

**FY 2007 Third Quarter Review**

**Attachment VII – FCPS Third Quarter Review**

**SCHOOL BOARD AGENDA ITEM**

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

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**Prepared:** February 28, 2007

**New Business:** March 8, 2007

**Action:** March 22, 2007

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

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**SUBJECT:** FY 2007 Third-Quarter Budget Review

**RECOMMENDATION:**

That the School Board approve the adjustments reflected in the FY 2007 Third-Quarter Budget Review as detailed in the agenda item.

**EXPLANATION:**

The beginning balance for FY 2007 was reduced by \$3.9 million due to revenue and expenditure adjustments made after FY 2006 ended. State revenue decreased by a net of \$1.4 million due to a decrease in FCPS' average daily membership and lower ESOL funding. The City of Fairfax's tuition was adjusted to reflect actual FY 2006 expenditures.

Other revenue adjustments include Federal Emergency Aid from the Federal Emergency Management Agency (FEMA) and the U.S. Department of Education (USDOE), and minor adjustments to federal grants based on actual awards.

Major expenditure adjustments include increased legal fees of \$0.8 million, snow removal expenses of \$0.9 million, and an increase to the transfer to the Insurance Fund of \$0.5 million to pay the insurance deductible for the fire at Lacey Center.

Also, included in this agenda item are adjustments to set aside \$10.0 million for the FY 2008 budgeted beginning balance to bring it to \$44.8 million, the amount included in the FY 2008 Advertised Budget. Another \$10.0 million is set aside for the FY 2009 beginning balance.

A summary of grants activity is attached.

Attachments

	<u>AMOUNT</u>
<b>I. REVENUE ADJUSTMENTS</b>	
<b>A. Beginning Balance</b>	<b>(\$3,934,179)</b>
<p>The FY 2007 budgeted beginning balance was decreased by approximately \$3.9 million due to revenue and expenditure adjustments made after FY 2006 ended. Of this amount, \$3.0 million is due to a delay in the payment of FY 2006 Impact Aid revenue. It is expected that this funding will be received in FY 2007.</p>	
<b>B. State Revenue</b>	<b>(1,357,300)</b>
<p>The Governor's amendments to the state's FY 2007 budget resulted in a net loss of \$1.4 million primarily due to a decrease in FCPS' average daily membership (ADM) and a \$0.3 million reduction in ESOL funding.</p>	
<b>C. Federal Grants</b>	<b>45,336</b>
<p>This reflects minor adjustments in the Impact II, IDEA, Section 619 Preschool and the Carl D. Perkins grants based on actual awards. This revenue increase is offset by a corresponding expenditure increase (Item II.K.).</p>	
<b>D. Federal Emergency Aid</b>	<b>612,901</b>
<p>This reflects \$490,808 in FY 2007 revenue received from the USDOE for education services provided to displaced victims of hurricanes Katrina and Rita, and a reimbursement of \$122,093 from the FEMA for damage caused by severe storms in June-July 2006.</p>	
<b>E. City of Fairfax Tuition</b>	<b>456,385</b>
<p>The City of Fairfax tuition bill is adjusted each year after the fiscal year closes based on actual expenditures. An additional \$456,385 is required based on prior year actuals.</p>	
<b>F. Woodson Adult High School Grants Awards</b>	<b>105,339</b>
<p>The General Adult Education grant award for Woodson Adult High School has been adjusted to include an additional \$97,314 and the Expanded GED grant award is \$8,025. These state grant funds are offset by increases in expenditures (Item II.J.).</p>	
<b>TOTAL REVENUE ADJUSTMENTS</b>	<b><u>(\$4,071,518)</u></b>

