

**ATTACHMENT C:**

**FCPS FY 2011 FINAL BUDGET REVIEW AND  
APPROPRIATION RESOLUTIONS**

**Staff Contact:** Susan Quinn, chief financial officer, Department of Financial Services

**Other Staff Present:** Kristen Michael, director, Office of Budget Services

**Meeting Category:** July 28, 2011 – Regular Meeting No. 2

**Subject:** FY 2011 Final Budget Review

**School Board Action Required:** Information

**Key Points:**

All of the FY 2011 accounts have been closed, subject to the annual audit. A summary of the revenue and expenditure variances is provided for each of the ten funds. All comparisons are against the FY 2011 Third Quarter Estimate.

In the School Operating Fund, after accounting for the FY 2012 and FY 2013 budgeted beginning balances as included in the FY 2012 Approved Budget, flexibility reserve, and other commitments, the funds available are \$55.4 million.

FY 2011 actual revenue was \$1.5 million lower than the estimate or 99.9 percent of the FY 2011 Third Quarter Estimate. State aid is \$0.7 million and sales tax projections are \$3.4 more than projected. A decrease of \$11.7 million in federal revenue is due primarily to \$13.5 million in unspent multiyear grant awards that will be carried forward and reappropriated in FY 2012, offset by a net increase in other federal funding comprised primarily of an increase of \$1.2 million in Impact Aid. The decreases in federal revenue are offset by increases of \$6.2 million in tuition, fees, and other revenue.

After accounting for the flexibility reserve, unexpended grants, and other commitments, FY 2011 actual expenditures were \$56.9 million, or 2.5 percent, lower than the FY 2011 Third Quarter Estimate. Greater vacancy and turnover and continued efforts to conserve resources and achieve efficiencies resulted in these savings. The FY 2012 budget has incorporated a recognition of higher turnover through a decrease in the salary base and includes an increase in budgeted lapse.

Changes to other School Board funds are detailed in the attachment.

**Recommendation:**

That the School Board approve the revenue and expenditure adjustments as detailed in the agenda item, including setting aside \$4.4 million for a centralized textbook fund and allocating the remaining FY 2011 ending balance from the school operating fund of \$50.1 million for the FY 2013 beginning balance.

Attachment: FY 2011 Final Budget Review

	<u>AMOUNT</u>
<b>I. FY 2011 ACTUAL</b>	
<b>A. Revenue</b>	
<b>Sales Tax</b>	<b>3,378,985</b>
Revenue from sales tax is projected to increase by \$3.4 million as compared to the FY 2011 Third Quarter Estimate. The final sales tax payment is received in July after the fiscal year ends.	
<b>State Aid</b>	<b>\$657,644</b>
As compared to the FY 2011 Third Quarter Estimate, state aid increased \$0.7 million primarily due to FCPS' final average daily membership (ADM).	
<b>Federal Revenue</b>	<b>(11,740,628)</b>
Unrealized federal revenue is due primarily to \$13.5 million in unspent grant awards that will be carried forward and reappropriated in FY 2012; this amount is offset by a net increase of \$1.7 million in other federal funding comprised primarily of an increase in Impact Aid payments.	
<b>Other</b>	<b>6,169,728</b>
Based on actual receipts, other categories of revenue including Fairfax City, tuition, fees, and miscellaneous revenue exceeded projections by \$6.2 million.	
<b>TOTAL AVAILABLE REVENUE</b>	<b><u>(\$1,534,271)</u></b>
<b>B. Expenditures</b>	
<b>Excluding Federal Grants</b>	<b>(\$43,466,805)</b>
After funding the FY 2012 and FY 2013 budgeted beginning balance, as included in the FY 2012 Approved Budget, the flexibility reserve, and accounting for other commitments, excluding grants, expenditures were \$43.5 million less than projected. A majority of this variance results from compensation accounts being less than budgeted due to higher turnover than anticipated, health care expenditures being approximately \$5.0 million less than budgeted, and department savings resulting from conservative use of hourly support. Additional savings of \$2.3 million resulted from decreased expenditures for contracted student transportation.	

	<u>AMOUNT</u>
<b>Federal Grants</b>	<b>(13,457,565)</b>
<p>Federal grant award expenditures decreased \$13.5 million due to unspent multiyear grant awards. This available funding will be reappropriated and carried forward to FY 2012.</p>	
<b>TOTAL EXPENDITURES</b>	<b><u>(\$56,924,370)</u></b>
<b>FY 2011 TOTAL FUNDS AVAILABLE</b>	<b><u>\$55,390,099</u></b>

	<u>AMOUNT</u>	<u>POSITIONS</u>
<b>II. FY 2012 EXPENDITURE ADJUSTMENTS</b>		

<b>X</b>	<b>A. Centralized Textbook Fund</b>	<b>\$4,410,503</b>	<b>0.0</b>
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Beginning in FY 2012, FCPS will centralize textbook purchasing starting with online social studies textbooks for middle and high schools. FCPS will fund the textbook license up front and reduce per-pupil textbook funding allocated to middle and high schools each year. At the end of six years, the up-front funding will be completely replenished.

<b>X</b>	<b>B. Management Audit Placeholder</b>	<b>500,000</b>	<b>0.0</b>
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A placeholder of \$0.5 million was established for future School Board directed management audit activities. The School Board will schedule a discussion for the October 17, 2011, work session to define the specifics of the management audit.

<b>√</b>	<b>C. Academic Support to Suspended Students Placeholder</b>	<b>400,000</b>	<b>0.0</b>
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A placeholder of \$0.4 million was established to enhance FCPS' efforts to provide academic support to students who are serving out of school suspensions.

