

Edgecombe County Public Schools

Budget

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Budget Message

Our budget planned for 2017-2018 continues to reflect our commitment to academic achievement and success for all our students. We have several exciting and innovative changes planned for our school district.

Restart Schools & The Innovation Zone

ECPS has applied for "Restart" status from the NC State Board of Education for three historically low-performing schools in our North side feeder pattern: Coker-Wimberly Elementary School (CWES), Phillips Middle School (PMS), and North Edgecombe High School (NEHS). "Restart" status has been granted for CWES, PMS and NEHS. As "Restarts," these schools will have charter-like flexibility in the areas of calendar, budget, curriculum, and staffing. This flexibility will enable these three schools - collectively called our ECPS "Innovation Zone" - to implement innovative strategies in pursuit of three 2020 goals: high growth at all schools, 80% proficiency in all content areas, and 90% graduation rate at NEHS.

Opportunity Culture

On March 1, 2017, ECPS "went live" with opportunities for excellent teachers to reach more students, take on additional leadership, and earn more money - all within the regular public school budget. Design teams at our three North side "Innovation Zone" schools have developed Multi-Classroom Leader, Expanded Impact Teacher, and Reach Associate positions for certified teachers and classified staff members who want to expand their impact without leaving the classroom. Visit www.ocecps.weebly.com for more information!

Blue Ribbon Commission on Educational Equity

A transformational education for every ECPS scholar starts with a shared vision. That is why we have convened the Blue Ribbon Commission on Educational Equity and invited stakeholders from across the community to come together to answer the question: "What is the future we imagine for our scholars?" Students, parents, educators, business owners, faith leaders, community activists, and others are invited to attend a series of three town hall meetings and school visits this spring. Through these shared conversations and experiences, stakeholders will develop a vision for the success of all ECPS scholars and recommend priorities for the district's new three-year plan.

Budget Message (Continued)

Review of Prior Years' Budgets and Funding

Over the last six fiscal years, our state budget allotments began to decline, not only due to a decrease in student numbers but also due to the economy crisis. In the fiscal years of 2009-2010, 2010-2011, and 2011-2012, we received the federal stimulus dollars to help offset the state reductions, including the Education Jobs Funding. This funding ended on June 30, 2012.

In preparation for the loss of the federal stimulus dollars in fiscal year 2012-2013, we reduced that budget by \$2.2 million. We did not request any additional funding from the county to offset that loss in funding and the county held our funding to the same level as in the previous year. The budget reductions included the elimination of 38.7 positions and elimination of programs.

The first charter school opened in Edgecombe County in that same fiscal year and our state allotments were further reduced by \$1.5 million. To help offset this reduction, we reviewed our current budget and reduced the classroom teacher allotments to reflect the revised ADM. The remainder of the reduction was handled without any additional funding from the county.

In 2013-2014, we reduced the budget by an additional \$1.5 million and we did not request any additional funding from the county to offset that loss in funding. The county reduced our funding in that fiscal year by \$318,052. The \$1.5 million budget reductions included the elimination of 32 positions.

Our allotments for 2013-2014 were also reduced by another \$1.5 million due to the second year of the charter school impact and we reduced our classroom teaching positions allotted to the schools to reflect the reduction in ADM.

The fiscal year 2014-2015 budget was impacted by the continuing growth of the new charter school and decline in our ADM (Average Daily Membership) as well as state reductions in appropriations. Our state funding was reduced at the beginning of that fiscal year by \$792,019 for the charter school growth and North Carolina Virtual Public Schools (NCVPS). Our request of \$412,933 for an increase in funding from the county commissioners was not approved and our appropriation was decreased by \$56,327. In that year, we used \$741,612 of local fund balance to maintain positions and operations.

Budget Message (Continued)

For fiscal year 2015-2016, we made budget reductions of \$988,912 and eliminated 24.5 positions. Our ADM decreased by 253 students. We requested additional funding of \$294,000 from the county to increase our local supplements and this request was funded.

In the fiscal year 2016-2017, we increased the local supplement for teachers and instructional support staff as well as for classified employees. The ADM increased by 98 students. Our low wealth allotment and at risk student allotment were decreased by \$467,256 due to a change in the poverty levels in the most recent census. State raises were issued to all employees in various ranges as well as increases in the benefit rates. To offset these decreases, the district planned to use local fund balance in the amount of \$956,533.

Initial Budget for 2017-2018 approved by the Board of Education on April 10, 2017

Our Average Daily Membership (ADM) used for allotment purposes had increased slightly. The change in ADM had a small increase in our state allotments that are based upon ADM. In the initial budget proposal, we made preliminary calculations of these allotments.

Classroom teaching position allotments were based upon projected ADM at the schools with consideration of smaller middle and high schools.

We anticipated our allotment for state classroom teaching positions to remain at the same level as the current year. We planned to continue utilizing funding streams outside of our state classroom teaching allotment, including Disadvantaged Student Supplement Funding and Title II, for classroom teaching positions.

As in prior year, we planned to transfer the funds in Academically and Gifted funding (AIG) and the Limited English funding (LEP) for the cost of the experienced personnel into Low Wealth to further maximize the use of our state allotments. The experienced AIG and LEP teachers would be placed in our position allotment of classroom teachers. The number of classroom teaching positions at a lower salary would be paid from another dollar allotment. The overall integrity of these programs would be maintained as originally budgeted.

Budget Message (Continued)

We planned to transfer \$75,000 from the textbook allotment to purchase textbooks used by students from the traditional high schools who are taking classes at Edgecombe Community College.

The full allowable rate of indirect cost would be charged to federal programs and to the child nutrition program.

The State Public School Fund Proposed Budget was based upon district calculated planning state allotments as the state had not issued planning allotments at that time. The state projected revenues were prepared contingent upon our allotments in the following categories remaining the same as in the current fiscal year 2016-2017: central office administration, driver training, CTE, low wealth, learn and earn, transportation, at risk student services and disadvantaged student supplemental funding. A reduction in these funding streams or other funding streams, or other changes mandated by the General Assembly would result in a significant impact on our budget, programs, and services.

The initial budget included a request for additional local funding of \$1,512,101 in county appropriation to increase local supplements as well as the impact of a projected state raises and benefit increases on the current local supplements.

Final Budget Resolution for fiscal year 2017-2018

The operating funds include the State Public School Fund, Federal Programs, Local Operating Fund (Current Expense), and Other Restricted Fund. These funds were prepared based upon state allotments, federal planning allotments and federal carryover amounts, county appropriation, award of grants, and estimated local operating revenues.

All funding streams available to support the expenditures and any legislative requirements were considered. Expenditures are based upon estimated salary, benefits and estimated cost of operations. Employer retirement benefit rates increased from 16.33% to 17.13%. The employer's cost of the hospitalization increased from \$5,659 per full-time position to \$5,869.

State raises were given in this fiscal year. Raises for classroom teachers and instructional support personnel with less than 25 years of experience ranged from 1.5% to 6.9%. For those with 25 or more years of experience, their raise was 0.6% plus a onetime bonus of \$385.

**Budget Message
(Continued)**

The pay scale for assistant principals has been revised and is now linked to the teacher's A salary schedule (bachelor's degree). Their pay scale is 17% above the teacher's A salary schedule. This group of employees are no longer eligible to receive longevity but they are still eligible to be paid on an advanced and doctorate degrees.

A completely new pay schedule for principals has been implemented. Their previous pay scale was based upon the number of state paid teachers at the school and years of experience. The new pay scale is based upon ADM at the school and growth of the school. Principals are no longer eligible for longevity nor are they eligible to receive pay on an advanced and doctorate degrees.

Principal Salary Scale 2017-2018

ADM	Base	Met Growth	Exceeded Growth
0-400	\$ 61,751	\$ 67,926	\$ 74,101
401-700	\$ 64,839	\$ 71,322	\$ 77,806
701-1,000	\$ 67,926	\$ 74,719	\$ 81,511
1,001-1,300	\$ 71,014	\$ 78,115	\$ 85,216
1,301	\$ 74,101	\$ 81,511	\$ 88,921

School growth is based upon growth at each school that the principal supervised in at least 2 of the prior 3 years. For fiscal year 2017-2018, the three years of school growth are based upon 2014-2015, 2015-2016, and 2016-2017. ADM is based upon the higher of the ADM from the 1st and 2nd principal's monthly report for the current fiscal year 2017-2018. This means that principals' salaries will not be final until November 2017.

Both assistant principals and principals will receive a payout for the portion of longevity earned as of June 30, 2017.

Our non-certified staff and central office staff received an annual increase of \$1,000. This amount is pro-rated for part-time employees and for employees who are employed for less than 12 months.

