

SCHOOL BOARD AGENDA ITEM**Agenda Item No.**

Prepared: July 10, 2007**New Business:** July 12, 2007**Action:** July 26, 2007**Staff Contact:** Deirdra McLaughlin, Chief Financial Officer, Financial Services

SUBJECT: FY 2007 Final Budget Review**RECOMMENDATION:**

That the School Board approve revenue and expenditure adjustments as detailed in the agenda item.

EXPLANATION:

All FY 2007 accounts have been closed, subject to the annual independent audit. A summary of revenue and expenditure variances is provided for each of the funds under the control of the School Board. All comparisons are against the FY 2007 estimate.

Recommended expenditure adjustments include:

- \$0.1 million for proficiency tests
- \$0.2 million for Advanced Placement (AP) test fees
- \$0.5 million for alternate state assessment materials and training
- \$0.1 million for American Speech-Language-Hearing Association membership renewals
- \$3.0 million reduction in the summer school transfer

If the School Board approves the FY 2008 recommended expenditure adjustments totaling (\$2.1) million, \$9.1 million will be available to be set aside as budgeted beginning balance for FY 2009, increasing the FY 2009 budgeted beginning balance to \$19.1 million.

Special education transportation costs for privately or administratively placed students and homeless students have increased 42.7 percent in FY 2007 due to both an increase in the number of students and fuel costs. Although funding was increased in the FY 2008 budget, it may not be sufficient. This account will be monitored closely and reviewed at midyear.

Attachments

AMOUNT **POSITIONS**

I. FY 2007 ACTUAL

A. Revenue

State Revenue **(\$639,996)**

Actual state revenue payments were \$0.6 million below the FY 2007 budget estimate. This is due primarily to lower than projected sales tax receipts.

Federal Revenue **(4,969,620)**

The FY 2006 Impact Aid payment of \$3.3 million was not received until March 2007 due to a delay in the reconciliation of the annual review by the U.S. Department of Education. The net decrease in federal aid is due to \$8.6 million in unspent grant awards that will be carried forward and appropriated again in FY 2008.

Other **4,177,767**

The beginning balance was reduced by \$1.6 million due to a late FY 2006 audit adjustment. Other categories of revenue such as tuition and fees exceeded projections for a net increase of \$4.2 million.

TOTAL REVENUE ADJUSTMENTS **(\$1,431,849)**

B. Expenditures **(\$8,391,146)**

After meeting the FY 2008 budgeted beginning balance and other commitments, expenditures were \$8.4 million less than projected. Accounts with remaining balances are primarily logistic accounts.

FY 2007 TOTAL FUNDS AVAILABLE **\$6,959,297**

	<u>AMOUNT</u>	<u>POSITIONS</u>
II. FY 2008 EXPENDITURE ADJUSTMENTS		
√ A. Proficiency Test Costs	\$132,000	0.0
<p>The Virginia Department of Education (VDOE) has begun to bill school divisions for the cost of the English language proficiency tests required for certain students under NCLB. These costs were formerly paid by VDOE. Test materials for approximately 9,800 FCPS students were ordered for the March 2007 test administration. Payment for these materials is due in September 2007.</p>		
√ B. Advanced Placement Test Fees	163,000	0.0
<p>The Advanced Placement (AP) program provides rigorous academic coursework in the major subject fields, with course content designed at a college level. Additional funding is required to cover the cost of the increased number of tests being taken by FCPS students.</p>		
√ C. Alternate and Alternative State Assessments	513,430	0.0
<p>Additional funding is needed to purchase and score binders as part of the Virginia Alternate Assessment Program (VAAP) and the Virginia Grade Level Assessment (VGLA). This funding will also provide scorer training and training for selected school staff in VGLA test administration in all elementary and middle schools. Approximately 7,000 student binders will be scored in 2007-2008. The FY 2008 test budget does not include funding for this requirement.</p>		
√ D. Speech-Language Pathologist Professional Fees	50,000	0.0
<p>As an incentive to attract and retain Speech-Language Pathologists, FCPS will pay the annual fee for membership in the American Speech-Language-Hearing Association (ASHA). ASHA membership is required for certification and Medicaid requires certification for reimbursement of services.</p>		
√ E. Position Conversion	0	0.75
<p>An additional 0.75 assistant division counsel position is needed in the Division Counsel's Office. Office funds and anticipated savings in outside legal fees will be used to fund this position at no additional cost. Position authorization is required.</p>		

