441 Page Street • P.O. Box 427
Troy, North Carolina 27371-0427
PHONE: (910) 576-6511 • FAX: (910) 576-2044

To: Board of Education
From: Mitch Taylor
Date: July 18, 2022
Subject: Agenda Item (Section – Consent Agenda)

Attached you will find a budget amendment for your consideration for the year ending June 30, 2022.

Fiscal Year 2021/2022 Budget Amendment # 10

State Funds

A net increase of $908,639.05 to the State Budget Fund (Fund 1):

$109.00 increase to PRC 015 (Technology) – A portion of the interest that is earned on state funding allotted to the schools for technology.

$11,971.00 increase to PRC 014 (CTE Programming) and a decrease of $11,971.00 to PRC 013 (CTE Employment) – Surplus funds were transferred from PRC 013 to PRC 014 in order to purchase additional CTE supplies.

$823,804.12 increase in PRC 141 (State Supplemental Teacher Supplement) – This year, to enable smaller districts to better compete with larger districts regarding the amount of local teacher supplements, the state provided additional funding to increase the amount of the local teacher supplement.

$84,725.93 increase to PRC 045 (Teacher Bonus) – Because testing was negatively affected by COVID, in lieu of awarding performance bonuses for reading and math, the State issued a $300.00 bonus to all teachers.

The following amendments were made in order to rebalance the budget for the year-end closeout:

$113,222.04 increase to PRC 031, purpose code 6000 and a corresponding decrease to PRC 031, purpose code 5000.

$18,758.90 increase to PRC 061, purpose code 6000 and a corresponding decrease to PRC 061, purpose code 5000.

$62,647.86 increase to PRC 032, purpose code 6000 and a corresponding decrease to PRC 032, purpose code 5000.

$2000.00 increase to PRC 002, purpose code 8000 and a corresponding decrease to PRC 002, purpose code 6000.

$141,244.71 increase to PRC 024, purpose code 6000 and a corresponding decrease to PRC 024, purpose code 5000.

$99,551.72 increase to PRC 002, purpose code 8000 and a corresponding decrease to PRC 002, purpose code 7000.

$34,200.00 increase to PRC 069, purpose code 6000 and a corresponding decrease to PRC 069, purpose code 5000.

Local Funds

2) No change to the Local Fund Budget (Fund 2)

Federal Funds

3) A net increase of $2690.00 to the Federal Budget Fund (Fund 3):

$2690.00 increase to PRC 203 (ESSER III Premium Bonus Pay) – In January of this year, the State paid a $1000 Premium Bonus to all teachers who worked during the Pandemic. The initial allotment only covered about 80% of the total cost of this bonus. This third allotment reduces the shortfall, covering all but about $10,000 of the original expense. The balance was paid with ESSER III funding.

$734,038.52 increase to PRC 181, purpose code 8000 and a corresponding decrease of $14,115.02 to PRC 181, purpose code 5000 and a corresponding decrease of $719,923.50 to PRC 181, purpose code 6000 (ESSER III COVID Relief Funding) – In late May, DPI notified the school districts that it was now allowable for the district to budget an indirect cost expense with all ESSER funds. This amendment was done in order to add an indirect cost charge into our ESSER III budget, allowing the district to charge a fee to be used to offset indirect costs such as overhead.

$14,161.61 increase to PRC 163, purpose code 8000 and a corresponding decrease of $14,159.47 to PRC 163, purpose code 5000 and a corresponding decrease of $2.14 to PRC 163, purpose code 6000 (ESSER I COVID Relief Funding) – In late May, DPI notified the school districts that it was now allowable for the district to budget an indirect cost expense with all ESSER funds. This amendment was done in order to add an indirect cost charge into our ESSER I budget, allowing the district to charge a fee to be used to offset indirect costs such as overhead.