A special annual leave bonus of 3 additional days has been approved in the state budget for any full-time permanent employee who is employed on July 1, 2017. This is one-time leave bonus that can carry over but has no cash value upon retirement or resignation. It has the same restrictions on use as annual leave.

Budget Message (Continued)

The state legislature appropriated funding for an increase for bus drivers. The funding is allotted to the school districts and the school districts have to determine how to increase the average hourly rate of pay for all bus drivers on an equitable basis. This is in lieu of the \$1,000 annual increase. Our district is in the process to review the amount of funding and determine new pay scale for bus drivers.

The Local Current Expense Budget is based upon county appropriation, estimation of fines and forfeitures and interest earned. Although we made a request for an increase from the county to increase the local supplement, the county did not increase our appropriation. Local supplements will remain at the same level as last year.

For this proposed budget, we are appropriating \$1,120,325 of the local fund balance. On June 30, 2017, our local fund balance was \$2,282,145. In the prior fiscal year, we appropriated \$956,533 of local fund balance. At year end, we used \$125,453 of the local fund balance rather than the planned amount of \$956,533.

The additional amount of fund balance appropriation is to offset state budget reductions, including a 7.4% reduction in central office administration, loss of the ability to transfer AIG and ESL funding, increase in benefit costs, increase in local supplement costs, and state raises.

To fund our allotted classroom teaching positions, we will utilize our state allotment for classroom positions and other funding streams, including Disadvantaged Student Supplemental Funding (DSSF), At Risk Student Services funding and Title II.

In our initial budget, it was planned to maximize the use of our state allotments by transferring the funds in Academically and Gifted funding (AIG) and the Limited English funding (LEP) for the cost of the experienced personnel into Low Wealth. The state legislature removed the ability to transfer funds out of the LEP allotment beginning in fiscal year 2017-2018. The ability to transfer funds out of the AIG allotment has also been removed beginning in fiscal year 2018-2019. This budget does not include transferring the funds out of either AIG or ESL in this fiscal year.

Budget Message (Continued)

We will transfer \$86,000 from the state textbook allotment to purchase the textbooks for the dual enrollment classes for the traditional high schools, the teacher scholars program, and to assist with the purchase of college textbooks for the Edgecombe Early College High School (EECHS). The state budget reduced the allotment for the Cooperative Innovative High School based upon the tier level of counties. The reduction to our allotment was \$41,646, from \$316,646 to \$275,000. Our Edgecombe Early College High School utilizes these funds to pay for a guidance counselor, community liaison, and the college liaison along with the cost of the college textbooks for students. To assist the EECHS, the district will transfer \$25,000 from the state textbook allotment for a portion of the college textbooks for students.

It is time to refresh our technology throughout the schools as our chromebooks and tablets are approaching end of useful life. This budget includes a transfer of \$467,750 from our textbook allotment to implement Year 1 of the three-year refresh cycle. The focus in year 1 will begin the refresh of chromebooks, tablets in elementary schools, and laptops for elementary core teachers. Year 2 will focus on the purchase of the remaining chromebooks and tablets. Year 3 will replace the laptops for the core teachers at middle and high schools. Any older chromebooks that are still viable will be placed into carts for teacher access as needed.

The state transportation allotment has been estimated as the actual allotment will not be received until December. If the actual allotment is less than the estimated allotment, this budget will have to be reviewed and adjusted at that time.

The full allowable indirect cost rate will be charged to all the federal programs and the enterprise funds, including the child nutrition program.

The estimated amount of the allotments for the restart schools has been included in the budget resolution. The required amount is at a rate of \$5,830.81 per ADM. The ADM used is based upon the first Principal's Monthly Report for the current fiscal year. The amount included in this budget is based upon an estimated ADM. Any fluctuations to that ADM could either increase or decrease the allotment. The allotment is created by the district determining which state allotments to reduce. In making this determination, we will utilize the method that will maximize the use of those dollars.

Budget Message (Continued)

The restart allotment will be used for costs associated with the schools, including salary for all staff, supplements, salary differentials related to Opportunity Culture positions, innovation zone signing bonuses, substitutes, professional development, instructional materials, office costs and activity bus costs. Building costs will continued be paid locally. The restart schools will continue to have Title I and school improvement grant funding as well as a capital outlay allotment. We will also use some of our position allotments to assist them with the cost of higher paid personnel by maximizing the use of our position allotments. CTE, exceptional children, AIG, and ESL positions, and transportation will continued to be provided and paid by those respective state allotments.

As this is a new process for the school and district personnel, we plan to meet monthly with the principal and bookkeeper of these schools so we can frequently monitor their budget and allotments.

The Federal Fund Proposed Budget is based upon planning allotments plus carryover funds from the prior year. This budget may require adjustments when the actual allotments are received.

The Other Restricted Proposed Budget is based upon grants and other sources of revenues, including carryover of grants from the prior year. No fund balance has been appropriated in this fund.

The Capital Outlay Proposed Budget reflects our capital improvements, major repairs and renovations, and funds vehicle and equipment additions or replacements. Our request for the capital recurring fund is \$530,000. Lottery receipts will be utilized in the amount of \$1,650,000 for the bond debt of \$150,000 and roof replacement of \$1,500,000 at SouthWest Edgecombe High School. The total capital outlay budget is \$3,283,170 and includes the county appropriation for capital outlay in the amount of \$530,000.

The proposed capital outlay budget does include an appropriation of \$856,562 of capital outlay fund balance due to projects included in the prior year's budget that were not completed by the end of the fiscal year. The capital outlay fund balance at June 30, 2016 is estimated at \$2,702,289.

The Enterprise Proposed Budget consists of the child nutrition program, fee for service programs, and family resource center. Those budgets are prepared based upon estimated receipts of fees and sales as well as USDA grants.

**EDGECOMBE COUNTY PUBLIC SCHOOLS
BUDGET RESOLUTION**

BE IT RESOLVED by the board of education of the Edgecombe County School Administrative Unit:

Section 1 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Local Current Expense Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

PRC					
001	Classroom Teachers			\$	-
002	Central Office Administration			\$	980,790.00
003	Non-Instructional Support			\$	1,080,620.00
005	School Administrative Support Services			\$	100,690.00
009	Non-contributory payments			\$	1,514,000.00
015	Technology			\$	279,584.00
028	Professional Development			\$	56,070.00
036	Charter Schools			\$	980,000.00
056	Transportation			\$	150,000.00
061	Classroom Materials			\$	8,316.00
301	JROTC			\$	110,000.00
345	NorthEast Leadership Academy			\$	41,084.00
506	Ready Schools Innovation Grants			\$	4,688.00
706	Activity Bus			\$	63,001.00
802	Operations			\$	2,219,592.00
803	Athletics			\$	339,385.00
890	Educational Program Services			\$	45,865.00
895	Cultural Arts			\$	26,796.00
910	Central Services operating			\$	44,952.00
920	Executive Administration			\$	23,937.00
925	Student Initiatives			\$	4,559.00
930	Board of Education			\$	244,753.00
935	District Accreditation			\$	-
940	Insurance			\$	368,214.00
945	Innovation			\$	10,000.00
950	Finance			\$	64,214.00
960	Human Resources			\$	48,594.00
970	Community Services			\$	15,132.00
980	Testing and Accountability			\$	22,795.00
	Total Local Current Expense Fund Appropriation			\$	8,847,631.00
Section 2 - The following revenues are estimated to be available to the Local Current Expense Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:					
	State Funds			\$	-
	Federal Funds			\$	-
	Local Funds			\$	7,727,306.00
	Fund Balance Appropriated			\$	1,120,325.00
	Total Local Current Expense Fund Revenue			\$	8,847,631.00
					-

**Edgecombe County Public Schools
Budget Resolution**

Section 5 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Federal Grants Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

PRC					
017	CTE - Program Improvement			\$	113,355.00
026	Education for Homeless			\$	16,196.00
049	Title VI-B-Preschool Handicapped			\$	118,364.00
050	Title I			\$	3,571,839.00
051	Migrant Education			\$	164,597.00
058	CTE - Capacity Building			\$	-
060	Title VI-B-Handicapped			\$	2,028,531.00
070	IDEA Coordinating Early Intervening Services			\$	343,802.00
082	Title VI-B State Improvement			\$	-
101	Title V-Abstinence Education			\$	42,297.00
103	Title II-Improving Teacher Quality			\$	623,464.00
104	Language Acquisition			\$	47,915.00
105	Title I - School Improvement			\$	581,223.00
111	Title III-Language Acquisition-Significant Increase			\$	2,860.00
118	IDEA Title VIB handicapped-special needs			\$	8,382.00
119	Title VI-B - Targeted Assistance for PreK			\$	4,210.00
	Total Federal Programs Fund			\$	7,667,035.00