√ Recurring
X Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
X F. Summer School Transfer	(3,006,449)	0.0
<p>By using the FY 2007 available ending balance in the Summer School and SOL Remediation Subfund to offset FY 2008 summer school costs, a reduction of \$3.0 million can be made in the School Operating Fund transfer to this program.</p>		
	_____	_____
FY 2008 TOTAL NET EXPENDITURE REDUCTION	<u>(\$2,148,019)</u>	<u>0.75</u>

SUMMARY

FY 2007 AVAILABLE BALANCE	\$6,959,297	
FY 2008 TOTAL NET EXPENDITURE REDUCTION	(2,148,019)	0.75
	_____	_____
FY 2009 BUDGETED BEGINNING BALANCE	<u>\$9,107,316</u>	

√ Recurring
 X Nonrecurring

III. OTHER FUNDS

FOOD AND NUTRITION SERVICES FUND

The FY 2007 ending balance in the Food and Nutrition Services Fund is \$8.8 million, or \$0.6 million less than the estimate.

GRANTS AND SELF-SUPPORTING PROGRAMS FUND

Grants Subfund:

The FY 2008 appropriations in the Grants Subfund are increasing \$14.5 million due to carryover of FY 2007 unspent grant awards.

Additionally, position authorization for 10.25 positions is requested. Additional funding is not required; there is available funding in the grant to cover the costs of the positions.

	Amount	Positions
Federal		
Title I	\$0	0.5
Title I, School Improvement	0	1.5
Title II, Part A	0	2.0
Title III	0	(0.5)
Title IV	0	1.0
Foreign Language Assistance Program	0	1.5
Infant Toddler Connection	0	(0.25)
Juvenile Detention Center Reading	0	0.5
State		
VA Satellite Ed Network	0	0.5
Local		
FECEP	<u>0</u>	<u>3.5</u>
Total:	\$0	10.25

Summer School Subfund:

The FY 2007 ending balance in the Summer School and SOL Remediation Subfund is \$3.1 million. Of this amount, \$60,359 is for undelivered orders, leaving an available balance of \$3.0 million. By using the available balance to fund the FY 2008 budget, a reduction of \$3.0 million can be made to the School Operating Fund transfer to this subfund.

An additional \$1,000 in revenue and expenditures recognizes a contribution made by the Washington Post for the Institute for the Arts program.

ADULT AND COMMUNITY EDUCATION FUND

The FY 2007 ending balance in the Adult and Community Education Fund is \$1.2 million. Of this amount, \$95,523 is for undelivered orders, leaving an available balance of \$1.1 million. A local award for \$40,000 has been received for Education for Independence from the County of Fairfax Consolidated Community Funding Pool through the ACE Scholarship Foundation. Expenditure increases have been made to offset the beginning balance increase and the award.

SCHOOL CONSTRUCTION FUND

Projects in the School Construction Fund are multi-year projects funded by the sale of bonds. In some years the fund will carry a deficit balance until additional bonds are sold. In FY 2007, actual expenditures and obligations not paid exceeded revenues by \$2.4 million. However, since the fiscal year ended with a positive cash flow balance, Fairfax County's pooled cash account will not be impacted. FY 2008 revenue and cash flow requirements are expected to be adjusted to offset the FY 2007 Actual Ending Balance shortfall.

An increase of \$274.3 million in the School Construction Fund appropriation is due to project balances being carried forward and reallocated in FY 2008, an increase in the State Construction Grant due to General Assembly action, and a credit to the facility modifications due to budgetary reallocation. Total costs for multi-year construction projects are allocated when the jobs are contracted and unspent balances are carried forward into future fiscal years until the projects are complete.

SCHOOL INSURANCE FUND

The FY 2007 ending balance in the School Insurance Fund is \$25.2 million, or \$3.4 million more than estimated, due to lower than anticipated claims expenditures in the risk management and workers' compensation subfunds.

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND

The FY 2007 ending balance in the Health and Flexible Benefits Fund is \$54.6 million, or \$15.3 million more than estimated, primarily due to lower than anticipated medical claims expenditures and higher than anticipated interest income.

