

**REPORT TO THE BOARD OF SUPERVISORS
FAIRFAX COUNTY, VIRGINIA**

**REVIEW OF RESTON COMMUNITY CENTER'S
FISCAL POLICIES AND PRACTICES**

SEPTEMBER 9, 2003



OFFICE OF FINANCIAL AND PROGRAMS AUDITOR

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EXECUTIVE SUMMARY

On June 2, 2003, the Board of Supervisors requested that its auditors review the Reston Community Center's (RCC) fiscal policies and practices. The request was made because the RCC Executive Director had suspended two teen programs two months before the end of Fiscal Year 2003, stating that the RCC Teen Department had prematurely expended its budget.

RCC's Fiscal Year 2003 ending balance was \$2.7 million, consisting of about \$1.7 million in managed reserves for operations, feasibility studies and capital projects, and about \$1 million that was unreserved.

We determined that RCC had not run out of money and could have continued the two teen programs. In fact, in May 2003 RCC's Executive Director, working with Board Supervisor Hudgins and the County's Department of Management and Budget Director, transferred funds from within RCC to reopen one of the two teen programs.

The Executive Director agreed that RCC could have transferred money from other areas to continue to operate the two teen programs; however, he said he had lost confidence in the Teen Program Director's ability to responsibly spend and account for additional funds. The Executive Director said that:

- Repeated counseling of the Teen Program Director on the accelerated pace of her FY 2003 budget expenditures had gone unheeded.
- Funds had been transferred within the Teen Program budget, from the operations to the personnel area, at the FY 2003 Third Quarter Review, to align with the high Teen expenditure rate. After reviewing the remaining programming, the Teen Program Director affirmed that sufficient funding remained to finish the fiscal year.
- However, significant Teen Program purchases, contracts and invoices had not been processed per purchasing directives, which depleted the Teen Program budget shortly after the Third Quarter Review, once they were belatedly discovered and entered into the system.

The Executive Director also said that a projected revenue reduction of about \$480,000, which was more than 13% of RCC's Fiscal Year 2003 tax revenue, had been a factor in holding each program director more accountable for staying within his or her budget.

RCC is overseen by a Board of Governors. When Board members inquired of the Executive Director as to how the Teen Program budget could have been overrun without his knowledge, he stated that the recently discovered significant expenditures that had been made by the Teen Department outside of purchasing directives and monthly

reconciliation processes essentially bypassed existing oversight controls. He said that effective oversight of Program Directors had previously been highlighted as a concern and that he had previously proposed a new staff position to better accomplish this function.

A position to oversee the teen programs and other RCC programs, the Director of General Programs, was established and subsequently filled in August 2003.

We believe that the creation and filling of the position of Director of General Programs to supervise the Youth, Teen, Adult, and Senior Program Directors, and report to the Executive Director, will help ensure that RCC's teen and other programs are operated within their budgets in the future.

We concluded that RCC's financial management systems, including related policies, procedures and practices, are adequate for the successful management of its operations. We found that a number of new initiatives put in place by the current Executive Director, including programmatic budgeting, a new point of sale/registration system, and a facility rental booking system, has given RCC management better control over the financial operations of the Center.

INTRODUCTION

As a result of the Reston Community Center's (RCC's) April 2003 decision to terminate the operation of two of its teen programs prematurely for lack of funds, on June 2, 2003, the Board of Supervisors requested that our Office review RCC's fiscal policies and practices and report the results to the Board.

THE RESTON COMMUNITY CENTER

The Reston Community Center was formed in 1975 to provide a full range of quality programs and services, including the arts, aquatics, workshops, education, and training for the Greater Reston residential and business communities.

To finance most of RCC's programs and administrative operations, Small Tax District #5 was created which encompasses portions of the County's Hunter Mill and Dranesville Districts. The tax rate that was established for RCC's first budget year (Fiscal Year 1976) was \$.05/\$100 of assessed value of residential and business properties. A portion of RCC's annual revenues was devoted during the following 20 years to repaying a \$2 million bond that was issued for the construction of a 50,000 square foot facility.



With the completion of construction of the above facility, the RCC opened for operation in 1979. The RCC is open to the public 364 days per year and includes a fully equipped 290-seat theatre. It also has a 25-meter indoor swimming pool and diving well, whirlpool spa, large central community hall with adjacent catering kitchen, dance studio, seven meeting/class rooms, fireplace lounge, photography darkroom, woodworking shop, art room, and a computer lab, which was in the process of being transferred from RCC's Lake Anne facility at the time of our review.



