



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

May 23, 2023

TO: Joint Legislative Commission on Governmental Operations

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Deviation Request from Department of Agriculture and Consumer Services

Pursuant to G.S. 143C-6-4 (b1), prior consultation with Governmental Operations is required when the over expenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the over expenditures.

The Department of Agriculture is requesting to deviate budget code 63705 to properly budget expenditures and receipts for the 2022-23 fiscal year.

The department is requesting budget funds in the fiduciary budget code 63705. Budget Code 63705 encompasses fiduciary activities of the state agency and is identified by the trust fund designation. In prior fiscal years, the activity was recorded in a liability account (funds held for others) which was a non-budgeted account. GASB 84 dictated a change to the process. The Department submitted a revision and OSBM approved the first recurring budget revision this fiscal year to account for expected activity based on the guidance in GASB 84 and fiscal year 2022 activity. The department is requesting to increase the budget on a non-recurring basis for planned FY23 activity.

Please see the attached Deviation Exception Request Form for more details.

If you have questions or concerns, please contact Budget Analyst Unika Ashe-Valentine at unika.valentine@osbm.nc.gov.

REQUEST TO DEVIATE UNDER G.S. 143C-6-4(b)(3)(b1):
(b1) Prior consultation with Governmental Operations is required when the overexpenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the overexpenditures.

DEPARTMENT: NCDA&CS
FISCAL YEAR: 23
Date: 30-Mar-23
Budget Revision #: 12-0014, 12-0015

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
63705 (GASB 3900)	\$ 1,332,652	\$ 39,980	\$ 1,199,052	\$ 1,159,072
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Fund Type Total	\$ 1,332,652	\$ 39,980	\$ 1,199,052.00	\$ 1,159,072

JUSTIFICATION FOR REQUEST:

Budget Code 63705 encompasses fiduciary activities of the state agency and is identified by the trust fund designation. In prior fiscal years, the activity was recorded in a liability account (funds held for others) which was a non-budgeted account. GASB 84 dictated a change to the process. The Department submitted and OSBM approved the first recurring budget revision this fiscal year to account for expected activity for the fiscal year based on the guidance in GASB 84 and fiscal year 2022 activity. That revision increased the authorized budget but not the certified budget. Activity in the fund codes exceeded estimates due to the assessments collected by the Department and issued to the appropriate foundation/entity. The activity noted is simply a pass-through for the agency. The corresponding budget revision 12-0014 for this deviation request increases Funds 6111, 6134, 6135, 6136, 6150, and 6161. Fund 6111 is related to the Boll Weevil Grower Control program where funds are collected by the Department based on an assessment per acre of cotton. The funds are then sent to the Boll Weevil Eradication Foundation of North Carolina to be used in support of the monitoring and trapping program. Fund 6134 is related to the funds collected by the Department and issued to the NC Horse Council to be used in support of the equine programs. In 1999, the horse industry began collecting a self-assessment from the purchase of horse feed. Fund 6135 represents the check-off funds that the Department collects and issues to the NC Agricultural Foundation. The self-assessment by NC tobacco growers supports tobacco research and education. Fund 6136 is related to the funds collected by the Department and used for various programs and projects that are funded by the PETF. In 1993, the North Carolina General Assembly created the PETF under the North Carolina Pesticide Law of 1971, Section 143-468(b). Fund 6150 houses the assessments related to feed, seed, lime and fertilizer. Fund 6161 supports the Farm to School Program administered by the Department's Food Distribution Division. The Division transports locally grown fresh fruits and vegetables from NC farmers to schools participating in the program. Budget revision 12-0015 addresses inflationary increases to Fund 6132. Fund 6132 supports the Flavors of Carolina events which promote North Carolina products. Costs associated with the event were higher this fiscal year due to inflationary factors.