SCHOOL CENTRAL PROCUREMENT FUND

The FY 2007 ending balance in the Central Procurement Fund is \$1.0 million, or \$0.4 million above estimate.

EDUCATIONAL EMPLOYEES' SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY FUND

The FY 2007 ending balance for the Educational Employees' Retirement System of Fairfax County is \$2.0 billion. This reflects the fund's total asset value through May 31, 2007, and estimated asset values for June 2007.

FY 2007 revenues from contributions totaled \$81.2 million, or \$0.1 million less than the fiscal year's estimate of \$81.3 million. Investment income growth for the fund has historically been budgeted at the actuarially assumed rate of 7.5 percent. Investment income of \$323.3 million is \$126.6 million more than the FY 2007 estimate. This increase results from the continued strength of the capital markets. Expenditures for FY 2007 totaled \$149.9 million or \$6.5 million less than the FY 2007 estimate.

SCHOOL OPERATING FUND STATEMENT

	<u>FY 2007 Revised</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, July 1:						
Budgeted Beginning Balance	\$35,000,000	\$35,000,000	\$0	\$76,651,183	\$76,651,183	\$0
Flexibility Reserve	8,000,000	8,000,000	-	-	8,000,000	8,000,000
Undelivered Orders	26,703,951	26,703,951	-	-	32,653,043	32,653,043
Automatic Carryover	8,450,529	8,450,529	-	-	3,000,444	3,000,444
Unencumbered Carryover	6,433,671	6,433,671	-	-	2,527,130	2,527,130
Grants Carryover	40,570	40,570	-	-	96,380	96,380
Available Balance	<u>19,166,416</u>	<u>17,545,052</u>	<u>(1,621,364)</u>	<u>-</u>	<u>6,959,297</u>	<u>6,959,297</u>
Total Beginning Balance	\$103,795,137	\$102,173,773	(\$1,621,364)	\$76,651,183	\$129,887,477	\$53,236,294
RECEIPTS:						
Sales Tax	\$171,707,570	\$166,085,816	(\$5,621,754)	\$162,647,944	\$162,647,944	\$0
State Aid	268,619,358	273,601,116	4,981,758	282,298,251	282,298,251	-
Federal Aid	47,759,466	42,789,846	(4,969,620)	39,288,171	47,838,744	8,550,573
City of Fairfax Tuition	33,387,897	33,387,897	-	36,254,445	36,254,445	-
Tuition, Fees, and Other	10,537,048	16,336,179	5,799,131	11,057,048	11,057,048	-
Total Receipts	\$532,011,339	\$532,200,854	\$189,515	\$531,545,859	\$540,096,432	\$8,550,573
TRANSFERS IN:						
County General Fund Operating Transfer	\$1,533,218,089	\$1,533,218,089	\$0	\$1,586,600,722	\$1,586,600,722	\$0
Total Receipts & Transfers	\$2,065,229,428	\$2,065,418,943	\$189,515	\$2,118,146,581	\$2,126,697,154	\$8,550,573
Total Funds Available	\$2,169,024,565	\$2,167,592,716	(\$1,431,849)	\$2,194,797,764	\$2,256,584,631	\$61,786,867
EXPENDITURES						
School Board Reserve	\$2,058,649,558	\$1,990,124,565	(\$68,524,993)	\$2,130,914,578	\$2,178,647,516	\$47,732,938
School Board Reserve	8,000,000	-	(8,000,000)	-	8,000,000	8,000,000
Total Expenditures	\$2,066,649,558	\$1,990,124,565	(\$76,524,993)	\$2,130,914,578	\$2,186,647,516	\$55,732,938
TRANSFERS OUT:						
School Construction Fund	\$14,335,558	\$14,335,558	\$0	\$12,880,000	\$12,833,062	(\$46,938)
Grants & Self-Supporting Fund	27,797,076	27,797,076	-	27,532,146	24,525,697	(3,006,449)
Adult & Community Education Fund	1,674,217	1,674,217	-	1,695,667	1,695,667	-
Health & Flexible Benefits Fund	-	-	-	8,000,000	8,000,000	-
Consolidated County & Schools Debt Fund	3,773,823	3,773,823	-	3,775,373	3,775,373	-
Total Transfers Out	\$47,580,674	\$47,580,674	\$0	\$53,883,186	\$50,829,799	(\$3,053,387)
Total Disbursements	\$2,114,230,232	\$2,037,705,239	(\$76,524,993)	\$2,184,797,764	\$2,237,477,315	\$52,679,551
ENDING BALANCE, June 30:	\$54,794,333	\$129,887,477	\$75,093,144	\$10,000,000	\$19,107,316	\$9,107,316
Less:						
Flexibility Reserve	\$0	\$8,000,000	\$8,000,000	\$0	\$0	\$0
Budgeted Beginning Balance	54,794,333	76,651,183	21,856,850	10,000,000	19,107,316	9,107,316
Other Commitments	-	38,276,997	38,276,997	-	-	-
Available Ending Balance	\$0	\$6,959,297	\$6,959,297	\$0	\$0	\$0

FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2007 Estimate</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$9,408,784	\$9,408,784	\$0	\$9,568,064	\$8,785,361	(\$782,703)
RECEIPTS:						
Food Sales	\$43,644,550	\$44,194,770	\$550,220	\$45,088,278	\$45,088,278	\$0
Federal Aid	17,793,287	18,127,690	334,403	18,395,762	18,395,762	0
State Aid	785,101	802,362	17,261	799,958	799,958	0
Other Revenue	150,000	380,011	230,011	343,000	343,000	0
Total Receipts	<u>\$62,372,938</u>	<u>\$63,504,833</u>	<u>\$1,131,895</u>	<u>\$64,626,998</u>	<u>\$64,626,998</u>	<u>\$0</u>
Total Funds Available	\$71,781,722	\$72,913,617	\$1,131,895	\$74,195,062	\$73,412,359	(\$782,703)
EXPENDITURES:						
Change in Inventory	\$62,372,938	\$63,741,172	\$1,368,234	\$64,278,021	\$64,278,021	\$0
	0	(387,084)	(387,084)	0	0	0
Subtotal	<u>\$62,372,938</u>	<u>\$64,128,256</u>	<u>\$1,755,318</u>	<u>\$64,278,021</u>	<u>\$64,278,021</u>	<u>\$0</u>
Food and Nutrition Services General Reserve	\$9,408,784	\$0	(\$9,408,784)	\$9,917,041	\$9,134,338	(\$782,703)
Total Disbursements	\$71,781,722	\$64,128,256	(\$7,653,466)	\$74,195,062	\$73,412,359	(\$782,703)
ENDING BALANCE, JUNE 30	\$0	\$8,785,361	\$8,785,361	\$0	\$0	\$0
Less:						
Undelivered Orders	\$0	\$121,852	\$121,852	\$0	\$0	\$0
Inventory	0	1,130,762	1,130,762	0	0	0
Available Ending Balance	<u>\$0</u>	<u>\$7,532,747</u>	<u>\$7,532,747</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

GRANTS & SELF-SUPPORTING PROGRAMS FUND

	<u>FY 2007 Estimate</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$8,050,830	\$8,050,830	\$0	\$0	\$10,011,066	\$10,011,066
RECEIPTS:						
State Aid	\$10,929,807	\$8,670,353	(\$2,259,454)	\$10,318,169	\$11,064,470	\$746,301
Federal Aid	38,870,524	28,909,847	(9,960,677)	30,424,313	37,184,089	6,759,776
Tuition	3,068,042	3,113,300	45,258	3,190,102	3,190,102	0
Industry, Foundation, Other	1,915,653	1,733,281	(182,372)	176,421	177,862	1,441
Total Receipts	\$54,784,026	\$42,426,781	(\$12,357,245)	\$44,109,005	\$51,616,523	\$7,507,518
TRANSFERS IN:						
School Operating Fund (Grants)	\$10,101,846	\$10,101,846	\$0	\$8,874,216	\$8,874,216	\$0
County General Fund	0	0	0	0	0	0
School Operating Fund (Summer School)	17,695,230	17,695,230	0	18,657,930	15,651,481	(3,006,449)
Cable Communications Fund	2,321,540	2,321,540	0	2,905,459	2,905,459	0
Total Transfers In	\$30,118,616	\$30,118,616	\$0	\$30,437,605	\$27,431,156	(\$3,006,449)
Total Funds Available	\$92,953,472	\$80,596,227	(\$12,357,245)	\$74,546,610	\$89,058,745	\$14,512,135
EXPENDITURES	\$92,953,472	\$70,585,161	(\$22,368,311)	\$74,546,610	\$89,058,745	\$14,512,135
ENDING BALANCE, JUNE 30	\$0	\$10,011,066	\$10,011,066	\$0	\$0	\$0
Less:						
Undelivered Orders	\$0	\$2,055,062	\$2,055,062	\$0	\$0	\$0
Available Ending Balance	\$0	\$7,956,004	\$7,956,004	\$0	\$0	\$0