RCC leases 8,500 square feet at the Lake Anne facility, a portion of which is shown in the above photo. The facility provides space for the RCC to offer a professional art gallery, pottery studio with two kilns, seminar room, and art rooms. RCC also offers programming at off-site locations such as schools, parks, churches, outdoor swimming pools, and business locations.

RCC prepares Program Guides three times a year for its Summer, Fall and Winter/Spring offerings. RCC mails the Guides to those living and working in Small Tax District #5 so they can be informed of upcoming programs and activities and register for their selections. RCC currently is working toward putting the Guides on the Internet and is looking into providing on-line registration.

RCC's programs and activities are open to all, but those who reside or work in Small Tax District #5 are charged reduced fees and receive priority placement. Those residing outside the Tax District are charged full or almost full cost.

RCC's policy is to recover no more than 25% of its costs through fees charged to participants in its programs and activities. RCC recovered 13.5% of its cost of operations through fees during Fiscal Year 2003.

RCC's expenditures for FY 2003 were about \$5.3 million. The FY 2004 expenditure budget is \$6.2 million. (See Appendix I for a graph of RCC's revenue, expenditures, and ending balances from its inception through Fiscal Year 2003.)

RCC will have a staff of 38 merit positions and 250 part-time exempt positions for its operations throughout FY 2004. (See Appendix II for RCC's Organization Chart.)

RCC'S BOARD OF GOVERNORS

An 11-member Board of Governors, consisting of 9 adults and 2 teens who reside in Small Tax District #5, oversee the operations of the RCC. Board members are selected by a preference poll that is held in Reston each year. Adult members serve three-year staggered terms. Only a portion of the members are selected annually in order to maintain continuity of experience. Teen members, 15 through 17 years of age, serve one-year terms and serve as co-chairs of the Teen Council.

Subject to the approval of the Board of Supervisors, those persons receiving the greatest number of votes in the preference poll are appointed to the Board of Governors. The roles and responsibilities of the Board of Governors and the Board of Supervisors regarding RCC are set forth in a Memorandum of Understanding between both parties.

At the time of our review, the Board of Governors had formed a limited term/ad hoc review panel on Governance to review its composition and its operations. Based on the results of the Board of Governors' actions on the review panel's recommendations, changes may be proposed to the Board of Supervisors for approval.

Issues addressed by the review panel on Governance included ways to obtain additional representation by the business community on the Board of Governors. The 2003 commercial property assessments made up 38% of Small Tax District #5 tax revenues, and the business community has been seeking proportional representation on the RCC Board of Governors.

MANAGED RESERVES ESTABLISHED BY BOARD OF GOVERNORS

Another significant issue the Board of Governors recently acted on was the passage of resolutions affecting the use of RCC's ending cash balances which, as shown in the graph in Appendix I, have continued to increase rapidly over the years.

It is the RCC's goal to provide a consistent level of programs and activities, both in times of financial growth and contraction. RCC revenues are heavily dependent on tax assessments, and tax revenues fluctuate with the value of property that is taxed.

In February 2002, the RCC Board of Governors took action to ensure the adequacy of financial reserves for the replacement of infrastructure and equipment in order to protect the community's investment while providing for other contingencies, including a catastrophic event reserve. The Board of Governors adopted a Managed Reserve structure that created three reserve accounts within the ending fund balance based on percentages of the fiscal year budget. In June 2003, the Board of Governors reaffirmed the Managed Reserve structure but changed the amounts in the three reserve accounts to percentages of fiscal year revenues, rather than expenditures.

specific age groups of participants. These general program sub areas are: Teen, Youth, Adult, and Senior Programs.

In the Teen Programs area, RCC offers programs and activities such as sessions on interviewing, résumé writing, dress and etiquette to help teens develop the skills needed to obtain jobs. RCC also sponsors special interest trips such as a ski trip to Snow Shoe Ski Resort in West Virginia, and a sightseeing and shopping trip to New York City. The FY 2003 budget for Teen Programs was \$279,000. Expenditures for the year totaled \$300,568, or \$21,456 beyond the budgeted amount.

