



Memo To: Dr. Robert Grimesay, Superintendent
From: Tina Edmonds, Director of Financial Services
Michael C. Griffin, Budget Director
Date: July 7, 2014
Re: Amended Budget Resolution for 2013 – 2014

Please see attached the amended budget resolution for 2013 – 2014.

- State Fund - increase of \$2,057,307, as follows:
 - o Increase of \$145,587 for Summer Reading Camps; all costs for these camps will be paid in 2014/15, as these funds carry forward to July and August.
 - o Increase of \$61,000 for State Textbook purchases.
 - o Increase of \$266,000 for Non-contributory Employee Benefits (employee pays 0% of costs – annual leave, longevity, disability, etc.); the \$266,000 increase covers the cost of a new 1% unemployment charge from the State Employment Security Commission. The State covers 100% of the costs for all State-funded employees.
 - o Increase of \$3,720 for small increases in Technology and Non-instructional Support.
 - o Increase of \$1,581,000 to reflect the State approved allotment for Classroom Teaching positions. We have kept the number lower throughout the year to reflect more accurately the allotment amount we are actually able to use. We are adjusting now to reconcile to the State allotment report, so that we can report the true loss of available revenues due to the changes in State funding flexibility for positions (Teachers, Principals, Instructional Support). In summary, we were unable to use approximately \$1.4 million in State allotments in 2013/14, due to this ongoing budget reduction.

- Local Current Fund – no change in total budget; however,
 - o Funds shifted from instructional to support services due to additional shifting of specific programs from the Local Current Fund 2 to the Local Operations Fund 8. We have shifted back a large share of Central office costs from Fund 8 back to Fund 2. This shifting is now complete.
 - o The nature and timing of the State budget impacts our local budget, in both specific State allotments and the overall State budget. For this budget year, we started off with a larger amount in instructional categories, and have strategically shifted funds to instructional support (primarily custodial services). We have not increased our custodial costs; we are simply shifting the budget to match our expenditure needs.
 - o We have increased the budget for Charter School funding by \$72,000, reflecting the actual amount of County flow-thru funding for 2013/14.

- Federal Fund* - increase of \$5,964 for small increases in Title and EC funding.

*The Federal Fund includes approximately \$2.2 million in Race to the Top (RttT) grants for the Sandhills Leadership Academy. This program is managed by the Sandhills Regional Education Consortium, and supports all school systems in our region. Moore County Schools is the fiscal agent; therefore, we include this RttT grant in our budget ordinance. The program balance is \$392,000, and is scheduled to be fully expended in 2014/15.

- Local Capital Fund – increase of \$17,000. We had 3 roofing projects scheduled for completion in mid- to late July; the projects were substantially complete by June 30th; therefore, we charged the expenditure to the 2013/14 year. In order to fund the projects in 13/14, we needed approximately \$17,000 in fund balance. The Local Capital Fund balance was \$292,000, and will drop to \$275,000. We schedule our roofing projects to take place each summer, and issue purchase orders accordingly. This process gives us 2 to 3 weeks prior to June 30th, and we were able to complete specific projects within that time frame.
- Child Nutrition Fund – no change; due to the changes occurring in Child Nutrition (past and future), we are recommending a Board work-session to discuss the ongoing financial stability of this program.
- Local Operations Fund – increase of \$21,000 for Drivers Education fees used to support the purchase of replacement vehicles. Two years ago, the State reduced funding for Drivers Education; Moore County Schools is now charging a \$55 fee to offset this reduction. The funds are collected at each high school, and drawn down as needed to fund vehicle replacements. This is our first drawdown of these funds; however, we will build this cost (and the respective revenue) into our annual budget, starting with 2014/15. Also, see the discussion on Fund 2 regarding the shifting of specific costs between Fund 2 and Fund 8.
- Digital Learning Fund – budget of \$750,000; funds spent to date = \$580,000. The remaining funds of \$170,000 will carry forward to 2014/15. The County has funded an additional \$600,000; therefore our Digital Learning Fund currently stands at \$770,000. These funds will be used to pay for the 2nd lease payment on our 2014 Chromebook lease, plus initial costs and lease payment for this year's project (Pinecrest, Southern Middle, West Pine Middle).

