

## Edgecombe County Public Schools

### Budget

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## **Budget Message**

Our budget planned for 2018-2019 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, Phillips Middle School, and North Edgecombe High School. "Restart" status has been granted for Coker-Wimberly Elementary School, Phillips Middle School, North Edgecombe High School as well as Princeville Elementary School. As "Restarts," these schools will have charter-like flexibility in the areas of calendar, budget, curriculum, and staffing. This flexibility will enable these 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](http://www.ocecps.weebly.com) for more information! For fiscal year 2018-2019, the "Innovation Zone schools will expand upon their opportunities. The schools within the Town of Tarboro will begin implementing these opportunities for excellent teachers to reach more students.

### **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.

## **Budget Message (Continued)**

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.

### **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.

For the prior fiscal year, 2017-2018, state raises were issued to all employees: Teachers and Instructional Support staff – ranged from 1.5% to 6.9%; Assistant Principals – pay scale is now 17% above the teacher's A salary schedules; Principals – new pay scale developed; Non-certified and central office staff – annual increase of \$1,000 for 12 months of employment. Although, we requested an increase in county appropriation to increase local supplement and offset other operating costs, our appropriation was held at the same level as the prior year. This was also our first year for implementation of restart schools and opportunity culture.

### **Initial Budget for Fiscal Year 2018-2019 approved by the Board of Education on April 23, 2018**

Our Average Daily Membership (ADM) used for allotment purposes decreased by 78 students. This decline in ADM decreased 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 calculated based upon projected ADM at the schools with consideration of smaller middle and high schools. We anticipated that our allotment for state classroom teaching positions to decrease by approximately 4 positions. With the approval of the House Bill 90, we anticipated an enhancement classroom teacher allotment of approximately 4 positions. This will offset the reduction anticipated. We will continue to utilize funding streams outside of our state classroom teaching allotment, including Disadvantaged Student Supplement Funding, Low Wealth Supplement Funding, and Title II, for classroom teaching positions.

## **Budget Message (Continued)**

We planned to transfer \$111,000 from the textbook allotment to purchase textbooks used by students from the traditional high schools and the early college high school who are taking classes at Edgecombe Community College.

We planned to charge the full allowable rate of indirect cost of the 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. The state projected revenues were prepared contingent upon our allotments in the following categories remaining the same as in the prior fiscal year 2017-2018: 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.

This budget included a request for additional funding of \$925,703 in county appropriation in local funds for anticipated state raises, benefit increases, increases in the cost of local supplements due to state raises and changes in the state salary schedules.

### **Final Budget Resolution for fiscal year 2018-2019**

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 17.13% to 18.86%. The employer's cost of the hospitalization increased from \$5,869 per full-time position to \$6,104.

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 2.9% to 14.8%, including the step increase. For those with 25 or more years of experience, their raise was 1.4%.

## **Budget Message (Continued)**

In the previous fiscal year, the General Assembly linked the pay scale for Assistant Principals to the teacher's A salary schedule (Bachelor's degree). Their pay scale is 17% above the teacher's A salary schedule. As the steps on the A salary schedule were increased, the salary for assistant principals were also increased at the same rate.

The new principal salary schedule was developed last fiscal year. The principal salary scale was increased by 6.9% in this fiscal year.

Our non-certified staff and central office staff received a 2% salary increase.

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 maintain operations due to increasing costs, the county did not grant our request and our local appropriation remains at the same level as last year.

For this proposed budget, we are appropriating \$1,435,191 of the local fund balance. On June 30, 2018, our local fund balance is estimated at \$2,234,235. In the prior fiscal year, we appropriated \$1,120,325 of local fund balance. At prior year end, we have estimated that we have used \$100,000 of the local fund balance.

The amount of fund balance appropriation is to offset state budget reductions, including a 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.

The estimated amount of the allotments for the restart schools has been included in the budget resolution. The estimated amount is at a rate of \$6,099.11 per ADM. This amount is calculated annually. 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 of 817. Any fluctuations to that ADM or the dollar amount per 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 have continued to be provided and paid by those respective state allotments.

We will transfer \$462,691 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). These dollars will be used to purchase the reading program previously approved by the board for Grades K-3.

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 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 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.



## **Budget Message (Continued)**

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 \$620,000. Lottery receipts will be utilized in the amount of \$1,607,896 for the bond debt of \$150,000 and roof replacement of \$1,457,896 at SouthWest Edgecombe High School and Martin Millennium Academy. The total capital outlay budget is \$2,910,689 and includes the county appropriation for capital outlay in the amount of \$620,000.

The proposed capital outlay budget does include an appropriation of \$676,793 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 and the second year for the technology refresh. The capital outlay fund balance at June 30, 2018 is estimated at \$2,195,445.