One of the teen programs (Support on Suspension) is for students who have been suspended from school. This program is sponsored by RCC and the Fairfax Partnership for Youth. Support on Suspension is designed to provide students, grades 7-12, with an opportunity to stay abreast of academic work missed while out of school due to suspension. Participating students receive support in maintaining on-going academic obligations in a structured and supervised environment. Students also may receive instruction in anger/aggression management, conflict resolution, community service, communications skills, self esteem, and career path information.

The Support on Suspension program operates Monday through Friday from 8:00 a.m to 2:00 p.m. and serves the following schools: Langston Hughes Middle School, Herndon Middle School, Rachel Carson Middle School, South Lakes High School, Herndon High School and Oakton High School. In Fiscal Year 2003 a total of 80 students participated in the program throughout the school year. Participants are not charged a fee.

Another program, Panthers After Hours, is a joint effort by RCC and Langston Hughes Middle School to provide educational and recreational activities to Langston Hughes students on Tuesdays and Thursdays during the hours of 2:15 p.m. to 5:15 p.m. when some students have little or no adult supervision. Participants have study hall from 2:30 p.m. to 3:30 p.m., and participate in their selected activity from 3:30 p.m. – 5:15 p.m. Six sessions are held each year and participants are charged a nominal fee of \$5 per session.

As originally conceived, the Panthers After Hours program was to offer such activities as horseback riding, fencing, karate, cooking, sewing, art, basketball, mentoring groups, swimming bowling, and roller skating. We were told that Panthers program, which is the largest teen program, has grown from about 30 participants four years ago to 84 during Fiscal Year 2003. In addition, we were told that at the request of the participants, the Panthers program has evolved into a program that focused primarily on activities involving dance teams and cheerleading teams.

The RCC Executive Director told us that by April 2003, the only teen programs that had not been completed for the fiscal year, and were still being operated, were the Support on Suspension and the Panthers After Hours programs.

THE RCC EXECUTIVE DIRECTOR'S
EXPLANATION TO THE BOARD OF GOVERNORS
FOR SHUTTING DOWN TWO TEEN PROGRAMS

The RCC Executive Director shut down two of the Center's Teen programs in April 2003. We noted that during Board of Governors meetings in May and June 2003, he explained why the programs had been shut down, and why one had been reinstated. The Board of Governors posed questions to the Executive Director regarding oversight of the teen programs.

MAY 2003 REPORT TO
THE BOARD OF GOVERNORS

The RCC Executive Director told the Board of Governors, in a written report provided at the May 5, 2003, Board meeting that the RCC Teen Department had fully expended its FY 2003 budget by April 21, 2003, significantly earlier than the June 30, 2003, fiscal year end. He said that this left the Teen Department without funding for the remaining two months of the fiscal year.

The Executive Director said that additional funds to support teen programs for the last two months of the fiscal year were not available for two reasons:

- All other RCC program budgets were fully obligated (e.g., through contracts or other program delivery arrangements) in order to deliver their advertised and patron-registered programs. Consequently, there were no excess funds that he could transfer into the Teen Program.
- Although there is money in the Managed Reserve, Fairfax County fiscal policies do not permit access to that funding except by Board of Supervisors approval given during the Third Fiscal Quarter Review. Such money was not requested at third quarter, as his third quarter fiscal review with the Teen Program director indicated that adequate funding existed to complete all FY 2003 programs.

The Executive Director said that without additional funds, the only choice remaining was to cancel programming until new funding was available with the start of FY 2004, on July 1, 2003.

The Executive Director's report said that the majority of Teen programming (trips, dances, classes, events) had already been executed this season, so cancellations in that program area were minimal. However, the Teen Department had two on-going programs – Panthers After Hours and Support on Suspension – which were scheduled to run toward the end of the school year in June. Without funding to sustain these personnel-intensive programs, he regretted that RCC had to end them earlier than planned for this season.

The Executive Director said that the:

- Panthers After Hours program is offered on Tuesdays and Thursdays after school. The last day for this after-school program was May 1, 2003.
- Support on Suspension program is offered Monday through Friday as long as there are suspended students registered in the program. We will have to end this year's program on May 9, 2003.

He said that with the Teen budget fully expended in mid-April, he was funding the extension of these two programs into May on funds that he could identify in the Administrative budget. The May 1st and May 9th end dates reflect the maximum extent of such exigency funding.

The Executive Director said that on April 24, 2003, he met with the Langston Hughes Middle School Principal to explain why RCC had to take this action. She said that she agreed that it was regrettable, but understood the fiscal difficulty surrounding the action.