Section 6 - The following revenues are estimated to be available to the **Federal Grants** Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

	Federal Funds			\$	7,667,035.00
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Section 7 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Multiple Enterprise Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

PRC					
035	Child Nutrition Program			\$	4,753,353.00
049	Preschool Fee for Service			\$	137,000.00
640	Family Resource Center			\$	10,000.00
	Total Multiple Enterprise Fund Appropriation			\$	4,900,353.00

Section 8 - The following revenues are estimated to be available to the **Multiple Enterprise** Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

	Federal Funds			\$	4,753,353.00
	State Funds			\$	137,000.00
	Local Funds			\$	10,000.00
	Total Multiple Enterprise Fund Revenue			\$	4,900,353.00

**Edgecombe County Public Schools
Budget Resolution**

Section 9 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Capital Outlay Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

Category I (Land, buildings, etc.)				
	Boiler			\$ -
	Paving			\$ -
	Property			\$ 150,000.00
	Roofing			\$ 1,500,000.00
	Renovations			\$ 137,000.00
	Painting			\$ 40,000.00
	Modular Unit			\$ 26,060.00
	Athletics			\$ 70,000.00
	Flooring			\$ 50,000.00
	Buildings and Grounds			\$ 50,000.00
	Sign replacement			\$ 43,000.00
	Total Category I			\$ 2,066,060.00
Category II (Equipment)				
	Furniture & Equipment-allocations			\$ 216,475.00
	Furniture & Equipment			\$ 608,027.00
	Total Category II			\$ 824,502.00
Category III (Vehicles)				
	Vehicles			392,608.00
	Total Category III			392,608.00
	Total Capital Outlay Fund Appropriation			\$ 3,283,170.00
Section 10 - The following revenues are estimated to be available to the Capital Outlay Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:				
	State Funds			1,888,608.00
	Local Funds			538,000.00
	Fund Balance Appropriated			856,562.00
	Total Capital Outlay Fund Revenue			3,283,170.00

**Edgecombe County Public Schools
Budget Resolution**

Section 11 - The following amounts are hereby appropriated for the operation of the school administrative unit in the Other Restricted Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

PRC						
001	Classroom teachers					\$ 173,400.00
012	Drivers' Training					\$ 12,591.00
032	Exceptional Children					\$ 4,306.00
306	Exceptional Children-Medicaid Fee for Service					\$ 381,285.00
301	JROTC					\$ 160,181.00
340	Early Literacy					\$ 60.00
348	Problem Based Learning Grants					\$ 7,726.00
401	PreK Transition					\$ 44,607.00
413	NCPReK					\$ 817,906.00
444	AP Incentive Grant					\$ 219.00
512	Leader in Me					\$ 2,676.00
513	NC Pediatric Society Foundation					\$ 4,793.00
516	STEP grants					\$ 2,778.00
521	Dollar General Grant					\$ 150.00
588	Learning Fund					\$ 33,625.00
710	Laptop/chromebook Maintenance					\$ 1,043.00
802	Operations					\$ 594,000.00
895	Cultural Arts					\$ 6,125.00
925	Student Initiatives					\$ 6,500.00
975	Facilities Use					\$ 5,000.00
	Total Other Restricted Fund					\$ 2,258,971.00

Section 12 - The following revenues are estimated to be available to the **Other Restricted Fund** for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

	State Funds					\$ 862,732.00
	Federal Funds					\$ 722,652.00
	Local Funds					\$ 673,587.00
	Fund Balance Appropriated					\$ -
	Total Other Restricted Fund					\$ 2,258,971.00

**Edgecombe County Public Schools
Budget Resolution**

Section 13 - All appropriations shall be paid first from revenues restricted as to use, and second from general unrestricted revenues.			
Section 14 - The superintendent is hereby authorized to:			
A. Transfer appropriations within a fund under the following conditions:			
The superintendent may not transfer any amounts between funds nor from any contingency appropriation within a fund without Board of Education approval.			
The superintendent may transfer amounts between programs and will furnish to the Board a written report on all transfers.			
B. Accept appropriations into the budget under the following conditions:			
The superintendent may accept all state appropriations. A summary of such appropriations must be reported monthly.			
The superintendent may accept federal appropriations if the application for funding has been approved by the Board of Education. A summary of such appropriations must be report to the Board of Education monthly.			
The superintendent may accept other appropriations in accordance with Board policy.			
Section 15 - Copies of the Budget Resolution shall be immediately furnished to the superintendent and the school finance officer for direction in carrying out their duties.			
Adopted this		day of	
Chairperson - Board of Education			
* Some totals may vary slightly due to rounding			

Direction of the School System

Below are the mission, vision, and goals of the Edgecombe County Board of Education. The 2017-2018 proposed budget supports each of these areas.

Our Vision

Edgecombe County Public Schools: Focused, Connected, Ready

Our Mission

The Edgecombe County Public School community will collaborate to graduate all students ready to achieve success in a rapidly changing world.

Our Goals

Will produce globally competitive students
Will be led by 21st century professionals
Will develop healthy and responsible students
Will provide leadership that will guide innovation
Will be governed and supported by 21st century systems

Financial Organization

Legal Authority

Edgecombe County Public Schools is a comprehensive school district serving the students and citizens of Edgecombe County. The schools are committed to providing the highest quality educational opportunities to its students while maintaining fiscal responsibility and accountability. The Board of Education is responsible for adopting policies which guide the Superintendent and administrative staff in the management of the day-to-day operation of the school system.

The Board of Education is responsible for budget review, but it is not a tax-levying body and must submit its annual budget to the Edgecombe County Board of Commissioners, which controls the allocation of local funds to the school system. The State of North Carolina provides funding for basic educational programs, and local funds are used to supplement these programs.

Fund Accounting

The financial accounts of the school system are organized on the basis of funds, each of which is considered a separate accounting entity. School system resources are allocated to and accounted for in these individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled in compliance with legal provisions. The school system's budgeting and accounting systems include the following funds:

The **State Public School Fund** is used to account for the revenues and expenditures allocated for educational purposes by the State Board of Education. These funds are expended according to the provisions of state statutes. This is a special revenue fund.

The **Local Operating Fund** is used to account for the revenues and expenditures allocated for educational purposes by all financial resources other than those in the other funds. Revenue sources include appropriations by the Board of County Commissioners, state funds allocated directly to the school system, and other funds made available to the school system for current operating expenses. This is a general revenue fund.

The **Federal Grant Fund** is used to account for the revenues and expenditures allocated for educational purposes of federal government categorical grants by the State Department of Public Instruction and other grants made directly to the school system. This is a special revenue fund.

Financial Organization (Continued)

Fund Accounting Continued

The **Capital Outlay Fund** is used to account for the revenues and expenditures allocated for the school system's acquisition of fixed assets and construction of major capital projects. Sources of revenue for this fund are local county government appropriations, proceeds from the sale of school construction bonds, and certain state assistance.

The **Child Nutrition Fund, Fee for Service Programs, and Family Resource Center** are used to account for the revenues and expenditures for the school food services and day care services provided to students and parents. These funds are enterprise funds.

The **Other Restricted Fund** is used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S.105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.

Financial Organization (Continued)

Basis of Accounting

Basis of accounting refers to the timing of recognition of revenues and expenditures in the accounts and in the financial statements, regardless of measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable fiduciary funds are accounted for using a current financial resources measurement focus; that is, only current assets and current liabilities generally are included on the balance sheets. Statements of these funds present increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in net current assets.

The **Modified Accrual Basis of Accounting** is followed for all governmental type funds and fiduciary type funds of the school system. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable (the amount of the transaction can be determined) and available (the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period). Expenditures, other than long-term debt and the long-term portion of accumulated sick and vacation pay, are recorded when the liability is incurred.

The **Accrual Basis of Accounting** is utilized by the proprietary type funds. Revenues are recognized when earned, and expenses are recognized when goods and services are received whether or not cash disbursements are made at the time.

Financial Structure

In 1975, the General Assembly enacted a law requiring a uniform accounting system for all local school administrative units. The minimal requirements for the accounting code structure include four components (fields) for the code: fund, function, program reporting, and object. These fields make it possible for meaningful analysis of financial data to provide appropriate management and decision making at all levels.

The school system's Department of Finance, with the direction of the Board of Education and the Superintendent, is responsible for the fiscal operations of the school system including budget development and management, maintenance of the accounting system, payment of bills, payroll, and the receipt and posting of all revenues. The budgeting and accounting systems of the school system are organized and operated on the basis of self-balancing accounts, which comprise its assets, liabilities and fund balances, and revenues and expenditures, as appropriate.