		<u>AMOUNT</u>	<u>POSITIONS</u>
<b>II.</b>	<b>EXPENDITURE ADJUSTMENTS</b>		
<b>X</b>	<b>A. Compensation Adjustment</b>	<b>(\$27,290,120)</b>	<b>0.0</b>
	<p>The FY 2007 compensation budget can be reduced by \$27.3 million due to higher than anticipated savings in salaries and benefits year-to-date. Of this amount, \$10.0 million will be removed from the appropriated budget to bring the FY 2008 budgeted beginning balance to \$44.8 million, the amount included in the FY 2008 Advertised Budget. Also, \$10.0 million will be removed from the FY 2007 appropriated budget for the FY 2009 budgeted beginning balance.</p>		
<b>X</b>	<b>B. Legal Fees</b>	<b>800,000</b>	<b>0.0</b>
	<p>An increase in hourly rates by the law firms representing the School Board, a substantial increase in litigation in which the School Board or its employees are defendants, and ongoing real estate and facilities issues requiring legal advice has resulted in increasing costs over a sustained period. Additional funding of \$300,000 for the Division Counsel's Office is required to cover anticipated costs for the remainder of FY 2007. In addition, higher than anticipated legal fees for risk management require a transfer of \$500,000 from the Operating Fund to the Insurance Fund.</p>		
<b>X</b>	<b>C. Strategic Governance</b>	<b>80,000</b>	<b>0.0</b>
	<p>This funding will allow the School Board to continue to work with the Aspen Group which provided consultation and facilitation support with the design and continuance of the Strategic Governance initiative.</p>		
√	<b>D. VHSL Field Trips</b>	<b>102,268</b>	<b>0.0</b>
	<p>Due to a 23 percent increase over FY 2006 expenses, funding is needed to cover the cost of VHSL field trips for the remainder of FY 2007. The increase is primarily due to increases in bus drivers' salaries, more county employees working as activity drivers who receive overtime based on a "blended rate", and more schools practicing off site. The recurring cost in FY 2008 is \$0.1 million.</p>		

√ - Recurring  
X - Nonrecurring

		<u>AMOUNT</u>	<u>POSITIONS</u>
√	<p><b>E. Demographer</b></p> <p>This funding will provide a 1.0 demographer position in the Department of Facilities and Transportation Services as recommended in a recent consultant's review of FCPS membership forecasting methodology. The full year cost of this position in FY 2008 is \$90,740.</p>	<b>22,159</b>	<b>1.0</b>
X	<p><b>F. Snow Removal</b></p> <p>The budgeted reserve for snow removal has been spent and additional funding is required to cover the costs of snow and ice removal after the February storms.</p>	<b>865,000</b>	<b>0.0</b>
X	<p><b>G. Public Profile Data Load Automation</b></p> <p>This request supports the new School Board operational expectation indicator with an automated load process to provide more timely information in the public school profiles. The state also made changes in the way they report Adequate Yearly Progress and Certification data, requiring modifications to data capture and reporting capabilities for the public.</p>	<b>80,000</b>	<b>0.0</b>
X	<p><b>H. LEP Conversion Project</b></p> <p>Application modifications are necessary to comply with Virginia Department of Education changes to Limited English Proficiency (LEP) level classifications.</p>	<b>70,000</b>	<b>0.0</b>
√/X	<p><b>I. Support Costs for the e-Assessment Pilot</b></p> <p>This funding is for Hosted, the Application Service Provider (ASP), infrastructure and support costs for the e-Assessment Pilot Expansion for School Year 2007–2008 to support 45,000 student users. The FY 2008 recurring cost of \$276,500 covers software maintenance and licensing fees to the ASP.</p>	<b>548,500</b>	<b>0.0</b>
X	<p><b>J. Woodson Adult HS Grant Awards</b></p> <p>The General Adult Education grant award for Woodson Adult High School has been adjusted to include an additional \$97,914, and the Expanded GED grant award is \$8,025. These expenditures are offset by the state grant funding in the revenue section (Item I.F.).</p>	<b>105,339</b>	<b>0.0</b>