The Executive Director also said that he mailed letters to all Panthers After Hours parents explaining the situation, and held a May 1, 2003, evening meeting for any parents who wished to discuss it further. He said that two parents attended that meeting.

Letters were sent to all schools that refer suspended students to the Support on Suspension program as well as to parents of all students who are currently enrolled in the program.

The Executive Director said he also notified Hunter Mill District Supervisor Hudgins, a member of the County's Board of Supervisors, of this action to keep her informed of the situation.

The Executive Director said that the decision to bring an early seasonal end to these two valuable programs was a very difficult one. He said this unscheduled end to FY 2003 teen programming creates a six-week hiatus in the Teen Department. During this time, he said he would work very closely with the RCC Teen Program director to examine and essentially redesign the RCC Teen Program to achieve a better program delivery and program cost balance as well as to reinforce Fairfax County purchasing regulations and budget execution guidelines.

**JUNE 2003 REPORT ON
REINSTATEMENT OF THE
SUPPORT ON SUSPENSION PROGRAM**

In a June 2003 report to the Board of Governors, the Executive Director said that he was pleased to announce that RCC had identified funding to operate the Teen Department's Support on Suspension program for the remainder of the current academic year.

He said that through discussions with Supervisor Hudgins of the Hunter Mill District, and representatives of the County's Department of Management and Budget, the RCC had decided to under-expend the FY 2003 Media Department budget and use those funds to offer the Support on Suspension Program through the last day of the academic year, which was June 20, 2003. The program recommenced May 26, 2003.

The Executive Director also said that the other affected teen program – Panthers After Hours – had alternative after school coverage through existing programming at the Reston Teen Center. He said RCC had discussed the possible increased patronage with the Department of Community and Recreation Services (which operates the Teen Center) and they have the capacity to handle increased participation.

BOARD OF GOVERNORS' REACTION TO SHUTTING DOWN THE PROGRAMS

At the May 5, 2003, Board of Governors meeting, one of the Governors raised his concern about overspending in the Teen Department. He wanted to know why the RCC internal system had not discovered the overspending. The Board member pointed out that the two programs that were shut down were rated "Soul of the Agency" (which is the highest rating a program can be assigned) and they ran out of money two and one half months before the end of the program year.

Another Board of Governors member stated that what surprised her the most about the Teen Department, when it was brought to her attention, was that the Program, Panthers After Hours, had changed its programming to exclusively the cheerleading squad and the dance team – the program was quite different from what the Board had envisioned it to be and what it had been in its first year. The member said that the Program Policy Committee needs to discuss ways in which the Board can assess how closely programming is carried out in accordance with what was approved by the Board.

A Board member stated that what happened was an issue of management controls and that management and the Board were not made aware that this was about to happen. Another Board member wanted to know who was in charge of oversight, and the Executive Director responded that he was.

The Executive Director explained that each of the program directors is a direct report to him. He said that the organizational chart at the RCC is too flat in that there is no way that he alone could have direct oversight of all 6-7 programming departments plus those under Administration. He said that as he had told the Board two months ago he was working with the County to create a new position of a Director of General Programs.

The Executive Director said that creation of the new position of Director of General Programs would provide RCC with a person who would supervise the Youth, Teen, Adult, and Senior programs directors, and report to the Executive Director. This will allow more detailed oversight of programs, both programmatically and fiscally.

ANALYSIS OF RCC'S FISCAL POLICIES AND PRACTICES

We met with RCC's Executive Director and other RCC staff, and reviewed RCC's financial information to determine whether RCC had run out of money to operate its teen programs, and whether its fiscal policies and practices were sound.

RCC COULD HAVE CONTINUED TO OPERATE THE TEEN PROGRAMS

We found that although the Teen Program had depleted its FY 2003 budget, there were other funds available within the RCC that could have been identified to continue the two programs, and, in fact, the Support on Suspension Program was reinstated in May 2003 through an internal transfer of \$3,542.

