

REVISED

**SCHOOL BOARD AGENDA ITEM**

**Agenda Item No. \_\_\_\_\_**

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**Prepared:** June 24, 2004      **New Business:** July 8, 2004      **Action:** July 22, 2004

**Staff Contact:** Deirdra McLaughlin, Chief Financial Officer, Financial Services

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**SUBJECT:**      FY 2004 Final Budget Review

**RECOMMENDATION:**

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

**EXPLANATION:**

All FY 2004 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 2004 estimate.

If the School Board approves the FY 2005 recommended expenditure adjustments totaling \$22.7 million, \$15.0 million will be allocated as the beginning balance for FY 2006.

Recommended expenditure adjustments include:

- \$2.0 million for the Energy Savings for Kids program
- \$0.9 million for an assistant principal at nine elementary schools that do not qualify for an assistant principal and a second assistant principal at the alternative high schools
- \$1.1 million for TSSpecs and SBTS positions
- \$3.0 million for office/classroom conversion

A summary of the competitive grants activity is attached.

Attachments

**AMOUNT**

**I. FY 2004 ACTUAL**

**A. Revenue**

**\$1,474,920**

Actual revenue for FY 2004 was \$5.4 million above the estimate primarily due to additional sales tax receipts, as well as higher than anticipated receipts from tuition, fees, and facilities use. These additional receipts were offset by a decrease in federal grant revenues of \$3.9 million due to unspent federal grant awards that will be carried forward and appropriated again in FY 2005.

**B. Expenditures**

**21,191,866**

The net variance in expenditure accounts was \$21.2 million. Variances include the following items:

1. Salaries and Benefits: The compensation budget, including bus driver salaries, hourly, and substitute accounts ended the year with an \$18.4 million ending balance.
2. Logistic Accounts: Logistic accounts ended the year with a balance of \$2.8 million.

**FY 2004 AVAILABLE BALANCE**

**\$22,666,786**

**AMOUNT**

**POSITIONS**

**II. FY 2005 EXPENDITURE ADJUSTMENTS**

**X A. FY 2006 Budget Beginning Balance**

**\$15,004,206**

**0.0**

Approximately \$15.0 million has been identified after all FY 2004 year-end and FY 2005 adjustments. It is recommended that these funds be designated as beginning balance for FY 2006.

The FY 2006 fiscal forecast includes a \$20.0 million beginning balance.

		<u>AMOUNT</u>	<u>POSITIONS</u>
X	<p><b>B. Energy Savings for Kids</b></p> <p>Energy performance contracts use utility savings to improve the efficiency of the building. If the improvements were funded by cash versus being financed, interest costs would be avoided. In addition to this \$2.0 million allocation, \$1.0 million will be reallocated from building maintenance to provide \$3.0 million for this program. Paying for these improvements outright will save approximately \$1.0 million in interest payments over 12 years. In addition, \$3.0 million in building improvements will save approximately \$0.3 million annually in energy costs.</p>	2,000,000	0.0
√	<p><b>C. Elementary School Assistant Principals (AP)</b></p> <p>This funding will adjust the elementary staffing formula to provide an assistant principal position at every elementary school. AP positions will be added to Cunningham Park, Stenwood, Westbriar, Westgate, Lemon Road, Olde Creek, Wakefield Forest, Clermont, and Clifton Elementary Schools.</p>	692,500	9.0
√	<p><b>D. Assistant Principal Staffing at Alternative High Schools</b></p> <p>This funding will add a second assistant principal (AP) to Pimmit Hills, Bryant, and Mountain View Alternative High Schools and will eliminate the need for the schools to trade for the position. The additional AP is needed to provide supervision, teacher evaluation, rolling student enrollment, student management, staff development, and community/business outreach in a unique environment in which students are served in day, evening, and summer programs housed on site. The cost of \$0.3 million includes benefits.</p>	260,344	3.0
√	<p><b>E. Technology Specialists</b></p> <p>This funding will add 24.0 TSSpecs to increase TSSpec staffing at high schools from <del>.5</del> <span style="border: 1px solid black; padding: 0 2px;">.2</span> to 1.0 per school. An additional <del>9.0</del> <span style="border: 1px solid black; padding: 0 2px;">8.5</span> SBTS positions are included to increase middle school SBTS staffing from .5 to 1.0 per school. SOQ placeholder funding of \$1.3 million set aside at the FY 2005 Approved Budget will offset a portion of the total cost of \$2.4 million.</p>	1,064,480	32.5