√ - Recurring  
X - Nonrecurring

		<u>AMOUNT</u>	<u>POSITIONS</u>
<b>X</b>	<b>K. Federal Grants</b>	<b>45,336</b>	<b>0.0</b>
	<p>This reflects minor adjustments in the Impact II, IDEA, Section 619 Preschool and the Carl D. Perkins grants based on actual awards. This expenditure increase is offset by a corresponding revenue increase (Item I.C.).</p>		
<b>X</b>	<b>L. Lacey Center – Insurance Deductible</b>	<b>500,000</b>	<b>0.0</b>
	<p>Due to the recent fire at the Lacey Center, \$500,000 is required to pay the insurance deductible.</p>		
<b>TOTAL EXPENDITURE ADJUSTMENTS</b>		<u><b>(\$24,071,518)</b></u>	<u><b>1.0</b></u>

**SUMMARY**

	<u>AMOUNT</u>
<b>TOTAL REVENUE ADJUSTMENTS</b>	<b>(\$4,071,518)</b>
<b>TOTAL EXPENDITURE REDUCTIONS</b>	<u><b>24,071,518</b></u>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$20,000,000</b>
<b>LESS FY 2008 BUDGETED BEGINNING BALANCE</b>	<b>\$10,000,000</b>
<b>LESS FY 2009 BUDGETED BEGINNING BALANCE</b>	<u><b>\$10,000,000</b></u>
<b>TOTAL FUNDS AVAILABLE</b>	<u><u><b>\$0</b></u></u>

√ - Recurring  
X - Nonrecurring

**III. OTHER FUNDS**

**FOOD AND NUTRITION SERVICES FUND**

The beginning balance decrease of \$0.2 million is due to FY 2006 revenue and expenditure adjustments reported after the year-end closing.

**GRANTS AND SELF-SUPPORTING PROGRAMS FUND**

**Grants Subfund:**

FY 2006 revenue and expenditure adjustments reported after year-end closing decrease the beginning balance by \$0.5 million to reflect actual balances in the Grants Subfund as of June 30, 2006.

In addition to carryover adjustments, new and revised grant awards total \$1.1 million with 17.05 positions as listed below.

**Federal**

	<b>Amount</b>	<b>Positions</b>
Assistive Technology	\$284,680	0.0
Title I School Improvement	100,000	1.5
Title I, Part A	(1,392,050)	7.9
Title II, Part D	(104,584)	0.0
Title III	(246,457)	1.0
Title V	(183,959)	0.0
Emergency Impact Aid	53,939	0.0
Foreign Language Assistance Program	188,511	0.0
National Leadership Grant at Fort Belvoir	86,239	0.0
Overseas Schools	72,000	0.0
Other Grants (under \$50,000)	107,524	2.05

**State**

Adult Detention	51,440	0.6
Beginning Mentor Teachers	176,039	0.0
Juvenile Detention	85,636	0.0
Other Grants (under \$50,000)	157,688	0.5

**Private**

Riverdeep Software	50,000	0.0
LEAD Fairfax	1,000,000	0.0
Community and Recreation Services Community Liaison	50,000	0.0
Capital One Heritage Language	50,000	0.0
Armed Forces Communications and Electronics Association Technology Grant	297,500	0.0
Other Grants (under \$50,000)	213,802	0.0

**Local**

FECEP	<u>-0-</u>	<u>3.5</u>
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**Total:** **\$1,097,948** **17.05**

**Summer School Subfund:**

There are no adjustments required at this time.

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

The beginning balance for the Adult and Community Education Fund (ACE) is decreased by \$18,778 due to end of year audit adjustments for FY 2006. State and federal aid have increased to recognize grant awards of \$100,000 for English Literacy/Civics Education, \$97,625 for Supplemental Basic Education, and \$51,344 for Race to GED. A local award for \$20,000 has been received for Education for Independence from the County of Fairfax Consolidated Community Funding Pool through the ACE Scholarship Foundation. These awards are offset by corresponding expenditure increases.

Other expenditure decreases are due to the elimination of 2.0 positions that were part of the cost savings measures identified in the ACE Financial Recovery Plan.

### **SCHOOL CONSTRUCTION FUND**

The beginning balance is reduced by \$7.8 million to reflect FY 2006 year-end audit adjustments. Transfers from the Operating Fund are increased by \$1.3 million for facility modifications.