<b>√</b>	<b>D. School Board Auditor</b>	<b>0</b>	<b>0.0</b>
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The School Board will create the title of School Board Auditor to replace the current title, Audit Director, for the individual who heads the Office of Internal Audit and transfer the School Board auditor position, and all positions assigned to support that position in the Office of Internal Audit, from the Superintendent's Office to the School Board Office.

<b>FY 2012 EXPENDITURE ADJUSTMENTS</b>	<b><u>\$5,310,503</u></b>	<b><u>0.0</u></b>
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**III. SUMMARY**

<b>FY 2011 AVAILABLE BALANCE</b>	<b>\$55,390,099</b>
<b>LESS FY 2012 EXPENDITURE ADJUSTMENTS</b>	<b>(5,310,503)</b>
<b>LESS INCREASE IN FY 2013 BUDGETED BEGINNING BALANCE</b>	<b><u>(50,079,596)</u></b>
<b>AVAILABLE ENDING BALANCE</b>	<b><u>\$0</u></b>

**IV. FY 2013 BUDGETED BEGINNING BALANCE**

<b>FY 2012 APPROVED</b>	<b>\$1,504,771</b>
<b>FY 2011 YEAR END</b>	<b><u>50,079,596</u></b>
<b>FY 2013 BUDGETED BEGINNING BALANCE</b>	<b><u>\$51,584,367</u></b>

**V. VRS RESERVE**

<b>AVAILABLE FOR FY 2013 AND BEYOND</b>	<b>\$60,600,000</b>
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## **VI. OTHER FUNDS**

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

Food and Nutrition Services (FNS) Fund revenue was \$2.1 million more than the FY 2011 Third Quarter estimate primarily due to increased federal aid offset by decreased food sales. Expenditures were lower than budgeted by \$2.9 million, mainly in employee compensation accounts. The net effect of the FY 2011 revenue and expenditure actuals, combined with inventory and undelivered orders, result in an available ending balance of \$16.4 million.

In FY 2012, expenditures are projected to increase by \$1.7 million as a result of undelivered orders, new equipment requirements identified as part of year end visits to schools, and a required system upgrade to the EZ-PAR vending software. A component of FNS' Operational Expectations is to build a reserve equivalent to three months of operating expenses, which is estimated at approximately \$21 million. The FY 2011 ending balance results in an increase in FNS' reserve, bringing the reserve total to \$16.9 million in FY 2012. In addition to mitigating increasing food prices, this reserve enables FNS to fund equipment replacement, technology training, as well as other improvements.

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

The FY 2011 ending balance for the Grants and Self Supporting Programs Fund totals \$14.7 million. The ending balance is comprised of \$5.9 million for summer school and \$8.8 million in grant revenues not yet expended. After funding the FY 2012 budgeted beginning balance of \$1.6 million, the FY 2012 budget is increasing by \$26.5 million due to the reappropriation of the ending balance and multiyear grant awards.

#### **Grants Subfund:**

The FY 2011 ending balance for the Grants Subfund totals \$8.8 million and reflects grant revenues not yet expended. After accounting for the budgeted beginning balance of \$0.3 million, the FY 2012 budget for the Grants Subfund is increasing by \$21.9 million due to the reappropriation of the ending balance and multiyear grant awards.

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

The FY 2011 ending balance in the Summer School Subfund is \$5.9 million, primarily due to decreased expenditures of \$1.8 million and \$4.3 million in reserve funding that was not utilized in FY 2011. Expenditure decreases include \$1.0 million in SOL remediation; Online Campus; term graduate hourly funding; \$0.3 million in special education hourly funding; \$0.1 million in materials and supplies; and \$0.4 million in transportation expenditures. Revenue receipts were \$0.2 million less than estimated due primarily to lower than projected tuition. After accounting for the budgeted beginning balance of \$1.3 million, the FY 2012 budget for the Summer School Subfund is increasing by \$4.6 million. This increase is due to the reappropriation of the ending balance to address potential increases in enrollment in the mandatory Special Education Extended School Year Summer Program and assist with funding limited credit recovery courses and SOL remediation for term graduates.

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

The FY 2011 available ending balance, after accounting for the FY 2012 budgeted beginning balance and undelivered orders, for the Adult and Community Education (ACE) Fund is \$80,482. Tuition is the primary revenue source for ACE, and course offerings are determined by community interest and demand. In FY 2011, lower enrollment in courses, such as the trade, industry, and apprenticeship programs, is the primary basis for \$1.3 million less revenue than estimated. In addition to tuition declines, state grant reimbursements tied to enrollment in trade and industry and apprenticeship programs were 9.3 percent lower than estimated. Due to lower demand and fewer course offerings, corresponding expenditures, primarily hourly teacher salaries and operating expenditures, were \$1.5 million lower than estimated.

### **SCHOOL CONSTRUCTION FUND**

The FY 2011 ending balance is \$75.8 million, primarily due to favorable construction pricing and a delay in the start of the Marshall High School renovation. The \$1.9 million increase in Other Donations is mainly for funding for the relocation of the Crouch School, a donation from the Shumway Family Foundation for the technology lab addition at Wolfrap Elementary School, and the Jackson Middle School synthetic turf field proffer. Revenue from Use of Money and Property reflects \$0.2 million in interest earnings on the Build America Bonds (BABs) proceeds.