The closing of the two teen programs, we were told by the Executive Director, was driven by the fact that the Teen Program budget had been fully expended, and he had lost confidence in the Teen Program Director's ability to responsibly spend and account for any additional funds that would be needed to continue the two programs. He said that:

- Repeated counseling of the Teen Program Director on the accelerated pace of her FY 2003 budget expenditures had gone unheeded.
- Funds had been transferred within the Teen Program budget, from the operations to the personnel area, at the FY 2003 Third Quarter Review, to align with the high Teen expenditure rate. After reviewing the remaining programming, the Teen Program Director affirmed that sufficient funding remained to finish the fiscal year.
- However, significant Teen Program purchases, contracts and invoices had not been processed per purchasing directives, which depleted the Teen Program budget, shortly after the Third Quarter Review, once they were belatedly discovered and entered into the system.

The Executive Director told us that the anticipated reduction in FY 2003 tax revenues of about \$480,000, which was more than 13% of RCC's FY 2003 tax revenue, had been a factor in his decision to hold each program director more accountable.

RCC'S PRIOR BUDGETING SYSTEM LACKED DETAILED INFORMATION

The RCC Executive Director told us that prior to Fiscal Year 2003 RCC's budgeting and accounting system was not sufficiently detailed and reported budgeted and actual revenues and costs at a consolidated level. As a result, he and the Board of Governors could not monitor the costs of RCC's many programs because they lacked the detailed information needed to determine how well the program directors were managing their operations.

They also could not determine the extent of the subsidy provided to each program. This lack of program information became an even more important issue with the 13% reduction in tax revenues for FY 2003.

PROGRAMMATIC BUDGETING WAS INSTITUTED TO CONTROL COSTS

To provide better visibility of the revenues and costs of each program area, the Executive Director instituted programmatic budgeting at the beginning of Fiscal Year 2003. This change required program directors to submit budgets identifying projected revenues and expenditures for each of their programs.

With this additional detailed budget information loaded into the Financial and Management Information System (FAMIS), monthly FAMIS reports could be used to track the receipt of revenue as well as expenditures by category, and compare them to the revenue and expenditures that were budgeted. Monthly FAMIS reports are provided to program directors for reconciliation with their records to ensure information accuracy.

In addition, RCC installed a new "RCC Program Planning and Budgeting Tool" software system. RCC uses this system to regularly produce additional financial reports for each program, class, or event within a program director's area of responsibility. The new software system provides essential information to the Executive Director, identifying, for example, funds not spent on each program. Use of these unspent funds on a different program must be approved by the Executive Director.

Not only does the new Program Planning and Budgeting system software provide RCC top management and program directors with additional financial oversight of each program, class, or event, but it also provides information to RCC management and the Board of Governors on the extent to which each program, class, or event is being subsidized (expenditures exceed fees collected). This information is used to determine the reasonableness of the subsidy and whether action is necessary to reduce or increase the level of subsidy.

The implementation of programmatic budgeting for Fiscal Year 2003 was new to the RCC program directors. Previously, program directors were not required to be as concerned with the reporting of detailed financial information on each program.

Realizing this, several meetings were held to explain the changed expectations and to provide the program directors with the tools necessary for financial management. RCC management wanted to instill financial discipline in the day-to-day management of RCC's operations, since it was essential for the successful implementation of programmatic budgeting.

The preliminary findings from the application of programmatic budgeting to the Teen Program revealed several high cost program elements, including clothing, shoes, and high

food costs, that contributed to the early expenditure of the Teen Program budget. The identification of excessive cost elements further contributed to the Executive Director's concern over providing additional funds for the Teen Program budget beyond what had been authorized for the fiscal year.

DIRECTOR OF GENERAL PROGRAMS **POSITION CREATED TO IMPROVE OVERSIGHT**

The overrun of the Teen Program budget also reinforced the Executive Director's recognition of the fact that he had too many people reporting directly to him, and needed to create and fill a position of Director of General Programs to oversee the Youth, Teen, Adult and Senior program directors operations. Each of these program directors was reporting to him, as well as the Aquatics Director, Performing Arts Director, Special Events Director, Media Director, Comptroller and Deputy Director.

Additional responsibilities of the Executive Director include his support to the Board of Governors, its standing committees, and their recurring monthly meetings. The Executive Director said that this support demands time that could otherwise have been dedicated to financial and operational oversight of RCC programs, and further justified creation of the Director of General Programs staff position.

RCC Board of Governor minutes disclosed that the need for creation of a position of Director of General Programs had been discussed by the Personnel Committee as far back as its November 25, 2002 meeting.

In August 2003, the position of General Programs Director was created and filled. This Director oversees all budget planning, budget execution, program development, and program delivery of the Youth, Teen, Adult, and Senior Program Directors and reports to the Executive Director.