The school system's budget is maintained by fund, function, program, object, and location code levels. This structure permits the accurate and appropriate tracking of revenues and expenditures for the requirements of the school system, required state reporting, and audit purposes. The school system's budget is composed of five separate funds to record assets and liabilities for specific purposes:

- | | |
|----------------------------|-------------------------|
| 1 State Public School Fund | 4 Capital Outlay Fund |
| 2 Local Operating Fund | 5 Enterprise Fund |
| 3 Federal Grant Fund | 8 Other Restricted Fund |

The fund budgets are comprised of individual program budgets (PRCs) that include line item expenditures (object codes). Within each of these program budgets are function and location sub-program codes that provide additional detail for the tracking of expenditures for the school system.

Object codes indicate the service or the commodity obtained as a result of a specific expenditure. The major object code categories are:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Non-Categorical Objects
- 700 Transfers

Financial Structure Continued

Each revenue and expenditure code includes a function (or purpose) code designation to permit the analysis of expenditures for similar reasons. Function designations are assigned by the state. The current function codes used by the school system are:

5100 Regular Instructional Services	6500 Operational Support Services
5200 Special Populations Services	6600 Financial and Human Resource Services
5300 Alternative Program Services	6700 Accountability Services
5400 School Leadership Services	6800 System-wide Pupil Support Services
5500 Co-Curricular Educational Services	6900 Policy Leadership & Public Relations Services
5800 School-based Support Services	7100 Community Services
6100 Support and Development Services	7200 Child Nutrition Program
6200 Special Populations Support and Development Services	8000 Other Non-Programmed Services
6300 Alternative Programs and Services Support and Development Services	9000 Capital Outlay Projects
6400 Technology Support Services	

Some of the function codes listed have sub-function level codes to permit more detailed tracking of expenditures.

Location codes for all schools and central administration are used to track the location of expenditures.

Budget Administration and Management Process

Budget administration and management are processes of monitoring revenues and expenditures throughout the fiscal year. Revenues are monitored to ensure that anticipated receipts are received, posted to appropriate codes within the financial system, and deposited. Adjustments to revenue budgets are made as necessary. Expenditures are monitored to assure budgeted amounts are not exceeded and that funds are expended for intended, appropriate, and legal purposes. Monitoring of both revenues and expenditures on summary levels is a continuous activity of the Finance Department.

Revenues	Expenditures
<p>The school system receives revenues from federal, state, and county sources as well as from fees and tuition payments. Revenue estimates for the fiscal year are completed through cooperative planning between the Finance Department and the appropriate program administrators. State and federal revenues are determined at the state level and are transmitted to the local school division as adjustments are made.</p> <p>State and federal revenues are posted to the school system's financial system as payments from these sources are paid. The State Department of Public Instruction monitors all expenditures made to state and federal programs, and, if approved, deposits the funds into the school system's state account. County and other locally based revenues are received as checks or cash and are posted and deposited on a daily basis.</p> <p>Monthly statements of state and federal revenues are received from the state treasurer's office and are reconciled each month by the Finance Department.</p>	<p>Although each program administrator is responsible for the maintenance of the program budget, the Finance Department has the overall monitoring responsibility for all expenditures of the school system. Both the program administrator and the Finance Department monitor expenditures to preclude exceeding budgeted amounts.</p> <p>Expenditures include all payroll and benefits payments for employees as well as the accounts payables to vendors for all materials, supplies, and contracted services. Program managers are able to print their statements through the accounting system.</p> <p>The financial system is updated daily to provide accurate information concerning all expenditures. Program administrators may reallocate budgeted funds within their program budgets through coordination with the Finance Department. Reallocation requests are submitted in writing to the Finance Officer for approval and processing.</p>

Reporting

The school system prepares annual financial statements to report the results of all funds under the Board of Education's authority. This report is completed by an independent outside auditing firm that reports its findings directly to the Board of Education.

Budget and Financial Policies

The Edgecombe County Board of Education adheres to both School Board and state policies in the preparation, monitoring, and reporting of its budget for each fiscal year. The policies can be found on the website of Edgecombe County Public Schools.

Policy #8100- Budget Planning and Adoption outlines the elements of budget planning and the budget process. This policy was adopted on June 29, 2015.

Policy #8110 – Budget Resolution outlines the requirements of the budget resolution. This policy was adopted on June 29, 2015.

Summary of All Funds

The Edgecombe County Board of Education receives revenue from state, county, and federal sources. Revenue from the state supports the basic instructional program. The Edgecombe County Board of Commissioners appropriates a portion of its general fund to the school system to fund the system's educational and support programs and activities.

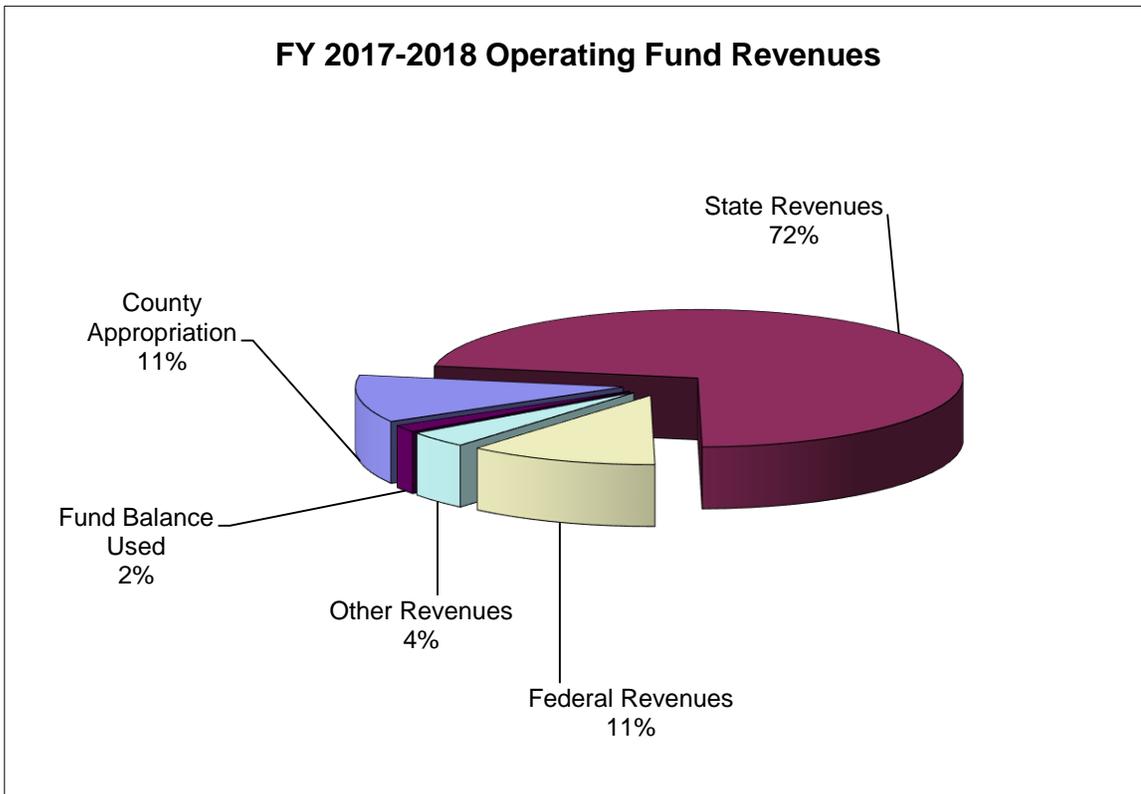
	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Increase (Decrease)
	Actual	Actual	Actual	Actual	Budget	
County Appropriation	\$ 6,666,857	\$ 6,610,530	\$ 6,904,530	\$ 7,451,618	\$ 7,451,618	\$ -
State Revenues	39,121,510	39,113,671	38,371,800	39,690,219	48,142,601	\$ 8,452,382
Federal Revenues	5,402,053	5,300,292	5,016,228	5,422,914	7,667,035	\$ 2,244,121
Other Revenues	1,883,471	1,878,956	2,011,647	2,872,647	2,534,659	\$ (337,988)
Fund Balance Used	<u>505,304</u>	<u>746,582</u>	<u>19,755</u>	<u>125,483</u>	<u>1,120,325</u>	<u>\$ 994,842</u>
Total Operating Fund	<u>\$53,579,195</u>	<u>\$53,650,031</u>	<u>\$52,323,960</u>	<u>\$55,562,881</u>	<u>\$66,916,238</u>	<u>\$ 11,353,356</u>
Other Funds						
	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Increase (Decrease)
	Actual	Actual	Actual	Actual	Budget	
Recurring Capital	\$ 623,915	\$ 622,270	\$ 595,871	\$ 614,051	\$ 538,000	\$ (76,051)
State Revenues	371,968	1,010,379	523,278	1,220,173	1,888,608	668,435
Fund Balance Used	-	-	23,090	530,688	856,562	325,874
Child Nutrition	4,207,344	4,331,481	4,714,960	4,460,283	4,753,353	293,070
Kidstation	-	-	-	-	-	-
Fee for Service	147,207	137,421	133,346	116,131	137,000	20,869
Family Resource Center	-	-	-	3,881	10,000	6,119
Total Other Funds	<u>\$ 5,350,434</u>	<u>\$ 6,101,551</u>	<u>\$ 5,990,545</u>	<u>\$ 6,945,207</u>	<u>\$ 8,183,523</u>	<u>\$ 1,238,316</u>
Total - All Funds	<u>\$58,929,629</u>	<u>\$59,751,582</u>	<u>\$58,314,505</u>	<u>\$62,508,088</u>	<u>\$75,099,761</u>	<u>\$ 12,591,672</u>

