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 9th, 2018

Subject: Agenda Item (Section – Consent Agenda)

Attached you will find a budget amendment for your consideration for the year ending June 30, 2018.

Budget Amendment #9 represents:

State Funds

1) An increase of $140,031.00 to the State Budget Fund (Fund 1):

*$31.00 increase in PRC 015 – This allotment represents our portion of the interest earned on State funds which is directed toward technology.

*$12,000.00 increase in PRC 056 – These funds are reimbursing our district for tag, title and sales tax fees for registering the 6 new yellow buses received this year.

*$1000.00 increase in PRC 011 – Reimbursement for educational leave paid by the state.

*$127,000 increase in PRC 009 – Reimbursement for Non-contributory benefits paid to employees who are retiring or resigning.

*$115,300 increase in PRC 069/$115,300 decrease in PRC 034 – AIG certified teachers tend to be more experienced teachers that are higher paid teachers, and it is more economical for the district to pay these teachers from the state teaching positional allotment (PRC 001). As a result those funds in AIG are transferred to a budget, (PRC 069) where teachers making the minimum salary can be paid.

*$8024 increase in PRC 013/$8024 decrease in PRC 014 – The PRC 013 budget is a positional allotment budget to pay CTE teachers. At year end, not all the months of employment were needed, so the surplus amount was transferred into the PRC 014 budget, which then allows the district to spend the surplus funds for non-salary related CTE expenses such as supplies and equipment.

*$84,000 increase in PRC 002 at the 8000 level purpose code/$84,000 decrease in PRC 002 at the 6000 level purpose code – Our district approves our budget based on purpose code. Purpose code defines whether an expense is at the school level, the administrative level, or child nutrition. Normally at year end, funds have to be reallocated between purpose code levels within a budget to keep expenses within the original approved budget amounts, and this is what this transaction represents. It involved no new funds, but was a reconciling move for closing out the 2018 budget.

Local Funds

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

All the budget adjustments within the local fund 2 budget represent changes similar to the one described above that rebalance the budget and expense levels by purpose codes. No new funding was involved in these transactions, it was a reconciling move for closing out the 2018 budget.

Federal Funds

3) An increase to the Federal Funds Budget (Fund 3) in the amount of $6486.00

*$386.00 increase in PRC 108 which provided funds for Title I staff development training.

*$6100.00 increase in PRC 050 which provided funds to be used in the Title I budget. No specific purpose was designated for the funds.

Capital Outlay Funds

4) An increase of $651,079 to the Capital Outlay Budget (Fund 4)

*$130,216.00 increase in the transportation capital outlay fund representing the annual loan payment related to the acquisition of new yellow school buses. When new buses are received by the district, they are set up on a 4 year loan payment. Each year the state provides the district with the funds needed to make the annual loan payment.

*$520,863.00 increase in the transportation capital outlay fund representing the purchase price of the 6 new yellow school buses received by the district in 2018. The state provides funding for this expense.

Child Nutrition

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

Special Local Fund 8

6) An increase to the Special Local Fund Budget (Fund 8) in the amount of $290,343.78

*An increase of $290,343.78 in various PRCs within fund 8. - At year end, all budgets in the Special Local Fund 8 are adjusted to reflect the actual revenues the district received during the year. To offset this change, a corresponding change is made to the expense side of the fund 8 budget. Should there be a surplus of funds in the fund 8 budget, this type of adjustment enables the district to offset a possible deficit in the local fund 2 budget.

7) Overall, these adjustments resulted in an increase of $1,087,939.78 to the total 2017/2018 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 # 9

Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 9th day of July 2018. passed the following resolution:

Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ending June 30, 2018.

Expense Code		Description of Code			Increase	Decrease
		STATE FUNDS				
		Revenues				
1.3100.000.		State Revision #46			$31.00	
1.3100.000.		State Revision #46			$12,000.00	
1.3100.000.		State allotment			$1,000.00	
1.3100.000.		State allotment			$127,000.00	
		Net Change in State Revenues			**$140,031.00**	
		Expenses				
1.5000.015		Technology			$31.00	
1.6000.056		Transportation			$12,000.00	
1.5000.034		AIG				$115,300.00
1.5000.031		Low Wealth Funding			$115,300.00	
1.5000.013		CTE Months of employment				$8,024.00
1.6000.014		CTE Program Expenses			$8,024.00	
1.5000.011		Educational Leave			$1,000.00	
1.5000.009		Non-contributory Benefits			$101,000.00	
1.6000.009		Non-contributory Benefits			$25,000.00	
1.7000.009		Non-contributory Benefits			$1,000.00	
1.6300.002		Central Office Support				84,000.00
1.8000.002		Central Office Support			$84,000.00	
		Net Change in State Expenses			**$140,031.00**	
		Net Change in State Budget			**$140,031.00**	

Explanation: Adjustments made for actual revenues and expenditures.