Based on the timing of this document, we may need further adjustments retroactive to June 30th. We will have a number of accounts payable items to charge back to the 2013/14 year. We do not anticipate any further changes, and will follow up as necessary.

The Finance Office recommends approval of the budget resolution as presented. Please let us know if you need additional information, as detailed documentation is available. Thank you.

MOORE COUNTY BOARD OF EDUCATION BUDGET RESOLUTION FOR 2013 - 2014 FISCAL YEAR

BE IT RESOLVED by the Board of Education of the Moore County School Administrative Unit;

Section 1 The following revenues are estimated to be available to the respective fund. The following expenditure amounts are hereby appropriated at the purpose level for the operation of the school administrative unit in the respective fund for the fiscal year so stated.

State Public School Fund – Fund 1

	<u>Original</u>	<u>November</u>	<u>February</u>	<u>May</u>	<u>June</u>
State Revenues	64,266,679	64,321,679	64,710,332	64,770,575	66,827,882
<u>Expenditures</u>					
Instructional Svces	56,032,005	56,087,005	56,360,245	56,411,174	58,474,311
Support Services	8,234,674	8,234,674	8,350,087	8,359,401	8,353,571

Local Current Fund – Fund 2

	<u>Original</u>	<u>November</u>	<u>February</u>	<u>May</u>	<u>June</u>
<u>Revenues</u>					
County Funding	25,165,140	25,165,140	24,485,140	24,485,140	24,413,140
Charter Schools			680,000	680,000	752,000
Fines/Forfeitures					
Interest	<u>610,860</u>	<u>610,860</u>	<u>610,860</u>	<u>610,860</u>	<u>610,860</u>
Total	<u>25,776,000</u>	<u>25,776,000</u>	<u>25,776,000</u>	<u>25,776,000</u>	<u>25,776,000</u>
<u>Expenditures</u>					
Instructional Svces	17,689,000	17,670,000	17,207,000	16,848,000	16,459,000
Support Services	11,407,000	11,426,000	11,889,000	12,248,000	12,565,000
Charter Schools	680,000	680,000	680,000	680,000	752,000
<u>Fund Balance</u>					
Appropriated	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Per N.C. General Statute 115C-426(c), the appropriation or use of fund balance shall not be construed as a local current expense appropriation.

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Federal Program Fund – Fund 3

	<u>Original</u>	<u>November</u>	<u>February</u>	<u>May</u>	<u>June</u>
Federal Revenues	7,414,999	11,061,328	11,859,276	12,254,748	12,260,712
<u>Expenditures</u>					
Instructional Svces	6,488,989	9,151,575	9,434,228	9,787,473	10,172,830
Support Services	24,067	303,545	303,545	304,984	312,496
Non-program Costs	901,943	1,606,208	2,121,503	2,162,291	1,775,386

Local Capital Fund – Fund 4

	<u>Original</u>	<u>November</u>	<u>February</u>	<u>May</u>	<u>June</u>
Capital Outlay	714,000	714,000	854,115	854,115	871,115

Child Nutrition Fund – Fund 5

	<u>Original</u>	<u>November</u>	<u>February</u>	<u>May</u>	<u>June</u>
Child Nutrition	5,333,000	5,333,000	5,333,000	5,378,000	5,378,000

Local Operations Fund – Fund 8

	<u>Original</u>	<u>November</u>	<u>February</u>	<u>May</u>	<u>June</u>
<u>Revenues</u>					
Grants/Fees	1,809,000	1,884,043	1,970,043	2,022,043	2,043,043
<u>Expenditures</u>					
Instructional Svces	1,239,000	1,314,043	1,676,043	1,800,043	1,788,043
Support Services	570,000	570,000	294,000	222,000	255,000

Section 2 The Sandhills Regional Education Consortium (SREC) will be accounted for as an agency fund – Fund 6, in the accounting records of the Moore County Board of Education.

