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To: Board of Education  
From: Mitch Taylor  
Date: May 7<sup>th</sup>, 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 #7 represents:**

**State Funds**

**1) An increase of \$144,470.00 to the State Budget Fund (Fund 1):**

\*\$112,760.00 increase in PRC 016 – This allotment funds our Summer Reading Program for elementary students.

\*\$5400 increase in PRC 032 – These funds are to be used for EC children in group/foster homes

\*\$6000 increase in PRC 056 – Transportation funding to install cameras on 6 yellow buses.

\*\$15,179 increase in PRC 130 – A portion of the proceeds from the Indian Gaming revenue is distributed to the school districts for textbook funds. This represents our portion of these funds.

\*\$2000 increase in PRC 085 – The state provided funding for 4 representatives from MCS to attend Early Grade Master Literacy training.

\*\$3104 increase in PRC 046 – The state paid a bonus to 3<sup>rd</sup> grade reading teachers earlier in the year. After the initial bonus was paid, there were funds leftover. As a result, the remaining funds were distributed as a second bonus payment to those same 3<sup>rd</sup> grade teachers.

\*\$27 increase in PRC 015 – A portion of the interest the state earns on their investments is distributed to the districts for technology. This represents our portion of these funds for January and February.

\*\$25,000 increase in PRC 061 and a \$25,000 decrease in PRC 130 – In order to spend textbook funds (PRC 130), the funds have to first be transferred from the textbook account to our state supply budget (PRC 061). This transaction was moving the funds from textbook to supplies enabling the district to purchase digital resources.

\*\$70,039 increase in PRC 014 and a \$70,039 decrease in PRC 13 – The state allots funds for CTE teaching positions (PRC 013) and allots funds for CTE program expenses (PRC 014). The state allows the district to transfer funds between budgets so that all funds can be utilized. With this budget amendment, we are transferring funds from the teaching allotment to the program allotment.

### **Local Funds**

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

\*\$3900 decrease in PRC 002 and a \$3900 increase in PRC 801 – The Affordable Care Act requires that we send every full time employee a form called a 1095-C which shows how many months during the year the employee was covered by health insurance. The district outsources this function and this was the fee for that service. The funds to pay the cost of this service were moved from the local administrative expense budget to the local operational expense budget, resulting in no change to Fund 2.

### **Federal Funds**

#### **3) An increase to the Federal Budget (Fund 3) in the amount of \$303,632.36**

\*\$303,632.36 increase in PRC 060 – These funds were a part of our EC program allotment, but were originally left unbudgeted. This transaction reflects these funds being budgeted to pay teacher salaries.

### **Capital Outlay Funds**

#### **4) An increase of \$8000 to the Capital Outlay Budget (Fund 4)**

\*\$8,000 increase in PRC 800 – This was an increase to the capital outlay fund for the purpose of replacing an air conditioning chiller unit at one of our schools.

\*\$355,307.84 increase in PRC 800.522.314 (County Paid) and a \$355,307.84 decrease in PRC 800.522.314.01 (MCS Paid) – This transaction relates to the EMS wing addition. To pay for this project, the county had approximately \$1,000,000 in capital outlay funds on hand that would be used until exhausted, which occurred in November of 2017. Since that time, we have been paying for the expenses from our fund balance, with the agreement that the county would reimburse MCS over time. This represents the first reimbursement from the county to payback our fund balance. To reflect this transaction, I transferred \$355,307.01 in expenses that the school paid from the fund balance budget and moved those expenses to the county paid budget expenses, thereby reducing the amount used from our fund balance by a like amount.

Child Nutrition

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

Special Local Fund 8

6) An increase of \$105,500 to the Local Fund 8 Budget (Fund 8)

\*\$105,500 increase in PRC 376 – This represents the second Golden Leaf grant received by the district and is to be used for technology training by the Friday Institute.