Total costs for multiyear construction projects are allocated when the jobs are contracted, actual project expenditures are recognized as incurred, and unspent balances are carried forward into future years until the projects are complete. The increase of \$276.7 million in FY 2012 is mainly due to the project balances being carried forward and reallocated in FY 2012. Efforts are underway to accelerate capital projects to ensure that the FY 2012 beginning balance is drawn down and to take full advantage of the capital funding provided by the Board of Supervisors.

### **SCHOOL INSURANCE FUND**

After accounting for increases in required restricted reserves for liabilities, the FY 2011 available ending balance in the School Insurance Fund is \$7.4 million, which is set aside for allocated reserves. Total receipts at FY 2011 year end are \$6.4 million higher than the FY 2011 Third Quarter Estimate primarily due to additional funding of \$6.3 million required to address a higher than anticipated net change in accrued liabilities for workers compensation, as determined by the most recent actuarial valuation.

At FY 2011 year end, fund expenditures are \$3.3 million lower than the FY 2011 Third Quarter Estimate, primarily as a result of favorable claims experiences in the Other Insurance Subfund. Accrued liabilities in the Workers Compensation Subfund increased by \$6.3 million and accrued liabilities in the Other Insurance Subfund increased, by \$0.9 million; however, reserves in the Other Insurance Subfund were sufficient to cover the increase. As a result of the FY 2011 experience, the FY 2012 accrued liabilities are budgeted to increase by \$2.0 million, and the allocated reserve is budgeted to increase by \$0.6 million.

### **SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND**

After accounting for the FY 2011 actuals, the premium stabilization reserve (PSR) totals \$49.7 million in the School Health and Flexible Benefits Fund. Year end revenue is \$3.6 million higher than projected primarily due to increased retiree contributions and an increase in Medicare Part D reimbursement from the Early Retirement Reinsurance Program (ERRP) which is part of the Affordable Care Act. These increases were partially offset by lower than projected employer payments and interest income.

FY 2011 expenditures were \$0.6 million higher than projected primarily as a result of a slight decrease in claims and premiums paid offset by an increase in liabilities for claims incurred but not yet reported. When revenue and expenditure actuals are combined, the net impact to FY 2012 is an increase in the budgeted PSR of \$2.9 million, bringing the FY 2012 projected PSR balance to \$41.4 million.

### **SCHOOL CENTRAL PROCUREMENT FUND**

The FY 2011 ending balance is \$0.3 million for the Central Procurement Fund. Additional inventory is purchased during the last few months of each fiscal year so that materials and supplies will be available for schools to purchase in late summer as they restock for the upcoming school year.

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

The FY 2011 ending balance for the Education Employees' Retirement System Fund is \$1,870.3 million, which is \$139.6 million more than estimated, primarily due to investment returns. Income from investments is \$139.3 million higher than projected and contributions were \$3.7 million lower than projected. As of March 31, 2011, the ERFC one year rate of return on investments was 14.7 percent. ERFC investments continue to outperform both the one year benchmark rate of return of 13.1 percent and other similarly sized plans (funds in excess of \$1.0 billion), which averaged a 14.0 percent return. Due to the timing of the FY 2011 Final Budget Review, final transactions from investment activities and the related changes will be included in the FY 2012 Midyear Budget Review.

**SCHOOL OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND**

The FY 2011 ending balance for the OPEB Trust Fund is \$40.5 million, which is a \$1.7 million increase over the FY 2011 Third Quarter Estimate of \$38.8 million. Total revenue at year end of \$52.5 million is \$2.5 million higher than the \$50.0 million estimated at third quarter due to higher investment returns. Net investment income of \$6.0 million is \$1.7 million higher than the \$4.3 million estimated. Year end expenditures total \$31.5 million, which is \$0.8 million higher than the \$30.7 million estimated at third quarter. Actual benefits paid total \$31.5 million, and administrative costs total \$23,902. The \$2.5 million increase in revenue is partially offset by a \$0.8 million increase in expenditures, resulting in a \$1.7 million net increase in the ending balance. Due to the timing of the FY 2011 Final Budget Review, final transactions from investment activities and the related changes will be included in the FY 2012 Midyear Budget Review.

