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To: Board of Education
From: Mitch Taylor
Date: June 4th, 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 #8 represents:

State Funds

1) An increase of \$13,348.00 to the State Budget Fund (Fund 1):

*\$9389.00 increase in PRC 056 – This allotment is to assist our district for the additional transportation expenses associated with the Early College.

*\$2325.00 increase in PRC 003 – These funds are reimbursing our district for substitute teacher expenses while teachers attended professional development training.

*\$1634.00 increase in PRC 056 – Adjustment from DPI to offset the rising cost of diesel fuel for yellow buses.

Local Funds

2) An increase to the Local Fund Budget (Fund 2) in the amount of \$535,000

*\$535,000 increase in PRC 002 – This is an adjustment to the budget to reflect that we have designated \$535,000 of fund 2 fund balance to be used to complete the East Middle School wing. The county is reimbursing MCS these expenses over the next few years.

*\$744.00 increase in PRC 461 and a decrease of \$744.00 in PRC 801 – The JCPC grant has an in-kind match requirement that we pay \$744 toward liability insurance. This budget adjustment establishes a separate budget

code (PRC 461) to designate as a JCPC in-kind match expense. It does not represent an additional expense, we are simply moving \$744 from the budget code (PRC 801) that we pay our total liability insurance premium from and changing it to a separate budget code to enable our JCPC required in-kind expenses to be easily tracked.

Federal Funds

3) No change to the Federal Funds Budget (Fund 3)

Capital Outlay Funds

4) No change to the Capital Outlay Budget (Fund 4)

*\$1,085,000.00 decrease in the fund balance appropriation for the East Middle Wing project and an increase of \$1,085,000.00 in the Fund 2 and Fund 8 Inter-Fund transfer accounts- This entry corrects a previous error in which the original entry in the Capital Outlay budget for the East Middle project made it appear that the entire amount was being paid from Capital Outlay fund balance. This transaction for \$1,085,000 corrects this error to show that \$535,000.00 will come from Local Funds (fund 2) fund balance and \$550,000 will come from the Special Local Fund (fund 8) fund balance. A corresponding entry is described in the Local Funds section and the Special Local Funds section. \$359,692.16 is the amount that will come from the Capital Outlay fund balance.

The total of all three fund balance sources, \$1,444,692.16, equals the total projected cost to finish the project. At the beginning of the year, the projected total cost to be paid from fund balance was \$1,800,000.00, but the county recently paid the first reimbursement last month, \$355,307.84, lowering the projected cost that MCS would fund to \$1,444,692.16.

To date we have used \$527,835.86 of fund balance towards the project.

MCS will be reimbursed by Montgomery County for all of these expenses.

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 \$550,000

*\$550,000 increase in PRC 002 – This is an adjustment to the budget to reflect that we have designated \$550,000 of fund 8 fund balance to be used to complete the East Middle School wing. The county is reimbursing MCS these expenses over the next few years.

7) Overall, these adjustments resulted in an increase of \$1,098,348.00 to the total 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 # 8

Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 8th day of June 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
<u>STATE FUNDS</u>			
<u>Revenues</u>			
1.3100.000.	State Revision #41	\$9,389.00	
1.3100.000.	State Revision #42	\$2,325.00	
1.3100.000.	State Revision #45	\$1,634.00	
1.3211.130			
1.3100.000.			
1.3100.000.			
1.3100.000.			
	Net Change in State Revenues	\$13,348.00	
<u>Expenses</u>			
1.5000.056	Transportation	\$9,389.00	
1.6000.003	Non-Instructional Support	\$2,325.00	
1.5000.056	Transportation	\$1,634.00	
1.5000.130			
1.5000.061			
1.6000.056			
1.5000.130			
1.5000.085			
1.5000.046			
1.5000.015			
1.5000.013			
1.5000.014			
	Net Change in State Expenses	\$13,348.00	
	Net Change in State Budget	\$13,348.00	
Explanation: Adjustments made for actual revenues and expenditures.			
Previous Appropriation in Current State Fund 1 Budget		\$27,250,590.12	
Amount of Increase		\$13,348.00	
New Total Appropriation in Amended State Fund 1 Budget		<u>\$27,263,938.12</u>	