**7) Overall, these adjustments resulted in an increase of \$561,602.36 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 # 7

## Montgomery County Administration Unit

The Montgomery County Board of Education at a meeting on the 7th day of May 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
<b>STATE FUNDS</b>			
<b>Revenues</b>			
1.3100.000.	State Funds Revision #37	\$112,760.00	\$0.00
1.3100.000.	State Funds Revision #37	\$5,400.00	
1.3100.000.	State Funds Revision #38	\$6,000.00	
1.3211.130	State Funds Revision #38	\$15,179.00	
1.3100.000.	State Funds Revision #38	\$2,000.00	
1.3100.000.	State Funds Revision #39	\$3,104.00	
1.3100.000.	State Funds Revision #39	\$27.00	
	<b>Net Change in State Revenues</b>	<b>\$144,470.00</b>	
<b>Expenses</b>			
1.5000.016	Summer Reading Program	\$84,995.00	
1.6000.016	Summer Reading Program	\$27,765.00	
1.5000.032	Exceptional Children	\$5,400.00	
1.5000.130	Textbook Fund		\$25,000.00
1.5000.061	Instructional Supplies	\$25,000.00	
1.6000.056	Transportation	\$6,000.00	
1.5000.130	Textbook Fund	\$15,179.00	
1.5000.085	Early Grade Reading	\$2,000.00	
1.5000.046	3rd Grade Reading Teacher bonus	\$3,104.00	
1.5000.015	Technology	\$27.00	
1.5000.013	CTE Position Allotment		70,039.00
1.5000.014	CTE Dollar Allotment	\$70,039.00	
	<b>Net Change in State Expenses</b>	<b>\$144,470.00</b>	
	<b>Net Change in State Budget</b>	<b>\$144,470.00</b>	
<b>Explanation: Adjustments made for actual revenues and expenditures.</b>			
<b>Previous Appropriation in Current State Fund 1 Budget</b>			<b>\$27,106,120.12</b>
<b>Amount of Increase</b>			<b>\$144,470.00</b>
<b>New Total Appropriation in Amended State Fund 1 Budget</b>			<b><u>\$27,250,590.12</u></b>

# Budget Amendment # 7

Expense Code	Description of Code	Increase	Decrease
<b><u>LOCAL FUNDS</u></b>			
<b><u>Revenues</u></b>			
	<b>Net Change in Local Revenues</b>	\$0.00	
<b><u>Expenses</u></b>			
2.6000.002	Central Office Adm		\$3,900.00
2.6000.801	Central Office Operations	\$3,900.00	
	<b>Net Change in Local Expenses</b>	\$0.00	
	<b><u>Net Change in Local Budget</u></b>	<b><u>\$0.00</u></b>	
<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 \$0.00</p> <p>New Total Appropriation in Amended Local Fund 2 Budget <b><u>\$6,492,948.16</u></b></p>			

# Budget Amendment # 7

Expense Code		Description of Code		Increase	Decrease
<b><u>FEDERAL FUNDS</u></b>					
<b><u>Revenues</u></b>					
3.3600.060		Exceptional Children		303,632.36	
3.3600.103		Supportive Effective Instruction			
3.3600.050		Title I			
		<b>Net Change in Federal Revenues</b>		<b>\$303,632.36</b>	
<b><u>Expenses</u></b>					
3.5000.060		Exceptional Children		\$303,632.36	
		<b>Net Change in Federal Expenses</b>		<b>\$303,632.36</b>	
		<b><u>Net Change in Federal Budget</u></b>		<b><u>\$303,632.36</u></b>	
Explanation: <b>Adjustments made for actual revenues and expenditures.</b>					
<b>Previous Total Appropriation in Federal Fund 3 Budget</b>				<b>\$3,256,411.34</b>	
<b>Amount of Increase</b>				<b>\$303,632.36</b>	
<b>New Total Appropriation in Amended Federal Fund 3 Budget</b>				<b><u>\$3,560,043.70</u></b>	

