



Gaston County

Gaston County
Board of Commissioners
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Finance Board Action

File #: 17-435

Commissioner Keigher - Finance - To Appropriate \$6,000,000 in G.O. School Bond Proceeds

STAFF CONTACT

Tonya Frye - Finance Director - Finance - 704-866-3032

BUDGET IMPACT

The initial bond payment in the amount of \$45,215 is due 2/01/18 and consists of only interest. The payment will be funded by an appropriation of fund balance as it was not budgeted during the fiscal year 2018 budget process. There were also issuance costs incurred for the bonds. Those expenses will be paid from the proceeds of the bonds. Debt payments for all future years will be budgeted during the budget process.

BUDGET ORDINANCE IMPACT

Increase Capital fund budget by \$6,000,000 and increase School Debt Service fund by \$45,215.

BACKGROUND

On September 18, 2017, Gaston County sold \$6,000,000 of General Obligation Bonds. The proceeds will be used for the acquisition of the land and design for a middle school on South Point Road in Belmont that will replace the current Belmont Middle School. The true interest cost for these bonds was 2.103%. The issuance closed on September 22, 2017. The attached Budget Change Request is recognizing the proceeds and setting up the budget for the expenditures including the appropriation of \$45,215 out of fund balance for the initial debt payment due on 2/01/18.

The Budget Change Request is also returning to fund balance the \$4,000,000 that was advanced to the schools as a loan for the acquisition of the land where the school is to be constructed (Res #2017-164). The county has been reimbursed for the expenditure out of the proceeds and the loan has been settled.

POLICY IMPACT

N/A

ATTACHMENTS

Budget Change Request

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	Brown	Fraley	Grant	Hovis	Keigher	Philbeck	Worley	Vote
2017-289	12/12/2017	TP	DG	A	A	A	A	A	A	A	U

DISTRIBUTION:

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A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

GASTON COUNTY BUDGET CHANGE REQUEST

TO: Earl Mathers COUNTY MANAGER

FROM: 4130 Finance
 Dept. # Department Name

Tonya Frye
 Department Director's Name Date

TYPE OF REQUEST:

☐ Line Item Transfer Within Department & Fund

☐ Line Item Transfer Between Funds *

☐ Project Transfer Within Department & Fund

☒ Additional Appropriation of Funds *

☐ Line Item Transfer Between Departments *

* Requires resolution by the Board of Commissioners

ACCOUNT DESCRIPTION (As it appears in the budget)	ACCOUNT NUMBER	AMOUNT
	Fund - Function - Dept - Division - Object - Project	Whole Dollars Only
	xxx - xx - xxxx - xxxx - xxxxx - xxxxxx	(See Note Below)
School Bond Proceeds	040-03-5911-0000-416004-18137	(6,000,000)
Professional Services / Issuance Cost	040-03-5911-0000-530010-18137	65,000
9/22/17 GO School Bond Issue	040-03-5911-0000-540100-18137	5,935,000
Fund Balance Appropriated	040-99-9900-0000-490000-	4,000,000
South Point MS Land Acquisition	040-03-5911-0000-540004-17263	(4,000,000)
Fund Balance Appropriated	031-99-9900-0000-490000-	(45,215)
Bond Interest - Schools	031-09-5911-0000-550020-18137	45,215

JUSTIFICATION FOR REQUEST:

This Budget Change Request appropriates the \$6,000,000 of school bond proceeds from the September 2017 bond sale and appropriates \$45,215 out of fund balance to cover the initial debt payment due 2/01/18. This Budget Change request also returns to fund balance the \$4,000,000 loaned to the schools for the acquisition of the land on which the new South Point Middle School will be constructed. The County has been reimbursed out of the bond proceeds and the loan has been settled.

Note: Decreases in expenditures & increases in revenue accounts require brackets. Increases in expenditures & decreases in revenue do not require brackets. Please note that transfers between funds require interfund transfer accounts.