$474,687.42 increase to PRC 171, purpose code 8000 and a corresponding decrease of $344,409.39 to PRC 171, purpose code 5000 and a corresponding decrease of $113,032.50 to PRC 171, purpose code 6000 and a corresponding decrease of $17,245.53 to PRC 171, purpose code 7000 (ESSER II COVID Relief Funding) – In late May, DPI notified the school districts that it was now allowable for the district to budget an indirect cost expense with all ESSER funds. This amendment was done in order to add an indirect cost charge into our ESSER II budget, allowing the district to charge a fee to be used to offset indirect costs such as overhead.

$474,687.42 decrease to PRC 181, purpose code 8000 and a corresponding increase of $344,409.39 to PRC 181, purpose code 5000 and a corresponding increase of $113,032.50 to PRC 181, purpose code 6000 and a corresponding increase of $17,245.53 to PRC 171, purpose code 7000 (ESSER III COVID Relief Funding) – This is a correction of an error that occurred in Budget Amendment #9. This amendment should have been for PRC 171 (ESSER II) but was incorrectly shown as PRC 181 (ESSER III). This amendment reverses the original entry in Budget Amendment #9 in order to correct the error. The correct entry for PRCs 171 and 181 are shown above.

Capital Outlay Funds

4) An increase of $177,342.74 to the Capital Outlay Budget Fund (Fund 4):

$40,000.00 increase to PRC 802 (MLA Sewer Repair) – This amendment is to pay for the repairs to the sewer system at Montgomery Learning Academy. This project is still in progress.

$137,342.74 increase to PRC 802 (Roof Replacement at Candor Elementary) This amendment is for replacing the roof of the Candor Elementary Gym. The roof was damaged by high winds during a thunderstorm. An Insurance claim was filed and resulted in a settlement of $39,844.39. The settlement would only cover the repairs to the roof caused by the storm, but it was determined the entire roof needed replacing. Estimates were taken and the low bid was $177,187.13. Subtracting the insurance settlement leaves a balance of $137,342.74 that will be needed to complete the work.

Child Nutrition

5) No change to the Child Nutrition Fund. (Fund 5):

Special Local Fund 8

6) A net increase of $1,078,667.55 to the Special Local Fund 8 Budget (Fund 8):

There are budgets in Fund 8 in which the amount of revenue received during the year varies and may differ from the original amount budgeted. At year end, budgeted revenues can be adjusted to reflect the actual amount received for the year. The amendments listed below were areas where revenues exceeded the original budgeted amounts and are being increased by a total of $926,000.00 to reflect this difference:

$21,000.00 increase to PRC 8.4490 (Miscellaneous Revenues)

$740,000.00 increase to PRC 8.4880 (Indirect Cost Charges)

$13,000.00 increase to PRC 012 (Driver's Education Fees)

$90,000.00 increase to PRC 305 (Unrestricted Medicaid Fees)

$6000.00 increase to PRC 806 (Transcript Fees)

$52,500.00 increase to PRC 671 (Device Fees)

$3500.00 increase to PRC 802 (Recycling Fees)

Total Revenue increase of $926,000.00

By increasing the budgeted revenues in these areas, the district is then able to increase Fund 8 expense budgets so that these additional revenues can be utilized. The following expense budget amendments offset the increased revenues in Fund 8:

$800,000.00 increase to PRC 802 (Utilities – Electricity)

$126,000.00 increase to PRC 802 (Utilities - Propane Gas)

Total Expense increase of $926,000.00

$3000.00 increase to PRC 061 (Literacy Bus Grant) – The district received a grant to purchase books for the Literacy Bus operated through the Literacy Grant.

$3000.00 increase to PRC 007 (CPR Grant) – The district received a grant to provide instruction to our staff in CPR procedures.

$146,667.55 increase to PRC 306 (Restricted Medicaid Fees) – The Unrestricted Medicaid revenues exceeded the amount budgeted and the revenue and expense budgets were adjusted to reflect the additional revenues.

7) Overall, these adjustments resulted in an increase of $2,167,339.34 to the total 2021 - 2022 budget for Montgomery County Schools.

I will be available to answer any questions you may have.

This amendment is an action item and will require a vote.

Budget Amendment # 10

Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the th day of July 11th 2022 passed the following resolution:

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2022.