√ Recurring  
X Nonrecurring

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>F. Translators</b></p> <p>This funding will provide 6.0 translator positions. Translators will provide enhanced translation services to language minority parents from a central location. The total cost of the positions and benefits is \$0.3 million, which will be partially offset by a reduction of \$0.1 million in hourly technical funds.</p>	<b>221,598</b>	<b>6.0</b>
X	<p><b>G. Office/Classroom Conversion</b></p> <p>By consolidating administrative staff, space will become available in closed elementary schools that have been used as administrative centers since the early 1980s. There is significant overcrowding in schools adjacent to some of our centers. Consolidation will provide the opportunity to renovate/rebuild these elementary schools to be used to alleviate severe overcrowding. The proposed \$3.0 million placeholder will provide the interim funds needed to begin the process of moving staff to other space. When all of these changes are in place, savings from building maintenance, utilities, and leases will offset any new expenditures.</p>	<b>3,000,000</b>	<b>0.0</b>
√	<p><b>H. Positions for Hearings and Legal Office</b></p> <p>This funding will provide 1.0 hearing officer and 1.5 administrative assistants to manage the volume and demands of the office.</p>	<b>159,217</b>	<b>2.5</b>
√	<p><b>I. Retiree Health Subsidy</b></p> <p>An additional \$0.1 million is required to align the Fairfax County Employees' Retirement System (FCERS) retiree health subsidy with the county's FY 2005 revised health care subsidy structure.</p>	<b>100,000</b>	<b>0.0</b>
√	<p><b>J. Young Scholars</b></p> <p>This funding will provide 3.0 gifted and talented (GT) teacher positions for the Young Scholars Program.</p>	<b>164,441</b>	<b>3.0</b>

√ Recurring  
X Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
√ <b>K. Network Engineers</b>	<b>0</b>	<b>2.0</b>
<p>Position authorization is requested to add 2.0 network engineers. The cost of the positions will be paid from school bond funds. The engineers are needed to design and manage the installation of complete wireless network deployments for every elementary, middle, and high school and to manage the completion of IMS infrastructure upgrades at seven middle schools and PBX replacement and telephones in all middle and high school classrooms.</p>		
<b>TOTAL EXPENDITURES</b>	<u><b>\$22,666,786</b></u>	<u><b>58.0</b></u>

√ Recurring  
X Nonrecurring

### **III. OTHER FUNDS**

#### **FOOD AND NUTRITION SERVICES FUND**

The FY 2004 ending balance in the Food and Nutrition Services Fund is \$10.3 million, or \$1.5 million more than projected, primarily due to higher than anticipated receipts. The FY 2005 budget was updated to reflect the FY 2004 actuals. Revenues were adjusted to address higher participation and increased federal revenue. Expenditures were increased to account for higher food and supply prices and compensation adjustments.

In attachment 1, an additional supplemental appropriation resolution of \$1.0 million is requested for the Food and Nutrition Services Fund. Expenditures were higher than projected due to unforeseen price increases occurring at the end of the fiscal year. However, it is important to note that this totally self-supporting fund ended FY 2004 with higher than estimated receipts of \$2.2 million, and an ending balance of \$10.3 million, which is \$1.5 million more than projected.

#### **GRANTS AND SELF-SUPPORTING PROGRAM FUND**

##### **Grants Subfund:**

FY 2005 appropriations in the Grants Subfund are increasing \$10.9 million due to the following:

- \$10.9 million carryover of FY 2004 unspent grant awards
- A \$54,273 transfer from the Operating Fund to the Quest Program due to a reduction in grant funding. This funding will continue the summer program and allow for an increase in enrollment.

In addition, an increase of 3.0 positions is being recognized for the Care Connection for Children grant, the Juvenile Detention Center grant, and the Cox Communications grant.

##### **Summer School Subfund:**

The FY 2004 ending balance of the Summer School Subfund is \$5.2 million. After deducting the budgeted ending balance of \$3.1 million and undelivered orders of \$0.1 million, the available balance is \$2.0 million.

#### **ADULT AND COMMUNITY EDUCATION FUND**

The FY 2004 ending balance of the Adult and Community Education (ACE) is \$1.7 million. Of this amount, \$0.5 million is designated for the ACE online registration project phase and \$0.1 million is for undelivered orders. FY 2005 revenue and expenditures are increased by \$140,553 due to an Adult ESOL grant award.

#### **SCHOOL CONSTRUCTION FUND**

The estimate of remaining insurance proceeds from the Floris Elementary roof damage of \$294,119 is added to the FY 2005 budget. Transfers-in from the School Operating Fund will increase by \$374,628 for facility modifications, which include nonbond funds for minor improvements.

An increase of \$307,409,673 in the School Construction Fund appropriation is due to project balances being carried forward and reallocated in FY 2005 in addition to the transfer from the Operating Fund. Total project costs for multiyear 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 2004 ending balance in the School Insurance Fund is \$14.7 million, or \$1.3 million less than projected. This loss is attributed to higher worker's compensation claims and increased losses in general liability.

### **HEALTH & FLEXIBLE BENEFITS FUND**

The FY 2004 ending balance in the Health and Flexible Benefits Fund is \$23.6 million, or \$5.4 million more than projected, primarily due to lower than anticipated health claims expenditures. A new consulting firm has been contracted to provide actuarial analysis and as premium rates for calendar year 2005 are established, adjustments to the fund will be made at quarterly School Board reviews.

### **CENTRAL PROCUREMENT FUND**

The ending balance in the Central Procurement Fund is \$476,215, or \$357,226 less than projected.

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

The FY 2004 ending balance for the Educational Employees' Supplementary Retirement System of Fairfax County is \$1.5 billion. This reflects the fund's total asset value through May 31, 2004, and estimated asset values for June 2004.