OTHER IMPROVEMENTS IN RCC'S **FISCAL POLICIES AND PRACTICES**

The implementation of programmatic budgeting provides RCC management with improved visibility and financial control of costs for all of RCC's programs. RCC is also in the process of making additional improvements in its financial management.

At the time of our review, RCC was in the process of completing a new point of sale/registrations system. This system narrowed the receipt and recording of all revenue (cash, check, and credit card sales) to three specific locations. Two of the locations are at RCC's main facility at Hunter Woods and the third location is at the Lake Anne facility. All three locations are electronically connected to the RCC's computer that runs the RecTrac software system that manages RCC's program registration.

The RecTrac software system records every transaction into a general ledger and allows RCC to determine which program director gets credit for the revenue. This system also enables RCC management to have up-to-date information on revenue, providing better visibility over operations and registrations.

RCC also instituted a new system to better control and track rentals of its various facilities. According to RCC's management, this has enabled increased rentals resulting in additional revenue.

CONCLUSIONS

We concluded that the RCC had not run out of money, and could have continued to operate the two programs shut down by the Executive Director in April 2003. In fact, in May 2003, prior to our review, the RCC Executive Director, working with Board Supervisor Hudgins and the County's Department of Management and Budget Director, transferred funds from within RCC to reopen one of the two programs.

The Executive Director did not transfer funds from other RCC areas to the expended Teen Program budget to continue operating the two Teen programs in April because he had lost confidence in the Teen Program Director's ability to responsibly spend and account for any additional funds.

We believe that until programmatic budgeting was implemented during FY 2003, there was a lack of budget information on individual programs, resulting in the Executive Director and the Board of Governors being unaware of how well the program directors were managing their program budgets, and the extent to which each program was being subsidized.

We also believe that the RCC Executive Director had too many program directors reporting directly to him in FY 2003.

We believe that the implementation of programmatic budgeting in FY 2003, and the August 2003 creation and filling of the position of General Programs Director to supervise the Teen, Youth, Adult, and Senior program directors, and report to the Executive Director, will help ensure that RCC's teen and other general programs are operated within their budgets in the future.

We concluded that the RCC's financial management systems, including related policies, procedures and practices, are adequate for the successful management of RCC's operations. We found that a number of new initiatives put in place by the current Executive Director, including programmatic budgeting, a determination of the subsidization provided for each program, a new point of sale/registration system and a facility rental booking system, has given RCC management better control over the financial operations of the Center.

Nothing came to our attention during this process to convince us that these systems would not work as intended. However, like all systems, these systems depend on management and staff to follow established procedures for them to work as intended.

COMMENTS AND OUR EVALUATION

We met, on September 3, 2003, with the Chairman of the RCC Board of Governors, and the Executive Director, to discuss the results of our review as contained in our draft report. After reviewing the draft report, they provided us with comments for our consideration.

We made changes to the report, where appropriate, to include the additional information provided at the meeting.

The Chairman of the Board of Governors and the Executive Director of RCC said that they were in general agreement with the facts and conclusions presented in the report.

SCOPE OF REVIEW

As a result of the RCC's April 2003 decision to terminate the operation of two of its teen programs prematurely for lack of funds, the Board of Supervisors requested, on June 2, 2003, that our Office review RCC's fiscal policies and practices and report the results to the Board.

Our review focused on (1) the reasons behind RCC's termination of the two teen programs (Panthers after Hours and Support on Suspension) and (2) the adequacy of RCC's financial management systems.

We discussed these issues with the Chairman of RCC's Board of Governors, Executive Director, Deputy Executive Director, Comptroller, and the Director of Teen Programs. We also discussed matters relevant to these issues with Supervisor Hudgins and officials from the County's Department of Management and Budget.

We reviewed prior year budgets and budget forecasts and minutes of Board of Governors' meetings from January 2002 to June 2003. We obtained and reviewed two reports on the RCC issued by the County's Office of Internal Audit. We also obtained and reviewed financial reports from FAMIS and other financial reports prepared by the RCC Comptroller illustrating the financial problems with RCC's Teen Program.

We had in-depth discussions with the Executive Director, Deputy Director, and the Comptroller on the various financial management enhancements that have been put into place under the direction of the Executive Director. In addition, we discussed organizational structure changes to strengthen the day-to-day supervision of operations.