Expense Code		Description of Code	Increase	Decrease
		STATE FUNDS		
		Revenues		
1.3100		State Rev #59 PRC 015	$109.00	
1.3100		State Rev #60 PRC 013/014	$11,971.00	$11,971.00
1.3100		PRC 141 State COVID Bonus	$823,804.12	
1.3100		PRC 045 $300 Teacher Bonus	84,725.93	
		Net Change in State Revenues	**$908,639.05**	
		Expenses		
1.5000.015		Technology	$109.00	
1.5000.013		CTE Months of Employment		$11,971.00
1.6000.014		CTE Programing	$11,971.00	
1.5000.141		State $1000 COVID Bonus	$641,214.74	
1.6000.141		State $1000 COVID Bonus	$118,168.14	
1.7000.141		State $1000 COVID Bonus	64,421.24	
1.5000.045		State $300 Teacher Bonus	$84,725.93	
1.5000.031		PRC 031 Rebalance by Purpose Code		113,222.04
1.6000.031		PRC 031 Rebalance by Purpose Code	113,222.04	
1.5000.061		PRC 061 Rebalance by Purpose Code		18,758.90
1.6000.061		PRC 061 Rebalance by Purpose Code	18,758.90	
1.5000.032		PRC 032 Rebalance by Purpose Code		62,647.86
1.6000.032		PRC 032 Rebalance by Purpose Code	62,647.86	
1.6000.002		PRC 002 Rebalance by Purpose Code		2,000.00
1.8000.002		PRC 002 Rebalance by Purpose Code	2,000.00	
1.5000.024		PRC 024 Rebalance by Purpose Code		141,244.71
1.6000.024		PRC 024 Rebalance by Purpose Code	141,244.71	
1.7000.002		PRC 002 Child Nutrition Director interfund transfer		99,551.72
1.8000.002		PRC 002 Child Nutrition Director interfund transfer	99,551.72	
1.5000.069		PRC 069 Rebalance by Purpose Code		34,200.00
1.6000.069		PRC 069 Rebalance by Purpose Code	$34,200.00	
		Net Change in State Expenses	**$908,639.05**	
		Net Change in State Budget	**$908,639.05**	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget **$29,380,489.84**

Amount of Increase **$908,639.05**

Total Appropriation in Current Amended Budget **$30,289,128.89**

Budget Amendment # 10

Expense Code		Description of Code			Increase	Decrease
		LOCAL FUNDS				
		Revenues				
		Expenses				
		Net Change in Local Budget			$0.00	

Explanation: Adjustments made for actual revenues and expenditures.

Total Appropriation in Current Budget	**$6,646,016.00**
Amount of Increase	**$0.00**
Total Appropriation in Current Amended Budget	**$6,646,016.00**

Budget Amendment # 10

Expense Code		Description of Code			Increase	Decrease
		FEDERAL FUNDS				
		Revenues				
3.3600.203		ESSER Premium Bonus			$2,690.00	
3.3600.101		Sexual Risk Avoidance Education				
3.3600.185		ESSER IDEA Grant to the states				
3.3600.060		Exceptional Children				
3.3600.119		IDEA Targeted Assistance for Pre-K				
		Net Change in Federal Revenues			**$2,690.00**	
		Expenses				
3.5000.181		PRC 181 ESSER III Covid funding				$14,115.02
3.6000.181		PRC 181 ESSER III Covid funding				$719,923.50
3.8000.181		PRC 181 ESSER III Covid funding			$734,038.52	
3.5000.203		PRC 203 ESSER Premium Bonus			$2,690.00	
3.5000.163		PRC 163 ESSER I Covid funding				$14,159.47
3.6000.163		PRC 163 ESSER I Covid funding				$2.14
3.8000.163		PRC 163 ESSER I Covid funding			$14,161.61	
3.5000.171		PRC 171 ESSER II Covid funding				$344,409.39
3.6000.171		PRC 171 ESSER II Covid funding				$113,032.50
3.7000.171		PRC 171 ESSER II Covid funding				$17,245.53
3.8000.171		PRC 171 ESSER II Covid funding			$474,687.42	
3.5000.181		PRC 181 ESSER III Covid funding			$344,409.39	
3.6000.181		PRC 181 ESSER III Covid funding			$113,032.50	
3.7000.181		PRC 181 ESSER III Covid funding			$17,245.53	
3.8000.181		PRC 181 ESSER III Covid funding				$474,687.42
		Net Change in Federal Expenses			**$2,690.00**	
		Net Change in Federal Budget			**$2,690.00**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget	**$18,650,902.38**
Amount of Increase	**$2,690.00**
Total Appropriation in Current Amended Budget	**$18,653,592.38**

