

Issue Analysis Form



Date: January 24, 2023
Item: School Carry Forward
Appropriation (FY22 to FY23)
Lead Department(s): County & School Finance
Contact Person(s): Betsy Drewry

Description and Current Status

On January 9, 2023, the Prince George County School Board considered and approved a request for carry-forward of unexpended FY2022 school operating funds and an appropriation increase of **\$386,031.82, which will be transferred to the Health Insurance Fund.**

Actual FY2022 Revenues over FY2022 Expenditures (net of Local funds)	\$949,382.99
Purchase Order Re-Appropriation	(187,042.32)
Available Carryover	\$762,340.67

Balance of Needed Restoration to Fund Balance for New Elementary School Water/Sewer & Road Improvements - \$776,308.85	(376,308.85)*
Remaining Carryover – Contribute to Health Fund (towards School Deficit of \$563,135.71** at 12/31/2022)	(386,031.82)

*\$776,308.85 of fund balance advanced toward new elementary school water, sewer and road improvements on 11/09/2021; \$400,000 of FY2021 school carryover retained in Fund Balance on 12/14/2021; remaining fund balance restoration needed \$376,308.85

**School Health Fund Deficit remaining after this requested transfer - \$177,103.89 {this number will change with other claims / credits applied in the future}

The School request is shown as **Attachment A**. The \$386,031.82 appropriation and transfer to the Health Fund would come from General Fund, fund balance.

The requested appropriation increases are amounts above those included in the adopted FY2023 budget. The total request of \$386,031.82 **does not require a public hearing** because the amount is less than 1% of the adopted FY2023 budget (Adopted FY2023 budget = \$160,016,873; 1% = \$1,600,168). The Code of Virginia §15.2-2507 requires a public hearing for budget amendments exceeding 1% of the adopted fiscal plan.

The School textbook and Food Service funds carry forward automatically.

COUNTY OF PRINCE GEORGE, VIRGINIA

Exhibit 43

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2022

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 103,500	\$ 103,500	\$ 29,930	\$ (73,570)
Miscellaneous	75,000	75,000	72,169	(2,831)
Recovered costs	131,500	131,500	99,730	(31,770)
Intergovernmental:				
County contribution to School Board	16,298,579	16,652,946	15,703,563	(949,383)
Commonwealth	47,239,710	47,239,710	47,650,905	411,195
Federal	9,363,631	14,236,344	11,119,916	(3,116,428)
Total revenues	\$ 73,211,920	\$ 78,439,000	\$ 74,676,213	\$ (3,762,787)

A history of carry-over amounts appropriated to schools is shown below:

Added Appropriation in:	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023
	Left from FY 2014-2015	Left from FY 2015-2016	Left from FY 2016-2017	Left from FY2017-2018	Left from FY 2018-2019	Left from FY 2019-2020	Left from FY 2020-2021	Left from FY 2021-2022
Approved Carryover Appropriation	\$ 1,907,359	\$ 408,239	\$ 1,600,508	\$ -	\$ 704,232	\$ 1,877,886	\$ 793,946	
Resolution Number	R-16-008	R-17-037	R-18-058	N/A	R-19-155	R-21-008	R-21-191	R-23-
Resolution Date	1/12/2016	3/28/2017	5/8/2018	N/A	12/10/2019	1/12/2021	12/14/2021	1/10/2023

Request \$ 2,725,326.00 \$ 583,616.00 \$ 704,232.13 \$ 1,877,886.32 \$ 793,946.24 \$ 386,031.82
Notes: See Note A See Note B See Note C See Note D

For FY2018, \$1,346,508 was appropriated to FY2018 Operating / Capital; \$254,000 was appropriated to FY2019 to assist with employee insurance premium reductions.

Note A - During FY2018-19, the Board of Supervisors appropriated additional funds for school use as follows:

School Utility Loan Payoff	654,379.94	R-18-088	7/31/2018
Excess Impact Aid Funds to CIP (school prc	1,583,633.35	R-19-036	3/12/2019
Excess Impact Aid Funds to School Oper Fu	436,169.00	R-19-079	6/11/2019
Additional State Revenues to School Oper	297,761.00	R-19-079	6/11/2019

Note B - During FY2019-20, the Board of Supervisors also appropriated \$1,000,000 of fund balance toward new Walton Elementary architectural and engineering services

Note C - Appropriation Request \$793,946 - transfer \$371,477 to New Walton Elementary School project & \$422,469.24 to restroom and locker room renovations; \$400,000 was retained in fund balance (not carried over) for \$776,308.85 of fund balance appropriated to New Elementary School project for water/sewer and road improvements approved on 11/9/21

Note D - Appropriation Request \$386,031.82 - transfer to Health Insurance Fund towards accumulated school deficit (at \$560,299.43 on November 30, 2022); balance will change as additional claims and credits posted

The school request outlines the use carryover funds as follows:

\$376,308.85 – Retain in Fund Balance to restore/repay the remaining balance “owed” for Road and Sewer Improvements for Middle Road Elementary School
\$386,031.82 – transfer to health fund to cover a portion of the school deficit

Appropriation Entry:

General Fund

Revenues:

0100-40-900-8208-399999	Fund Balance	\$386,031.82
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Expenditures:

0100-09-401-0917-49189	Transfer to Health Fund	\$386,031.82
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Health Fund

Revenues:

0920-90-901-8207-399100	Transfer from General Fund	\$386,031.82
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Expenditures:

0920-00-000-0000-42900	Health Insurance Claims Expenses	\$386,031.82
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Board Action Requested:

Consider and possibly approve the requested re-appropriation to Schools to cover a portion of the school health fund deficit from fund balance. A draft resolution is provided for board consideration and possible approval.