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, 2018 and ending June 30, 2019:

<b>PRC</b>					
001	Classroom Teachers			\$	-
002	Central Office Administration			\$	1,120,000.00
003	Non-Instructional Support			\$	1,145,000.00
005	School Administrative Support Services			\$	94,427.00
009	Non-contributory payments			\$	1,639,660.00
015	Technology			\$	306,584.00
028	Professional Development			\$	56,070.00
036	Charter Schools			\$	980,000.00
056	Transportation			\$	150,000.00
061	Classroom Materials			\$	6,955.00
301	JROTC			\$	120,000.00
345	NorthEast Leadership Academy			\$	-
506	Ready Schools Innovation Grants			\$	-
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
940	Insurance			\$	388,538.00
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
	<b>Total Local Current Expense Fund Appropriation</b>			<b>\$</b>	<b><u>9,180,809.00</u></b>

**Section 2** - The following revenues are estimated to be available to the **Local Current Expense Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:**

	State Funds			\$	-
	Federal Funds			\$	-
	Local Funds			\$	7,745,618.00
	Fund Balance Appropriated			\$	1,435,191.00
	<b>Total Local Current Expense Fund Revenue</b>			<b>\$</b>	<b><u>9,180,809.00</u></b>

**Edgecombe County Public Schools  
Budget Resolution**

**Section 3** - The following amounts are hereby appropriated for the operation of the school administrative unit in the State Public School Fund beginning July 1, 2018 and ending June 30, 2019:

PRC					
001	Classroom Teachers				\$ 17,774,121.00
002	Central Support Services				\$ 730,318.00
003	Non-Instructional Support				\$ 1,579,020.00
005	School Administrative Support Services				\$ 1,813,408.00
007	Instructional Support				\$ 2,100,000.00
009	Non-Contributory Payments				\$ 500,000.00
012	Driver Training				\$ 123,239.00
013	CTE Months of Employment				\$ 2,264,169.00
014	CTE Program Support				\$ 87,536.00
015	School Technology				\$ 667,008.00
016	Summer Reading Camps				\$ 218,405.00
018	State Employee Severance Payments				\$ -
020	Foreign Exchange Teachers				\$ 1,817,127.00
022	Advanced Teaching Roles				\$ 753,846.00
024	Disadvantaged Student Supplemental Funding				\$ 1,903,750.00
027	Teacher Assistants				\$ 1,635,131.00
028	Bonus for Highly Qualified NC Teaching Graduate				\$ 2,530.00
029	Behavioral Support				\$ 106,085.00
031	Low Wealth Supplemental Funding				\$ 3,396,198.00
032	Exceptional Children				\$ 3,775,853.00
033	Merit Bonus				\$ -
034	Academically/Intellectually Gifted				\$ 317,809.00
037	Restart Schools				\$ 4,982,974.00
039	School Resource Officers				\$ 234,580.00
045	Compensation Bonus-Legislated				\$ -
046	3rd Grade Reading Bonus				\$ -
048	Test Result bonus				\$ 17,763.00
054	Limited English				\$ 187,392.00
055	Learn and Earn				\$ 275,000.00
056	Transportation				\$ 1,732,926.00
061	Classroom Materials				\$ 180,730.00
066	Assistant Principal Intern				\$ -
068	Alternative Learning Program				\$ 97,750.00
069	At Risk Student Services				\$ 1,482,749.00
073	School Connectivity				\$ 20,561.00
085	Reading 3D				\$ -
130	Textbooks				\$ 40,547.00
131	Textbooks and Digital Resources				\$ 462,691.00
	<b>Total State Public School Fund Appropriation</b>				<b>\$ 51,281,216.00</b>

**Section 4** - The following revenues are estimated to be available to the State Public School Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

	<b>State Funds</b>				<b>\$ 51,281,216.00</b>
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**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, 2018 and ending June 30, 2019:

<b>PRC</b>					
017	CTE - Program Improvement			\$	113,618.00
026	Education for Homeless			\$	17,621.00
049	Title VI-B-Preschool Handicapped			\$	142,974.00
050	Title I			\$	3,573,671.00
051	Migrant Education			\$	206,064.00
058	CTE - Capacity Building			\$	-
060	Title VI-B-Handicapped			\$	2,130,791.00
070	IDEA Coordinating Early Intervening Services			\$	129,391.00
082	Title VI-B State Improvement			\$	4,084.00
101	Title V-Abstinence Education			\$	33,501.00
103	Title II-Improving Teacher Quality			\$	419,083.00
104	Language Acquisition			\$	72,488.00
105	Title I - School Improvement			\$	424,577.00
108	Student Support & Academic Enrichment			\$	247,807.00
109	Rural and Low Income Schools			\$	142,517.00
111	Title III-Language Acquisition-Significant Increase			\$	1,744.00
118	IDEA Title VIB handicapped-special needs			\$	15,322.00
119	Title VI-B - Targeted Assistance for PreK			\$	2,206.00
	<b>Total Federal Programs Fund</b>			<b>\$</b>	<b>7,677,459.00</b>

**Section 6** - The following revenues are estimated to be available to the **Federal Grants** Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

	<b>Federal Funds</b>			<b>\$</b>	<b>7,677,459.00</b>
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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, 2018 and ending June 30, 2019:

<b>PRC</b>					
035	Child Nutrition Program			\$	4,794,424.00
049	Preschool Fee for Service			\$	145,785.00
640	Family Resource Center			\$	5,000.00
	<b>Total Multiple Enterprise Fund Appropriation</b>			<b>\$</b>	<b>4,945,209.00</b>

**Section 8** - The following revenues are estimated to be available to the **Multiple Enterprise** Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

	Federal Funds			\$	4,794,424.00
	State Funds			\$	145,785.00
	Local Funds			\$	5,000.00
	<b>Total Multiple Enterprise Fund Revenue</b>			<b>\$</b>	<b>4,945,209.00</b>