**SCHOOL OPERATING FUND STATEMENT**

	FY 2011 Estimate	FY 2011 Actual	Variance	FY 2012 Approved	FY 2012 Revised	Variance
<b>BEGINNING BALANCE, July 1:</b>						
Budgeted Beginning Balance	\$ 53,500,000	\$ 53,500,000	\$ -	\$ 57,314,083	\$ 57,314,083	\$ -
Flexibility Reserve	8,000,000	8,000,000	-	-	8,000,000	8,000,000
Undelivered Orders	57,485,418	57,485,418	-	-	53,418,942	53,418,942
Automatic Carryover	31,456,521	31,456,521	-	-	29,621,444	29,621,444
Unencumbered Carryover	5,341,847	5,341,847	-	-	6,993,150	6,993,150
Grants Carryover	4,918	4,918	-	-	1,217	1,217
Centralized Textbook Fund	-	-	-	-	4,410,503	4,410,503
<b>Total Beginning Balance</b>	<b>\$ 155,788,704</b>	<b>\$ 155,788,704</b>	<b>\$ -</b>	<b>\$ 57,314,083</b>	<b>\$ 159,759,339</b>	<b>\$ 102,445,256</b>
Future Year Beginning Balance	\$ 33,941,985	\$ 33,941,985	\$ -	\$ 1,504,771	\$ 52,484,367	\$ 50,979,596
VRS Reserve	-	-	-	44,993,007	44,993,007	-
Employee Compensation Reserve	-	-	-	3,000,000	3,000,000	-
<b>Total Reserves</b>	<b>\$ 33,941,985</b>	<b>\$ 33,941,985</b>	<b>\$ -</b>	<b>\$ 49,497,778</b>	<b>\$ 100,477,374</b>	<b>\$ 50,979,596</b>
<b>RECEIPTS:</b>						
Sales Tax	\$ 148,084,437	\$ 151,463,422	\$ 3,378,985	\$ 153,068,859	\$ 153,068,859	\$ -
State Aid	297,171,019	297,828,663	657,644	318,998,373	318,998,373	-
Federal Aid	87,716,400	75,975,772	(11,740,628)	63,197,897	76,655,462	13,457,565
City of Fairfax Tuition	35,433,040	35,256,195	(176,845)	37,044,258	37,044,258	-
Tuition, Fees, and Other	13,795,372	20,141,945	6,346,573	17,269,296	17,269,296	-
<b>Total Receipts</b>	<b>\$ 582,200,268</b>	<b>\$ 580,665,997</b>	<b>\$ (1,534,271)</b>	<b>\$ 589,578,684</b>	<b>\$ 603,036,249</b>	<b>\$ 13,457,565</b>
<b>TRANSFERS IN:</b>						
Combined County General Fund	\$ 1,610,334,722	\$ 1,610,334,722	\$ -	\$ 1,610,834,722	\$ 1,610,834,722	\$ -
County Transfer - Priority School Initiative	1,255,755	1,255,755	-	-	-	-
County Transfer - Cable Communications	-	-	-	600,000	600,000	-
<b>Total Transfers In</b>	<b>\$ 1,611,590,477</b>	<b>\$ 1,611,590,477</b>	<b>\$ -</b>	<b>\$ 1,611,434,722</b>	<b>\$ 1,611,434,722</b>	<b>\$ -</b>
<b>Total Receipts &amp; Transfers</b>	<b>\$ 2,193,790,745</b>	<b>\$ 2,192,256,474</b>	<b>\$ (1,534,271)</b>	<b>\$ 2,201,013,406</b>	<b>\$ 2,214,470,971</b>	<b>\$ 13,457,565</b>
<b>Total Funds Available</b>	<b>\$ 2,383,521,434</b>	<b>\$ 2,381,987,163</b>	<b>\$ (1,534,271)</b>	<b>\$ 2,307,825,267</b>	<b>\$ 2,474,707,684</b>	<b>\$ 166,882,417</b>
<b>EXPENDITURES:</b>	\$ 2,240,251,991	\$ 2,093,292,868	\$ (146,959,123)	\$ 2,219,480,553	\$ 2,328,310,701	\$ 108,830,148
School Board Reserve	8,000,000	-	(8,000,000)	-	8,000,000	8,000,000
<b>Total Expenditures</b>	<b>\$ 2,248,251,991</b>	<b>\$ 2,093,292,868</b>	<b>\$ (154,959,123)</b>	<b>\$ 2,219,480,553</b>	<b>\$ 2,336,310,701</b>	<b>\$ 116,830,148</b>
<b>TRANSFERS OUT:</b>						
School Construction Fund	\$ 9,916,150	\$ 9,916,150	\$ -	\$ 7,698,711	\$ 7,671,384	\$ (27,327)
Grants & Self-Supporting Fund	14,367,709	14,367,709	-	14,367,709	14,367,709	-
Adult & Community Education Fund	400,000	400,000	-	400,000	400,000	-
Consolidated County & School Debt Fund	3,773,723	3,773,723	-	3,773,523	3,773,523	-
<b>Total Transfers Out</b>	<b>\$ 28,457,582</b>	<b>\$ 28,457,582</b>	<b>\$ -</b>	<b>\$ 26,239,943</b>	<b>\$ 26,212,616</b>	<b>\$ (27,327)</b>
<b>Total Disbursements</b>	<b>\$ 2,276,709,573</b>	<b>\$ 2,121,750,450</b>	<b>\$ (154,959,123)</b>	<b>\$ 2,245,720,496</b>	<b>\$ 2,362,523,317</b>	<b>\$ 116,802,821</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ 106,811,861</b>	<b>\$ 260,236,713</b>	<b>\$ 153,424,852</b>	<b>\$ 62,104,771</b>	<b>\$ 112,184,367</b>	<b>\$ 50,079,596</b>
<b>Less:</b>						
VRS Reserve	\$ 44,993,007	\$ 44,993,007	\$ -	\$ 60,600,000	\$ 60,600,000	\$ -
Employee Compensation Reserve	3,000,000	3,000,000	-	-	-	-
Flexibility Reserve	-	8,000,000	8,000,000	-	-	-
Other Commitments	-	90,034,753	90,034,753	-	-	-
FY 2012 Budgeted Beginning Balance*	53,818,854	57,314,083	3,495,229	-	-	-
FY 2013 Budgeted Beginning Balance*	5,000,000	1,504,771	(3,495,229)	-	-	-
FY 2013 Budgeted Beginning Balance	-	50,979,596	50,979,596	1,504,771	51,584,367	50,079,596
Centralized Textbook Fund	-	4,410,503	4,410,503	-	-	-
<b>Available Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>				

