%				
Total Expenditures for % FB Test	\$102,347,095	\$105,201,131	\$112,520,887	\$121,727,078	\$125,850,642	\$129,353,663	\$130,398,170	\$133,006,133	\$135,666,256									
Surplus (Deficit)	\$665,321	\$49,328	\$45,241	(\$4,376,374)	\$779,230	\$0	\$0	\$1,034,704	\$2,114,552									
Budgetary Reserves																		
Fund Equity, Beg. of Year	\$3,722,933	\$4,388,254	\$4,437,582	\$4,482,823	\$106,449	\$885,679	\$885,679	\$885,679	\$1,920,383									
Fund Equity, End of Year	4,388,254	4,437,582	4,482,823	106,449	885,679	885,679	885,679	1,920,383	4,034,934									
Nonspendable and Restricted Fund Balance																		
Unrestricted Fund Balance	4,388,254	4,437,582	4,482,823	106,449	885,679	885,679	885,679	1,920,383	4,034,934									
UFB as % of Expenditures*	4.29%	4.22%	3.98%	0.09%	0.70%	0.68%	0.68%	1.4%	3.0%									
Required Minimum Fund Balance (watch)	8,525,513	8,644,384	9,068,122	9,756,428	10,311,612	10,629,259	10,818,664	10,970,789	11,190,205									
Required Minimum Fund Balance (caution)	8,525,513	8,763,254	9,372,990	10,139,866	10,483,358	10,775,160	10,862,168	11,079,411	11,300,999									
Number of Employees	3,242	3,241	3,163	3,183	3,183	3,183	3,189	3,189	3,189									
Number of Students	16,251	16,833	16,924	17,130	17,138	16,798	16,675	16,655	16,706									