**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, 2018 and ending June 30, 2019:

<b>Category I (Land, buildings, etc.)</b>				
	Boiler			\$ -
	Paving			\$ -
	Property			\$ 150,000.00
	Roofing			\$ 1,457,896.00
	Renovations			\$ 114,000.00
	Painting			\$ 30,000.00
	Fire Alarm System			\$ 58,340.00
	Safety- Access control system			\$ 11,000.00
	Flooring			\$ 41,000.00
	Buildings and Grounds			\$ 50,000.00
	Sign replacement			\$ -
	<b>Total Category I</b>			<b>\$ 1,912,236.00</b>
<b>Category II (Equipment)</b>				
	Furniture & Equipment-allocations			\$ 207,426.00
	Furniture & Equipment			\$ 671,027.00
	<b>Total Category II</b>			<b>\$ 878,453.00</b>
<b>Category III (Vehicles)</b>				
	Vehicles			120,000.00
	<b>Total Category III</b>			<b>120,000.00</b>
	<b>Total Capital Outlay Fund Appropriation</b>			<b>\$ 2,910,689.00</b>
<b>Section 10</b> - The following revenues are estimated to be available to the <b>Capital Outlay</b> Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:				
	State Funds			1,607,896.00
	Local Funds			626,000.00
	Fund Balance Appropriated			676,793.00
	<b>Total Capital Outlay Fund Revenue</b>			<b>2,910,689.00</b>

**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, 2018 and ending June 30, 2019:

<b>PRC</b>					
001	Classroom teachers				\$ 115,896.00
012	Drivers' Training				\$ 12,565.00
032	Exceptional Children				\$ 4,306.00
306	Exceptional Children-Medicaid Fee for Service				\$ 363,708.00
301	JROTC				\$ 170,951.00
348	Problem Based Learning Grants				\$ 5,581.00
401	PreK Transition				\$ 44,607.00
413	NCPReK				\$ 801,494.00
422	North Carolina Arts Council Grant				\$ 10,000.00
425	Wolfpack Works Project Grant				\$ 82,010.00
512	Leader in Me				\$ 2,676.00
513	NC Pediatric Society Foundation				\$ 4,793.00
516	STEP grants				\$ 250.00
520	AHEC grant				\$ 1,500.00
522	Wallace Foundation Grant				\$ 326,471.00
523	NewSchools Venture Fund				\$ 15,453.00
524	Hill Center Grant				\$ 28,993.00
526	Vidant-Athletic Trainer program				\$ 27,500.00
527	CenturyLink Clarke E Williams Foundation				\$ 5,000.00
529	NSTA Shell Lab Challenge				\$ 3,000.00
579	Burroughs Welcome Foundation				\$ 23,281.00
588	Learning Fund				\$ 37,490.00
710	Laptop/chromebook Maintenance				\$ 1,043.00
802	Operations				\$ 561,000.00
895	Cultural Arts				\$ -
925	Student Initiatives				\$ 12,500.00
975	Facilities Use				\$ 5,000.00
	<b>Total Other Restricted Fund</b>				<b>\$ 2,667,068.00</b>

**Section 12** - The following revenues are estimated to be available to the **Other Restricted Fund** for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

	State Funds				\$ 938,111.00
	Federal Funds				\$ 656,136.00
	Local Funds				\$ 1,072,821.00
	Fund Balance Appropriated				\$ -
	<b>Total Other Restricted Fund</b>				<b>\$ 2,667,068.00</b>

## Edgecombe County Public Schools Budget Resolution

<b>Section 13</b> - All appropriations shall be paid first from revenues restricted as to use, and	
second from general unrestricted revenues.	
<b>Section 14</b> - The superintendent is hereby authorized to:	
<b>A.</b> 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>B.</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.	
<b>Section 15</b> - Copies of the Budget Resolution shall be immediately furnished to the superintendent and the school finance officer for direction in carrying out their duties.	
<b>Adopted this</b>	
<b>Chairperson - Board of Education</b>	
* 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 2018-2019 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 21<sup>st</sup> century professionals  
Will develop healthy and responsible students  
Will provide leadership that will guide innovation  
Will be governed and supported by 21<sup>st</sup> 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.

<b>Revenues</b>	<b>Expenditures</b>
<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 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Increase (Decrease)
	Actual	Actual	Actual	Actual	Budget	
County Appropriation	\$ 6,610,530	\$ 6,904,530	\$ 7,451,618	\$ 7,451,618	\$ 7,451,618	\$ -
State Revenues	39,113,671	38,371,800	39,690,219	41,918,601	51,281,216	9,362,615
Federal Revenues	5,300,292	5,016,228	5,422,914	6,050,295	7,677,459	1,627,164
Other Revenues	1,878,956	2,011,647	2,872,647	2,216,582	2,961,068	744,486
Fund Balance Used	<u>746,582</u>	<u>19,755</u>	<u>125,483</u>	<u>-</u>	<u>1,435,191</u>	<u>1,435,191</u>
<b>Total Operating Fund</b>	<b><u>\$53,650,031</u></b>	<b><u>\$52,323,960</u></b>	<b><u>\$55,562,881</u></b>	<b><u>\$57,637,096</u></b>	<b><u>\$70,806,552</u></b>	<b><u>\$ 13,169,456</u></b>
<b>Other Funds</b>						
	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Increase (Decrease)
	Actual	Actual	Actual	Actual	Budget	
Recurring Capital	\$ 622,270	\$ 595,871	\$ 614,051	\$ 814,929	\$ 626,000	\$ (188,929)
State Revenues	1,010,379	523,278	1,220,173	104,299	1,607,896	1,503,597
Fund Balance Used	-	23,090	530,688	-	676,793	676,793
Child Nutrition	4,331,481	4,714,960	4,460,283	4,890,641	4,794,424	(96,217)
Fee for Service	137,421	133,346	116,131	154,648	145,785	(8,863)
Family Resource Center	-	-	3,881	3,061	5,000	1,939
<b>Total Other Funds</b>	<b><u>\$ 6,101,551</u></b>	<b><u>\$ 5,990,545</u></b>	<b><u>\$ 6,945,207</u></b>	<b><u>\$ 5,967,578</u></b>	<b><u>\$ 7,855,898</u></b>	<b><u>\$ 1,888,320</u></b>
<b>Total - All Funds</b>	<b><u>\$59,751,582</u></b>	<b><u>\$58,314,505</u></b>	<b><u>\$62,508,088</u></b>	<b><u>\$63,604,674</u></b>	<b><u>\$78,662,450</u></b>	<b><u>\$ 15,057,776</u></b>