\* As of the FY 2012 Approved Budget Adoption

**FOOD AND NUTRITION SERVICES FUND STATEMENT**

	<u>FY 2011 Estimate</u>	<u>FY 2011 Actual</u>	<u>Variance</u>	<u>FY 2012 Approved</u>	<u>FY 2012 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 16,042,275	\$ 16,042,275	\$ -	\$ 13,591,947	\$ 18,616,980	\$ 5,025,033
<b>RECEIPTS:</b>						
Food Sales	\$ 49,038,246	\$ 46,411,290	\$ (2,626,956)	\$ 47,422,168	\$ 47,422,168	\$ -
Federal Aid	21,756,710	26,565,963	4,809,253	25,979,065	25,979,065	-
State Aid	805,500	778,151	(27,349)	791,612	791,612	-
Other Revenue	135,549	77,873	(57,676)	61,741	61,741	-
<b>Total Receipts</b>	<b>\$ 71,736,004</b>	<b>\$ 73,833,276</b>	<b>\$ 2,097,271</b>	<b>\$ 74,254,586</b>	<b>\$ 74,254,586</b>	<b>\$ -</b>
<b>Total Funds Available</b>	<b>\$ 87,778,279</b>	<b>\$ 89,875,551</b>	<b>\$ 2,097,272</b>	<b>\$ 87,846,533</b>	<b>\$ 92,871,566</b>	<b>\$ 5,025,033</b>
<b>EXPENDITURES:</b>						
Change in Inventory	\$ 74,186,332	\$ 70,927,597	\$ (3,258,735)	\$ 74,186,332	\$ 75,932,013	\$ 1,745,681
<b>Subtotal</b>	<b>\$ 74,186,332</b>	<b>\$ 71,258,571</b>	<b>\$ (2,927,761)</b>	<b>\$ 74,186,332</b>	<b>\$ 75,932,013</b>	<b>\$ 1,745,681</b>
Food and Nutrition Services General Reserve	\$ 13,591,947	\$ -	\$ (13,591,947)	\$ 13,660,201	\$ 16,939,553	\$ 3,279,352
<b>Total Disbursements</b>	<b>\$ 87,778,279</b>	<b>\$ 71,258,571</b>	<b>\$ (16,519,708)</b>	<b>\$ 87,846,533</b>	<b>\$ 92,871,566</b>	<b>\$ 5,025,033</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ -</b>	<b>\$ 18,616,980</b>	<b>\$ 18,616,980</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Less:</b>						
Undelivered Orders	\$ -	\$ 885,681	\$ 885,681	\$ -	\$ -	\$ -
Inventory	-	1,380,185	1,380,185	-	-	-
<b>Available Ending Balance</b>	<b>\$ -</b>	<b>\$ 16,351,114</b>	<b>\$ 16,351,114</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	<u>FY 2011 Estimate</u>	<u>FY 2011 Actual</u>	<u>Variance</u>	<u>FY 2012 Approved</u>	<u>FY 2012 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 13,216,096	\$ 13,216,096	\$ -	\$ 1,583,570	\$ 14,718,482	\$ 13,134,912
<b>RECEIPTS:</b>						
State Aid	\$ 9,822,665	\$ 8,278,858	\$ (1,543,807)	\$ 9,739,355	\$ 9,774,855	\$ 35,500
Federal Aid	53,986,082	35,468,827	(18,517,255)	33,615,897	46,990,352	13,374,455
Tuition	2,034,042	1,600,088	(433,954)	2,117,471	2,117,471	-
Industry, Foundation, Other	588,331	971,303	382,972	26,421	27,510	1,089
<b>Total Receipts</b>	<u>\$ 66,431,120</u>	<u>\$ 46,319,076</u>	<u>\$ (20,112,043)</u>	<u>\$ 45,499,144</u>	<u>\$ 58,910,188</u>	<u>\$ 13,411,044</u>
<b>TRANSFERS IN:</b>						
School Operating Fund (Grants)	\$ 8,865,952	\$ 8,865,952	\$ -	\$ 8,865,952	\$ 8,865,952	\$ -
School Operating Fund (Summer School)	5,501,757	5,501,757	-	5,501,757	5,501,757	-
Cable Communications Fund	2,517,729	2,517,729	-	3,126,203	3,126,203	-
<b>Total Transfers In</b>	<u>\$ 16,885,438</u>	<u>\$ 16,885,438</u>	<u>\$ -</u>	<u>\$ 17,493,912</u>	<u>\$ 17,493,912</u>	<u>\$ -</u>
<b>Total Funds Available</b>	<b>\$ 96,532,654</b>	<b>\$ 76,420,610</b>	<b>\$ (20,112,043)</b>	<b>\$ 64,576,625</b>	<b>\$ 91,122,581</b>	<b>\$ 26,545,956</b>
<b>EXPENDITURES</b>	<b>\$ 96,532,654</b>	<b>\$ 61,702,129</b>	<b>\$ (34,830,525)</b>	<b>\$ 64,576,625</b>	<b>\$ 91,122,581</b>	<b>\$ 26,545,956</b>
<b>ENDING BALANCE, JUNE 30</b>	\$ -	\$ 14,718,482	\$ 14,718,482	\$ -	\$ -	\$ -
<b>Less:</b>						
FY 2012 Budgeted Beginning Balance	\$ -	\$ 1,583,570	\$ 1,583,570	\$ -	\$ -	\$ -
Undelivered Orders	-	1,984,904	1,984,904	-	-	-
<b>Available Ending Balance</b>	<u>\$ -</u>	<u>\$ 11,150,008</u>	<u>\$ 11,150,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADULT & COMMUNITY EDUCATION FUND STATEMENT**