ADULT & COMMUNITY EDUCATION FUND STATEMENT

	<u>FY 2007</u> <u>Estimate</u>	<u>FY 2007</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2008</u> <u>Approved</u>	<u>FY 2008</u> <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$810,858	\$810,858	\$0	\$0	\$1,243,130	\$1,243,130
RECEIPTS:						
State Aid	\$852,939	\$729,576	(\$123,363)	\$768,968	\$768,968	\$0
Federal Aid	1,086,376	931,079	(155,297)	741,896	741,896	0
Tuition and Fees	7,795,485	7,032,680	(762,805)	7,827,275	7,827,275	0
Other	275,818	687,114	411,296	290,941	330,941	40,000
Total Receipts	\$10,010,618	\$9,380,449	(\$630,169)	\$9,629,080	\$9,669,080	\$40,000
TRANSFERS IN:						
School Operating Fund	\$1,674,217	\$1,674,217	\$0	\$1,695,667	\$1,695,667	\$0
Total Transfers In	\$1,674,217	\$1,674,217	\$0	\$1,695,667	\$1,695,667	\$0
Total Receipts and Transfers	\$11,684,835	\$11,054,666	(\$630,169)	\$11,324,747	\$11,364,747	\$40,000
Total Funds Available	\$12,495,693	\$11,865,524	(\$630,169)	\$11,324,747	\$12,607,877	\$1,283,130
EXPENDITURES	\$12,495,693	\$10,622,394	(\$1,873,299)	\$11,324,747	\$12,607,877	\$1,283,130
ENDING BALANCE, JUNE 30	\$0	\$1,243,130	\$1,243,130	\$0	\$0	\$0
Less:						
Undelivered Orders	\$0	\$95,523	\$95,523	\$0	\$0	\$0
Available Ending Balance	\$0	\$1,147,607	\$1,147,607	\$0	\$0	\$0

SCHOOL CONSTRUCTION FUND STATEMENT

	<u>FY 2007 Estimate</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	(\$12,210,585)	(\$12,210,585)	\$0	\$0	(\$2,413,376)	(\$2,413,376)
RECEIPTS:						
Bond Sales	\$129,485,000	\$129,490,000	\$5,000	\$144,280,000	\$144,280,000	\$0
State Construction Grant	693,582	928,799	235,217	923,596	928,016	4,420
PTA/PTO Receipts	150,000	241,871	91,871	150,000	150,000	0
City of Fairfax	150,000	557,903	407,903	150,000	150,000	0
Other Revenue	136,000	6,929,493	6,793,493	136,000	136,000	0
Eleven Oaks Sale	0	4,000,000	4,000,000	0	0	0
Total Receipts	\$130,614,582	\$142,148,066	\$11,533,484	\$145,639,596	\$145,644,016	\$4,420
AUTHORIZED BUT UNISSUED BONDS	\$431,287,341	\$0	(\$431,287,341)	\$0	\$276,797,270	\$276,797,270
Total Referendums	\$431,287,341	\$0	(\$431,287,341)	\$0	\$276,797,270	\$276,797,270
TRANSFERS IN:						
School Operating Fund						
Building Maintenance	\$9,400,000	\$9,400,000	\$0	\$9,400,000	\$9,400,000	\$0
Classroom Equipment	3,195,057	3,195,057	0	2,880,000	2,880,000	0
Facility Modifications	1,740,501	1,740,501	0	600,000	553,062	(46,938)
Total Transfers In	\$14,335,558	\$14,335,558	\$0	\$12,880,000	\$12,833,062	(\$46,938)
Total Receipts and Transfers	\$576,237,481	\$156,483,624	(\$419,753,857)	\$158,519,596	\$435,274,348	\$276,754,752
Total Funds Available	\$564,026,896	\$144,273,039	(\$419,753,857)	\$158,519,596	\$432,860,972	\$274,341,376
EXPENDITURES AND COMMITMENTS:						
Expenditures	\$132,739,555	\$146,686,415	\$13,946,860	\$158,519,596	\$156,063,702	(\$2,455,894)
Additional Contractual Commitments	431,287,341	0	(431,287,341)	0	276,797,270	276,797,270
Total Disbursements	\$564,026,896	\$146,686,415	(\$417,340,481)	\$158,519,596	\$432,860,972	\$274,341,376
ENDING BALANCE, JUNE 30	\$0	(\$2,413,376)	(\$2,413,376)	\$0	\$0	\$0