Section 3 Revenues of \$750,000 are budgeted for the Child Care Fund – Fund 7, to cover expenses for school-day and after-school daycare programs at respective schools. Any net revenues will be earned and held by the individual schools.

Section 4 Revenues and expenditures for public school construction/projects through the School Special Revenue fund, including State Facility Funds, State Lottery Funds and Local School Bond Funds, will be accounted for in the accounting records of the County of Moore. In addition, the County maintains a Digital Learning Fund on behalf of Moore County Schools; the budget for this fund is \$750,000 for 2013-14.

Section 5 Any additional fund balance in excess of the designated appropriation in the Local Current Fund, Local Capital Fund and Local Operations Fund will become contingency funds, once the Annual Financial (Audit) Report has been presented to the Board of Education.

Section 6 The Superintendent and Finance Officer are hereby authorized to transfer appropriations within a purpose code within a fund as contained herein under the following conditions:

- a. They may transfer amounts within a purpose code within a fund with proper justification.
- b. They may not transfer amounts from contingency without Board of Education approval.
- c. They may not transfer any amounts between Local Current appropriation and Local Capital appropriation without the approval of the Board of Education and the County Commissioners.

Section 7 Copies of the Budget Resolution shall be furnished to the Superintendent and the Finance Officer for direction in carrying out their duties.

Approval of budget resolution

Approved by the Moore County Board of Education retroactively to June 30, 2014

Chairman Date

Superintendent Date

Signed copy distributed to Finance Officer and maintained in Finance Office

Moore County Schools
Unaudited Financial Report as of June 30, 2014

By Fund

Fund	Fund Desc	Current Budget	Year-to-Date Exp/Rev	PO's & Encumbrances Outstanding	Escrow	Balance Remaining	Percent Spent
1	State Public School Fund	\$66,827,882.00	\$65,188,658.72	\$0.00	\$0.00	\$1,639,223.28	97.55%
2	Local Current Fund	\$29,776,000.00	\$26,325,635.38	\$0.00	\$0.00	\$3,450,364.62	88.41%
3	Federal Program Fund	\$12,260,711.64	\$8,826,853.06	\$0.00	\$0.00	\$3,433,858.58	71.99%
4	Capital Outlay Fund	\$871,115.00	\$869,391.35	\$0.00	\$0.00	\$1,723.65	99.80%
5	Child Nutrition Fund*	\$5,378,000.00	\$5,237,619.66	\$0.00	\$0.00	\$140,380.34	97.39%
8	Local Operations Fund	\$2,043,043.00	\$1,658,853.75	\$0.00	\$0.00	\$384,189.25	81.20%
Grand Total		\$117,156,751.64	\$108,107,011.92	\$0.00	\$0.00	\$9,049,739.72	92.28%

By Purpose

1-Purpose	Purp Desc	Current Budget	Year-to-Date Exp/Rev	PO's & Encumbrances Outstanding	Escrow	Balance Remaining	Percent Spent
5XXX	Instructional Services	\$86,894,184.13	\$81,578,502.66	\$0.00	\$0.00	\$5,315,681.47	93.88%
6XXX	System-Wide Support Services	\$21,548,181.68	\$19,665,172.78	\$0.00	\$0.00	\$1,883,008.90	91.26%
7XXX	Ancillary Services*	\$5,079,000.00	\$4,946,906.24	\$0.00	\$0.00	\$132,093.76	97.40%
8XXX	Non-Programmed Charges**	\$2,904,385.83	\$1,187,153.89	\$0.00	\$0.00	\$1,717,231.94	40.87%
9XXX	Capital Outlay	\$731,000.00	\$729,276.35	\$0.00	\$0.00	\$1,723.65	99.76%
Grand Total		\$117,156,751.64	\$108,107,011.92	\$0.00	\$0.00	\$9,049,739.72	92.28%

*Child Nutrition Encumbrances include full year purchase orders (food, etc.) that will be closed in June.