Budget Amendment # 8

Expense Code	Description of Code	Increase	Decrease
<u>LOCAL FUNDS</u>			
<u>Revenues</u>			
2.4910.800	Fund Balance Appropriation for EMS wing	\$535,000.00	
	Net Change in Local Revenues	\$535,000.00	
<u>Expenses</u>			
2.6000.461	JCPC In-Kind Match	\$744.00	
2.6000.801	Central Office Operations		\$744.00
2.8400.002.714	<u>Interfund Transfer to Captial Outlay</u>	\$535,000.00	
	Net Change in Local Expenses	\$535,000.00	
	<u>Net Change in Local Budget</u>	<u>\$535,000.00</u>	
<p>Explanation: Adjustments made for actual revenues and expenditures.</p> <p>Previous Total Appropriation in Local Fund 2 Budget \$6,492,948.16</p> <p>Amount of Increase \$535,000.00</p> <p>New Total Appropriation in Amended Local Fund 2 Budget <u>\$7,027,948.16</u></p>			

Budget Amendment # 8

Expense Code		Description of Code		Increase	Decrease
<u>FEDERAL FUNDS</u>					
<u>Revenues</u>					
		Net Change in Federal Revenues		\$0.00	
<u>Expenses</u>					
		Net Change in Federal Expenses		\$0.00	
		<u>Net Change in Federal Budget</u>		<u>\$0.00</u>	
Explanation: Adjustments made for actual revenues and expenditures.					
Previous Total Appropriation in Federal Fund 3 Budget				\$3,560,043.70	
Amount of Increase				\$0.00	
New Total Appropriation in Amended Federal Fund 3 Budget				<u>\$3,560,043.70</u>	

Budget Amendment # 8

Expense Code	Description of Code	Increase	Decrease
<u>CAPITAL OUTLAY FUND</u>			
	<u>Revenues</u>		
4.4910.800.522.314	Fund Balance Appropriation for EMS wing		\$1,085,000.00
4.4922	Transfer from Fund 2 & Fund 8 Fund Balance for EMS wing	\$1,085,000.00	
	Net Change in Capital Outlay Revenues	\$0.00	
	<u>Expenses</u>		
	Net Change in Capital Outlay Expenses	\$0.00	
	Net Change in Capital Outlay Budget	\$0.00	
Explanation: Adjustments made for actual revenues and expenditures. Previous Total Appropriation in Capital Outlay Fund 4 Budget \$3,206,633.00 Amount of Increase \$0.00 New Total Appropriation in Amended Capital Outlay Fund 4 Budget \$3,206,633.00			

Expense Code	Description of Code	Increase	Decrease
<u>CHILD NUTRITION FUND</u>			
	<u>Revenues</u>		
	Net Change in Child Nutrition Revenues	\$0.00	
	<u>Expenses</u>		
	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 # 8

Expense Code	Description of Code	Increase	Decrease
LOCAL FUND 8			
Revenues			
8.4910.800	Fund Balance Appropriation for EMS wing	\$550,000.00	
	Total Changes in Fund 8 Revenues	\$550,000.00	
Expenses			
8.8400.002.714	Interfund Transfer to Capital Outlay	\$550,000.00	
	Total Change in Fund 8 Expenses	\$550,000.00	
	Net Change in Local Fund 8 Budget	\$550,000.00	

Explanation: Adjustments made for actual revenues and expenditures.

Previous Total Appropriation in the Special Fund 8 Budget \$2,433,100.38

Amount of Increase \$550,000.00

New Total Appropriation in Amended Special Fund 8 Budget \$2,983,100.38

Summary of Budget Changes	
Previous Budget Balance	\$46,425,629.36
State Budget Change	\$13,348.00
Local Budget Change	\$535,000.00
Federal Budget Change	\$0.00
Capital Outlay Budget Change	\$0.00
Child Nutrition Budget Change	\$0.00
Fund 8 Budget Change	\$550,000.00
Current Budget Balance	\$47,523,977.36

Passed by majority vote by the Board of Education of Montgomery County on the 4th day of June 2018.

Chairman, Board of Education

Secretary, Board of Education