

Issue Analysis Form



Date: January 24, 2023
 School Nutrition Fund
 Appropriation of School
 Nutrition Fund, Fund Balance

Item: –FY2023 \$750,000
 County Finance / School
 Finance

Lead Department(s):

Contact Person(s): Betsy Drewry

Description and Current Status

On January 9, 2023, the Prince George County School Board approved an increase in the FY2023 School Nutrition Fund, and to request from the Board of Supervisors an appropriation of School Nutrition Fund, Fund Balance of \$750,000 for FY2023.

At the end of FY2022, the School Nutrition (Cafeteria) Fund had a fund balance of \$1,612,042 (audited number). See image of ACFR Exhibit 42 below.

COUNTY OF PRINCE GEORGE, VIRGINIA

Exhibit 42

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2022

| | Major Fund | | Nonmajor Funds | | | Total Governmental Funds |
|-------------------------------------|-----------------------|-----------------------|----------------------------|---------------|-----------------------|--------------------------|
| | School Operating Fund | School Cafeteria Fund | Adult Basic Education Fund | Textbook Fund | School Activity Funds | |
| REVENUES | | | | | | |
| Charges for services | \$ 29,930 | \$ 322,276 | \$ 79,593 | \$ - | \$ - | \$ 431,799 |
| Miscellaneous | 72,169 | - | - | - | 847,055 | 919,224 |
| Recovered costs | 99,730 | - | - | - | - | 99,730 |
| Intergovernmental: | | | | | | |
| County contribution to school board | 15,703,563 | - | - | 163,385 | - | 15,866,948 |
| Commonwealth | 47,650,905 | 60,261 | 221,324 | 481,439 | - | 48,413,929 |
| Federal | 11,119,916 | 4,567,077 | 417,292 | - | - | 16,104,285 |
| Total revenues | \$ 74,676,213 | \$ 4,949,614 | \$ 718,209 | \$ 644,824 | \$ 847,055 | \$ 81,835,915 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Education | \$ 74,676,213 | \$ 4,061,762 | \$ 716,499 | \$ 517,417 | \$ 742,932 | \$ 80,714,823 |
| Total expenditures | \$ 74,676,213 | \$ 4,061,762 | \$ 716,499 | \$ 517,417 | \$ 742,932 | \$ 80,714,823 |
| Net change in fund balances | \$ - | \$ 887,852 | \$ 1,710 | \$ 127,407 | \$ 104,123 | \$ 1,121,092 |
| Fund balances - beginning | 200 | 724,190 | 277,076 | 9,034 | 695,216 | 1,705,716 |
| Fund balances - ending | \$ 200 | \$ 1,612,042 | \$ 278,786 | \$ 136,441 | \$ 799,339 | \$ 2,826,808 |



The state recommends that Child Nutrition enterprise funds carry a fund balance valuing no more than 3-months of operating costs (estimated at \$842,259 for FY2023). The School Board is requesting an appropriation of School Nutrition Fund, Fund Balance of \$750,000. Supporting documentation from School Administration is included as Attachment A.

Board Action Requested:

Approve appropriation of \$750,000 in School Nutrition Fund, Fund Balance of \$750,000 for use in FY2022-23.

A draft resolution for budget amendment / appropriation is attached for Board consideration.

Appropriation Entry:

School Nutrition Fund (0540)

Revenue:

| | |
|---|-----------|
| School Nutrition Fund, Fund Balance | |
| 0540-40-900-8208-00000-000-000-000-399999 | \$750,000 |

Expenditure:

| | |
|--|-----------|
| Cafeteria Repairs & Maintenance | |
| 0540-06-205-6012-65100-000-900-000-43310 | \$ 25,000 |
| Food Supplies | |
| 0540-06-205-6012-65100-000-900-000-46002 | \$600,000 |
| Operating Supplies | |
| 0540-06-205-6012-65100-000-900-000-46014 | \$100,000 |
| Machinery & Equipment | |
| 0540-06-205-6012-65100-000-900-000-48201 | \$ 25,000 |

Government Path

- Does this require IDA action? Yes No
- Does this require BZA action? Yes No
- Does This require Planning Commission Action? Yes No
- Does this require Board of Supervisors action? Yes No
- Does this require a public hearing? Yes No
- If so, before what date? Yes No

Fiscal Impact Statement

Increase in FY2023 appropriation of School Nutrition fund totaling \$750,000 by using a portion of accumulated School Nutrition Fund, Fund Balance. There is no local funding impact.