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

Reduction of fund balance of \$386,031.82, approximately 0.26% of budgeted FY2023 expenditures.

Increase in appropriation for transfer to health insurance fund to cover a portion of school deficit balance (\$563,135.71 as of 12/31/2022).

Total Increase in Appropriation for FY2022-23 \$386,031.82

County Impact

Appropriation would restore a portion of the school deficit in the health insurance fund
This transfer represents 0.26% of budgeted FY2023 expenditures used to calculate
fund balance threshold requirement of 12.5% and target of 15%.

Notes

FY2022 ending fund balance is \$37,849,167, 32.1% (31.01%) of FY2022 expenditures;
25.7% of FY2023 budgeted expenditures.



Agenda Item Details

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

Category K. ACTION ITEMS

Subject 10. Carryover Funds for 2022 - Monique Barnes

Type Action

Recommended Action Approve the repayment of \$376,308.85 from the FY22 Fund 0500 fund balance to the County for repayment of the fees for the Road and Sewer Improvements for the construction of Middle Road Elementary School, as well as \$386,031.82 as repayment to the County for accrued expenses in the joint healthcare fund.

TOPIC:

Use of FY22 Regular/Operating Fund (0500) Fund Balance

RATIONALE:

The completion of the Independent Audit has verified that the remaining fund balance for the Regular/Operating Fund (0500) is \$949,382.99. Which is indicative of excess revenue over expenditures. The official report is attached and was discussed earlier in the meeting. After advancing funds to cover purchase orders that obligated goods services that amounted to \$187,042.32, there is a remaining balance of \$762,340.67.

The County graciously advanced \$776,308.85 that was needed to pay for Road and Sewer Improvements for Middle Road Elementary School and has allowed PGCPS two years to repay the County for the advance. \$400,000 was repaid from carry-over funds from the FY21 fund balance for the partial repayment of the advance. This left a balance of \$376,308.85 to be repaid.

Also due to increasing healthcare costs, PGCPS separated from the joint self-funded healthcare plan it shared with the County. It is recommended that the remaining fund balance of \$386,031.82 be retained by the County as partial repayment to the Healthcare Fund.

Revenue	\$72,445,589.75
Expenditures	71,496,206.76
Fund Balance	949,382.99
Less Rolled POs	187,042.32
Fund Balance	\$762,340.67

RECOMMENDATION:

Approve the repayment of \$376,308.85 from the FY22 Fund 0500 fund balance to the County for repayment of the fees for the Road and Sewer Improvements for the construction of Middle Road Elementary School, as well as \$386,031.82 as repayment to the County for accrued expenses in the joint healthcare fund.

 [ACTION - Proposed Use for FY22 Carryover Funds.pdf \(180 KB\)](#)



Use for Carryover Funds
from FY2022

Monique Barnes
January 9, 2023



PRINCE GEORGE COUNTY PUBLIC SCHOOLS PRINCE GEORGE COUNTY PUBLIC SCHOOLS PRINCE GEORGE COUNTY PUBLIC SCHOOLS

ATTACHMENT A



Operating Fund

Revenue Received – FY22	\$72,445,589.75
Less Expenditures	<u>\$71,496,206.76</u>
Year-End Balance	\$ 949,382.99
Less Carried Over Purchase Orders into FY23	<u>\$ 187,042.32</u>
BALANCE	<u>\$ 762,340.67</u>



Final FY22 Regular/Operating Fund Figures

Road & Sewer Improvements for Middle Rd. Elementary	\$376,308.85
Partial Repayment of Healthcare Fund Deficit	\$386,031.82
Proposed Payment to County	\$762,340.67



Use for Carryover Funds
from FY2022

Monique Barnes
January 9, 2023



PRINCE GEORGE COUNTY PUBLIC SCHOOLS PRINCE GEORGE COUNTY PUBLIC SCHOOLS

ATTACHMENT A

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, Jr.
Marlene J. Waymack

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

**RESOLUTION; BUDGET AMENDMENT AND APPROPRIATION
(\$386,031.82 FOR FY22 SCHOOL DIVISION CARRY-OVER FUNDS)**

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 24th day of January, 2023, does hereby authorize and appropriate 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>
General Fund		
Revenues:		
0100-40-900-8208-399999	Fund Balance	\$386,031.82
Expenditures:		
0100-09-401-0917-49189	Transfer to Health Fund	\$386,031.82
Health Insurance Fund		
Revenues:		
0920-90-901-8207-399100	Transfer from General Fund	\$386,031.82
Expenditures:		
0920-00-000-0000-42900	Health Insurance Claims Expense	\$386,031.82

A Copy Teste:

Jeffrey D. Stoke
County Administrator