BD701-02
 100 DEPT OF AGRICULTURE & CONSUMER SVCS
 63705 DACS-TRUST-AGENCY

AGENCY MANAGEMENT BUDGET REPORT
 FOR THE PERIOD ENDING APRIL 30, 2023

C-GJ-BD701-CERT-REPORT
 RUN DATE: 05/17/2023
 ATBD701

SUMMARY BY PURPOSE

PURPOSE	DESCRIPTION	CERTIFIED	AUTHORIZED	CURRENT-MONTH	YEAR-TO-DATE	UNEXPENDED / CERTIFIED	UNREALIZED / AUTHORIZED	ENCUMBRANCES	RATE
***** B U D G E T E D ***** A C T U A L *****									
6111	BOLL WEEVIL GROWER CONTRI	.00	274,776.00	.00	332,468.70	332,468.70-	57,692.70-	.00	1.45
6112	NC EGG FUND	.00	295,913.00	.00	160,734.67	160,734.67-	135,178.33	.00	.65
6122	PERFORMANCE BONDS	.00	42,375.00	3,000.00	25,335.00	25,335.00-	17,040.00	7,500.00-	.51
6123	PASTEURIZER LOANER PROG -	.00	1,500.00	.00	.00	.00	1,500.00	.00	.00
6130	COMMODITY-HEMP FUNDS	2,000.00	2,000.00	.00	1,373.53	626.47	626.47	.00	.82
6131	GOODNESS GROWS PROMOTION	12,534.00	12,534.00	75.32	727.28	11,806.72	11,806.72	.00	.07
6132	FLAVORS OF CAROLINA	113,132.00	113,132.00	27,880.50	173,805.43	60,673.43-	60,673.43-	31,567.67	2.18
6133	AGRICULTURAL PROMOTIONS	6,250.00	13,891.00	.00	57.00	6,193.00	13,834.00	.00	.00
6134	NC HORSE COUNCIL	.00	236,254.00	41,571.58	297,544.03	297,544.03-	61,290.03-	.00	1.51
6135	TOBACCO RESEARCH COMM ASS	.00	448,422.00	.00	484,536.04	484,536.04-	36,114.04-	.00	1.30
6136	PESTICIDE ENVIRONMENTAL A	.00	550,550.00	68,725.02	540,942.86	540,942.86-	9,607.14	.00	1.18
6150	AG FOUNDATION ASSESSMENT	.00	3,459,987.00	368,752.77	3,078,759.83	3,078,759.83-	381,227.17	.00	1.07
6161	PAYMENTS-FARM TO SCHOOL	1,198,736.00	1,198,736.00	64,998.82	1,205,852.62	7,116.62-	7,116.62-	.00	1.21
EXPENDITURES		1,332,652.00	6,650,070.00	575,004.01	6,302,136.99	4,969,484.99-	347,933.01	24,067.67	1.14

REVENUES-ESTIMATED AND ACTUAL

6111	BOLL WEEVIL GROWER CONTRI	.00	274,776.00	39.76	332,769.34	332,769.34-	57,993.34-	.00	1.45
6112	NC EGG FUND	.00	295,913.00	1,260.92	189,430.40	189,430.40-	106,482.60	.00	.77
6122	PERFORMANCE BONDS	.00	42,375.00	8,500.00	168,615.92	168,615.92-	126,240.92-	.00	4.77
6123	PASTEURIZER LOANER PROG -	.00	1,500.00	.00	.00	.00	1,500.00	.00	.00
6131	GOODNESS GROWS PROMOTION	12,534.00	12,534.00	.00	.00	12,534.00	12,534.00	.00	.00
6132	FLAVORS OF CAROLINA	137,775.00	137,775.00	14,858.11	220,514.59	82,739.59-	82,739.59-	.00	1.92
6133	AGRICULTURAL PROMOTIONS	.00	7,641.00	.00	.00	.00	7,641.00	.00	.00
6134	NC HORSE COUNCIL	.00	236,254.00	14,383.60	296,872.03	296,872.03-	60,618.03-	.00	1.51
6135	TOBACCO RESEARCH COMM ASS	.00	448,422.00	.00	484,537.71	484,537.71-	36,115.71-	.00	1.30
6136	PESTICIDE ENVIRONMENTAL A	.00	550,550.00	5,350.00	539,967.84	539,967.84-	10,582.16	.00	1.18
6150	AG FOUNDATION ASSESSMENT	.00	3,459,987.00	681,055.30	3,426,844.18	3,426,844.18-	33,142.82	.00	1.19
6161	PAYMENTS-FARM TO SCHOOL	1,198,736.00	1,198,736.00	29,877.32	1,076,784.96	121,951.04	121,951.04	.00	1.08
REVENUES		1,349,045.00	6,666,463.00	755,325.01	6,736,336.97	5,387,291.97-	69,873.97-	.00	1.21

INCREASE / (DECREASE)

IN FUND BALANCE		16,393.00	16,393.00	180,321.00	434,199.98	417,806.98-	417,806.98-	.00	31.78
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CASH ANALYSIS

BEGINNING BALANCE	1,086,471.35
+ CASH RECEIPTS	6,736,336.97
- CASH DISBURSEMENTS	6,302,136.99
+ ASSETS	.00
+ LIABILITY	.00

RMSID10 NOT CERTIFIED
 BD701-02
 100 DEPT OF AGRICULTURE & CONSUMER SVCS
 63705 DACS-TRUST-AGENCY

STATE OF NORTH CAROLINA GENERAL LEDGER SYSTEM
 AGENCY MANAGEMENT BUDGET REPORT
 FOR THE PERIOD ENDING APRIL 30, 2023

PAGE: 2
 C-GL-BD701-CERT-REPORT
 RUN DATE: 05/17/2023
 ATBD701

SUMMARY BY PURPOSE

***** B U D G E T E D ***** A C T U A L ***** UNEXPENDED / UNREALIZED *****
 CERTIFIED AUTHORIZED CURRENT-MONTH YEAR-TO-DATE CERTIFIED AUTHORIZED ENCUMBRANCES RATE

REVENUES-ESTIMATED AND ACTUAL

+ EQUITY .00
 = ENDING BALANCE 1,520,671.33

ADDITIONAL ASSETS

 TOTAL AVAILABILITY 1,520,671.33