	<u>FY 2011 Estimate</u>	<u>FY 2011 Actual</u>	<u>Variance</u>	<u>FY 2012 Approved</u>	<u>FY 2012 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 797,797	\$ 797,797	\$ -	\$ 86,271	\$ 199,871	\$ 113,600
<b>RECEIPTS:</b>						
State Aid	\$ 691,778	\$ 627,631	\$ (64,147)	\$ 685,243	\$ 685,243	\$ -
Federal Aid	781,216	794,483	13,267	662,139	662,139	-
Tuition and Fees	8,403,073	7,122,070	(1,281,003)	8,628,087	8,628,087	-
Other	395,552	399,688	4,136	378,969	378,969	-
<b>Total Receipts</b>	<u>\$ 10,271,619</u>	<u>\$ 8,943,872</u>	<u>\$ (1,327,747)</u>	<u>\$ 10,354,438</u>	<u>\$ 10,354,438</u>	<u>\$ -</u>
<b>TRANSFERS IN:</b>						
School Operating Fund	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	\$ -
<b>Total Transfers In</b>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>
<b>Total Receipts and Transfers</b>	\$ 10,671,619	\$ 9,343,872	\$ (1,327,747)	\$ 10,754,438	\$ 10,754,438	\$ -
<b>Total Funds Available</b>	\$ 11,469,416	\$ 10,141,669	\$ (1,327,747)	\$ 10,840,709	\$ 10,954,309	\$ 113,600
<b>EXPENDITURES</b>	\$ 11,469,416	\$ 9,941,797	\$ (1,527,619)	\$ 10,840,709	\$ 10,954,309	\$ 113,600
<b>ENDING BALANCE, JUNE 30</b>	\$ -	\$ 199,871	\$ 199,871	\$ -	\$ -	\$ -
<b>Less:</b>						
FY 2012 Budgeted Beginning Balance	\$ -	\$ 86,271	\$ 86,271	\$ -	\$ -	\$ -
Undelivered Orders	-	33,118	33,118	-	-	-
<b>Available Ending Balance</b>	<u>\$ -</u>	<u>\$ 80,482</u>	<u>\$ 80,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL CONSTRUCTION FUND STATEMENT**

	<u>FY 2011 Estimate</u>	<u>FY 2011 Actual</u>	<u>Variance</u>	<u>FY 2012 Approved</u>	<u>FY 2012 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 94,573,900	\$ 94,573,900	\$ -	\$ -	\$ 75,779,874	\$ 75,779,874
<b>RECEIPTS:</b>						
General Obligation Bonds	\$ 130,000,000	\$ 130,000,000	\$ -	\$ 155,000,000	\$ 155,000,000	\$ -
City of Fairfax	150,000	538,741	388,741	20,000	20,000	-
Miscellaneous Revenue	36,000	66,153	30,153	36,000	36,000	-
PTA/PTO Donations	150,000	405,323	255,323	150,000	150,000	-
Other Donations	100,000	2,019,287	1,919,287	100,000	100,000	-
Revenue from Use of Money and Property	-	226,227	226,227	-	-	-
<b>Total Receipts</b>	<b>\$ 130,436,000</b>	<b>\$ 133,255,731</b>	<b>\$ 2,819,731</b>	<b>\$ 155,306,000</b>	<b>\$ 155,306,000</b>	<b>\$ -</b>
<b>AUTHORIZED BUT UNISSUED BONDS</b>						
<b>Total Referendums</b>	<b>\$ 340,316,755</b>	<b>\$ -</b>	<b>\$ (340,316,755)</b>	<b>\$ -</b>	<b>\$ 200,989,929</b>	<b>\$ 200,989,929</b>
<b>TRANSFERS IN:</b>						
<b>School Operating Fund</b>						
Building Maintenance	\$ 6,449,030	\$ 6,449,030	\$ -	\$ 6,449,030	\$ 6,449,030	\$ -
Classroom Equipment	3,097,119	3,097,119	-	649,681	649,681	-
Facility Modifications	370,001	370,001	-	600,000	572,673	(27,327)
<b>Total Transfers In</b>	<b>\$ 9,916,150</b>	<b>\$ 9,916,150</b>	<b>\$ -</b>	<b>\$ 7,698,711</b>	<b>\$ 7,671,384</b>	<b>\$ (27,327)</b>
<b>Total Receipts and Transfers</b>	<b>\$ 480,668,905</b>	<b>\$ 143,171,881</b>	<b>\$ (337,497,024)</b>	<b>\$ 163,004,711</b>	<b>\$ 363,967,313</b>	<b>\$ 200,962,602</b>
<b>Total Funds Available</b>	<b>\$ 575,242,805</b>	<b>\$ 237,745,781</b>	<b>\$ (337,497,024)</b>	<b>\$ 163,004,711</b>	<b>\$ 439,747,187</b>	<b>\$ 276,742,476</b>
<b>EXPENDITURES AND COMMITMENTS:</b>						
Expenditures	\$ 234,926,050	\$ 161,965,907	\$ (72,960,143)	\$ 163,004,711	\$ 238,757,258	\$ 75,752,547
Additional Contractual Commitments	340,316,755	-	(340,316,755)	-	200,989,929	200,989,929
<b>Total Disbursements</b>	<b>\$ 575,242,805</b>	<b>\$ 161,965,907</b>	<b>\$ (413,276,898)</b>	<b>\$ 163,004,711</b>	<b>\$ 439,747,187</b>	<b>\$ 276,742,476</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ -</b>	<b>\$ 75,779,874</b>	<b>\$ 75,779,874</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL INSURANCE FUND STATEMENT**