**Charter Schools, Indirect Costs, Unbudgeted Federal, Debt Service

By Object

1 digit Obj	1 digit Obj Desc	Current Budget	Year-to-Date Exp/Rev	PO's & Encumbrances Outstanding	Escrow	Balance Remaining	Percent Spent
1XX	Salaries	\$69,994,663.95	\$67,337,705.58	\$0.00	\$0.00	\$2,656,958.37	96.20%
2XX	Employer Provided Benefits	\$24,148,436.90	\$22,876,674.81	\$0.00	\$0.00	\$1,271,762.09	94.73%
3XX	Purchased Services	\$11,282,339.21	\$7,465,110.07	\$0.00	\$0.00	\$3,817,229.14	66.17%
4XX	Supplies and Materials	\$9,738,996.58	\$8,568,177.27	\$0.00	\$0.00	\$1,170,819.31	87.98%
5XX	Capital Outlay	\$1,195,315.00	\$1,127,382.10	\$0.00	\$0.00	\$67,932.90	94.32%
7XX	Transfers	\$797,000.00	\$731,962.09	\$0.00	\$0.00	\$65,037.91	91.84%
Grand Total		\$117,156,751.64	\$108,107,011.92	\$0.00	\$0.00	\$9,049,739.72	92.28%

Moore County Schools

2013-2014

Amended Budget Resolution

June 2014



State Fund

- Original budget of \$64.3 million
- November budget of \$64.3 million
- February budget of \$64.7 million
- May budget of \$64.8 million
- June budget of \$66.8 million
- Increase of \$2.0 million



State Fund

- June budget of \$66.8 million
 - Summer Reading Camps = \$145K
 - Textbook purchases = \$61K
 - State Unemployment Tax = \$266K
 - Other smaller increases of \$4K
 - State allotment for Classroom Teachers = \$1,581K (funding flexibility)