FY 2004 revenues from contributions totaled \$59.7 million, \$7.3 million less than the fiscal year's estimate of \$67.0 million. Investment income growth for the fund has historically been budgeted at the actuarially assumed rate of 7.5 percent. Investment income of \$220.2 million is \$110.2 million more than the FY 2004 estimate. Expenditures for FY 2004 totaled \$121.8 million, which was \$19.8 million less than the FY 2004 estimate.

**SCHOOL OPERATING FUND STATEMENT**

	<b>FY 2004 Estimate</b>	<b>FY 2004 Actual</b>	<b>Variance</b>	<b>FY 2005 Approved</b>	<b>FY 2005 Revised</b>	<b>Variance</b>
<b>BEGINNING BALANCE, July 1:</b>						
Budgeted Beginning Balance	\$43,181,985	\$43,181,985	\$0	\$41,895,437	\$41,895,437	\$0
Flexibility Reserve	5,500,000	5,500,000	-	-	8,000,000	8,000,000
Undelivered Orders	25,466,335	25,466,335	-	-	28,585,247	28,585,247
Automatic Carryover	8,058,811	8,058,811	-	-	6,404,526	6,404,526
Unencumbered Carryover	13,079,112	13,079,112	-	-	6,370,310	6,370,310
Grants Carryover	186,033	186,033	-	-	52,093	52,093
Available Balance	<u>15,274,906</u>	<u>15,274,906</u>	<u>-</u>	<u>-</u>	<u>22,666,786</u>	<u>22,666,786</u>
<b>Total Beginning Balance</b>	<b>\$110,747,182</b>	<b>\$110,747,182</b>	<b>\$0</b>	<b>\$41,895,437</b>	<b>\$113,974,399</b>	<b>\$72,078,962</b>
<b>RECEIPTS:</b>						
Sales Tax	\$118,338,192	\$120,693,190	\$2,354,998	\$140,671,621	\$140,671,621	\$0
State Aid	195,537,656	194,278,028	(1,259,628)	224,915,919	224,915,919	-
Federal Aid	39,802,809	36,821,334	(2,981,475)	37,475,166	41,367,128	3,891,962
City of Fairfax Tuition	27,069,379	27,069,379	-	29,138,289	29,138,289	-
Tuition, Fees, and Other	<u>9,464,801</u>	<u>12,825,826</u>	<u>3,361,025</u>	<u>9,065,876</u>	<u>9,065,876</u>	<u>-</u>
<b>Total Receipts</b>	<b>\$390,212,837</b>	<b>\$391,687,757</b>	<b>\$1,474,920</b>	<b>\$441,266,871</b>	<b>\$445,158,833</b>	<b>\$3,891,962</b>
<b>TRANSFERS IN:</b>						
County General Fund:						
Approved Operating Transfer	\$1,239,228,957	\$1,239,228,957	\$0	\$1,320,752,823	\$1,320,752,823	\$0
Teacher Liability Payment	<u>1,621,364</u>	<u>1,621,364</u>	<u>-</u>	<u>1,621,364</u>	<u>1,621,364</u>	<u>-</u>
<b>Total Transfers In</b>	<b>\$1,240,850,321</b>	<b>\$1,240,850,321</b>	<b>\$0</b>	<b>\$1,322,374,187</b>	<b>\$1,322,374,187</b>	<b>\$0</b>
<b>Total Receipts &amp; Transfers</b>	<b>\$1,631,063,158</b>	<b>\$1,632,538,078</b>	<b>\$1,474,920</b>	<b>\$1,763,641,058</b>	<b>\$1,767,533,020</b>	<b>\$3,891,962</b>
<b>Total Funds Available</b>	<b>\$1,741,810,340</b>	<b>\$1,743,285,260</b>	<b>\$1,474,920</b>	<b>\$1,805,536,495</b>	<b>\$1,881,507,419</b>	<b>\$75,970,924</b>
<b>EXPENDITURES</b>						
School Board Reserve	\$1,700,424,766	\$1,595,925,287	(\$104,499,479)	\$1,773,749,157	\$1,841,291,180	\$67,542,023
School Reserve	8,000,000	-	(8,000,000)	-	8,000,000	8,000,000
Teacher Liability Payment	<u>1,621,364</u>	<u>1,621,364</u>	<u>-</u>	<u>1,621,364</u>	<u>1,621,364</u>	<u>-</u>
<b>Total Expenditures</b>	<b>\$1,710,046,130</b>	<b>\$1,597,546,651</b>	<b>(\$112,499,479)</b>	<b>\$1,775,370,521</b>	<b>\$1,850,912,544</b>	<b>\$75,542,023</b>
<b>TRANSFERS OUT:</b>						
School Construction Fund	\$11,152,388	\$11,152,388	\$0	\$12,858,000	\$13,232,628	\$374,628
Grants & Self-Supporting Fund	19,071,530	19,071,530	-	15,741,598	15,795,871	54,273
Adult & Community Education Fund	1,200,131	1,200,131	-	1,200,131	1,200,131	-
Health and Flexible Benefits Fund	<u>340,161</u>	<u>340,161</u>	<u>-</u>	<u>366,245</u>	<u>366,245</u>	<u>-</u>
<b>Total Transfers Out</b>	<b>\$31,764,210</b>	<b>\$31,764,210</b>	<b>\$0</b>	<b>\$30,165,974</b>	<b>\$30,594,875</b>	<b>\$428,901</b>
<b>Total Disbursements</b>	<b>\$1,741,810,340</b>	<b>\$1,629,310,861</b>	<b>(\$112,499,479)</b>	<b>\$1,805,536,495</b>	<b>\$1,881,507,419</b>	<b>\$75,970,924</b>
<b>ENDING BALANCE, June 30:</b>	<b>\$0</b>	<b>\$113,974,399</b>	<b>\$113,974,399</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Less:</b>						
Flexibility Reserve	\$0	\$8,000,000	\$8,000,000	\$0	\$0	\$0
Other Commitments	<u>0</u>	<u>83,307,613</u>	<u>83,307,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Available Ending Balance</b>	<b>\$0</b>	<b>\$22,666,786</b>	<b>\$22,666,786</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2004</u> <u>Estimate</u>	<u>FY 2004</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2005</u> <u>Approved</u>	<u>FY 2005</u> <u>Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$9,797,485</b>	<b>\$9,797,485</b>	<b>\$0</b>	<b>\$8,837,349</b>	<b>\$10,301,212</b>	<b>\$1,463,863</b>
<b>RECEIPTS:</b>						
Food Sales	\$37,184,909	\$38,441,274	\$1,256,365	\$35,682,142	\$39,402,306	\$3,720,164
Federal Aid	14,696,065	15,720,374	1,024,309	14,993,639	16,113,383	1,119,744
State Aid	717,873	758,851	40,978	717,873	717,873	0
Other Revenue	208,203	70,839	(137,364)	117,593	72,610	(44,983)
<b>Total Receipts</b>	<b>\$52,807,050</b>	<b>\$54,991,338</b>	<b>\$2,184,288</b>	<b>\$51,511,247</b>	<b>\$56,306,172</b>	<b>\$4,794,925</b>
<b>Total Funds Available</b>	<b>\$62,604,535</b>	<b>\$64,788,823</b>	<b>\$2,184,288</b>	<b>\$60,348,596</b>	<b>\$66,607,384</b>	<b>\$6,258,788</b>
<b>EXPENDITURES</b>	<b>\$53,755,590</b>	<b>\$54,795,403</b>	<b>\$1,039,813</b>	<b>\$51,563,629</b>	<b>\$66,607,384</b>	<b>\$15,043,755</b>
Change in Inventory	\$0	\$307,792	\$307,792	\$0	\$0	\$0
<b>ENDING BALANCE, JUNE 30</b>	<b>\$8,848,945</b>	<b>\$10,301,212</b>	<b>\$1,452,267</b>	<b>\$8,784,967</b>	<b>\$0</b>	<b>(\$8,784,967)</b>
<b>Less:</b>						
Undelivered Orders	0	939,748	939,748	0	0	0
Inventory	0	1,649,087	1,649,087	0	0	0
<b>Available Ending Balance</b>	<b>\$8,848,945</b>	<b>\$7,712,377</b>	<b>(\$1,136,568)</b>	<b>\$8,784,967</b>	<b>\$0</b>	<b>(\$8,784,967)</b>