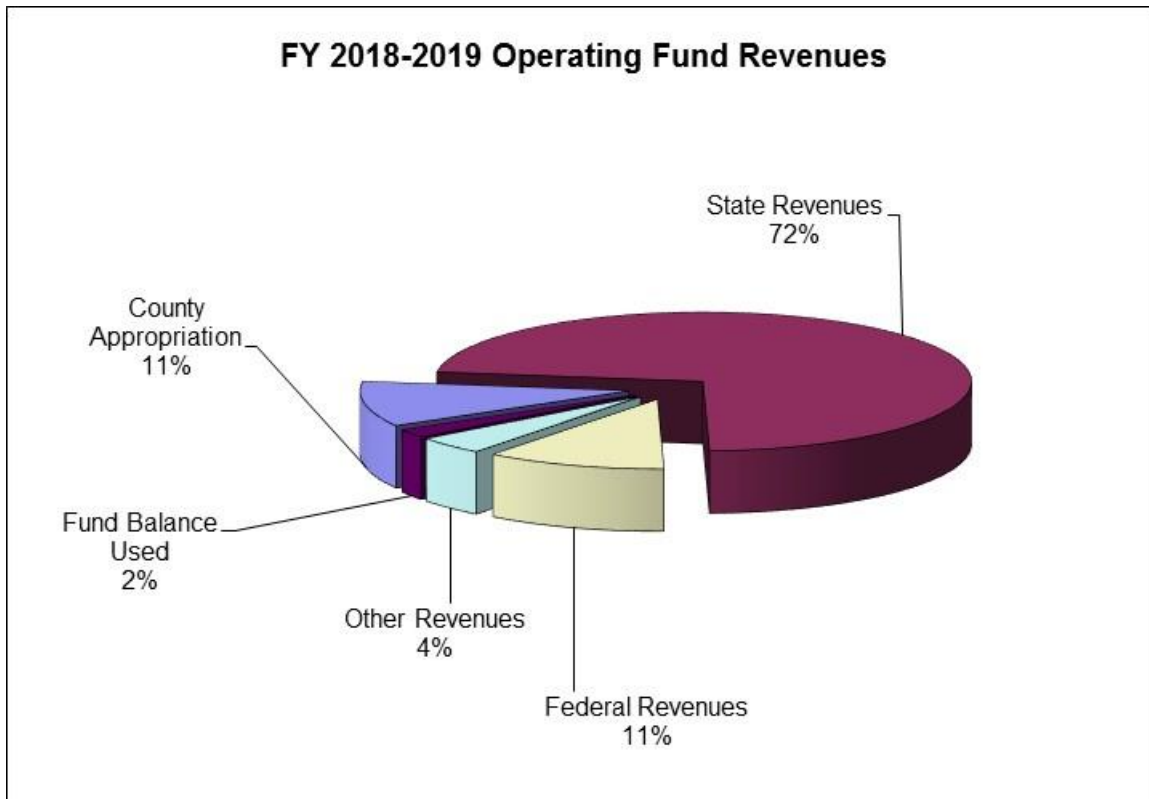


### Operating Fund Introduction

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 \$51,281,216 for fiscal year 2018-2019 based upon state allotments. Our ADM that is used to calculate allotments increased from 5988 to 5910 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 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	
	Actual	Actual	Actual	Actual	Proposed Budget	
Classroom Teachers	\$ 14,895,153	\$ 14,395,698	\$ 15,136,515	\$ 12,347,194	\$ 17,774,121	
Central Administration	776,007	778,627	769,659	739,069	730,318	
Non-instructional Support	1,442,643	1,404,370	1,546,093	1,536,817	1,579,020	
School Building Administration	1,508,166	1,486,986	1,546,298	1,445,640	1,813,408	
Instructional Support Personnel	1,735,271	1,641,882	1,855,508	1,871,273	2,100,000	
Dollars for teachers	419,995	-	-	-	-	(2)
Non-Contributory Employee	740,668	475,932	393,817	422,740	500,000	
NBPTS Educational Leave	-	172	197	369	-	
Driver Training	120,150	109,942	122,503	129,847	123,239	
Career Technical Education- Months of Employment	1,925,525	1,894,313	1,905,592	2,003,177	2,264,169	
Career Technical Education- Program Support	121,996	116,615	140,323	89,567	87,536	
School Technology	271,029	76,018	104,524	30,536	667,008	
Summer Reading Camps	56,740	130,676	163,914	185,183	218,405	(1)
State Employee Severance Payments	27,411	35,498	-	-	-	
Foreign Exchange Teachers	762,164	911,370	1,122,624	1,420,276	1,817,127	
Advanced Teaching Roles	-	-	85,000	229,633	753,846	
Disadvantaged Student Supplemental Funding	1,866,501	1,896,911	1,901,835	1,901,844	1,903,750	
Indian Gaming Fund	3,414	8,403	-	-	-	(2)
Teacher Assistants	1,208,232	1,480,674	1,550,598	1,328,750	1,635,131	
Bonus for Highly Qualified NC Teaching Grade	-	-	-	-	2,530	
Behavioral Support	118,340	122,487	125,320	106,270	106,085	
Low Wealth	3,592,763	3,758,971	3,344,563	3,292,729	3,396,198	