Budget Amendment # 10

Expense Code	Description of Code	Increase	Decrease
	CAPITAL OUTLAY FUND		
	Revenues		
4.4110.802.532.000.000.17	MLA Sewer Repair	40,000.00	
4.4110.802.532.312.000.01	Candor Gym Roof Repair	137,342.74	
	Net Change in Capital Outlay Revenues	**177,342.74**	
	Expenses		
4.9000.802.532.000.000.17	MLA Sewer Repair	40,000.00	
4.9000.802.532.312.000.01	Candor Gym Roof Repair	137,342.74	
	Net Change in Capital Outlay Expenses	**177,342.74**	
	Net Change in Capital Outlay Budget	**$177,342.74**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget	**$3,802,978.42**
Amount of Increase	**$177,342.74**
Total Appropriation in Current Amended Budget	**$3,980,321.16**

Expense Code	Description of Code	Increase	Decrease
	CHILD NUTRITION FUND		
	Revenues		
		0.00	
	Expenses		
		0.00	
	Net Change in Child Nutrition Budget	**$0.00**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget	**$3,246,560.00**
Amount of Increase	**$0.00**
Total Appropriation in Current Amended Budget	**$3,246,560.00**

Budget Amendment # 10

Expense Code	Description of Code	Increase	Decrease
	LOCAL FUND 8		
	Revenues		
8.449	Miscellaneous	21,000.00	
8.488	Indirect Cost Charge	740,000.00	
8.4490.012	Dirver's Education	13,000.00	
8.3700.305	Unrestricted Medicaid Fees	90,000.00	
8.4490.806.411	Transcript Fees	6,000.00	
8.4210.671.000.000.371	Device Fees	52,500.00	
8.4490.802	Recycling Fees	3,500.00	
8.4300.061.411.000.371.01	PRC 061 Literacy Bus Donation	3,000.00	
8.4300.007.411	CPR Grant	3,000.00	
8.3700.306	Restricted Medicaid Funds	146,667.55	
	Total Changes in Fund 8 Revenues	**$1,078,667.55**	
	Expenses		
8.6530.802.321	Utilities - Electricity	800,000.00	
8.6530.802.421	Utilities - propane gas	126,000.00	
8.5110.061.411.000.371.01	PRC 061 Literacy Bus Donation	3,000.00	
8.5110.007.411	CPR Grant	3,000.00	
8.5000.306	Restricted Medicaid	72,679.16	
8.6000.306	Restricted Medicaid	$73,988.39	
	Total Change in Fund 8 Expenses	**$1,078,667.55**	
	Net Change in Local Fund 8 Budget	**$1,078,667.55**	

Explanation: **Adjustments made for actual revenues and expenditures.**

Total Appropriation in Current Budget **$5,241,990.18**

Amount of Increase **$1,078,667.55**

Total Appropriation in Current Amended Budget **$6,320,657.73**

Summary of Budget Changes

Previous Budget	**$66,968,936.82**
State Budget Change	$908,639.05
Local Budget Change	$0.00
Federal Budget Change	$2,690.00
Capital Outlay Budget Change	$177,342.74
Child Nutrition Budget Change	$0.00
Fund 8 Budget Change	$1,078,667.55
Current Budget	**$69,136,276.16**

Passed by majority vote by the Board of Education of Montgomery County on the 18th day of July 2022.

Chairman, Board of Education

Secretary, Board of Education

Budget Amendment # 10