**GRANTS & SELF-SUPPORTING PROGRAMS FUND STATEMENT**

	<u>FY 2004 Estimate</u>	<u>FY 2004 Actual</u>	<u>Variance</u>	<u>FY 2005 Approved</u>	<u>FY 2005 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$5,326,446	\$5,326,446	\$0	\$3,100,000	\$7,171,479	\$4,071,479
<b>RECEIPTS:</b>						
State Aid	\$10,402,325	\$7,148,332	(\$3,253,993)	\$8,885,313	\$10,128,497	\$1,243,184
Federal Aid	34,327,299	23,573,506	(10,753,793)	24,098,963	31,742,647	7,643,684
Tuition	3,187,036	3,169,984	(17,052)	3,298,577	3,298,577	0
Industry, Foundation, Other	692,827	479,916	(212,911)	180,600	180,600	0
<b>Total Receipts</b>	<u>\$48,609,487</u>	<u>\$34,371,738</u>	<u>(\$14,237,749)</u>	<u>\$36,463,453</u>	<u>\$45,350,321</u>	<u>\$8,886,868</u>
<b>TRANSFERS IN:</b>						
School Operating Fund (Grants)	\$5,055,379	\$5,055,379	\$0	\$5,163,543	\$5,217,816	\$54,273
School Operating Fund (Summer School)	14,016,151	14,016,151	0	10,578,055	10,578,055	0
Cable Communications Fund	1,603,329	1,603,329	0	1,784,140	1,784,140	0
<b>Total Transfers In</b>	<u>\$20,674,859</u>	<u>\$20,674,859</u>	<u>\$0</u>	<u>\$17,525,738</u>	<u>\$17,580,011</u>	<u>\$54,273</u>
<b>Total Receipts and Transfers</b>	<b>\$69,284,346</b>	<b>\$55,046,597</b>	<b>(\$14,237,749)</b>	<b>\$53,989,191</b>	<b>\$62,930,332</b>	<b>\$8,941,141</b>
<b>Total Funds Available</b>	<b>\$74,610,792</b>	<b>\$60,373,043</b>	<b>(\$14,237,749)</b>	<b>\$57,089,191</b>	<b>\$70,101,811</b>	<b>\$13,012,620</b>
<b>EXPENDITURES</b>	<b>\$74,610,792</b>	<b>\$53,201,564</b>	<b>(\$21,409,228)</b>	<b>\$57,089,191</b>	<b>\$70,101,811</b>	<b>\$13,012,620</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$7,171,479</b>	<b>\$7,171,479</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Less:</b>						
Undelivered Orders	0	1,053,980	1,053,980	0	0	0
<b>Available Ending Balance</b>	<u><b>\$0</b></u>	<u><b>\$6,117,499</b></u>	<u><b>\$6,117,499</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