**Operating Fund Revenues**

**State Revenues  
(Continued)**

	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019
	Actual	Actual	Actual	Actual	Proposed Budget
Exceptional Children	3,220,457	3,269,417	3,420,268	3,616,924	3,775,853
Merit Bonus	-	-	93,545	-	-
Academically & Intellectually Gifted	18,704	13,348	9,698	270,923	317,809
Restart Schools	-	-	-	3,708,395	4,982,974
School Resource Officers	18,993	19,979	16,484	18,254	234,580
Compensation Bonus (Legislated)	17,088	507,971	38,856	19,988	-
3rd Grade Reading Bonus	-	-	31,709	24,492	-
Test Result Bonus	-	-	-	66,702	17,763
Limited English Proficiency	115,077	67,389	60,797	193,807	187,392
Learn and Earn	317,512	316,646	316,646	275,000	275,000
Pupil Transportation	1,868,562	1,648,406	2,002,937	1,828,614	1,732,926
Instructional Supplies	173,301	169,044	221,808	801,865	180,730
EC- Special Funds	-	-	-	42,004	-
Assistant Principal Intern	16,468	-	127,018	307,178	-
Alternative Programs	169,606	102,403	68,238	83,691	97,750
At Risk Student	1,479,622	1,512,234	1,417,114	1,533,399	1,482,749
School Connectivity	101,400	18,618	18,618	25,171	20,561
Reading 3D	4,713	800	31,600	21,280	-
Textbooks	-	-	-	-	40,547
Textbooks and Digital Resources	-	-	-	-	462,691
<b>Total State Revenues</b>	<b>\$ 39,113,671</b>	<b>\$ 38,371,800</b>	<b>\$ 39,690,219</b>	<b>\$ 41,918,601</b>	<b>\$ 51,281,216</b>

(1) Applications for these awards are submitted annually. Fiscal year 2018-2019 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 \$7,677,459 based upon planning allotments as issued by the State Department of Public Instruction (DPI) and the carryover amounts for the grants from 2017-2018. As the actual allotments are received, these allotments will be adjusted through the budget amendment process.

	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	
	Actual	Actual	Actual	Actual	Proposed Budget	
Career Technical Education- Program Improvement	\$ 109,946	\$ 113,379	\$ 101,223	\$ 126,021	\$ 113,618	
Education for Homeless	11,205	10,465	20,648	13,575	17,621	
IDEA Pre-School Handicapped	96,927	34,124	37,816	39,931	142,974	
ESEA Title I	2,576,160	2,909,536	2,787,092	2,819,786	3,573,671	
ESEA Title I - Migrant Education	182,748	149,444	133,909	96,183	206,064	
CTE-Capacity Building Grant	2,399	-	-	-	-	(1)
IDEA Title VI-B Handicapped	1,003,856	1,208,639	1,450,860	1,365,471	2,130,791	
IDEA Early Intervening Services	-	-	108,204	215,375	129,391	
Title VI-B - State Improvement	15,965	2,692	6,333	2,916	4,084	
Title V-Abstinence Education	68,648	63,800	12,162	67,344	33,501	(2)
Title II - Improving Teacher Quality	516,723	409,359	345,642	397,714	419,083	
Language Acquisition	53,391	27,391	32,336	3,598	72,488	
Title I - School Improvement	283,900	30,675	309,345	637,683	424,577	
Student Support & Academic Enrichment	-	-	-	19,555	247,807	
Rural and Low Income Schools	-	-	-	71,442	142,517	
Title III - Language Acquisition Increase	-	-	-	2,046	1,744	
Children with Special Needs-Risk Pool	51,107	42,767	48,970	163,188	-	(2)
School Improvement Funds	145,837	(1,802)	-	-	-	(1)
Title VI-B - Special Needs Target	27,870	9,056	19,784	4,859	15,322	(2)
Title VI-B - Targeted Assistance for PreK	2,636	6,703	8,590	3,608	2,206	(2)
ARRA-School Improvement Grant	38,357	-	-	-	-	(1)
ARRA-Race to the Top Mini Grant	99,407	-	-	-	-	(1)
ARRA-Race to the Top	8,316	-	-	-	-	(1)
ARRA-Recruitment Incentive	4,894	-	-	-	-	(1)
<b>Total Federal Revenues</b>	<b>\$ 5,300,292</b>	<b>\$ 5,016,228</b>	<b>\$ 5,422,914</b>	<b>\$ 6,050,295</b>	<b>\$ 7,677,459</b>	