Operating Fund Introduction

The Operating Fund accounts for the revenues and expenditures necessary for the day-to-day operation of the school system. Revenues are received from federal, state, and county sources. Tuition and fees for some programs are collected to partially offset the costs of those programs.

The school system’s operating fund is maintained with three major funds: state funded programs, locally funded programs, and federally funded programs. This organization provides for the accurate accounting of expenditures by funding source as required by state statutes.

Edgecombe County Public Schools receives revenue from state, county, and federal sources. Revenue from the state supports the basic instructional program provided by the school system. The Edgecombe County Board of Commissioners appropriates a portion of its general fund to the school system to fund the system’s educational and support programs and activities. Federal revenues fund the school system’s federal grant programs. The school system also receives funds from sources considered to be of a local nature. These sources include tuition and fees, earned interest, and the use of fund balance.



Operating Fund Revenues

State Revenues

State revenues are anticipated to total \$48,142,601 for fiscal year 2017-2018 based upon state allotments. Our ADM that is used to calculate allotments increased from 5963 to 5994 students.

State funds are allocated to school systems in the categories listed below by either position allotment or by dollar allotment based on formulas. Each category has its individual formula for allotments. Funds must be spent in the individual programs, and expenditures are reported to the state on a monthly basis through electronic transfer of data.

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	
	Actual	Actual	Actual	Actual	Budget	
Classroom Teachers	\$ 14,633,530	\$ 14,895,153	\$ 14,395,698	\$ 15,136,515	\$ 17,053,512	
Central Administration	786,702	776,007	778,627	769,659	739,069	
Non-instructional Support	1,478,219	1,442,643	1,404,370	1,546,093	1,529,241	
School Building Administration	1,591,895	1,508,166	1,486,986	1,546,298	1,648,500	
Instructional Support Personnel	1,744,465	1,735,271	1,641,882	1,855,508	1,871,950	
Dollars for teachers	496,000	419,995	-	-	-	(2)
Non-Contributory Employee	1,082,320	740,668	475,932	393,817	500,000	
NBPTS Educational Leave	-	-	172	197	-	
Driver Training	107,203	120,150	109,942	122,503	129,847	
Career Technical Education- Months of Employment	1,973,309	1,925,525	1,894,313	1,905,592	2,115,010	
Career Technical Education- Program Support	91,961	121,996	116,615	140,323	88,045	
School Technology	850,664	271,029	76,018	104,524	497,016	
Summer Reading Camps	172	56,740	130,676	163,914	234,146	
State Employee Severance Payments	34,918	27,411	35,498	-	-	
Foreign Exchange Teachers	-	762,164	911,370	1,122,624	1,420,276	
Advanced Teaching Roles	-	-	-	85,000	983,480	
Disadvantaged Student Supplemental Funding	1,812,252	1,866,501	1,896,911	1,901,835	1,903,750	
Indian Gaming Fund	-	3,414	8,403	-	-	
Teacher Assistants	1,308,055	1,208,232	1,480,674	1,550,598	1,514,002	
Behavioral Support	126,261	118,340	122,487	125,320	-	(1)
Digital Learning	25,063	-	-	-	-	(2)
Low Wealth	3,806,837	3,592,763	3,758,971	3,344,563	3,211,945	

Operating Fund Revenues

**State Revenues
(Continued)**

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	
	Actual	Actual	Actual	Actual	Proposed Budget	
Exceptional Children	3,011,908	3,220,457	3,269,417	3,420,268	3,629,685	
Merit Bonus	-	-	-	93,545	-	
Academically & Intellectually Gifted	26,729	18,704	13,348	9,698	317,346	
Restart Schools	-	-	-	-	3,772,532	
School Resource Officers	8,752	18,993	19,979	16,484	-	
Panic Alarms	3,411	-	-	-	-	(2)
Compensation Bonus (Legislated)	-	17,088	507,971	38,856	-	
Test Result Bonus	-	-	-	31,709	-	
Limited English Proficiency	106,853	115,077	67,389	60,797	194,411	
Learn and Earn	315,823	317,512	316,646	316,646	275,000	
Pupil Transportation	1,767,201	1,868,562	1,648,406	2,002,937	1,732,926	
Instructional Supplies	423,691	173,301	169,044	221,808	737,048	
Assistant Principal Intern	6,593	16,468	-	127,018	308,581	
Alternative Programs	-	169,606	102,403	68,238	97,750	
At Risk Student	1,409,355	1,479,622	1,512,234	1,417,114	1,520,960	
School Connectivity	85,800	101,400	18,618	18,618	-	(1)
Reading 3D	1,406	4,713	800	31,600	-	(1)
Textbooks	4,162	-	-	-	116,573	
Total State Revenues	\$39,121,510	\$39,113,671	\$38,371,800	\$39,690,219	\$48,142,601	

(1) Applications for these awards are submitted annually. Fiscal year 2017-2018 does not include dollars for this program at this time. These dollars will be added to the budget as they are awarded.

(2) These state allocations have ended.

Some totals may vary slightly due to rounding.

Operating Fund Revenues

Federal Revenues

Federal revenues are estimated to total \$7,667,035 based upon planning allotments as issued by the State Department of Public Instruction (DPI) and the carryover amounts for the grants from 2016-2017. As the actual allotments are received, these allotments will be adjusted through the budget amendment process.

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	
	Actual	Actual	Actual	Actual	Proposed Budget	
Career Technical Education- Program Improvement	\$ 99,756	\$ 109,946	\$ 113,379	\$ 101,223	\$ 113,355	
Education for Homeless	11,045	11,205	10,465	20,648	16,196	
IDEA Pre-School Handicapped	60,220	96,927	34,124	37,816	118,364	
ESEA Title I	2,220,096	2,576,160	2,909,536	2,787,092	3,571,839	
ESEA Title I - Migrant Education	202,462	182,748	149,444	133,909	164,597	
CTE-Capacity Building Grant	313	2,399	-	-	-	(1)
IDEA Title VI-B Handicapped	1,452,971	1,003,856	1,208,639	1,450,860	2,028,531	
IDEA Early Intervening Services	-	-	-	108,204	343,802	
Title VI-B - State Improvement	7,982	15,965	2,692	6,333	-	(2)
Title V-Abstinence Education	60,589	68,648	63,800	12,162	42,297	
Title II - Improving Teacher Quality	369,103	516,723	409,359	345,642	623,464	
Language Acquisition	56,372	53,391	27,391	32,336	47,915	
Title I - School Improvement	4,025	283,900	30,675	309,345	581,223	
Title III - Language Acquisition Increase	-	-	-	-	2,860	
Children with Special Needs-Risk Pool	49,127	51,107	42,767	48,970	-	(2)
School Improvement Funds	121,299	145,837	(1,802)	-	-	(1)
Title VI-B - Special Needs Target	15,311	27,870	9,056	19,784	8,382	(2)
Title VI-B - Targeted Assistance for PreK	11,863	2,636	6,703	8,590	4,210	(2)
ARRA-School Improvement Grant	264,972	38,357	-	-	-	(1)
ARRA-Race to the Top Mini Grant	-	99,407	-	-	-	(1)
ARRA-Race to the Top	249,054	8,316	-	-	-	(1)
ARRA-Leadership Academy(NELA)	140,599	-	-	-	-	(1)
ARRA-Recruitment Incentive	4,894	4,894	-	-	-	(1)
Total Federal Revenues	\$ 5,402,053	\$ 5,300,292	\$ 5,016,228	\$ 5,422,914	\$ 7,667,035	

(1) These grants have ended.