# Budget Amendment # 7

Expense Code	Description of Code	Increase	Decrease
<b><u>CAPITAL OUTLAY FUND</u></b>			
	<b><u>Revenues</u></b>		
4.4000.800	Fund Balance Transfer	\$8,000.00	
4.4000.800	Fund Balance Transfer-EMS wing		\$355,307.84
4.4000.800	County Reimbursed-EMS Wing	\$355,307.84	
	<b>Net Change in Capital Outlay Revenues</b>	<b>\$8,000.00</b>	
	<b><u>Expenses</u></b>		
4.9000.800	Chiller Replacement	\$8,000.00	
4.9000.800	Fund Balance Transfer-EMS wing		\$355,307.84
4.9000.800	County Reimbursed-EMS Wing	\$355,307.84	
	<b>Net Change in Capital Outlay Expenses</b>	<b>\$8,000.00</b>	
	<b>Net Change in Capital Outlay Budget</b>	<b>\$8,000.00</b>	
Explanation: <b>Adjustments made for actual revenues and expenditures.</b>  <b>Previous Total Appropriation in Capital Outlay Fund 4 Budget</b> <span style="float: right;"><b>\$3,198,633.00</b></span>  <b>Amount of Increase</b> <span style="float: right;"><b>\$8,000.00</b></span>  <b>New Total Appropriation in Amended Capital Outlay Fund 4 Budget</b> <span style="float: right;"><b><u>\$3,206,633.00</u></b></span>			

Expense Code	Description of Code	Increase	Decrease
<b><u>CHILD NUTRITION FUND</u></b>			
	<b><u>Revenues</u></b>		
	<b>Net Change in Child Nutrition Revenues</b>	<b>\$0.00</b>	
	<b><u>Expenses</u></b>		
	<b>Net Change in Child Nutrition Expenses</b>	<b>\$0.00</b>	
	<b>Net Change in Child Nutrition Budget</b>	<b><u>\$0.00</u></b>	
Explanation: <b>Adjustments made for actual revenues and expenditures.</b>  <b>Previous Total Appropriation in Child Nutrition Fund 5 Budget</b> <span style="float: right;"><b>\$3,482,314.00</b></span>  <b>Amount of Increase</b> <span style="float: right;"><b>\$0.00</b></span>  <b>New Total Appropriation in Amended Child Nutrition Fund 5 Budget</b> <span style="float: right;"><b><u>\$3,482,314.00</u></b></span>			

# Budget Amendment # 7

Expense Code	Description of Code	Increase	Decrease
<b>LOCAL FUND 8</b>			
<b>Revenues</b>			
8.3690.376	Golden Leaf Grant #2	\$105,500.00	
	<b>Total Changes in Fund 8 Revenues</b>	<b>\$105,500.00</b>	
<b>Expenses</b>			
8.6000.376	Golden Leaf Grant #2	\$105,500.00	
	<b>Total Change in Fund 8 Expenses</b>	<b>\$105,500.00</b>	
	<b>Net Change in Local Fund 8 Budget</b>	<b>\$105,500.00</b>	

Explanation: Adjustments made for actual revenues and expenditures.

Previous Total Appropriation in the Special Fund 8 Budget \$2,327,600.38

Amount of Increase \$105,500.00

New Total Appropriation in Amended Special Fund 8 Budget \$2,433,100.38

<b>Summary of Budget Changes</b>	
<b>Previous Budget Balance</b>	<b>\$45,864,027.00</b>
State Budget Change	\$144,470.00
Local Budget Change	\$0.00
Federal Budget Change	\$303,632.36
Capital Outlay Budget Change	\$8,000.00
Child Nutrition Budget Change	\$0.00
<b>Fund 8 Budget Change</b>	<b>\$105,500.00</b>
<b>Current Budget Balance</b>	<b>\$46,425,629.36</b>

Passed by majority vote by the Board of Education of Montgomery County on the 7th day of Mayl 2018.

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Chairman, Board of Education

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Secretary, Board of Education