

AREA: Business and Finance	
AGENDA ITEM(S): Budget Amendments for State, Food Service, Childcare & Scholarship Fund	
CONTACT PERSON(S): Susan J. Little, Chief Operating Officer	
X ACTION	FOR INFORMATION

Synopsis of Agenda Item

Attached are four budget amendments that you will be asked to approve at the Board meeting on October 13, 2008. The first amendment is in the State Public School Fund. Amendment #2 appropriates \$1,434,380 in new money within the fund. The revenues are itemized on the center of the page directly following this synopsis. With the exception of Transportation, the numbers in parenthesis are reductions to our allotments due to charter schools. The transportation allotment represents the 10% that is normally withheld until December. We do expect to receive the balance of the allotment at that time.

Amendment #3 is in Food Service. We are increasing appropriations to this budget by \$294,885. The majority of this increase comes from fund balance. We will continue to monitor this fund closely and bring quarterly updates to you as we submit financial statements.

Amendment #4 is in Child Care. This fund is actually being reduced because More at Four revenues are now posted in Current Expense. More at Four pays for the Pre-K programs in our district along with a variety of other revenues.

Amendment #5 is the Scholarship Fund and we are appropriating fund balance in the Phillips Fund as well as the Kernodle Scholarship Fund. The total budget within this fund after this amendment is \$147,101.44.

Immediately following each budget amendment is the transfer form showing the shifts in the money according to the budget resolution and line item budget. The last sheet in the attachment is a preliminary balance sheet as of June 30, 2008 showing the audited fund balance numbers. They are still marked DRAFT because the fieldwork has not been closed out and something could change within the statement. The fund balance appropriations the Board has approved have been added to the sheet at the bottom of the page to show the running totals of funds available in each fund.

Last week the NC School Business Officials met in Asheville, North Carolina to receive professional development training as well as an update from the Department of Public Instruction on the financial state of North Carolina. Philip Price, Assistant Superintendent



for Business and Financial Services informed everyone that the Office of State Budget and Management is advising them to withhold 2% from all state agency funds. They are also advising him to withhold 1% from the State Public School Fund. At that point, Mr. Price shared that he had enough in reversions from the State Public School Fund to cover the 1% requirement. The real key would be in revenue collections at year end to determine whether or not further reductions would be necessary with the fund. In the meantime, please remember that the Department received enough fuel funding in the state's budget to operate yellow buses until about March. Of course all of this will depend on the prices of oil and the availability of diesel fuel. We will continue to keep everyone informed with updates and developments in the State Public School Fund as we have new information.

Superintendent's Recommendation: For Approval.

Suggested Motion: I move that we approve the budget amendments as presented in the State, Food Service, Child Care and Scholarship Funds.