(2) Grants are applied for on an annual basis. As grants are awarded, they are added to the budget.

Some totals may vary slightly due to rounding.

Operating Fund Revenues

Funding Sources Reported in the Local Operating Fund

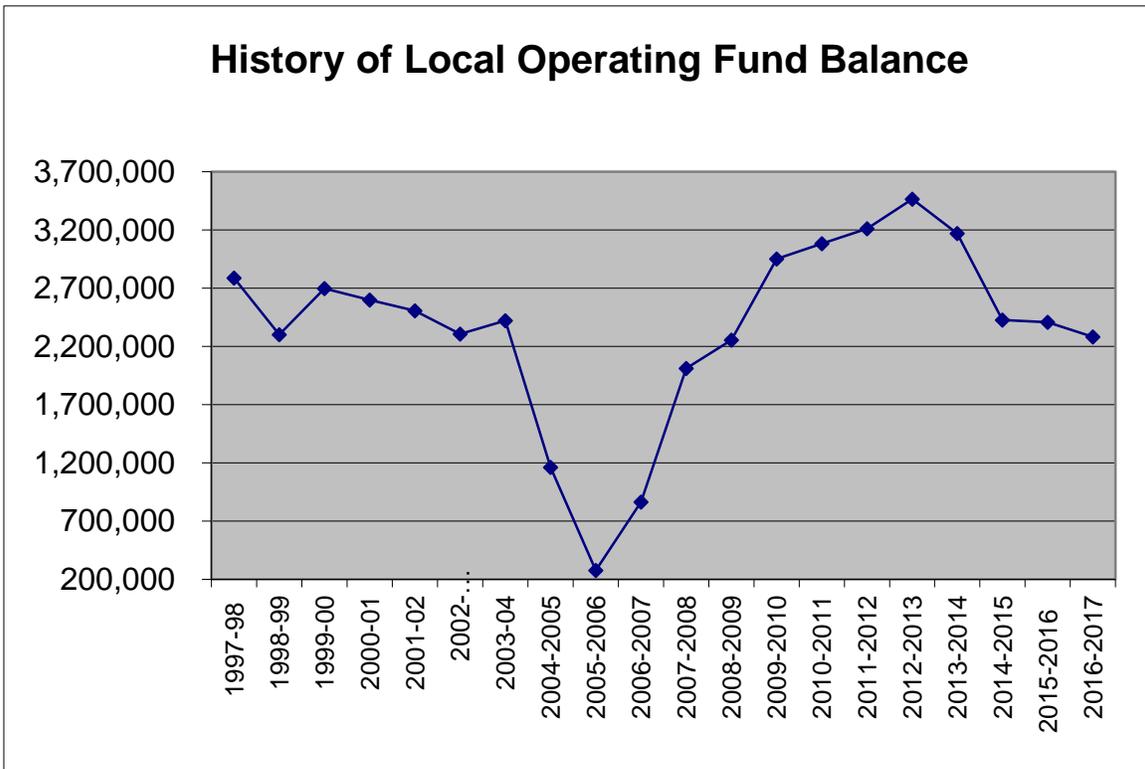
Within the Local Operating Fund revenue budget are revenue sources that, by state direction, must be accounted for within this fund. The table below details each of these revenue sources. The estimated total for these sources for fiscal year 2017-2018 is \$8,847,631.

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018
	Actual	Actual	Actual	Actual	Proposed Budget
Other Grants	\$ -	\$ -	\$ -	\$ -	\$ -
County Appropriation	6,666,857	6,610,530	6,904,530	7,451,618	7,451,618
Fines & Forfeitures	225,220	201,402	182,609	209,186	200,000
Interest on Investments	16,363	16,121	10,181	15,173	16,000
Contributions & Donations		682	-	-	-
Fund Balance Appropriated	-	-	-	-	1,120,325
Other Sources	64,255	65,092	58,428	50,534	59,688
Total Operating Fund Local Revenues	\$ 6,972,695	\$ 6,893,827	\$ 7,155,748	\$ 7,726,511	\$ 8,847,631

History of Local Operating Fund Balance Used

Fiscal Year	Current Expense Fund Balance Added (Used)	Fund Balance Remaining
1997-98	-553,987	2,785,935
1998-99	-484,544	2,301,391
1999-00	394,506	2,695,897
2000-01	-96,512	2,599,385
2001-02	-94,646	2,504,739
2002-03(includes prior period adjustment)	-198,267	2,306,472
2003-04	113,911	2,420,383
2004-2005	-1,258,052	1,162,331
2005-2006	-886,625	275,706
2006-2007	588,082	863,788
2007-2008	1,146,748	2,010,536
2008-2009	243,150	2,253,686
2009-2010	697,928	2,951,614
2010-2011	130,193	3,081,807
2011-2012	128,558	3,210,365
2012-2013	253,361	3,463,726
2013-2014	-294,750	3,168,975
2014-2015	-741,612	2,427,363
2015-2016	-19,755	2,407,608
2016-2017	-125,483	2,282,125

History of Local Operating Fund Balance



Operating Fund Revenues

Funding Sources Reported in the Other Restricted Fund

The Other Restricted Fund is used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for pre-kindergarten programs, and special programs. The table below details each of these revenue sources. The estimated total for these sources for fiscal year 2017-2018 is \$2,258,971.

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	
	Actual	Actual	Actual	Actual	Proposed Budget	
Indirect Cost	\$ 366,838	\$ 486,917	\$ 485,176	\$ 617,684	\$ 583,200	
Interest	1,880	812	2,663	8,841	8,800	
Tuition	10,284	6,098	5,807	8,601	8,500	
Driver's Training Fees	13,600	7,308	10,739	-	12,591	
JROTC	176,863	158,542	160,748	157,706	160,181	
Medicaid Outreach reimbursement	198,090	-	64,147	214,433	173,400	
Medicaid Fee for Service Reimb	-	-	30,728	62,226	381,285	
Early Literacy	100	4,168	1,510	-	60	
Problem Based Learning Grant	5,077	1,790	-	-	7,726	
NC Quest	-	6,706	-	-	-	
NorthEast Leadership Academy (NELA)	-	-	174,421	6,218	-	
Smart Start Program	47,640	44,124	44,223	44,607	44,607	
NCPreK	523,002	730,320	618,760	637,742	817,906	
AP Incentive Grant	35,258	13,912	13,170	1,247	219	
GoldenLEAF-Community Assistance	36,639	(2,925)	-	-	-	
Leader in Me	-	-	-	-	2,676	
NC Pediatric Society Found.	-	-	-	-	4,793	
MATCH grant	3,123	2,455	1,255	-	-	
Mebane Foundation	44,167	-	-	-	-	
STEP Grants	-	57,211	12,500	16,251	2,778	
Outdoor Learning Environment Grants	-	10,638	75,949	2,480	-	
AHEC Pharmacy Technician	-	2,966	2,250	1,650	-	
Other sources	46,580	8,894	44,551	25,108	1,193	
Cultural Arts Grants	8,389	6,050	5,209	7,554	6,125	(1)
FEMA	-	-	-	164,949	-	
Property Insurance Reimbursement	-	43,063	-	600,931	-	
Microsoft Settlement	45,206	-	-	-	-	
Contributions & Donations	5,522	-	-	11,861	37,931	
Building Rental	9,375	6,610	6,623	7,665	5,000	
Fund Balance Appropriated	-	-	-	-	-	
Total Other Restricted Revenue	\$ 1,577,633	\$ 1,595,659	\$ 1,760,429	\$ 2,597,754	\$ 2,258,971	

(1) These are grants applied for each year. As grants are awarded, they are added into the budget.

Some totals may vary slightly due to rounding.

Expenditures

State and Federal Expenditures

State and federal funds are received and expended in individual categories. The North Carolina Department of Public Instruction monitors expenditures for both state and federal expenditures through the school system's electronic reporting of month-end financial data. Financial statements are received from the state treasurer's office and are balanced with the school system's financial records on a monthly basis. These statements include receipts and disbursements from both state and federal funds. The expenditures are the same as the revenues and are outlined on pages 27 and 29.

Local Operating Fund Expenditures

Expenditures are recorded within the programs of the operating fund budget of the school system. These programs, for the most part, follow the same designations for expenditure as do those of the state mandated programs listed on page 27 of this document. Funds received from the county government and other various sources are expended within these same programs for the same purposes.