Previous Appropriation in Current State Fund 1 Budget	**$27,263,938.12**
Amount of Increase	**$140,031.00**
New Total Appropriation in Amended State Fund 1 Budget	**$27,403,969.12**

Budget Amendment # 9

Expense Code		Description of Code			Increase	Decrease
		LOCAL FUNDS				
		Revenues				
		Net Change in Local Revenues			$0.00	
		Expenses				
2.5000.009		Non-contributory Benefits				$2,528.65
2.7000.009		Non-contributory Benefits			$2,528.65	
2.5000.003		Non-Instructional Support				$82,323.00
2.7000.003		Non-Instructional Support			$82,323.00	
2.5000.003		Non-Instructional Support				$76,088.19
2.6000.069		At-Risk Student Services			$76,088.19	
2.7000.002		Central Office Support			$80,000.00	
2.6000.002		Central Office Support				$80,000.00
		Net Change in Local Expenses			$0.00	
		Net Change in Local Budget			**$0.00**	

Explanation: Adjustments made for actual revenues and expenditures.

Previous Total Appropriation in Local Fund 2 Budget	**$7,027,948.16**
Amount of Increase	**$0.00**
New Total Appropriation in Amended Local Fund 2 Budget	**$7,027,948.16**

Budget Amendment # 9

Expense Code	Description of Code	Increase	Decrease
	FEDERAL FUNDS		
	Revenues		
3.3600.108	State Revision #48	386.00	
3.3600.050	State Revision #48	6,100.00	
	Net Change in Federal Revenues	**$6,486.00**	
	Expenses		
3.5000.108	**Student Enrichment Grant**	$386.00	
3.5000.050	**Title I**	$6,100.00	
	Net Change in Federal Expenses	**$6,486.00**	
	Net Change in Federal Budget	**$6,486.00**	

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

Previous Total Appropriation in Federal Fund 3 Budget	**$3,560,043.70**
Amount of Increase	**$6,486.00**
New Total Appropriation in Amended Federal Fund 3 Budget	**$3,566,529.70**

Budget Amendment # 9

Expense Code	Description of Code	Increase	Decrease
	CAPITAL OUTLAY FUND		
	Revenues		
4.3400.120	State Revision #46	$130,216.00	
4.4000.120	Funding for new school buses	$520,863.00	
	Net Change in Capital Outlay Revenues	**$651,079.00**	
	Expenses		
4.6000.120	Lease Payment on school buses	$130,216.00	
4.6000.120	Funding for new school buses	$520,863.00	
	Net Change in Capital Outlay Expenses	**$651,079.00**	
	Net Change in Capital Outlay Budget	**$651,079.00**	

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

Previous Total Appropriation in Capital Outlay Fund 4 Budget **$3,206,633.00**

Amount of Increase **$651,079.00**

New Total Appropriation in Amended Capital Outlay Fund 4 Budget **$3,857,712.00**

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

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

Previous Total Appropriation in Child Nutrition Fund 5 Budget **$3,482,314.00**

Amount of Increase **$0.00**

New Total Appropriation in Amended Child Nutrition Fund 5 Budget **$3,482,314.00**

Budget Amendment # 9

Expense Code		Description of Code			Increase	Decrease
		LOCAL FUND 8				
		Revenues				
8.4000.701		Star Day Care			$9,573.30	
8.3000.001		ROTC Program			$8,005.50	
8.3000.305		Medicaid Reimbursement-Unrestricted			10,528.32	
8.3000.306		Medicaid Reimbursement-Restricted			96,747.43	
8.4000.000.		Rental of School Property			1,250.00	
8.4000.000.		Interest			1,225.82	
8.4000.000.		Miscellaneous Reciepts			8,426.29	
8.4000.000.		Randolph Electric Dividends			723.68	
8.4000.000		Indirect Cost Charged			85,222.60	
8.4000.012		Drivers Ed			375.00	
8.4000.015		Lenovo warranty 2018 fees			17,352.00	
8.4000.061		MLA graduation fees			401.00	
8.4000.061		Early College Carryover				$2,700.00
8.4000.423		PPEERS Program Carryover				$19,840.00
8.4000.423		PPEERS Program 2018			19,840.00	
8.4000.423		Technology fee			71,023.61	
8.4000.423		Technology fee carryover				$9,089.00
8.4000.704		Communities in Schools			2,443.56	
8.4000.802		Recycling Fees			515.57	
8.4000.000		Lenovo warranty carryover				$11,681.00
		Total Changes in Fund 8 Revenues			**$290,343.68**	
		Expenses				
8.7000.701		Star Day Care			$9,573.30	
8.6000.802.321		Utility Expenses			$292,451.48	
8.6000.802.321		Utility Expenses				$11,681.00
		Total Change in Fund 8 Expenses			**$290,343.78**	
		Net Change in Local Fund 8 Budget			**$290,343.78**	

Explanation: Adjustments made for actual revenues and expenditures.

Previous Total Appropriation in the Special Fund 8 Budget	**$2,983,100.38**
Amount of Increase	**$290,343.78**
New Total Appropriation in Amended Special Fund 8 Budget	**$3,273,444.16**

Budget Amendment # 9

Summary of Budget Changes	
Previous Budget Balance	**$47,523,977.36**
State Budget Change	$140,031.00
Local Budget Change	$0.00
Federal Budget Change	$6,486.00
Capital Outlay Budget Change	$651,079.00
Child Nutrition Budget Change	$0.00
Fund 8 Budget Change	$290,343.78
Current Budget Balance	**$48,611,917.14**

Passed by majority vote by the Board of Education of Montgomery County on the 9th day of July 2018.

Chairman, Board of Education

Secretary, Board of Education