County Impact

Action makes available for the School Division additional resources to cover FY2023 expenditures and appropriately, limits accumulated School Nutrition Fund, Fund Balance in accordance with Virginia Department of Education recommendations. There is no local funding impact.

Notes



Agenda Item Details

Meeting Jan 09, 2023 - JANUARY 9, 2023 - REGULAR SCHOOL BOARD MEETING

Category K. ACTION ITEMS

Subject 8. Request for Approval for Supplemental Appropriation to Child Nutritional Services Fund (0540) FY23 Budget - Monique Barnes

Type Action

Recommended Action Approval by the School Board to make a request to the Board of Supervisors for a Supplemental Appropriation of \$750,000 to be included in the FY23 Child Nutritional Services Fund (0540) Budget.

Topic:

Revised 2022-23 budget based upon June 30, 2022 fund balance.

Rationale:

As of June 30, 2022, the Child Nutritional Services Fund had a fund balance of \$1,612,042. Also to note is that the Child Nutritional Services Fund is considered an enterprise fund that is allowed to carry a fund balance from year to year; however, the state does not wish the CNS fund to carry more than the value to cover three months of expenditures in its fund balance. With its current budget, the cost to run the department for three months is \$842,259. To ensure that the fund is able to spend down its fund balance and remain in compliance with the state, we are requesting a supplemental appropriation of funds in the amount of \$750,000 to the FY23 Child Nutritional Services Fund (0540).

The requested supplemental appropriation is as follows:

| | | |
|--|-------------------------------|---------------|
| REVENUE: | | |
| 0540-40-900-8208-00000-000-000-000-399999- | SCHOOL NUTR FUND BALANCE | \$ 750,000.00 |
| | TOTAL Revenue: | \$ 750,000.00 |
| EXPENDITURES: | | |
| 0540-06-205-6012-65100-000-900-000-43310 - | CAFE REPAIRS & MAINT | \$ 25,000.00 |
| 0540-06-205-6012-65100-000-900-000-46002 - | CAFE FOOD SUPPLIES | 600,000.00 |
| 0540-06-205-6012-65100-000-900-000-46014 - | CAFE OTHER OPERATING SUPPLIES | 100,000.00 |
| 0540-06-205-6012-65100-000-900-000-48201 - | CAFE MACHINERY / EQUIPMENT | 25,000.00 |
| | TOTAL Expenditures: | \$ 750,000.00 |

[ACTION - January 2023 Supplemental Appropriations.pdf \(222 KB\)](#)

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 24th day of January, 2023:

Present:

Vote:

Donald R. Hunter, Chairman
T. J. Webb, Vice-Chairman
Floyd M. Brown, Jr.
Alan R. Carmichael
Marlene J. Waymack

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On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; APPROPRIATION (\$750,000 SCHOOL NUTRITION FUND, FUND BALANCE)

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 24th day of January, 2023, does hereby authorize the following increase of funds within the 2022-2023 Budget, such line items increased as follows, which monies shall be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George:

| <u>FUND/ORGANIZATION</u> | <u>AMOUNT</u> |
|--|---------------|
| SCHOOL NUTRITION FUND | |
| <u>Expenditure:</u> | |
| Cafeteria Repairs & Maintenance 0540-06-205-6012-65100-000-900-000-43310 | \$ 25,000.00 |
| Food Supplies 0540-06-205-6012-65100-000-900-000-46002 | \$600,000.00 |
| Operating Supplies 0540-06-205-6012-65100-000-900-000-46014 | \$100,000.00 |
| Machinery & Equipment 0540-06-205-6012-65100-000-900-000-48201 | \$ 25,000.00 |
| <u>Revenue:</u> | |
| School Nutrition Fund, Fund Balance 0540-40-900-8208-00000-000-000-000-399999 | \$750,000.00 |

A Copy Teste:

Jeffrey D. Stoke
County Administrator