

**Consider approval of Budget Amendments
September 15, 2025**

1. Board Goal -
Domain 4 - Alignment of Financial Well Being with Student Achievement
2. Background: The Board of Trustees approves the District's General Fund, Debt Service, and Food Service budgets at the fund and function levels to comply with the state's legal level of control mandates. The school district must amend the official budget before exceeding a functional expenditure category such as instruction, administration, etc., in the total district budget.

With the students and staff moving into the new Legacy Elementary Building next month, as part of the financing mechanism to construct the new elementary, the Moving Forward Foundation utilized "New Market Tax Credits." With the NMTC, the district is required to lease the building from the Moving Forward Foundation for an estimated 7 years. The Moving Forward Foundation will donate the funds to lease the building so the district does not incur budget constraints.

In order to stay in compliance with GASB 87, the district will need to recognize the full amount of the expected lease payments over the term of the lease in the 2025-2026 fiscal year. The attached budget amendment will set the district up to properly account for the lease of Legacy Elementary.

The amendment also has the carryover amounts from the HEB donation in the amount of \$93,967 that will come from fund balance.

3. Process: Amending the budget will ensure funds are appropriated to the correct function(s) which will allow expenditures in the correct budget code(s). The requested budget amendment, along with any impact to the district budget is presented to the Board of Trustees for consideration.
4. Fiscal Impact:
Reduction of Fund Balance (HEB Donation) \$93,967
5. Recommendation:
Approve the General Fund Budget Amendment #1
6. Action Required:
Approve the General Fund Budget Amendment #1
7. Contact Person:
Pam Bendele