

**Staff Contact:** Kristen Michael, assistant superintendent, Department of Financial Services

**Other Staff Present:** Alice Wigington, director, Office of Budget Services

**Meeting Category:** July 14, 2016 – Regular Meeting

**Subject:** FY 2016 Final Budget Review

**School Board Action Required:** Information

**Key Points:**

All of the FY 2016 accounts have been closed subject to the annual audit. A summary of the revenue and expenditure variances is provided for each of the nine funds. All comparisons are against the FY 2016 Third Quarter Budget Review.

In the School Operating Fund, after accounting for the revenue and expenditure variance and the FY 2017 budgeted beginning balance, the flexibility reserve, the centralized textbook replacement reserve, and commitments and carryover, the FY 2016 funds available total \$32.6 million and represents 1.2 percent of the FY 2016 Third Quarter Budget.

Revenue variances begin on page 1 of the agenda attachment, and FY 2016 actual total funds available are \$5.0 million less, or 99.8 percent, of the FY 2016 Third Quarter Budget Review projection. State Aid for FY 2016 totals \$402.1 million, which is \$0.4 million more than budgeted, and sales tax receipts total \$187.3 million, \$2.0 million more than budgeted. Federal revenue totaled \$41.1 million, which is \$9.5 million lower than budgeted primarily as a net result of unspent multiyear grant awards that will be carried forward to FY 2017. Other revenue receipts, including tuition, fees, other service charges, and miscellaneous revenue, are \$2.0 million more than the third quarter estimate.

Expenditure variances begin on page 2 of the agenda attachment, and FY 2016 actual expenditures are \$28.1 million less than projected after funding the School Flexibility Reserve and accounting for commitments and carryover, excluding grants. The expenditure variance of \$28.1 million includes \$15.6 million from salaries, \$8.6 million from employee benefits, and \$3.9 million from other accounts, primarily instructional materials and supplies. In addition, \$9.5 million in multiyear unspent federal grant funds is carried forward and reappropriated for FY 2017.

As a result of the revenue and expenditure variances, after funding the School Board Flexibility Reserve, the centralized textbook replacement reserve, and commitments and carryover, the funding available from FY 2016 totals \$32.6 million. This agenda item includes recommendations for FY 2017 expenditure adjustments. Items identified as part of the FY 2017 Approved Budget include establishing a fuel contingency of \$2.0 million to mitigate price fluctuations and setting aside an additional \$1.0 million for the staffing reserve to address enrollment fluctuations and elementary class size reduction requirements. Prior committed priorities and requirements include \$3.6 million to continue FCPS' annual commitment to allocate funding from year-end for major maintenance; \$0.2 million for the third year of the development of world language curriculum for elementary and secondary schools and to identify opportunities to develop global partnerships; and \$0.3 million for the infrastructure sinking reserve fund in accordance with recommendations of the joint Board of Supervisors and School Board Infrastructure Financing Committee (IFC). Funding to support key strategic plan investments includes \$3.1 million for world language textbooks that were adopted by the School Board in the spring.

All of the remaining funding available, \$22.5 million, is recommended to be set aside for a FY 2018 beginning balance. This results in an initial shortfall of \$10.6 million as compared to the beginning balance funding included in the FY 2017 Approved Budget. FCPS is working with the County on lower cost options for replacing bus radios, and any savings will be recommended to be added to the FY 2018 beginning balance at an upcoming quarterly budget review.

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.

**Attachments:**

FY 2016 School Operating Fund Summary  
FY 2016 Final Budget Review

## School Operating Fund Statement and Balance Available\*

(\$ in millions)

	FY 2016 Third Quarter	FY 2016 Actual	Variance
Beginning Balance, July 1	\$112.8	\$112.8	\$0.0
Reserves	33.9	33.9	0.0
Receipts	701.0	695.9	(5.0)
Transfers In	1,825.8	1,825.8	0.0
<b>Total Available</b>	<b>\$2,673.4</b>	<b>\$2,668.4</b>	<b>(\$5.0)</b>
Expenditures	\$2,597.2	\$2,490.8	(\$106.4)
Transfers Out	34.2	34.2	0.0
<b>Total Disbursements</b>	<b>\$2,631.4</b>	<b>\$2,525.0</b>	<b>(\$106.4)</b>
<b>Ending Balance, June 30</b>	<b>\$42.0</b>	<b>\$143.4</b>	<b>\$101.4</b>
FY 2017 Beginning Balance Requirements**	\$27.8	\$33.2	
School Board Flexibility Reserve		8.0	
Centralized Textbook Replacement Reserve	8.9	8.9	
Commitments and Carryover:			
Outstanding Encumbered Obligations		29.3	
Multiyear Projects Carryover		13.3	
School Carryover		12.2	
Department Critical Needs Carryover		5.9	
<b>Balance after Commitments</b>	<b>\$5.3</b>	<b>\$32.6</b>	
<b>FY 2017 Administrative Adjustments (Investments/Identified Needs)</b>			
<i>Identified as Part of the FY 2017 Approved Budget</i>			
Fuel Contingency		\$2.0	
Staffing Contingency to Address Class Size		1.0	
<i>Prior Committed Priorities and Requirements</i>			
Major Maintenance		3.6	
World Languages - Year 3		0.2	
Joint BOS/SB Infrastructure Sinking Reserve Fund		0.3	
<i>Strategic Plan Investments</i>			
World Language Textbooks		3.1	
Set Aside for FY 2018 Beginning Balance		22.4	
<b>Available Ending Balance</b>	<b>\$5.3</b>	<b>\$0.0</b>	

\*Does not add due to rounding.