Results of RCC's Financial Operations Since Inception

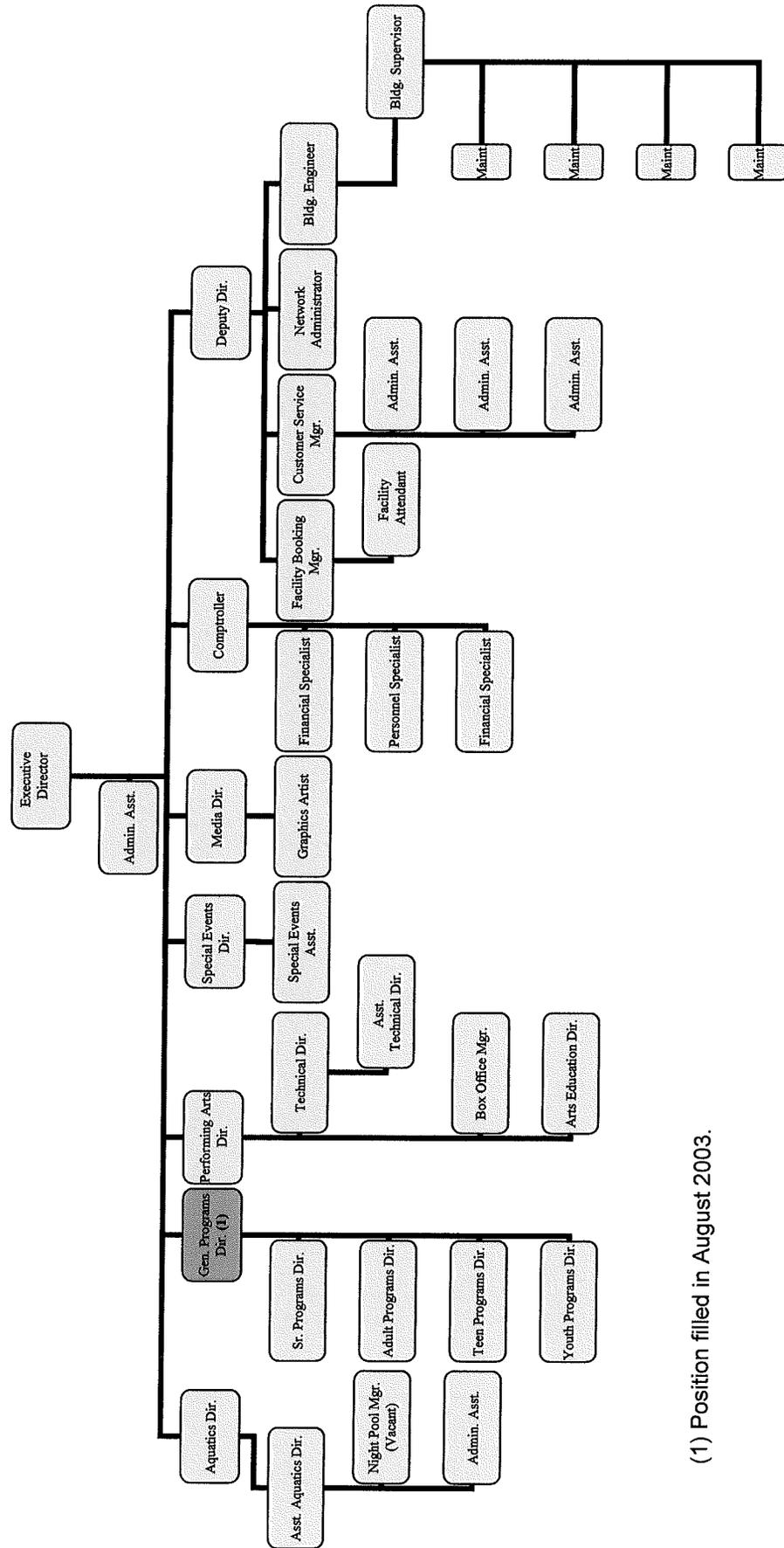


FY 1982 - FY 2002 .06/\$100
 FY 2003 - Current .052/\$100

FY 1978 - FY 1981 .04/\$100

Tax Rates: FY 1976 .05/\$100
 FY 1977 .10/\$100

RCC Organizational Chart
September 9, 2003



(1) Position filled in August 2003.