(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**

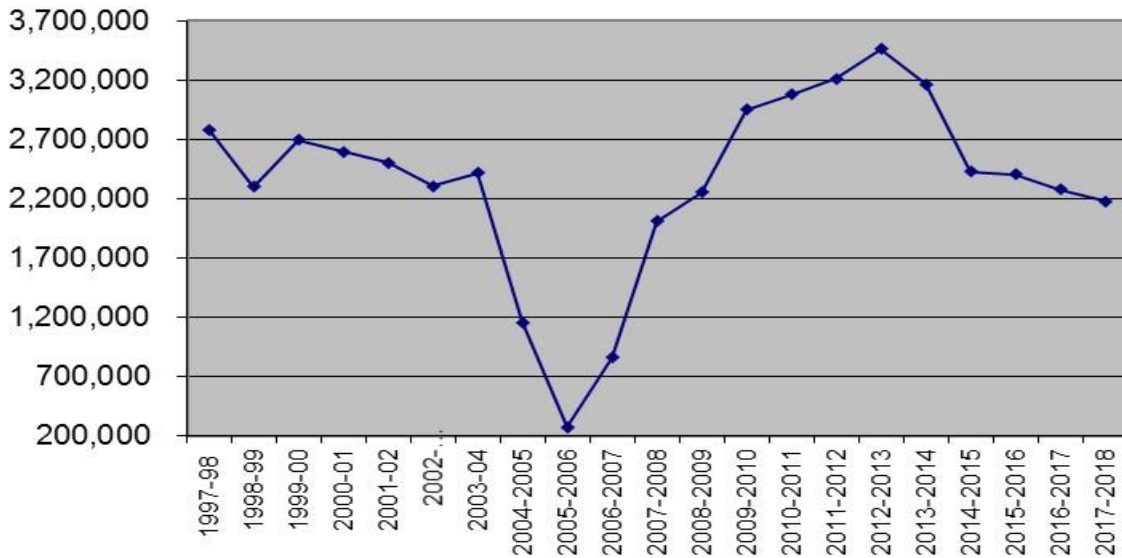
Within the Local Operating Fund revenue budget are revenue sources that, by state direction, must be accounted for within this fund. The table below details each of these revenue sources. The estimated total for these sources for fiscal year 2018-2019 is \$9,180,809.

	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019
	Actual	Actual	Actual	Actual	Proposed Budget
Other Grants	\$ -	\$ -	\$ -	\$ -	\$ -
County Appropriation	6,610,530	6,904,530	7,451,618	7,451,618	7,451,618
Fines & Forfeitures	201,402	182,609	209,186	222,635	200,000
Interest on Investments	16,121	10,181	15,173	36,455	35,000
Contributions & Donations	682	-	-	-	-
Fund Balance Appropriated	-	-	-	-	1,435,191
Other Sources	<u>65,092</u>	<u>58,428</u>	<u>50,534</u>	<u>59,183</u>	<u>59,000</u>
<b>Total Operating Fund Local Revenues</b>	<b><u>\$ 6,893,827</u></b>	<b><u>\$ 7,155,748</u></b>	<b><u>\$ 7,726,511</u></b>	<b><u>\$ 7,769,891</u></b>	<b><u>\$ 9,180,809</u></b>

**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
2017-2018	-100,000	2,182,125

**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 2018-2019 is \$2,667,068.

	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019
	Actual	Actual	Actual	Actual	Proposed Budget
Indirect Cost	\$ 486,917	\$ 485,176	\$ 617,684	\$ 558,864	\$ 550,000
Interest	812	2,663	8,841	17,957	15,000
Tuition	6,098	5,807	8,601	8,598	8,500
Driver's Training Fees	7,308	10,739	-	23,512	12,565
JROTC	158,542	160,748	157,706	170,951	170,951
Medicaid Outreach reimbursement	-	64,147	214,433	-	115,896
Medicaid Fee for Service Reimb	-	30,728	62,226	69,673	363,708
Early Literacy	4,168	1,510	-	60	-
Problem Based Learning Grant	1,790	-	-	2,145	5,581
NC Quest	6,706	-	-	-	-
NorthEast Leadership Academy (NELA)	-	174,421	6,218	6,000	-
Smart Start Program	44,124	44,223	44,607	48,718	44,607
NCPReK	730,320	618,760	637,742	692,722	801,494
North Carolina Arts Council Grant	-	-	-	-	10,000
Wolfpacks Works Project Grant	-	-	-	-	82,010
AP Incentive Grant	13,912	13,170	1,247	218	-
GoldenLEAF-Community Assistance	(2,925)	-	-	-	-
Leader in Me	-	-	-	-	2,676
NC Pediatric Society Found.	-	-	-	-	4,793
MATCH grant	2,455	1,255	-	-	-
STEP Grants	57,211	12,500	16,251	4,012	250
Outdoor Learning Environment Grants	10,638	75,949	2,480	-	-
AHEC Pharmacy Technician	2,966	2,250	1,650	1,196	1,500
Wallace Foundation Grant	-	-	-	91,500	326,471
NewSchools Venture Fund	-	-	-	34,548	15,453
Hill Center Grant	-	-	-	18,238	28,993
Foundation for Blended & Online Learning	-	-	-	9,888	-
Vidant-Athletic Trainer Program	-	-	-	22,500	27,500
CenturyLink Clarke E Williams Foundation	-	-	-	3,374	5,000
Lowe's Education Grant	-	-	-	5,000	-
NSTA Shell Lab Challenge	-	-	-	-	3,000
Biogen Foundation Ignite the Power of STEM Grant	-	-	-	3,374	-
Burroughs Wellcome Fund	-	-	-	17,651	23,281
Other sources	8,894	44,551	25,108	-	1,043
Cultural Arts Grants	6,050	5,209	7,554	22,757	-
FEMA	-	-	164,949	-	-
Property Insurance Reimbursement	43,063	-	600,931	46,398	-
Contributions & Donations	-	-	11,861	12,335	41,796
Building Rental	6,610	6,623	7,665	6,120	5,000
Fund Balance Appropriated	-	-	-	-	-
<b>Total Other Restricted Revenue</b>	<b>\$ 1,595,659</b>	<b>\$ 1,760,429</b>	<b>\$ 2,597,754</b>	<b>\$ 1,898,309</b>	<b>\$ 2,667,068</b>

(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 33 and 34.