## ADULT & COMMUNITY EDUCATION FUND STATEMENT

	<u>FY 2004</u> <u>Estimate</u>	<u>FY 2004</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2005</u> <u>Approved</u>	<u>FY 2005</u> <u>Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$2,051,629</b>	<b>\$2,051,629</b>	<b>\$0</b>	<b>\$421,945</b>	<b>\$1,689,737</b>	<b>\$1,267,792</b>
<b>RECEIPTS:</b>						
State Aid	\$748,672	\$845,868	\$97,196	\$827,139	\$827,139	\$0
Federal Aid	965,428	1,038,151	72,723	885,837	1,026,390	140,553
Tuition and Fees	6,917,684	6,859,140	(58,544)	7,131,772	7,131,772	0
Other	121,344	27,648	(93,696)	19,224	19,224	0
<b>Total Receipts</b>	<b>\$8,753,128</b>	<b>\$8,770,807</b>	<b>\$17,679</b>	<b>\$8,863,972</b>	<b>\$9,004,525</b>	<b>\$140,553</b>
<b>TRANSFERS IN:</b>						
School Operating Fund	\$1,200,131	\$1,200,131	\$0	\$1,200,131	\$1,200,131	\$0
<b>Total Transfers In</b>	<b>\$1,200,131</b>	<b>\$1,200,131</b>	<b>\$0</b>	<b>\$1,200,131</b>	<b>\$1,200,131</b>	<b>\$0</b>
<b>Total Receipts and Transfers</b>	<b>\$9,953,259</b>	<b>\$9,970,938</b>	<b>\$17,679</b>	<b>\$10,064,103</b>	<b>\$10,204,656</b>	<b>\$140,553</b>
<b>Total Funds Available</b>	<b>\$12,004,888</b>	<b>\$12,022,567</b>	<b>\$17,679</b>	<b>\$10,486,048</b>	<b>\$11,894,393</b>	<b>\$1,408,345</b>
<b>EXPENDITURES</b>	<b>\$12,004,888</b>	<b>\$10,332,830</b>	<b>(\$1,672,058)</b>	<b>\$10,486,048</b>	<b>\$11,894,393</b>	<b>\$1,408,345</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$1,689,737</b>	<b>\$1,689,737</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Less:</b>						
Undelivered Orders	0	102,386	102,386	0	0	0
<b>Available Ending Balance</b>	<b>\$0</b>	<b>\$1,587,351</b>	<b>\$1,587,351</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### SCHOOL CONSTRUCTION FUND STATEMENT