### **SCHOOL INSURANCE FUND**

The beginning balance decrease of \$0.3 million is due to FY 2006 revenue and expenditure adjustments reported after the year-end closing. Other insurance expenditures are increased by \$1.1 million. This increase is necessary to cover \$0.5 million in higher-than-anticipated legal fees for risk management, and \$0.5 million to pay the insurance deductible related to the recent fire at the Lacey Center. An adjustment of \$59,338 is also necessary to reflect carryover from FY 2006. As a result, the ending balance is expected to decrease by \$0.4 million in FY 2007.

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

The beginning balance decrease of \$0.3 million is due to FY 2006 revenue and expenditure adjustments reported after the year-end closing. In order to reflect carryover from FY 2006, Health Administrative expenses have been increased by \$82,737 and the IBNR Prior Year Credit was adjusted by \$1.0 million to reflect the prior year actual. As a result, the Premium Stabilization Reserve has been decreased by \$1.4 million.

### **CENTRAL PROCUREMENT FUND**

The beginning balance is reduced by \$60,638 due to FY 2006 revenue and expenditure adjustments reported after the year-end closing.

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

The beginning balance increase of \$38.9 million is due primarily to the posting of FY 2006 year-end revenue and expenditures reported after the closing date of the fund. This adjustment is an annual occurrence due to the timing of the preparation of the year-end budget agenda and final portfolio values which are not available until late July.

Total revenue is expected to increase by \$56.2 million due primarily to the recent recovery in the equity markets. Investment returns are exceeding the budgeted amount and securities lending incomes has also increased based on the market recovery and increased lending activity. The \$2.7 million decrease in expenditures is due primarily to less-than-expected retiree benefit payments, Option D payments, member refunds and securities lending expenses. As a result of these adjustments, the ending balance is expected to increase \$97.9 million in FY 2007.

**SCHOOL OPERATING FUND STATEMENT**

	<u>FY 2007</u> <u>Midyear</u>	<u>FY 2007</u> <u>Third-Quarter</u>	<u>Variance</u>
<b>BEGINNING BALANCE, July 1:</b>	<b>\$107,729,316</b>	<b>\$103,795,137</b>	<b>(\$3,934,179)</b>
<b>RECEIPTS:</b>			
Sales Tax	\$171,342,281	\$171,707,570	\$365,289
State Aid	270,236,608	268,619,358	(1,617,250)
Federal Aid	47,101,229	47,759,466	658,237
City of Fairfax Tuition	32,931,512	33,387,897	456,385
Tuition, Fees, and Other	10,537,048	10,537,048	0
<b>Total Receipts</b>	<b>\$532,148,678</b>	<b>\$532,011,339</b>	<b>(\$137,339)</b>
<b>TRANSFERS IN:</b>			
Combined County General Fund	\$1,533,218,089	\$1,533,218,089	\$0
<b>Total Transfers In</b>	<b>\$1,533,218,089</b>	<b>\$1,533,218,089</b>	<b>\$0</b>
<b>Total Receipts &amp; Transfers</b>	<b>\$2,065,366,767</b>	<b>\$2,065,229,428</b>	<b>(\$137,339)</b>
<b>Total Funds Available</b>	<b>\$2,173,096,083</b>	<b>\$2,169,024,565</b>	<b>(\$4,071,518)</b>
<b>EXPENDITURES:</b>			
School Board Reserve	\$2,084,056,792	\$2,058,649,558	(\$25,407,234)
School Board Reserve	8,000,000	8,000,000	0
<b>Total Expenditures</b>	<b>\$2,092,056,792</b>	<b>\$2,066,649,558</b>	<b>(\$25,407,234)</b>
<b>TRANSFERS OUT:</b>			
School Construction Fund	\$12,999,842	\$14,335,558	\$1,335,716
Grants & Self-Supporting Fund	27,797,076	27,797,076	0
Adult & Community Education Fund	1,674,217	1,674,217	0
Consolidated County & School Debt Fund	3,773,823	3,773,823	0
Health and Flexible Benefits Fund	0	0	0
<b>Total Transfers Out</b>	<b>\$46,244,958</b>	<b>\$47,580,674</b>	<b>\$1,335,716</b>
<b>Total Disbursements</b>	<b>\$2,138,301,750</b>	<b>\$2,114,230,232</b>	<b>(\$24,071,518)</b>
<b>ENDING BALANCE, June 30</b>	<b>\$34,794,333</b>	<b>\$54,794,333</b>	<b>\$20,000,000</b>