### 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 29 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 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019 Proposed Budget
	Actual	Actual	Actual	Actual	
Classroom Teachers	\$ 18,330	\$ 3,269	\$ -	\$ -	\$ -
Central Administration	664,063	715,401	922,254	945,066	1,120,000
Non-instructional Support	1,019,231	1,030,586	1,052,563	1,042,927	1,145,000
School Building Administration	90,289	109,641	91,680	77,385	94,427
Non-Contributory Employee Payments	1,016,235	793,910	1,369,545	1,026,794	1,639,660
School Technology	114,431	119,169	214,828	253,058	306,584
Staff Development	17,286	14,389	58,986	41,157	56,070
Merit Bonus	-	-	13,840	-	-
Charter School	1,041,803	986,932	999,915	932,025	980,000
State legislated Bonus	-	21,880	7,484	-	-
Pupil Transportation	106,515	146,442	96,898	202,609	150,000
Instructional Supplies	13,245	10,328	8,899	4,340	6,955
ROTC	74,448	95,955	109,812	105,274	120,000
NorthEast Leadership Academy(NELA)	-	32,255	9,463	35,329	-
Ready Schools	1,249	-	-	-	-
Activity Bus/Other Transportation	60,586	59,926	47,976	59,843	63,001
Operations/Maintenance/Facilities	2,260,975	1,936,468	1,759,146	1,956,960	2,219,592
Athletics	315,748	318,084	345,454	347,371	339,385
Curriculum Instructional Support Services	25,282	31,047	35,087	41,868	45,865
Cultural Arts	14,343	22,189	22,606	11,692	26,796
Central Services	44,874	31,097	35,951	31,745	44,952
Executive Administration	13,331	14,664	13,694	16,436	23,937
Student Initiatives	4,128	1,138	-	1,856	4,559
Board of Education	199,455	204,616	194,477	225,680	244,753
Insurance	229,023	213,576	219,993	352,910	388,538
Innovation	-	-	-	2,657	10,000
Finance	95,315	66,158	60,134	57,310	64,214
Human Resources	162,219	105,714	131,208	39,211	48,594
Community Services	15,175	14,494	13,314	15,386	15,132
Testing and Accountability	17,861	16,054	16,785	15,458	22,795
<b>Total Local Expenditures</b>	<b>\$ 7,635,440</b>	<b>\$ 7,115,382</b>	<b>\$ 7,851,992</b>	<b>\$ 7,842,347</b>	<b>\$ 9,180,809</b>

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 31.

**Other Restricted Fund Expenditures**

	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019
	Actual	Actual	Actual	Actual	Proposed Budget
Classroom Teachers	\$ -	\$ 64,147	\$ -	\$ -	\$ 115,896
Non-Instructional Support Positions	-	-	214,433	-	-
Driver's Training	12,026	10,739	-	23,512	12,565
Exceptional Children	-	30,728	904	-	4,306
Exceptional Children - Medicaid FFS	-	-	62,226	69,673	363,708
ROTC	158,542	160,748	157,706	170,951	170,951
Early Literacy	4,168	1,510	-	60	-
Problem Based Learning Grant	1,790	-	-	2,145	5,581
NC Quest	6,706	-	-	-	-
NorthEast Leadership Academy (NELA)	-	174,421	6,236	6,000	-
Smart Start	44,124	44,223	44,607	48,718	44,607
NCPreK	730,320	618,760	637,742	692,722	801,494
North Carolina Arts Council Grant	-	-	-	-	10,000
Wolfpacks Works Project Grant	-	-	-	-	82,010
AP Incentive Grant	13,912	13,170	1,247	218	-
Leader in Me	-	-	-	-	2,676
NC Pediatric Foundation	-	-	-	-	4,793
Dollar General Grant	-	-	2,850	150	-
MATCH grant	2,455	1,255	-	-	-
STEP Grants	57,211	12,500	16,251	4,012	250
Outdoor Learning Environment Grants	10,638	75,949	2,480	-	-
AHEC Pharmacy Technician	2,990	2,250	1,645	1,196	1,500
Wallace Foundation Grant	-	-	-	91,500	326,471
NewSchools Venture Fund	-	-	-	34,548	15,453
Hill Center Grant	-	-	-	18,238	28,993
Foundation Blending & Online Learning	-	-	-	9,888	-
Vidant-Athletic Trainer Program	-	-	-	22,500	27,500
CenturyLink Clarke E Williams Foundation	-	-	-	3,374	5,000
Lowe's Education Grant	-	-	-	5,000	-
NSTA Shell Lab Challenge	-	-	-	-	3,000
Biogen Foundation Ignite the Power of STEM Grant	-	-	-	3,374	-
Burroughs Wellcome Foundation	-	-	-	17,651	23,281
Learning Fund	-	-	10,957	12,335	37,490
Laptop/Chromebooks Maintenance	6,848	44,551	-	-	1,043
Edgecombe Community College	-	-	17,612	-	-
Operations/Maintenance/Facilities	482,499	483,649	628,653	569,698	561,000
Cultural Arts	6,050	5,209	7,554	22,757	-
Property Insurance Claims	48,063	-	852,099	46,398	-
Student Initiatives	6,006	9,997	6,474	12,218	12,500
Facilities Use	6,280	6,623	7,665	6,120	5,000
	-	-	-	-	-
<b>Total Operating Fund Local Revenues</b>	<b>\$1,600,628</b>	<b>\$1,760,429</b>	<b>\$2,679,341</b>	<b>\$1,894,956</b>	<b>\$2,667,068</b>

## **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 2018-2019 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 2018-2019, the reduction for the debt service payment is projected to be \$150,000. Lottery funds of \$1,607,896 will be used for the debt service at \$150,000 and roof replacement at SouthWest Edgecombe High School (\$1,057,896) and Martin Millennium Academy (\$400,000) in that priority order.