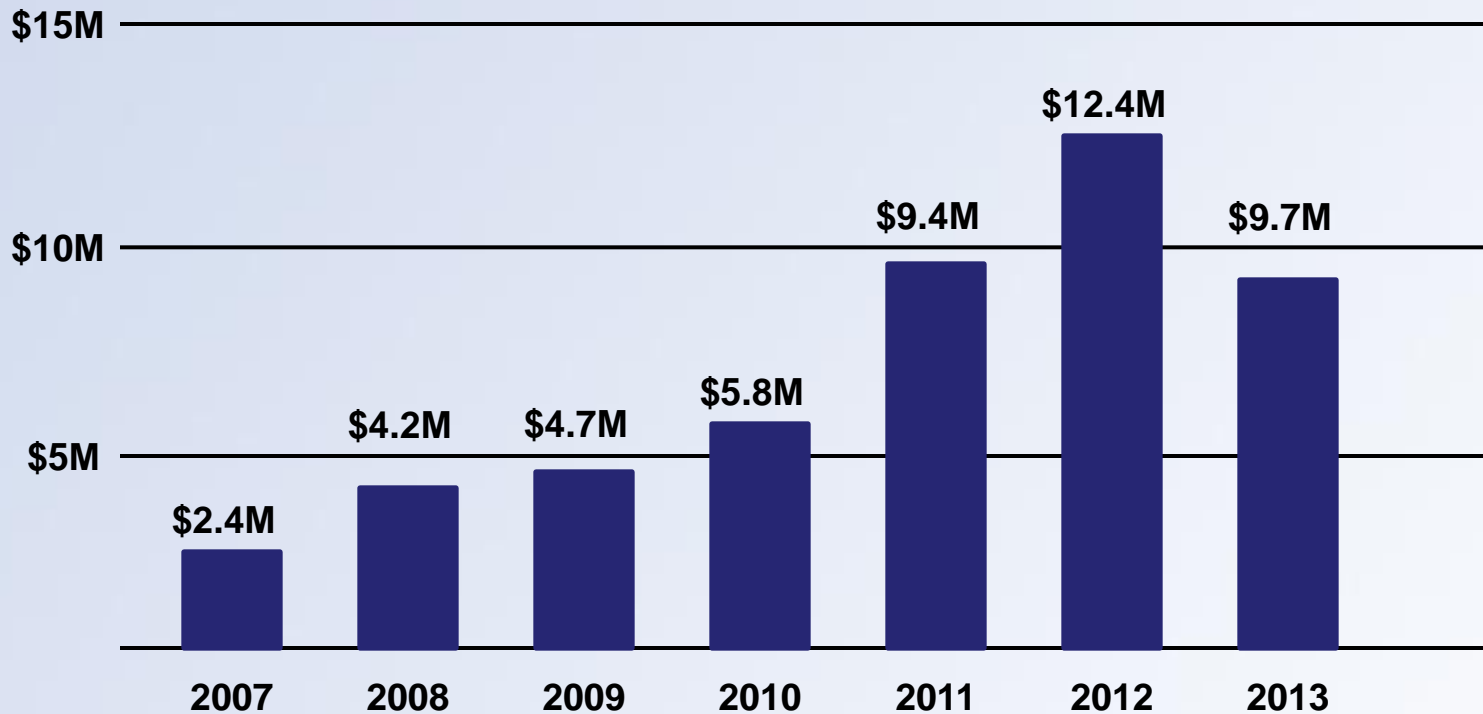


Local Current Fund

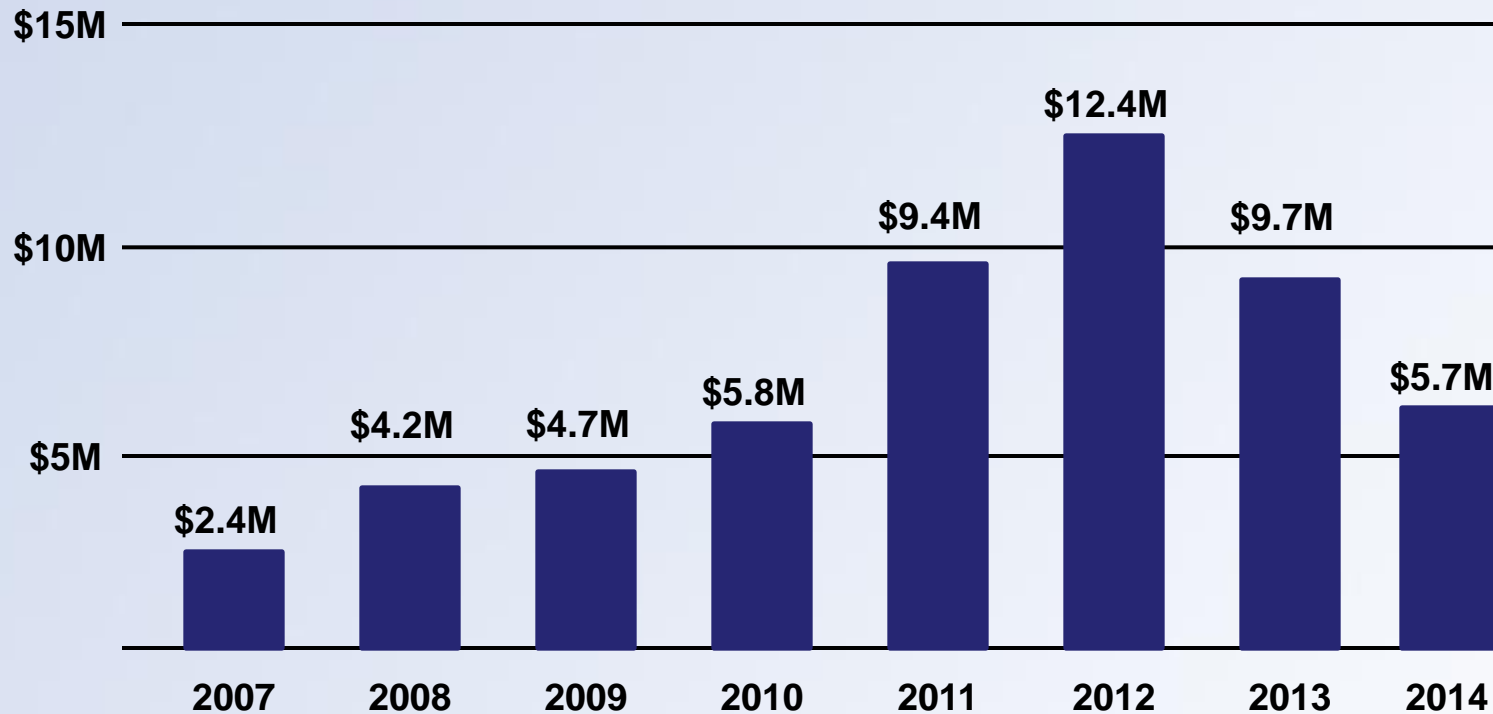
- Original budget of \$29.8 million
- November budget – no change
- February budget – no change
- May budget – no change
- June budget – no change
- Fund balance appropriated = \$4 million