	<u>FY 2004 Estimate</u>	<u>FY 2004 Actual</u>	<u>Variance</u>	<u>FY 2005 Approved</u>	<u>FY 2005 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>(\$6,477,429)</b>	<b>(\$6,477,429)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,683,279</b>	<b>\$2,683,279</b>
<b>RECEIPTS:</b>						
Bond Sales	\$130,000,000	\$130,000,000	\$0	\$130,000,000	\$130,000,000	\$0
State Construction Grant	935,262	936,063	801	931,660	931,660	0
PTA/PTO Receipts	150,000	693,746	543,746	150,000	150,000	0
City of Fairfax	150,000	252,310	102,310	150,000	150,000	0
Insurance Proceeds - Floris	1,300,000	616,069	(683,931)	0	294,119	294,119
Insurance Proceeds - Dogwood	1,203,422	1,203,422	0	0	0	0
Other Revenue	136,000	1,430,619	1,294,619	136,000	136,000	0
<b>Total Receipts</b>	<b>\$133,874,684</b>	<b>\$135,132,229</b>	<b>\$1,257,545</b>	<b>\$131,367,660</b>	<b>\$131,661,779</b>	<b>\$294,119</b>
<b>AUTHORIZED BUT UNISSUED BONDS</b>						
Total Referendums	\$303,525,660	\$0	(\$303,525,660)	59,636,000	363,693,647	304,057,647
	<b>\$303,525,660</b>	<b>\$0</b>	<b>(\$303,525,660)</b>	<b>\$59,636,000</b>	<b>\$363,693,647</b>	<b>\$304,057,647</b>
<b>TRANSFERS IN:</b>						
<b>School Operating Fund</b>						
Building Maintenance	\$6,633,729	\$6,633,729	\$0	\$9,000,000	\$9,000,000	\$0
Classroom Equipment	3,422,014	3,422,014	0	3,258,000	3,258,000	0
Facility Modifications	1,096,645	1,096,645	0	600,000	974,628	374,628
<b>Total Transfers In</b>	<b>\$11,152,388</b>	<b>\$11,152,388</b>	<b>\$0</b>	<b>\$12,858,000</b>	<b>\$13,232,628</b>	<b>\$374,628</b>
<b>Total Receipts and Transfers</b>	<b>\$448,552,732</b>	<b>\$146,284,617</b>	<b>(\$302,268,115)</b>	<b>\$203,861,660</b>	<b>\$508,588,054</b>	<b>\$304,726,394</b>
<b>Total Funds Available</b>	<b>\$442,075,303</b>	<b>\$139,807,188</b>	<b>(\$302,268,115)</b>	<b>\$203,861,660</b>	<b>\$511,271,333</b>	<b>\$307,409,673</b>
<b>EXPENDITURES AND COMMITMENTS:</b>						
Expenditures	\$138,549,643	\$137,123,909	(\$1,425,734)	\$144,225,660	\$147,577,686	\$3,352,026
Additional Contractual Commitments	303,525,660	0	(303,525,660)	59,636,000	363,693,647	304,057,647
<b>Total Disbursements</b>	<b>\$442,075,303</b>	<b>\$137,123,909</b>	<b>(\$304,951,394)</b>	<b>\$203,861,660</b>	<b>\$511,271,333</b>	<b>\$307,409,673</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$2,683,279</b>	<b>\$2,683,279</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SCHOOL INSURANCE FUND STATEMENT**

	<u>FY 2004 Estimate</u>	<u>FY 2004 Actual</u>	<u>Variance</u>	<u>FY 2005 Approved</u>	<u>FY 2005 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$16,956,380</b>	<b>\$16,956,380</b>	<b>\$0</b>	<b>\$16,703,851</b>	<b>\$14,730,720</b>	<b>(\$1,973,131)</b>
<b>RECEIPTS:</b>						
Workers' Compensation						
School Operating Fund	\$2,975,116	\$2,975,116	\$0	\$3,475,116	\$3,475,116	\$0
School Food & Nutrition Serv. Fund	218,124	218,124	0	218,124	218,124	0
Other Insurance						
School Operating Fund	4,700,000	4,700,000	0	6,700,000	6,700,000	
Insurance Proceeds	345,752	345,752	0	0	280,904	280,904
<b>Total Receipts</b>	<b>\$8,238,992</b>	<b>\$8,238,992</b>	<b>\$0</b>	<b>\$10,393,240</b>	<b>\$10,674,144</b>	<b>\$280,904</b>
<b>Total Funds Available</b>	<b>\$25,195,372</b>	<b>\$25,195,372</b>	<b>\$0</b>	<b>\$27,097,091</b>	<b>\$25,404,864</b>	<b>(\$1,692,227)</b>
<b>EXPENDITURES:</b>						
Workers' Compensation						
Claims Paid	\$2,853,500	\$3,803,626	\$950,126	\$3,302,000	\$3,302,000	\$0
Administration	433,899	476,977	43,078	644,274	644,274	0
Claims Management	583,699	639,142	55,443	600,000	600,000	0
Other Insurance	5,320,423	5,544,907	224,484	6,143,935	6,143,935	0
<b>Subtotal Expenditures</b>	<b>\$9,191,521</b>	<b>\$10,464,652</b>	<b>\$1,273,131</b>	<b>\$10,690,209</b>	<b>\$10,690,209</b>	<b>\$0</b>
Net change in accrued liabilities-Worker's Comp	\$403,031	(\$10,195)	(\$413,226)	\$403,031	\$0	(\$403,031)
Net change in accrued liabilities-Other Insurance	0	(875,970)	(875,970)	0	0	0
<b>Total Expenditures</b>	<b>9,594,552</b>	<b>9,578,487</b>	<b>(16,065)</b>	<b>11,093,240</b>	<b>10,690,209</b>	<b>(403,031)</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$16,003,851</b>	<b>\$14,730,720</b>	<b>(\$1,273,131)</b>	<b>\$16,406,882</b>	<b>\$14,714,655</b>	<b>(\$1,692,227)</b>
<b>Restricted Reserves</b>						
Workers Comp Accrued Liability	11,367,226	10,954,000	(413,226)	11,770,257	10,954,000	(816,257)
Other Insurance Accrued Liability	4,636,625	3,760,655	(875,970)	4,636,625	3,760,655	(875,970)
Reserve for Catastrophic Occurrences	0	16,065	16,065	0	0	0
<b>Total Reserves</b>	<b>\$16,003,851</b>	<b>\$14,730,720</b>	<b>(\$1,273,131)</b>	<b>\$16,406,882</b>	<b>\$14,714,655</b>	<b>(\$1,692,227)</b>

**SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT**

	<u>FY 2004 Estimate</u>	<u>FY 2004 Actual</u>	<u>Variance</u>	<u>FY 2005 Approved</u>	<u>FY 2005 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$14,689,825</b>	<b>\$14,689,825</b>	<b>\$0</b>	<b>\$18,240,129</b>	<b>\$23,623,914</b>	<b>\$5,383,785</b>
<b>RECEIPTS:</b>						
Employer Contributions	\$108,047,582	\$103,940,287	(\$4,107,295)	\$121,973,293	\$121,973,293	\$0
Employee Contributions	30,144,562	30,301,908	157,346	34,517,077	34,517,077	0
Retiree/Other Contributions	17,620,169	21,485,588	3,865,419	21,400,316	21,400,316	0
Interest Income	560,000	320,652	(239,348)	560,000	560,000	0
<b>Subtotal</b>	<b>\$156,372,313</b>	<b>\$156,048,435</b>	<b>(\$323,878)</b>	<b>\$178,450,686</b>	<b>\$178,450,686</b>	<b>\$0</b>
Flexible Accounts Withholdings	\$4,446,550	\$4,938,206	\$491,656	\$4,787,515	\$4,787,515	\$0
<b>Total Receipts</b>	<b>\$160,818,863</b>	<b>\$160,986,641</b>	<b>\$167,778</b>	<b>\$183,238,201</b>	<b>\$183,238,201</b>	<b>\$0</b>
<b>TRANSFERS IN:</b>						
School Operating Fund	340,161	340,161	0	366,245	366,245	0
<b>Total Receipts and Transfers</b>	<b>\$161,159,024</b>	<b>\$161,326,802</b>	<b>\$167,778</b>	<b>\$183,604,446</b>	<b>\$183,604,446</b>	<b>\$0</b>
<b>Total Funds Available</b>	<b>\$175,848,849</b>	<b>\$176,016,627</b>	<b>\$167,778</b>	<b>\$201,844,575</b>	<b>\$207,228,360</b>	<b>\$5,383,785</b>
<b>EXPENDITURES/PAYMENTS:</b>						
Health Benefits Paid	\$104,687,237	\$102,273,343	(\$2,413,894)	\$122,663,420	\$122,663,420	\$0
Premiums Paid	38,305,403	36,916,182	(1,389,221)	45,009,985	45,009,985	0
Claims Incurred but not Reported (IBNR)	16,347,578	14,394,000	(1,953,578)	18,735,252	18,735,252	0
IBNR Prior Year Credit	(13,823,053)	(13,200,000)	623,053	(15,904,104)	(15,904,104)	0
Health Administrative Expenses	7,710,081	7,396,903	(313,178)	8,446,544	8,446,544	0
<b>Subtotal</b>	<b>\$153,227,246</b>	<b>\$147,780,428</b>	<b>(\$5,446,818)</b>	<b>\$178,951,097</b>	<b>\$178,951,097</b>	<b>\$0</b>
Flexible Accounts Reimbursement	\$4,259,968	\$4,505,430	\$245,462	\$4,723,669	\$4,723,669	\$0
FSA Administrative Expenses	121,506	106,855	(14,651)	116,011	116,011	0
<b>Subtotal</b>	<b>\$4,381,474</b>	<b>\$4,612,285</b>	<b>\$230,811</b>	<b>\$4,839,680</b>	<b>\$4,839,680</b>	<b>\$0</b>
Premium Stabilization Reserve	\$18,240,129	\$0	(\$18,240,129)	\$18,053,798	\$23,437,583	\$5,383,785
<b>Total Disbursements</b>	<b>\$175,848,849</b>	<b>\$152,392,713</b>	<b>(\$23,456,136)</b>	<b>\$201,844,575</b>	<b>\$207,228,360</b>	<b>\$5,383,785</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$23,623,914</b>	<b>\$23,623,914</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SCHOOL CENTRAL PROCUREMENT FUND STATEMENT**

	<u>FY 2004 Estimate</u>	<u>FY 2004 Actual</u>	<u>Variance</u>	<u>FY 2005 Approved</u>	<u>FY 2005 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$833,441	\$833,441	\$0	\$833,441	\$476,215	(\$357,226)
<b>RECEIPTS:</b>						
Sales to Schools/Departments	14,000,000	10,827,983	(3,172,017)	14,000,000	14,000,000	-
<b>Total Funds Available</b>	<u>\$14,833,441</u>	<u>\$11,661,424</u>	<u>(\$3,172,017)</u>	<u>\$14,833,441</u>	<u>\$14,476,215</u>	<u>(\$357,226)</u>
<b>EXPENDITURES:</b>						
Purchase for Resale	14,000,000	10,445,285	(3,554,715)	14,000,000	14,000,000	0
<b>Total Disbursements</b>	<u>\$14,000,000</u>	<u>\$10,445,285</u>	<u>(\$3,554,715)</u>	<u>\$14,000,000</u>	<u>\$14,000,000</u>	<u>\$0</u>
Change in Inventory	\$0	(\$739,924)	(\$739,924)	\$0	\$0	\$0
<b>ENDING BALANCE, JUNE 30</b>	<u><u>\$833,441</u></u>	<u><u>\$476,215</u></u>	<u><u>(\$357,226)</u></u>	<u><u>\$833,441</u></u>	<u><u>\$476,215</u></u>	<u><u>(\$357,226)</u></u>