SCHOOL INSURANCE FUND STATEMENT

	<u>FY 2007 Estimate</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$21,841,537	\$21,841,537	\$0	\$21,782,799	\$25,171,637	\$3,388,838
RECEIPTS:						
Workers' Compensation						
School Operating Fund	\$6,771,502	\$6,771,502	\$0	\$6,771,502	\$6,771,502	\$0
School Food & Nutrition Serv. Fund	277,166	277,166	0	277,166	277,166	0
Other Insurance						
School Operating Fund	7,700,000	7,700,000	0	5,968,127	5,968,127	0
Insurance Proceeds	50,000	130,353	80,353	50,000	50,000	0
Total Receipts	\$14,798,668	\$14,879,021	\$80,353	\$13,066,795	\$13,066,795	\$0
Total Funds Available	\$36,640,205	\$36,720,558	\$80,353	\$34,849,594	\$38,238,432	\$3,388,838
EXPENDITURES:						
Workers' Compensation						
Claims Paid	\$5,636,717	\$3,877,380	(\$1,759,337)	\$5,636,717	\$5,636,717	\$0
Administration	736,951	564,440	(172,511)	736,951	1,095,365	358,414
Claims Management	675,000	600,888	(74,112)	675,000	675,000	0
Other Insurance	7,808,738	6,506,213	(1,302,525)	6,018,127	6,366,604	348,477
Allocated Reserves	0	0	0	0	6,918,091	6,918,091
Subtotal Expenditures	\$14,857,406	\$11,548,921	(\$3,308,485)	\$13,066,795	\$20,691,777	\$7,624,982
Net change in accrued liabilities-Worker's Comp	\$1,414,427	\$1,625,000	\$210,573	\$0	\$0	\$0
Net change in accrued liabilities-Other Insurance	249,605	127,690	(121,915)	0	0	0
Total Expenditures	16,521,438	13,301,611	(3,219,827)	13,066,795	20,691,777	7,624,982
ENDING BALANCE, JUNE 30	\$21,782,799	\$25,171,637	\$3,388,838	\$21,782,799	\$17,546,655	(\$4,236,144)
Restricted Reserves						
Workers Comp Accrued Liability	\$14,857,427	\$15,068,000	\$210,573	\$14,857,427	\$15,068,000	\$210,573
Other Insurance Accrued Liability	2,600,570	2,478,655	(121,915)	2,600,570	2,478,655	(121,915)
Reserve for Catastrophic Occurrences	4,324,802	7,624,982	3,300,180	4,324,802	0	(4,324,802)
Total Reserves	\$21,782,799	\$25,171,637	\$3,388,838	\$21,782,799	\$17,546,655	(\$4,236,144)