	<u>FY 2011 Estimate</u>	<u>FY 2011 Actual</u>	<u>Variance</u>	<u>FY 2012 Approved</u>	<u>FY 2012 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$ 27,909,626</b>	<b>\$ 27,909,626</b>	<b>\$ -</b>	<b>\$ 27,600,355</b>	<b>\$ 37,322,183</b>	<b>\$ 9,721,828</b>
<b>RECEIPTS:</b>						
Workers' Compensation						
School Operating Fund	\$ 7,926,080	\$ 13,998,141	\$ 6,072,061	\$ 9,238,928	\$ 9,238,928	\$ -
School Food & Nutrition Serv. Fund	277,166	489,499	212,333	277,166	277,166	-
Other Insurance						
School Operating Fund	4,468,127	4,468,127	-	4,468,127	4,468,127	-
Insurance Proceeds/ Rebates	50,000	155,017	105,017	50,000	50,000	-
<b>Total Receipts</b>	<b>\$ 12,721,373</b>	<b>\$ 19,110,784</b>	<b>\$ 6,389,411</b>	<b>\$ 14,034,221</b>	<b>\$ 14,034,221</b>	<b>\$ -</b>
<b>Total Funds Available</b>	<b>\$ 40,630,999</b>	<b>\$ 47,020,410</b>	<b>\$ 6,389,411</b>	<b>\$ 41,634,576</b>	<b>\$ 51,356,404</b>	<b>\$ 9,721,828</b>
<b>EXPENDITURES:</b>						
Workers' Compensation						
Claims Paid	\$ 5,806,450	\$ 5,006,394	\$ (800,057)	\$ 6,883,339	\$ 6,883,339	\$ -
Administration	607,500	613,691	6,191	875,246	875,246	-
Claims Management	761,250	701,512	(59,738)	686,132	686,132	-
Other Insurance	5,855,444	3,376,630	(2,478,814)	5,921,615	5,921,615	-
Allocated Reserves	4,842,320	-	(4,842,320)	4,518,395	5,071,642	553,247
<b>Subtotal Expenditures</b>	<b>\$ 17,872,964</b>	<b>\$ 9,698,227</b>	<b>\$ (8,174,737)</b>	<b>\$ 18,884,727</b>	<b>\$ 19,437,974</b>	<b>\$ 553,247</b>
Net change in accrued liabilities-Worker's Comp	\$ -	\$ 6,284,395	\$ 6,284,395	\$ -	\$ 1,500,656	\$ 1,500,656
Net change in accrued liabilities-Other Insurance	-	860,496	860,496	-	523,034	523,034
<b>Subtotal Net Change in Accrued Liability</b>	<b>\$ -</b>	<b>\$ 7,144,891</b>	<b>\$ 7,144,891</b>	<b>\$ -</b>	<b>\$ 2,023,690</b>	<b>\$ 2,023,690</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ 22,758,035</b>	<b>\$ 37,322,183</b>	<b>\$ 14,564,148</b>	<b>\$ 22,749,849</b>	<b>\$ 31,918,430</b>	<b>\$ 9,168,581</b>
<b>Restricted Reserves</b>						
Workers Comp Accrued Liability	\$ 19,426,073	\$ 25,710,468	\$ 6,284,395	\$ 19,426,073	\$ 27,211,124	\$ 7,785,051
Other Insurance Accrued Liability	3,323,776	4,184,272	860,496	3,323,776	4,707,306	1,383,530
Allocated Reserves	-	7,427,443	7,427,443	-	-	-
<b>Total Reserves</b>	<b>\$ 22,749,849</b>	<b>\$ 37,322,183</b>	<b>\$ 14,572,334</b>	<b>\$ 22,749,849</b>	<b>\$ 31,918,430</b>	<b>\$ 9,168,581</b>



**SCHOOL CENTRAL PROCUREMENT FUND STATEMENT**

	<u>FY 2011</u> <u>Estimate</u>	<u>FY 2011</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2012</u> <u>Approved</u>	<u>FY 2012</u> <u>Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 457,516	\$ 457,516	\$ -	\$ 457,516	\$ 261,493	\$ (196,023)
<b>RECEIPTS:</b>						
Sales to Schools/Departments	\$ 14,000,000	\$ 11,891,884	\$ (2,108,116)	\$ 14,000,000	\$ 14,000,000	\$ -
<b>Total Funds Available</b>	<u>\$ 14,457,516</u>	<u>\$ 12,349,400</u>	<u>\$ (2,108,116)</u>	<u>\$ 14,457,516</u>	<u>\$ 14,261,493</u>	<u>\$ (196,023)</u>
<b>EXPENDITURES</b>	\$ 14,000,000	\$ 12,087,907	\$ (1,912,093)	\$ 14,000,000	\$ 14,000,000	\$ -
<b>ENDING BALANCE, JUNE 30</b>	<u>\$ 457,516</u>	<u>\$ 261,493</u>	<u>\$ (196,023)</u>	<u>\$ 457,516</u>	<u>\$ 261,493</u>	<u>\$ (196,023)</u>

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

	<u>FY 2011 Estimate</u>	<u>FY 2011 Actual</u>	<u>Variance</u>	<u>FY 2012 Approved</u>	<u>FY 2012 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 1,607,613,266	\$ 1,607,613,266	\$ -	\$ 1,730,695,809	\$ 1,870,254,112	\$ 139,558,303
<b>RECEIPTS:</b>						
Contributions	\$ 97,997,288	\$ 94,285,240	\$ (3,712,048)	\$ 103,851,702	\$ 103,851,702	\$ -
Investment Income	195,119,682	334,443,669	139,323,987	212,881,558	212,881,558	-
<b>Total Receipts</b>	<u>\$ 293,116,970</u>	<u>\$ 428,728,909</u>	<u>\$ 135,611,939</u>	<u>\$ 316,733,260</u>	<u>\$ 316,733,260</u>	<u>\$ -</u>
<b>Total Funds Available</b>	\$ 1,900,730,236	\$ 2,036,342,175	\$ 135,611,939	\$ 2,047,429,069	\$ 2,186,987,372	\$ 139,558,303
<b>EXPENDITURES</b>	\$ 170,034,426	\$ 166,088,063	\$ (3,946,363)	\$ 179,749,264	\$ 179,749,264	\$ -
<b>ENDING BALANCE, JUNE 30</b>	<u>\$ 1,730,695,809</u>	<u>\$ 1,870,254,112</u>	<u>\$ 139,558,303</u>	<u>\$ 1,867,679,805</u>	<u>\$ 2,007,238,108</u>	<u>\$ 139,558,303</u>