**FOOD AND NUTRITION SERVICES FUND STATEMENT**

	<u>FY 2007</u> <u>Midyear</u>	<u>FY 2007</u> <u>Third-Quarter</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$9,568,064</b>	<b>\$9,408,784</b>	<b>(\$159,280)</b>
<b>RECEIPTS:</b>			
Food Sales	\$43,644,550	\$43,644,550	\$0
Federal Aid	17,793,287	17,793,287	0
State Aid	785,101	785,101	0
Other Revenue	150,000	150,000	0
<b>Total Receipts</b>	<b>\$62,372,938</b>	<b>\$62,372,938</b>	<b>\$0</b>
<b>Total Funds Available</b>	<b>\$71,941,002</b>	<b>\$71,781,722</b>	<b>(\$159,280)</b>
<b>EXPENDITURES:</b>			
Changes in Inventory	\$62,372,938	\$62,372,938	\$0
<b>Subtotal</b>	<b>\$62,372,938</b>	<b>\$62,372,938</b>	<b>\$0</b>
Food and Nutrition Services General Reserve	\$9,568,064	\$9,408,784	(\$159,280)
<b>Total Disbursements</b>	<b>\$71,941,002</b>	<b>\$71,781,722</b>	<b>(\$159,280)</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

	<u>FY 2007</u> <u>Midyear</u>	<u>FY 2007</u> <u>Third-Quarter</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$8,545,092</b>	<b>\$8,050,830</b>	<b>(\$494,262)</b>
<b>RECEIPTS:</b>			
State Aid	\$10,459,004	\$10,929,807	\$470,803
Federal Aid	39,905,008	38,870,524	(1,034,484)
Tuition	3,068,042	3,068,042	0
Industry, Foundation, Other	366,066	1,915,653	1,549,587
<b>Total Receipts</b>	<b>\$53,798,120</b>	<b>\$54,784,026</b>	<b>\$985,906</b>
<b>TRANSFERS IN:</b>			
School Operating Fund (Grants)	\$10,101,846	\$10,101,846	\$0
County General Fund	0	0	0
School Operating Fund (Summer School)	17,695,230	17,695,230	0
Cable Communications Fund	2,321,540	2,321,540	0
<b>Total Transfers In</b>	<b>\$30,118,616</b>	<b>\$30,118,616</b>	<b>\$0</b>
<b>Total Receipts and Transfers</b>	<b>\$83,916,736</b>	<b>\$84,902,642</b>	<b>\$985,906</b>
<b>Total Funds Available</b>	<b>\$92,461,828</b>	<b>\$92,953,472</b>	<b>\$491,644</b>
<b>EXPENDITURES</b>	<b>\$92,461,828</b>	<b>\$92,953,472</b>	<b>\$491,644</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ADULT AND COMMUNITY EDUCATION FUND STATEMENT**

	<b><u>FY 2007</u></b> <b><u>Midyear</u></b>	<b><u>FY 2007</u></b> <b><u>Third-Quarter</u></b>	<b><u>Variance</u></b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$829,636</b>	<b>\$810,858</b>	<b>(\$18,778)</b>
<b>RECEIPTS:</b>			
State Aid	\$801,595	\$852,939	\$51,344
Federal Aid	888,751	1,086,376	197,625
Tuition	7,950,008	7,795,485	(154,523)
Other	255,818	275,818	20,000
<b>Total Receipts</b>	<b><u>\$9,896,172</u></b>	<b><u>\$10,010,618</u></b>	<b><u>\$114,446</u></b>
<b>TRANSFERS IN:</b>			
School Operating Fund	<u>\$1,674,217</u>	<u>\$1,674,217</u>	<u>\$0</u>
<b>Total Transfers In</b>	<b><u>\$1,674,217</u></b>	<b><u>\$1,674,217</u></b>	<b><u>\$0</u></b>
<b>Total Funds Available</b>	<b>\$12,400,025</b>	<b>\$12,495,693</b>	<b>\$95,668</b>
<b>EXPENDITURES</b>	<b>\$12,400,025</b>	<b>\$12,495,693</b>	<b>\$95,668</b>
<b>ENDING BALANCE, JUNE 30</b>	<b><u><u>\$0</u></u></b>	<b><u><u>\$0</u></u></b>	<b><u><u>\$0</u></u></b>