In this proposed budget, we are requesting to appropriate \$676,793 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 for the fire alarm system replacement and carryover of allotments. It also included the 2<sup>nd</sup> year of the technology refresh. The capital outlay fund balance at June 30, 2018 is estimated to be \$2,195,445.

**Capital Outlay Fund**

<b>Capital Outlay Revenues</b>				
<b>Revenues</b>		<b>County/State Funding</b>	<b>Lottery</b>	<b>Total</b>
Recurring Capital		\$ 620,000	\$ -	\$ 620,000
Interest earned		\$ 6,000		\$ 6,000
Lottery		-	1,607,896	1,607,896
State funding		-		-
Capital Outlay Fund Balance		676,793	-	676,793
<b>Total Funding for Capital Outlay</b>		<b>\$ 1,302,793</b>	<b>\$ 1,607,896</b>	<b>\$ 2,910,689</b>
<b>Capital Outlay Expenditures</b>				
<b>Projects</b>	<b>Site</b>	<b>County/State Funding</b>	<b>Lottery</b>	<b>Total</b>
Debt Service		\$ -	\$ 150,000	\$ 150,000
Replace Roof	SouthWest/ Stocks	-	1,457,896	1,457,896
Replace Carpet/Tile	Carver/MMA/Pattillo/SWE/North	41,000	-	41,000
Renovation	MMA	114,000		114,000
Painting	Bulluck/South/West/SouthWest	30,000	-	30,000
Buildings and Grounds	Various sites	50,000	-	50,000
Equipment-marker boards, blinds, etc.	Various sites	60,000	-	60,000
Fire Alarm System	Tarboro High	58,340	-	58,340
Access Control System Doors	High Schools	11,000	-	11,000
Technology	All Schools	540,000		540,000
Equipment	Custodial	30,000	-	30,000
Vehicles	Mini-Activity Bus	70,000	-	70,000
Vehicles	Maintenance	50,000	-	50,000
Furniture	All schools	41,027	-	41,027
School Allotments	All schools	178,884	-	178,884
Central Services Allotments	Central Services	28,542	-	28,542
<b>Total Expenditures</b>		<b>\$ 1,302,793</b>	<b>\$ 1,607,896</b>	<b>\$ 2,910,689</b>

### **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				
<b>Proposed Revenues</b>	Federal	State	Local	Total
USDA Grants	\$ 4,536,524	\$ -	\$ -	4,536,524
Sales Revenues	-	-	239,400	239,400
State Reimb. For Breakfast	-	500	-	500
Interest Earned	-	-	17,500	17,500
Other	-	-	500	500
<b>Total Funding for Child Nutrition</b>	<b>\$ 4,536,524</b>	<b>\$ 500</b>	<b>\$ 257,400</b>	<b>\$ 4,794,424</b>

The Child Nutrition budget by major category is:

Child Nutrition Expenditures				
		FY 2018	FY 2019	Increase/
<b>Proposed Expenditures</b>		Actual	Proposed Budget	(Decrease)
Salaries		\$ 1,411,004	\$ 1,439,224	\$ 28,220
Benefits		637,149	650,000	12,851
Contractual Services		46,800	46,800	-
Supplies & Materials		2,273,000	2,273,000	-
Equipment		75,400	75,400	-
Indirect Cost		310,000	310,000	-
<b>Total Child Nutrition Fund</b>		<b>\$ 4,753,353</b>	<b>\$ 4,794,424</b>	<b>\$ 41,071</b>

**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				
<b>Proposed Revenues</b>	Federal	State	Local	Total
Fees Collected	\$ -	\$ -	\$ 145,785	\$ 145,785
Other	-	-	-	-
<b>Total Funding for Fee for Service Program</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 145,785</b>	<b>\$ 145,785</b>

The fee for service program budget by major category is:

Fee for Service Expenditures				
		FY 2018	FY 2019	Increase/
<b>Proposed Expenditures</b>		Actual	Proposed Budget	(Decrease)
Salaries		\$ 90,546	\$ 96,140	\$ 5,594
Benefits		44,454	47,645	3,191
Contractual Services		-	-	-
Supplies & Materials		2,000	2,000	-
Equipment		-	-	-
<b>Total Fee for Service Program</b>		<b>\$ 137,000</b>	<b>\$ 145,785</b>	<b>\$ 8,785</b>



**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				
<b>Proposed Revenues</b>	Federal	State	Local	Total
Fees Collected	\$ -	\$ -	\$ -	\$ -
Other	-	-	5,000	5,000
<b>Total Funding for Family Resource Center</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

The family resource center program budget by major category is:

Family Resource Center				
<b>Proposed Expenditures</b>		FY 2017 Actual	FY 2019 Proposed Budget	Increase/ (Decrease)
Salaries		\$ 600	\$ 600	\$ -
Benefits		46	46	-
Contractual Services		4,000	-	(4,000)
Supplies & Materials		5,354	4,354	(1,000)
Equipment		-	-	-
<b>Total Family Resource Center</b>		<b>\$ 10,000</b>	<b>\$ 5,000</b>	<b>\$ (5,000)</b>

## 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.