**SCHOOL OPEB TRUST FUND STATEMENT**

	<u>FY 2011</u> <u>Estimate</u>	<u>FY 2011</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2012</u> <u>Approved</u>	<u>FY 2012</u> <u>Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 19,562,623	\$ 19,562,623	\$ -	\$ 37,002,623	\$ 40,516,941	\$ 3,514,318
<b>REVENUE:</b>						
Employer Contributions	\$ 45,663,000	\$ 46,472,855	\$ 809,855	\$ 42,864,000	\$ 42,864,000	\$ -
Net Investment Income	4,300,000	5,978,220	1,678,220	4,500,000	4,500,000	-
<b>Total Revenue</b>	<u>\$ 49,963,000</u>	<u>\$ 52,451,075</u>	<u>\$ 2,488,075</u>	<u>\$ 47,364,000</u>	<u>\$ 47,364,000</u>	<u>\$ -</u>
<b>TOTAL FUNDS AVAILABLE</b>	\$ 69,525,623	\$ 72,013,698	\$ 2,488,075	\$ 84,366,623	\$ 87,880,941	\$ 3,514,318
<b>EXPENDITURES:</b>						
Benefits Paid	\$ 30,663,000	\$ 31,472,855	\$ 809,855	\$ 32,784,000	\$ 32,784,000	\$ -
Administrative Expenses	60,000	23,902	(36,098)	100,500	100,500	-
<b>Total Expenditures</b>	<u>\$ 30,723,000</u>	<u>\$ 31,496,757</u>	<u>\$ 773,757</u>	<u>\$ 32,884,500</u>	<u>\$ 32,884,500</u>	<u>\$ -</u>
<b>ENDING BALANCE, JUNE 30</b>	<u>\$ 38,802,623</u>	<u>\$ 40,516,941</u>	<u>\$ 1,714,318</u>	<u>\$ 51,482,123</u>	<u>\$ 54,996,441</u>	<u>\$ 3,514,318</u>

**SUPPLEMENTAL APPROPRIATION RESOLUTION  
FY 2012**

**BE IT RESOLVED** that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2012 Appropriation Resolution for the following School Board funds:

**Appropriate to:**

**County Schools**

<u>Fund</u>	<u>Fund Name</u>	<u>From</u>	<u>To</u>	<u>Change</u>
090	Public Schools Operating Operating Expenditures	\$2,171,559,534	\$2,336,310,701	\$164,751,167
191	School Food & Nutrition Services Operating Expenditures	\$87,846,533	\$92,871,566	\$5,025,033
192	School Grants & Self-Supporting Operating Expenditures	\$63,625,695	\$91,122,581	\$27,496,886
193	School Adult & Community Education Operating Expenditures	\$10,840,709	\$10,954,309	\$113,600
390	School Construction Operating Expenditures	\$163,084,711	\$439,747,187	\$276,662,476
590	Public Schools Insurance Fund Operating Expenditures	\$18,884,727	\$21,461,664	\$2,576,937
591	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$336,287,415	\$292,837,251	(\$43,450,164)
592	Central Procurement Fund Operating Expenditures	\$14,000,000	\$14,000,000	\$0
691	School Educational Employees' Supplementary Retirement System Trust Fund Operating Expenditures	\$179,749,264	\$179,749,264	\$0
692	School Other Post Employment Benefits Trust Fund Operating Expenditures	\$32,552,500	\$32,884,500	\$332,000

**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 2011 Final Budget Review, at a regular meeting held on July 28, 2011, at Luther Jackson Middle School, Falls Church, Virginia.**

\_\_\_\_\_  
Date

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

**FISCAL PLANNING RESOLUTION  
FY 2012**

**BE IT RESOLVED** that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2012 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 Schools Operating				
		192 School Grants & Self Supporting	\$14,367,709	\$14,367,709	\$0
		193 School Adult & Community Education	\$400,000	\$400,000	\$0
		200/201 Consolidated Debt Service	\$3,773,523	\$3,773,523	\$0
		390 School Construction	\$7,698,711	\$7,671,384	(\$27,327)

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 2011 Final Budget Review, at a regular meeting held on July 28, 2011, at Luther Jackson Middle School, Falls Church, Virginia.

\_\_\_\_\_  
Date

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

**Grants Development  
Office of Budget Services**

**Quarterly Report  
Date: June 30, 2011**

**Update for FY 2011 Grants**

This report provides the status of competitive grants for FY 2011:

- Competitive grants submitted: \$4.2 million (32 grants)
- Competitive grants awarded: \$0.8 million (16 grants)
- Competitive grants denied: \$0.5 million (4 grants)
- Competitive grants pending: \$2.9 million (12 grants)

The status of FY 2011 entitlement grants is as follows:

- Entitlement grants submitted: \$87.4 million\* (30 grants)
- Entitlement grants awarded: \$51.4 million (22 grants)
- Entitlement grants pending: \$35.7 million (8 grants)

\*Award amounts can differ from original submissions