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	<u>FY 2007 Estimate</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$42,844,295	\$42,844,295	\$0	\$39,277,698	\$54,604,928	\$15,327,230
RECEIPTS:						
Employer Contributions	\$156,177,177	\$141,466,920	(\$14,710,257)	\$149,980,442	\$149,980,442	\$0
Employee Contributions	42,891,000	41,369,035	(1,521,965)	43,466,532	43,466,532	0
Retiree/Other Contributions	26,282,000	29,603,377	3,321,377	31,048,000	31,048,000	0
Interest Income	1,350,000	4,069,970	2,719,970	2,000,000	2,000,000	0
Medicare Part D	1,900,000	1,948,570	48,570	3,000,000	3,000,000	0
Subtotal	\$228,600,177	\$218,457,872	(\$10,190,875)	\$229,494,974	\$229,494,974	\$0
Flexible Accounts Withholdings	\$6,323,075	\$5,995,588	(\$327,487)	\$6,323,075	\$6,323,075	\$0
Total Receipts	\$234,923,252	\$224,453,460	(\$10,518,362)	\$235,818,049	\$235,818,049	\$0
				0	0	
TRANSFERS IN:						
School Operating Fund	0	0	0	8,000,000	8,000,000	0
Total Receipts and Transfers	\$234,923,252	\$224,453,460	(\$10,518,362)	\$243,818,049	\$243,818,049	\$0
Total Funds Available	\$277,767,547	\$267,297,755	(\$10,469,792)	\$283,095,747	\$298,422,977	\$15,327,230
EXPENDITURES/PAYMENTS:						
Health Benefits Paid	\$167,810,392	\$148,440,000	(\$19,370,392)	\$176,284,650	\$176,284,650	\$0
Premiums Paid	50,335,000	46,135,443	(4,199,557)	52,603,352	52,603,352	0
Claims Incurred but not Reported (IBNR)	19,119,000	16,221,000	(2,898,000)	19,119,000	19,119,000	0
IBNR Prior Year Credit	(15,000,000)	(15,000,000)	0	(19,119,000)	(19,119,000)	0
Health Administrative Expenses	9,902,382	10,968,303	1,065,921	11,166,245	11,375,668	209,423
Subtotal	\$232,166,774	\$206,764,746	(\$25,402,028)	\$240,054,247	\$240,263,670	\$209,423
Flexible Accounts Reimbursement	\$6,206,937	\$5,829,255	(\$377,682)	\$6,000,000	\$6,000,000	\$0
FSA Administrative Expenses	116,138	98,826	(17,312)	120,000	120,000	0
Subtotal	\$6,323,075	\$5,928,081	(\$394,994)	\$6,120,000	\$6,120,000	\$0
Premium Stabilization Reserve	\$29,277,698	\$0	(\$29,277,698)	\$18,921,500	\$34,039,307	\$15,117,807
Reserve for GASB 45	\$10,000,000	\$0	(\$10,000,000)	\$18,000,000	\$18,000,000	\$0
Total Disbursements	\$277,767,547	\$212,692,827	(\$65,074,720)	\$283,095,747	\$298,422,977	\$15,327,230
ENDING BALANCE, JUNE 30	\$0	\$54,604,928	\$54,604,928	\$0	\$0	\$0

SCHOOL CENTRAL PROCUREMENT FUND STATEMENT

	<u>FY 2007 Estimate</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$604,345	\$604,345	\$0	\$604,345	\$1,043,156	\$438,811
RECEIPTS:						
Sales to Schools/Departments	\$14,000,000	\$13,472,427	(\$527,573)	\$14,000,000	\$14,000,000	\$0
Total Funds Available	<u>\$14,604,345</u>	<u>\$14,076,772</u>	<u>(\$527,573)</u>	<u>\$14,604,345</u>	<u>\$15,043,156</u>	<u>\$438,811</u>
EXPENDITURES:						
Purchase for Resale	\$14,000,000	\$13,033,616	(\$966,384)	\$14,000,000	\$14,000,000	\$0
Total Disbursements	<u>\$14,000,000</u>	<u>\$13,033,616</u>	<u>(\$966,384)</u>	<u>\$14,000,000</u>	<u>\$14,000,000</u>	<u>\$0</u>
ENDING BALANCE, JUNE 30	<u><u>\$604,345</u></u>	<u><u>\$1,043,156</u></u>	<u><u>\$438,811</u></u>	<u><u>\$604,345</u></u>	<u><u>\$1,043,156</u></u>	<u><u>\$438,811</u></u>