**SCHOOL CONSTRUCTION FUND STATEMENT**

	<u>FY 2007 Midyear</u>	<u>FY 2007 Third-Quarter</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	(\$4,420,773)	(\$12,210,585)	(\$7,789,812)
<b>RECEIPTS:</b>			
Bond Sales	\$129,485,000	\$129,485,000	\$0
State Construction Grant	693,582	693,582	0
PTA/PTO Receipts	150,000	150,000	0
City of Fairfax	150,000	150,000	0
Other Revenue	136,000	136,000	0
<b>Total Receipts</b>	<u>\$130,614,582</u>	<u>\$130,614,582</u>	<u>\$0</u>
 <b>AUTHORIZED BUT UNISSUED BONDS</b>			
<b>Total Referendums</b>	<u>\$419,240,984</u>	<u>\$431,287,341</u>	<u>\$12,046,357</u>
<b>TRANSFERS IN:</b>			
<b>School Operating Fund</b>			
Building Maintenance	\$9,400,000	\$9,400,000	\$0
Classroom Equipment	3,195,057	3,195,057	0
Facility Modifications	404,785	1,740,501	1,335,716
<b>Total Transfers In</b>	<u>\$12,999,842</u>	<u>\$14,335,558</u>	<u>\$1,335,716</u>
 <b>Total Receipts and Transfers</b>	<b>\$562,855,408</b>	<b>\$576,237,481</b>	<b>\$13,382,073</b>
 <b>Total Funds Available</b>	<b>\$558,434,635</b>	<b>\$564,026,896</b>	<b>\$5,592,261</b>
<b>EXPENDITURES AND COMMITMENTS:</b>			
Expenditures	\$139,193,651	\$132,739,555	(\$6,454,096)
Additional Contractual Commitments	419,240,984	431,287,341	12,046,357
<b>Total Disbursements</b>	<u>\$558,434,635</u>	<u>\$564,026,896</u>	<u>\$5,592,261</u>
 <b>ENDING BALANCE, JUNE 30</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**SCHOOL INSURANCE FUND**

	<u>FY 2007 Midyear</u>	<u>FY 2007 Third-Quarter</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$22,134,839</b>	<b>\$21,841,537</b>	<b>(\$293,302)</b>
<b>RECEIPTS:</b>			
Workers' Compensation			
School Operating Fund	\$6,771,502	\$6,771,502	\$0
School Food & Nutrition Services Fund	277,166	277,166	0
Other Insurance			
School Operating Fund	6,700,000	7,700,000	1,000,000
Insurance Proceeds	50,000	50,000	0
<b>Total Receipts</b>	<b>\$13,798,668</b>	<b>\$14,798,668</b>	<b>\$1,000,000</b>
<b>Total Funds Available</b>	<b>\$35,933,507</b>	<b>\$36,640,205</b>	<b>\$706,698</b>
<b>EXPENDITURES:</b>			
Workers' Compensation			
Claims Paid	\$5,636,717	\$5,636,717	\$0
Administration	736,951	736,951	0
Claims Management	675,000	675,000	0
Other Insurance	6,749,400	7,808,738	1,059,338
<b>Subtotal Expenditures</b>	<b>\$13,798,068</b>	<b>\$14,857,406</b>	<b>\$1,059,338</b>
Net Change in Accrued Liability - Workers' Comp	1,414,427	1,414,427	0
Net Change in Accrued Liability - Other Insurance	249,605	249,605	0
<b>Total Expenditures</b>	<b>\$15,462,100</b>	<b>\$16,521,438</b>	<b>\$1,059,338</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$22,135,439</b>	<b>\$21,782,799</b>	<b>(\$352,640)</b>
<b>Restricted Reserves</b>			
Workers' Comp Accrued Liability	\$14,857,427	\$14,857,427	\$0
Other Insurance Accrued Liability	2,600,570	2,600,570	0
Reserve for Catastrophic Occurrences	4,677,442	4,324,802	(352,640)
<b>Total Reserves</b>	<b>\$22,135,439</b>	<b>\$21,782,799</b>	<b>(\$352,640)</b>

**HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT**

	<b>FY 2007 <u>Midyear</u></b>	<b>FY 2007 <u>Third-Quarter</u></b>	<b><u>Variance</u></b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$43,098,681</b>	<b>\$42,844,295</b>	<b>(\$254,386)</b>
<b>RECEIPTS:</b>			
Employer Contributions	\$156,177,177	\$156,177,177	0
Employee Contributions	42,891,000	42,891,000	0
Retiree/Other Contributions	26,282,000	26,282,000	0
Interest Income	1,350,000	1,350,000	0
Medicare Part D	1,900,000	1,900,000	0
<b>Subtotal</b>	<b>\$228,600,177</b>	<b>\$228,600,177</b>	<b>\$0</b>
Flexible Accounts Withholdings	6,323,075	6,323,075	0
<b>Total Receipts</b>	<b>\$234,923,252</b>	<b>\$234,923,252</b>	<b>\$0</b>
<b>Total Funds Available</b>	<b>\$278,021,933</b>	<b>\$277,767,547</b>	<b>(\$254,386)</b>
<b>EXPENDITURES/PAYMENTS:</b>			
Health Benefits Paid	\$167,810,392	\$167,810,392	\$0
Premiums Paid	50,335,000	50,335,000	0
Claims Incurred but not Reported (IBNR)	19,119,000	19,119,000	0
IBNR Prior Year Credit	(16,020,000)	(15,000,000)	1,020,000
Health Administrative Expenses	9,819,645	9,902,382	82,737
<b>Subtotal</b>	<b>\$231,064,037</b>	<b>\$232,166,774</b>	<b>\$1,102,737</b>
Flexible Accounts Reimbursement	\$6,206,937	\$6,206,937	\$0
FSA Administrative Expenses	116,138	116,138	0
<b>Subtotal</b>	<b>\$6,323,075</b>	<b>\$6,323,075</b>	<b>\$0</b>
Premium Stabilization Reserve	\$30,634,821	\$29,277,698	(\$1,357,123)
Reserve for GASB 45	\$10,000,000	\$10,000,000	\$0
<b>Total Disbursements</b>	<b>\$278,021,933</b>	<b>\$277,767,547</b>	<b>(\$254,386)</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**CENTRAL PROCUREMENT FUND STATEMENT**

	<b>FY 2007 <u>Midyear</u></b>	<b>FY 2007 <u>Third-Quarter</u></b>	<b><u>Variance</u></b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$664,983</b>	<b>\$604,345</b>	<b>(\$60,638)</b>
<b>RECEIPTS:</b>			
Sales to Schools/Departments	<u>14,000,000</u>	<u>14,000,000</u>	<u>0</u>
<b>Total Funds Available</b>	<b>\$14,664,983</b>	<b>\$14,604,345</b>	<b>(\$60,638)</b>
<b>EXPENDITURES:</b>			
Purchase for Resale	<u>\$14,000,000</u>	<u>\$14,000,000</u>	<u>\$0</u>
<b>Total Disbursements</b>	<b>\$14,000,000</b>	<b>\$14,000,000</b>	<b>\$0</b>
<b>ENDING BALANCE, JUNE 30</b>	<b><u><u>\$664,983</u></u></b>	<b><u><u>\$604,345</u></u></b>	<b><u><u>(\$60,638)</u></u></b>