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

	<u>FY 2004 Estimate</u>	<u>FY 2004 Actual</u>	<u>Variance</u>	<u>FY 2005 Approved</u>	<u>FY 2005 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$1,349,792,227	\$1,349,792,227	\$0	\$1,385,185,190	\$1,507,918,347	\$122,733,157
<b>RECEIPTS:</b>						
Contributions	\$67,020,815	\$59,672,070	(\$7,348,745)	\$70,657,214	\$70,657,214	\$0
Investment Income	110,000,000	220,169,010	110,169,010	109,000,000	109,000,000	0
Other	0	113,729	113,729			
<b>Total Receipts</b>	<u>\$177,020,815</u>	<u>\$279,954,809</u>	<u>\$102,933,994</u>	<u>\$179,657,214</u>	<u>\$179,657,214</u>	<u>\$0</u>
<b>Total Funds Available</b>	\$1,526,813,042	\$1,629,747,036	\$102,933,994	\$1,564,842,404	\$1,687,575,561	\$122,733,157
<b>EXPENDITURES</b>	\$141,627,852	\$121,828,689	(\$19,799,163)	\$146,405,488	\$146,405,488	\$0
<b>ENDING BALANCE, JUNE 30</b>	<u>\$1,385,185,190</u>	<u>\$1,507,918,347</u>	<u>\$122,733,157</u>	<u>\$1,418,436,916</u>	<u>\$1,541,170,073</u>	<u>\$122,733,157</u>

**SUPPLEMENTAL APPROPRIATION RESOLUTION**  
**Fiscal Year 2004**

**BE IT RESOLVED** that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2004 Appropriation Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>From</u>	<u>To</u>	<u>Change</u>
191	School Food & Nutrition Services Operating Expenditures	\$53,755,590	\$54,795,403	\$1,039,813

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 2004 Final Budget Review, at a regular meeting held on July 22, 2004, at Luther Jackson Middle School, Falls Church, Virginia.

\_\_\_\_\_  
Date

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

**SUPPLEMENTAL APPROPRIATION RESOLUTION  
FY 2005**

**BE IT RESOLVED** that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2005 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 Operating Expenditures	\$1,736,252,502	\$1,850,912,544	\$114,660,042
191	School Food & Nutrition Services Operating Expenditures	\$51,563,629	\$66,607,384	\$15,043,755
192	School Grants & Self Supporting Programs Operating Expenditures	\$59,438,586	\$70,101,811	\$10,663,225
193	School Adult & Community Education Operating Expenditures	\$10,702,792	\$11,894,393	\$1,191,601
390	School Construction Operating Expenditures	\$160,015,262	\$511,271,333	\$351,256,071
590	School Insurance Operating Expenditures	\$11,093,240	\$10,690,209	(\$403,031)
591	School Health & Flexible Benefits Operating Expenditures	\$201,844,575	\$207,228,360	\$5,383,785
691	School Educational Employees' Supplementary Retirement Fund Operating Expenditures	\$146,405,488	\$146,405,488	\$0

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 2004 Final Budget Review, at a regular meeting held on July 22, 2004, at Luther Jackson Middle School, Falls Church, Virginia.

\_\_\_\_\_  
Date

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

**FISCAL PLANNING RESOLUTION  
FY 2005**

**BE IT RESOLVED** that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2005 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	\$15,313,543	\$15,795,871	\$482,328
		193 School Adult & Community Education	\$1,100,131	\$1,200,131	\$100,000
		390 School Construction	\$12,858,000	\$13,232,628	\$374,628

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 2004 Final Budget Review, at a regular meeting held on July 22, 2004, 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 2004  
Date: June 30, 2004**

**Update for FY 2004 Grants**

This report provides the status of competitive grants for FY 2004:

- FY 2004 competitive grants submitted: \$10.1 million (66 grants)
- FY 2004 competitive grants received: \$2.0 million (26 grants)
- FY 2004 competitive grants denied: \$1.7 million (14 grants)
- FY 2004 competitive grants pending: \$6.4 million (26 grants)

**Win Ratios for Competitive Grants**

Win ratios are computed using two methods: (1) dollar wins, and (2) number-of-application wins. Because some grants are large (over \$100,000) and some grants are small (under \$100,000), the dollar ratio reflects our ability to win large grants. Because most grants are small, the number-of-application ratio reflects the frequency of awards. For FY 2004 to date:

- FCPS has won \$1.98 out of every \$10 submitted – or 20%
- FCPS has won 3.9 applications out of every 10 submitted – or 39%
- The national win ratio is 1 out of every 10 – or 10%

A combined total of 91 competitive and entitlement grants have been submitted for \$60.3 million from July 1, 2003, through June 30, 2004. Of this number, FCPS has received \$50.9 million for 22 entitlement grants and \$2.0 million for the 26 competitive grants that have been awarded so far this fiscal year.