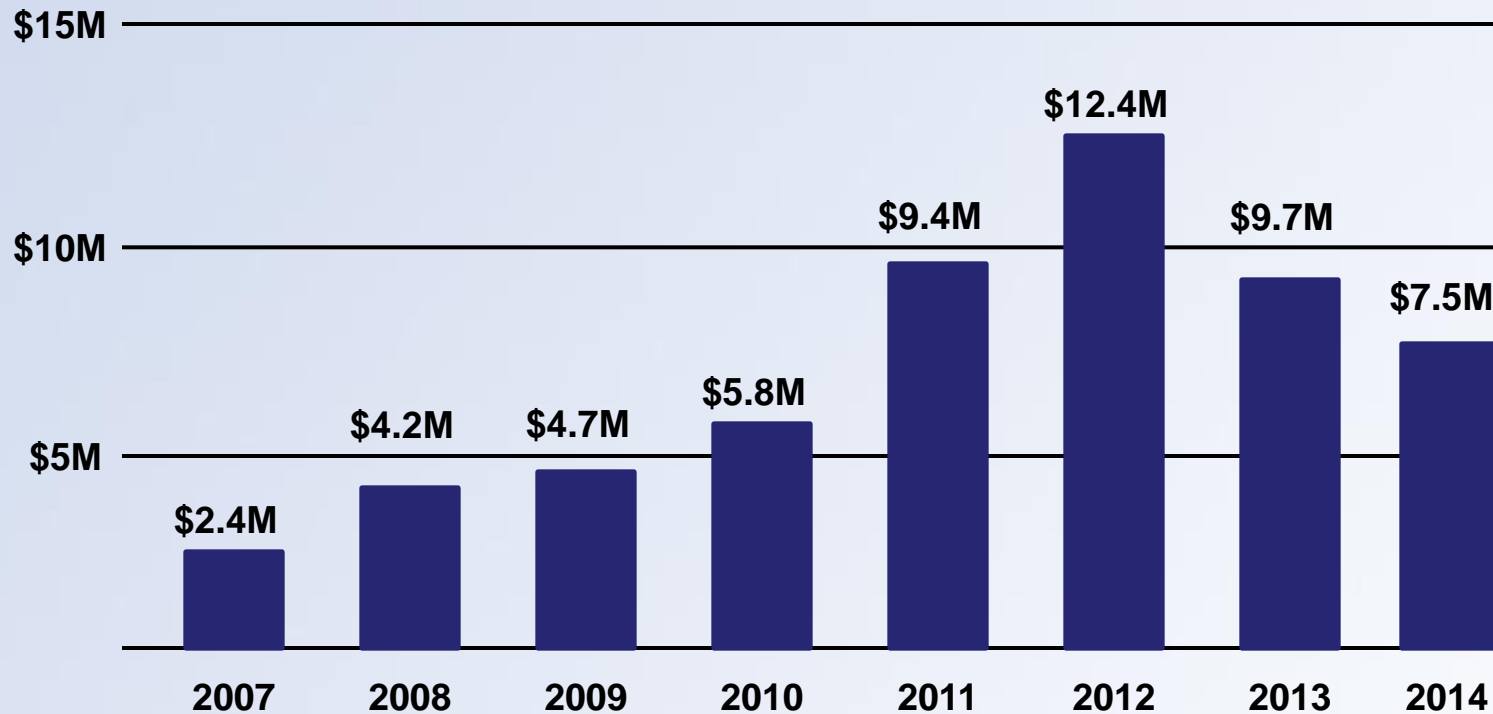
Moore County Schools Fund Balance



Moore County Schools Fund Balance



Moore County Schools Fund Balance



Federal Fund

- Original budget of \$7.4 million
- November budget of \$11.1 million
- February budget of \$11.9 million
- May budget of \$12.3 million
- June budget of \$12.3 million



Capital and Nutrition Funds

- Capital – Original budget of \$714,000
 - Maintenance projects
- February/May budget of \$854,115
 - Debt service on bus replacements - \$140k
- June budget of \$871,115
 - Increase of \$17K in fund balance appropriated for June roofing projects
- Child Nutrition June budget = \$5,378,000
 - No change



Local Operations Fund

- Original budget of \$1,809,000
- November budget of \$1,884,043
- February budget of \$1,970,043
- May budget of \$2,022,043
- June budget of \$2,043,043
 - Drivers Education fees/vehicle costs = \$21K
- Pre-K/ROTC/Impact Aid/AYPYN/DODEA
- Medicaid revenues/Mebane-STEM



Digital Learning Fund

- Total budget of \$750,000
- Moore County manages fund on our behalf
- Phase II devices – initial rollout/pilots
- Phase II devices – 3,400 Chromebooks
- Costs to date = \$580K
- Carry forward to 2014/15 = \$170,000



Financial Report - Unaudited

- State expenditures = 98%
- Local current fund = 88%
- Federal fund = 72%
- Capital fund = 100%
- Child nutrition fund = 97%
- Local operations fund = 81%
- Digital learning fund = 77%



Unspent State Funds

- Months of Employment
 - Loss of Flexibility
 - Program 001 Classroom Teachers
 - Program 005 School Building Administrators
 - Program 007 Instructional Support
 - Program 013 CTE
 - Approximately \$1.4 million
- Summer Reading Camps
 - Will Carry over for 2014-2015



Unspent Federal Funds

- Majority of Unspent Funds
 - Program 050 Title I
 - Program 060 Exceptional Children
 - Program 117 School Improvement Grant
- Federal Year Starts over October 1st
 - Will need carryover for July-September Expenses



Unspent Local Funds

- Local Operations Fund (Fund 8)
 - Specific Programs
 - Medicaid Reimbursement
 - Mebane Grant
 - ROTC
 - Department of Defense Grants
- Local Current Fund (Fund 2)
 - Spend State/Federal 1st - protect Fund Balance
 - Locally Funded Items
 - Supplements
 - Technology
 - Maintenance



Other Local Funds

- Capital Outlay Fund (Fund 4)
 - Maintenance Projects- 100%
- Child Nutrition Fund (Fund 5)
 - 97%



2013-14 Budget Resolution

- State fund = \$66,827,882
- Local current fund = \$29,776,000
- Federal fund = \$12,260,712
- Capital fund = \$ 871,115
- Child nutrition fund = \$ 5,378,000
- Local operations fund = \$ 2,043,043
- Digital learning fund = \$ 750,000





MOORE COUNTY SCHOOLS

Growing to Greatness