**EDUCATIONAL EMPLOYEES' SUPPLEMENTARY
RETIREMENT SYSTEM OF FAIRFAX COUNTY FUND STATEMENT**

	<u>FY 2007 Estimate</u>	<u>FY 2007 Actual</u>	<u>Variance</u>	<u>FY 2008 Approved</u>	<u>FY 2008 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$1,766,534,921	\$1,766,534,921	\$0	\$1,888,037,217	\$2,021,132,125	\$133,094,908
RECEIPTS:						
Contributions	\$81,250,327	\$81,205,573	(\$44,754)	\$85,832,492	\$85,832,492	\$0
Investment Income	196,738,004	323,334,924	126,596,920	211,493,354	211,493,354	0
Total Receipts	<u>\$277,988,331</u>	<u>\$404,540,497</u>	<u>\$126,552,166</u>	<u>\$297,325,846</u>	<u>\$297,325,846</u>	<u>\$0</u>
Total Funds Available	\$2,044,523,252	\$2,171,075,418	\$126,552,166	\$2,185,363,063	\$2,318,457,971	\$133,094,908
EXPENDITURES	\$156,486,035	\$149,943,293	(\$6,542,742)	\$166,478,685	\$166,504,043	\$25,358
ENDING BALANCE, JUNE 30	<u>\$1,888,037,217</u>	<u>\$2,021,132,125</u>	<u>\$133,094,908</u>	<u>\$2,018,884,378</u>	<u>\$2,151,953,928</u>	<u>\$133,069,550</u>

**SUPPLEMENTAL APPROPRIATION RESOLUTION
FY 2008**

BE IT RESOLVED that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2008 Appropriation Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>From</u>	<u>To</u>	<u>Change</u>
090	Public School Operating Expenditures	\$2,114,321,481	\$2,186,647,516	\$72,326,035
191	School Food & Nutrition Services Operating Expenditures	\$74,195,062	\$73,412,359	(\$782,703)
192	School Grants & Self Supporting Programs Operating Expenditures	\$74,322,206	\$89,058,745	\$14,736,539
193	School Adult & Community Education Operating Expenditures	\$11,303,297	\$12,607,877	\$1,304,580
390	School Construction Operating Expenditures	\$158,519,596	\$432,860,972	\$274,341,376
590	School Insurance Fund Operating Expenditures	\$13,798,668	\$20,691,777	\$6,893,109
591	School Health & Flexible Benefits Operating Expenditures	\$284,452,870	\$298,422,977	\$13,970,107
691	Educational Employees' Supplementary Retirement System of Fairfax County Operating Expenditures	\$166,478,685	\$166,504,043	\$25,358

I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part of the FY 2007 Final Budget Review, at a regular meeting held on July 26, 2007, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Pamela Goddard, Clerk
County School Board of
Fairfax County, Virginia

**FISCAL PLANNING RESOLUTION
FY 2008**

BE IT RESOLVED that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2008 Fiscal Planning Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>Transfer To</u>	<u>From</u>	<u>To</u>	<u>Change</u>
090	Public School Operating				
		192 School Grants & Self Supporting Programs	\$27,532,146	\$24,525,697	(\$3,006,449)
		193 School Adult & Community Education	\$1,674,217	\$1,695,667	(\$21,450)
		390 School Construction	\$12,880,000	\$12,833,062	(\$46,938)

I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part of the FY 2007 Final Budget Review, at a regular meeting held on July 26, 2007, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Pamela Goddard, Clerk
County School Board of
Fairfax County, Virginia

**Grants Development Section
Office of Budget Services**

**Quarterly Report – FY 2007
Date: June 30, 2007**

Update for FY 2007 Grants

This report provides the status of competitive grants for FY 2007:

- Competitive grants submitted: \$3.8 million (61 grants)
- Competitive grants awarded: \$2.6 million (37 grants)
- Competitive grants denied: \$0.1 million (2 grants)
- Competitive grants pending: \$1.1 million (22 grants)

The status of FY 2007 entitlement grants is as follows:

- Entitlement grants submitted: \$63.9 million (27 grants)
- Entitlement grants awarded: \$60.5 million (23 grants)
- Entitlement grants denied: \$0.0 million (0 grants)
- Entitlement grants pending: \$1.2 million (4 grants)

Win Ratios for Competitive Grants

Win ratios are computed for competitive grants using two methods: (1) dollar wins, and (2) number-of-application wins. The dollar ratio reflects our ability to win large grants, while the number-of-application ratio reflects the frequency of awards. For FY 2007 to date:

- FCPS has won \$6.84 out of every \$10 submitted – or 68%
- FCPS has won 6.1 awards out of every 10 applications submitted – or 61%