Local Program Operating Fund Expenditures

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018 Proposed Budget
	Actual	Actual	Actual	Actual	
Classroom Teachers	\$ -	\$ 18,330	\$ 3,269	\$ -	\$ -
Central Administration	528,281	664,063	715,401	922,254	980,790
Non-instructional Support	999,322	1,019,231	1,030,586	1,052,563	1,080,620
School Building Administration	100,478	90,289	109,641	91,680	100,690
Non-Contributory Employee Payments	636,515	1,016,235	793,910	1,369,545	1,514,000
School Technology	332,112	114,431	119,169	214,828	279,584
Staff Development	14,788	17,286	14,389	58,986	56,070
Merit bonus	-	-	-	13,840	-
Charter School	975,758	1,041,803	986,932	999,915	980,000
State legislated Bonus	-	-	21,880	7,484	-
Pupil Transportation	268,680	106,515	146,442	96,898	150,000
Instructional Supplies	14,668	13,245	10,328	8,899	8,316
Alternative Learning Program	-	-	-	-	-
ROTC	55,819	74,448	95,955	109,812	110,000
NorthEast Leadership Academy(NELA)	-	-	32,255	9,463	41,084
Ready Schools	3,683	1,249	-	-	4,688
Activity Bus/Other Transportation	55,416	60,586	59,926	47,976	63,001
Operations/Maintenance/Facilities	2,123,128	2,260,975	1,936,468	1,759,146	2,219,592
Athletics	319,623	315,748	318,084	345,454	339,385
Curriculum Instructional Support Services	22,430	25,282	31,047	35,087	45,865
Cultural Arts	19,123	14,343	22,189	22,606	26,796
Central Services	40,878	44,874	31,097	35,951	44,952
Executive Administration	16,128	13,331	14,664	13,694	23,937
Student Initiatives	1,502	4,128	1,138	-	4,559
Board of Education	212,543	199,455	204,616	194,477	244,753
District Accreditation	-	-	-	-	-
Insurance	239,738	229,023	213,576	219,993	368,214
Innovation	-	-	-	-	10,000
Finance	66,186	95,315	66,158	60,134	64,214
Human Resources	193,105	162,219	105,714	131,208	48,594
Community Services	8,758	15,175	14,494	13,314	15,132
Testing and Accountability	18,783	17,861	16,054	16,785	22,795
Total Local Expenditures	\$ 7,267,445	\$ 7,635,440	\$ 7,115,382	\$ 7,851,992	\$ 8,847,631

Making comparison with prior year expenditures is difficult due to many factors, such as change in coding structure or change in organization structure.

Other Restricted Fund

Other Restricted Funds are received and expended. The expenditures are the same as the revenues and are outlined on page 32.

Other Restricted Fund Expenditures

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018
	Actual	Actual	Actual	Actual	Proposed Budget
Classroom Teachers	\$ -	\$ -	\$ 64,147	\$ -	\$ 173,400
Non-Instructional Support Positions	-	-	-	214,433	-
Driver's Training	16,118	12,026	10,739	-	12,591
Exceptional Children	-	-	-	904	4,306
Exceptional Children-Medicaid FFS	410,330	-	30,728	62,226	381,285
ROTC	176,863	158,542	160,748	157,706	160,181
Early Literacy	100	4,168	1,510	-	60
Problem Based Learning Grant	5,077	1,790	-	-	7,726
NC Quest	-	6,706	-	-	-
NorthEast Leadership Academy (NELA)	-	-	174,421	6,236	-
Smart Start	47,640	44,124	44,223	44,607	44,607
NCPReK	523,002	730,320	618,760	637,742	817,906
AP Incentive Grant	35,258	13,912	13,170	1,247	219
GoldenLEAF - Community Assistance	36,639	-	-	-	-
Leader in Me	172	-	-	-	2,676
NC Pediatric Foundation	-	-	-	-	4,793
Dollar General Grant	-	-	-	2,850	150
MATCH grant	3,140	2,455	1,255	-	-
Mebane Foundation	44,167	-	-	-	-
STEP Grants	-	57,211	12,500	16,251	2,778
Outdoor Learning Environment Grants	-	10,638	75,949	2,480	-
AHEC Pharmacy Technician	-	2,990	2,250	1,645	-
Learning Fund	5,350	-	-	10,957	33,625
Laptop/Chromebooks Maintenance	41,743	6,848	44,551	-	1,043
Edgecombe Community College	-	-	-	17,612	-
Operations/Maintenance/Facilities	380,350	482,499	483,649	628,653	594,000
Cultural Arts	8,389	6,050	5,209	7,554	6,125
Property Insurance Claims	-	48,063	-	852,099	-
Microsoft Settlement	44,959	-	-	-	-
Student Initiatives	-	6,006	9,997	6,474	6,500
Facilities Use	8,890	6,280	6,623	7,665	5,000
Total Operating Fund Local Revenues	<u>\$ 1,788,187</u>	<u>\$ 1,600,628</u>	<u>\$ 1,760,429</u>	<u>\$ 2,679,341</u>	<u>\$ 2,258,971</u>

Capital Outlay Fund

The Capital Outlay Fund is utilized to account for the revenues and expenditures allocated for the school system's acquisition of fixed assets and construction of major capital projects. Sources of revenue for this fund are local county government appropriations, proceeds from the sale of school construction bonds, and certain state assistance.

The Capital Outlay Fund utilizes separate categories within the fund to appropriately and accurately track revenues and expenditures that are directly related to the acquisition of capital outlay items. Each category is discussed separately within this section.

Capital outlay funding is appropriated by the County Board of Commissioners to the school system to purchase needed equipment and furniture, maintain and improve facilities, acquire vehicles, and complete projects which assure the health and safety of students and employees and enhance the learning environment.

Capital outlay funding requested for fiscal year 2017-2018 includes local government appropriations and state funding from the Lottery Fund. The proposed budget includes capital outlay items categorized into these areas:

Recurring Capital: Funds appropriated to the school system on an annual basis to provide needed funding for recurring requirements such as school furniture and equipment, minor repair projects to improve school buildings, purchase needed vehicles, and complete projects which improve the safety of our buildings. All funding for recurring capital outlay is appropriated annually by the County Board of Commissioners. It is estimated that these funds would be \$530,000. Our capital outlay appropriation is tied directly to the Article 42 sales tax revenue. With the economic situation, this revenue source has been reduced over time and has reduced the dollars available to us for capital outlay projects.

Public School Building Capital Fund: Fund includes projects which maintain and improve our facilities. Funding for the PSBCF is 75% state funds from the Public School Building Capital Fund and a 25% local matching amount. We used the balance of the available funds for the Chromebook initiative in a previous fiscal year. We have not included the use of any of these funds in this budget since the State is no longer allotting money to this program.

**Capital Outlay Fund
(Continued)**

Lottery: The school system's share of the Article 42 sales tax is reduced for a portion of the debt service on the bond. For fiscal year 2017-2018, the reduction for the debt service payment is projected to be \$150,000. Lottery funds of \$1,650,000 will be used for the debt service at \$150,000 and roof replacement at SouthWest Edgecombe High School (\$1,500,000) in that priority order. The cost of the roof for SouthWest Edgecombe High School is expected to be \$1.4 million. This is the third year that we have set aside lottery funds for this project and it is expected to begin at the end of 2017-2018 as we have to wait until we receive our lottery distributions for this fiscal year.

In this proposed budget, we are requesting to appropriate \$856,562 of the capital outlay fund balance for projects funded in the prior year's budget but were not completed in the prior year. These carryover projects include the track, vehicles, signs, compactors, security cameras for the school buses and carryover of allotments. The capital outlay fund balance at June 30, 2017 is estimated to be \$2,702,289.