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

	<u>FY 2007 Midyear</u>	<u>FY 2007 Third-Quarter</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$1,727,603,751</b>	<b>\$1,766,534,921</b>	<b>\$38,931,170</b>
<b>RECEIPTS:</b>			
Contributions	\$80,862,168	\$81,250,327	\$388,159
Investment Income	140,878,133	196,738,004	55,859,871
<b>Total Receipts</b>	<b>\$221,740,301</b>	<b>\$277,988,331</b>	<b>\$56,248,030</b>
<b>Total Funds Available</b>	<b>\$1,949,344,052</b>	<b>\$2,044,523,252</b>	<b>\$95,179,200</b>
<b>EXPENDITURES</b>	<b>\$159,204,200</b>	<b>\$156,486,035</b>	<b>(\$2,718,165)</b>
<b>ENDING BALANCE, JUNE 30</b>	<b><u><u>\$1,790,139,852</u></u></b>	<b><u><u>\$1,888,037,217</u></u></b>	<b><u><u>\$97,897,365</u></u></b>

**SUPPLEMENTAL APPROPRIATION RESOLUTION  
FY 2007**

**BE IT RESOLVED** that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2007 Appropriation Resolution for the following School Board funds:

**Appropriate to:**

**County Schools**

<b>Fund</b>	<b>Fund Name</b>	<b>From</b>	<b>To</b>	<b>Change</b>
090	Public Schools Operating Operating Expenditures	\$2,102,247,893	\$2,066,649,558	(\$35,598,335)
191	School Food & Nutrition Services Operating Expenditures	\$71,941,002	\$71,781,722	(\$159,280)
192	School Grants & Self-Supporting Operating Expenditures	\$92,461,828	\$92,953,472	\$491,644
193	School Adult & Community Education Operating Expenditures	\$12,400,025	\$12,495,693	\$95,668
390	School Construction Operating Expenditures	\$558,434,635	\$564,026,896	\$5,592,261
590	Public Schools Insurance Fund Operating Expenditures	\$15,462,100	\$16,521,438	\$1,059,338
591	School Health Benefits Trust Fund Operating Expenditures	\$278,021,933	\$277,767,547	(\$254,386)
691	School Educational Employees' Supplementary Retirement Fund Operating Expenditures	\$159,204,200	\$156,486,035	(\$2,718,165)

**I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part of the FY 2007 Third-Quarter Budget Review, at a regular meeting held on March 22, 2007, at Luther Jackson Middle School, Falls Church, Virginia.**

\_\_\_\_\_  
Date

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

**FISCAL PLANNING RESOLUTION  
FY 2007**

**BE IT RESOLVED** that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2007 Fiscal Planning Resolution for the following School Board funds:

<b>Fund</b>	<b>Fund Name</b>	<b>Transfer To</b>	<b>From</b>	<b>To</b>	<b>Change</b>
090	Public Schools Operating	390 School Construction	\$12,999,842	\$14,335,558	\$1,335,716

**I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part of the FY 2007 Third-Quarter Budget Review, at a regular meeting held on March 22, 2007, at Luther Jackson Middle School, Falls Church, Virginia.**

\_\_\_\_\_  
Date

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

**Grants Development Section  
Office of Budget Services**

**Quarterly Report – FY 2007  
Date: February 28, 2007**

**Update for FY 2007 Grants**

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

- Competitive grants submitted: \$2.58 million (45 grants)
- Competitive grants awarded: \$2.38 million (35 grants)
- Competitive grants denied: \$.02 million (1 grant)
- Competitive grants pending: \$0.19 million (9 grants)

The status of FY 2007 entitlement grants is as follows:

- Entitlement grants submitted: \$61.7 million (21 grants)
- Entitlement grants awarded: \$59.5 million (21 grants)
- Entitlement grants denied: \$0 million (0 grants)
- Entitlement grants pending: \$0 million (0 grants)

**Win Ratios for Competitive Grants**

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

- FCPS has won \$9.20 out of every \$10 submitted – or 92 percent
- FCPS has won 7.8 awards out of every 10 applications submitted – or 78 percent