Capital Outlay Fund

Capital Outlay Revenues				
Revenues		County/State Funding	Lottery	Total
Recurring Capital		\$ 530,000	\$ -	\$ 530,000
Interest earned		\$ 8,000		\$ 8,000
Lottery		-	1,650,000	1,650,000
State funding		238,608		238,608
Capital Outlay Fund Balance		856,562	-	856,562
Total Funding for Capital Outlay		\$ 1,633,170	\$ 1,650,000	\$ 3,283,170
Capital Outlay Expenditures				
Projects	Site	County/State Funding	Lottery	Total
Debt Service		\$ -	\$ 150,000	\$ 150,000
Replace Roof	SouthWest	-	1,500,000	1,500,000
Replace Carpet/Tile	Pattillo/South	50,000	-	50,000
Concrete Pad-CNP Freezer	Bulluck	12,000	-	12,000
Renovation	Pattillo	125,000		125,000
Painting	Bulluck/Carver/Coker-Wimberly/Phillips/West	40,000	-	40,000
Buildings and Grounds	Various sites	50,000	-	50,000
Modular Unit	Bulluck	26,060		26,060
Track	Tarboro High	70,000		70,000
Security Cameras	School buses	270,000		270,000
Fire Alarm System	Tarboro High	125,000		125,000
Equipment-marker boards, blinds, etc.	Various sites	60,000	-	60,000
Sign replacement	Early College/West/North	43,000		43,000
Compactor	Martin/North	52,000		52,000
Fuel Dispenser	Transportation	30,000		30,000
Equipment	Custodial	30,000	-	30,000
Vehicles	Yellow bus-lease payment	238,608		238,608
Vehicles	Mini-Activity Bus	65,000	-	65,000
Vehicles	Maintenance	89,000	-	89,000
Furniture	All schools	41,027	-	41,027
School Allotments	All schools	176,664	-	176,664
Central Services Allotments	Central Services	39,811	-	39,811
Total Expenditures		\$ 1,633,170	\$ 1,650,000	\$ 3,283,170

Other Funds

Edgecombe County Public Schools utilizes separate funds for the appropriate and accurate tracking of revenues and expenditures that are not directly linked to classroom instruction. The funds included within this section are the Child Nutrition Fund and the Fee for Service Programs.

These funds are enterprise funds since they are financed and operated in a manner similar to a private business enterprise in that their costs are financed through user charges.

Other Funds

Enterprise Funds

The child nutrition program provides breakfast and lunch meals for students and faculty at our schools. Expenditures cover staff salaries, matching benefits, food, and materials purchases. Revenue is generated through meal charges and federal reimbursements for free and reduced priced lunches served to economically disadvantaged students.

Child Nutrition Revenues				
Proposed Revenues	Federal	State	Local	Total
USDA Grants	\$ 4,495,453	\$ -	\$ -	4,495,453
Sales Revenues	-	-	239,400	239,400
State Reimb. For Breakfast	-	500	-	500
Interest Earned	-	-	17,500	17,500
Other	-	-	500	500
Total Funding for Child Nutrition	\$ 4,495,453	\$ 500	\$ 257,400	\$ 4,753,353

The Child Nutrition budget by major category is:

Child Nutrition Expenditures				
		FY 2017	FY 2018	Increase/
Proposed Expenditures		Actual	Proposed Budget	(Decrease)
Salaries		\$ 1,346,325	\$ 1,411,004	\$ 64,679
Benefits		629,864	637,149	7,285
Contractual Services		26,251	46,800	20,549
Supplies & Materials		2,044,554	2,273,000	228,446
Equipment		13,448	75,400	61,952
Indirect Cost		363,356	310,000	(53,356)
Total Child Nutrition Fund		\$ 4,423,798	\$ 4,753,353	\$ 329,555

Other Funds

**Enterprise Funds
(Continued)**

The fee for service program provides staff daycare services and student daycare services. It also includes the KidStation Program which provides after school child care to working parents. The revenue is generated through service charges for child care and the expenditures are for staff salaries, matching benefits, snacks, repairs, and other materials.

Fee for Service Program Revenues				
	Federal	State	Local	Total
Proposed Revenues				
Fees Collected	\$ -	\$ -	\$ 137,000	\$ 137,000
Other	-	-	-	-
Total Funding for Fee for Service Program	\$ -	\$ -	\$ 137,000	\$ 137,000

The fee for service program budget by major category is:

Fee for Service Expenditures				
		FY 2017	FY 2018	Increase/
		Actual	Proposed Budget	(Decrease)
Proposed Expenditures				
Salaries		\$ 98,643	\$ 90,546	\$ (8,097)
Benefits		43,235	44,454	1,219
Contractual Services		-	-	-
Supplies & Materials		1,164	2,000	836
Equipment		-	-	-
Total Fee for Service Program		\$ 143,042	\$ 137,000	\$ (6,042)

Other Funds

**Enterprise Funds
(Continued)**

The Family Resource Center was an enterprise fund related to the rental of space in the previous center housed in Princeville. Upon closing of that center, money remained in this fund. These funds are being used to provide for the needs of the Family Resource Center housed in the Bridgers Building. The revenue

Family Resource Center Revenues				
Proposed Revenues	Federal	State	Local	Total
Fees Collected	\$ -	\$ -	\$ -	\$ -
Other	-	-	10,000	10,000
Total Funding for Fee for Service Program	\$ -	\$ -	\$ 10,000	\$ 10,000

The family resource center program budget by major category is:

Family Resource Center				
		FY 2017	FY 2018	Increase/
Proposed Expenditures		Actual	Proposed Budget	(Decrease)
Salaries		\$ -	\$ 600	\$ 600
Benefits		-	46	46
Contractual Services		449	4,000	3,551
Supplies & Materials		3,432	5,354	1,922
Equipment		-	-	-
Total Fee for Service Program		\$ 3,881	\$ 10,000	\$ 6,119

Glossary of Terms

Accrual Basis: The basis of accounting which indicates revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when the goods and services are received (whether or not cash disbursements are made at the time).

Allotment: Allocations of state and federal funds to local education agencies.

Appropriated Fund Balance: Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues, as those figures stated at the end of the fiscal year proceeding the budget year.

Appropriation: A legal authorization to incur obligations and to make expenditures for specific purposes. An appropriation is usually limited in amount and for a specific time period.

Asset: Government owned or held resources that have monetary value.

Available (Undesignated) Fund Balance: Funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Average Daily Attendance (ADA): The sum of students present daily divided by the number of days in a term.

Average Daily Membership (ADM): The sum of the number of days in membership for all students in individual school units divided by the number of school days in the term. Specific state funding allotments are based on average daily membership.

Budget: A fiscal plan of a board of education for raising and expending funds for specific programs, functions, activities or objectives during a fiscal year.

Budget Resolution: The board of education shall adopt a budget resolution making appropriations for the budget year in such sums as the board deems sufficient and proper. The budget resolution shall conform to the uniform budget format established by the State Board of Education. All moneys received and expended by a local school administrative unit should be included in the school budget resolution.

Budget Year: The fiscal year for which a budget is proposed and a budget resolution is adopted (July 1 to June 30).

Glossary of Terms

Capital Assets: Assets of significant value and having a useful life of several years. Capital assets are also known as fixed assets.

Capital Improvement: Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant.

Capital Outlay: Fixed assets with a value of \$500 or greater and with a useful economic life of more than one year.

Categorical Grant: A grant received from another governmental grant to be used or expended for a specific program or purpose.

Charter School: A public school operated by a group of parents, teachers and/or community members as a semi-autonomous school of choice within a school district operating under an agreement (charter) with the State Board of Education.

Current Expense: Those expenditures of a recurring nature including personnel, benefits, services, supplies and equipment.

Encumbrance: The commitment of funds to purchase goods or services. To encumber funds means to set aside or commit funds for a specific future expenditure.

Expenditure: The payment of cash on the transfer of property or services for the purpose of acquiring an asset or service or settling a loss.

Fiscal Year: The 12-month period to which the annual budget applies. By state law, all North Carolina school systems must observe a fiscal year that begins on July 1 and ends on June 30.

Fund: An independent fiscal and accounting entity consisting of cash and other resources together with all related liabilities, obligations, reserves and equities which are segregated by appropriate accounting techniques for the purpose of carrying on specific activities or attaining certain objectives in accordance with established legal regulations, restrictions, or limitations.

Fund Balance: The excess of the assets of a fund over its liabilities and reserves at the beginning or ending of a fiscal year.

Glossary of Terms

Indirect Cost: A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Local Current Expense Fund: Appropriations for the current operating expenses of the local school administrative unit other than appropriations included in the state public school fund and the federal grant fund. These appropriations are funded by the local board of county commissioners or other source for current operating expenses of the public school system.

Months of Employment: A unit of employment that corresponds to a calendar month. Rather than allot a number of positions, the state allots a certain number of months of employment that can be assigned to a position or a portion of a position at the discretion of the local administrative unit.

Other Restricted Fund: A fund that is used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S.105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for pre-kindergarten programs, and special programs.

Per Pupil Expenditure: The annual current expenditures divided by the final average daily membership for the year.

Public School Building Capital Fund: (PSBCF) This is a funding stream maintained by the State of North Carolina to assist county governments in meeting their public building capital needs and their equipment needs under local school technology plans.

State Formula: The calculations used by the state to fund various allotments to the local education agency. Formulas can be based on the number of positions calculated on average daily membership, months of employment or flat dollar amounts.

State Public School Fund: Appropriations for the current operating expenses of the public school system from moneys made available by the State Board of Education.