\*\*As part of the FY 2017 Approved Budget Adoption, the \$5.3 million in funding available from the FY 2016 Third Quarter Budget Review was included in the FY 2017 beginning balance, bringing the budgeted beginning balance for FY 2017 to \$33.1 million.

AMOUNT

**I. FY 2016 ACTUAL REVENUE**

(as compared to the FY 2016 Third Quarter Budget Review)

**A. Sales Tax**

**\$1,980,765**

Revenue from sales tax is projected to be \$2.0 million higher than the FY 2016 Third Quarter Budget Review. The final sales tax payment for FY 2016 will not be received until July, after the fiscal year ends.

**B. State Aid**

**411,554**

As compared to FCPS' projection in the FY 2016 Third Quarter Budget Review, State Aid reflects a net increase of \$0.4 million. The State's final payment calculations are based on the actual March 31 average daily membership (ADM). The actual ADM was slightly higher than FCPS projected, resulting in \$0.4 million more in Basic Aid, the primary component of State Aid, than FCPS' had projected.

**C. Federal Revenue**

**(9,455,985)**

As compared to the FY 2016 Third Quarter Budget Review, federal revenue reflects a decrease of \$9.5 million due primarily to:

- Unspent, multiyear grant awards (item II.B) that will be carried forward and reappropriated for FY 2017 (items III.C. and IV.A.) totaling \$9.5 million, primarily from the Individuals with Disabilities Education Act (IDEA) grant
- Impact Aid increase of \$0.9 million
- E-Rate shortfall of \$0.9 million

**D. Tuition, Fees, and Other**

**2,043,299**

Based on actual receipts, other categories of revenue, including fees and miscellaneous revenue exceed projections by \$2.0 million.

**TOTAL FY 2016 REVENUE VARIANCE**

**(\$5,020,367)**

AMOUNT      POSITIONS

**II. FY 2016 ACTUAL EXPENDITURES**

(as compared to the FY 2016 Third Quarter Budget Review)

**A. Total Expenditures** **(\$28,143,646)**      **(0.0)**

Expenditures, excluding unspent multiyear grant awards (item II.B.) are \$28.1 million less than projected after funding:

- School Board Flexibility Reserve      \$8.0 million
- Outstanding encumbered obligations      \$29.3 million
- Multiyear projects carryover      \$13.3 million
- School carryover      \$12.2 million
- Department critical needs carryover      \$5.9 million

The expenditure variance totals 1.1 percent of the revised budget and is comprised of the following:

- Salaries      \$15.6 million
- Employee Benefits      \$8.6 million
- Other Expenditures      \$3.9 million

Of the \$15.6 million in salary variance, \$13.7 million is attributed to regular contracted salary accounts and is primarily due to the unprecedented number of vacancies this year, especially in teacher accounts. The variance in employee benefits is primarily the result of position vacancies, and the variance in other expenditures is mainly attributed to material and supply accounts.

**B. Multiyear Grant Funding** **(9,491,734)**      **(0.0)**

The total expenditure variance also includes federal multiyear unspent grant award expenditures totaling \$9.5 million. As a result of lower expenditures in the FY 2016 grant year, the corresponding revenue decrease is reflected in item I.C. This multiyear available grant funding (items III.C. and IV. A.) is carried forward and reappropriated to FY 2017.

**TOTAL FY 2016 ACTUAL EXPENDITURE VARIANCE** **(\$37,635,380)**      **(0.0)**

**FY 2016 TOTAL FUNDS AVAILABLE** **\$32,615,013**

AMOUNT

**III. FY 2017 REVENUE AND BEGINNING BALANCE ADJUSTMENTS**

**X A. Beginning Balance** **\$78,892,613**

As a result of the adjustments resulting from FY 2016, including the impact of commitments and carryover, the beginning balance for FY 2017 is increased by \$78.9 million due to:

- School Board Flexibility Reserve \$8.0 million
- Fuel Contingency \$2.0 million
- Staffing Contingency \$1.0 million
- Outstanding encumbered obligations \$29.3 million
- Multiyear projects carryover \$13.3 million
- School carryover \$12.2 million
- Department critical needs carryover \$5.9 million
- Prior committed priorities/requirements \$4.1 million
- Strategic plan investments \$3.1 million

**X B. Reserves** **22,485,916**

Available funding of \$22.5 million from FY 2016 year-end is recommended to be set aside as a beginning balance for FY 2018.

**X C. Multiyear Federal Grants** **9,491,734**

Unspent multiyear federal grant awards from FY 2016 are carried forward to FY 2017. *(Revenue adjustment is offset by corresponding expenditure adjustment in IV.A.)*

**X D. New Federal Grant – IDEA Champions Together** **5,000**

Grant funding totaling \$5,000 provides funding for uniforms, coach’s stipend, and transportation for the Unified Sports teams at Robinson Secondary and Lee High School. *(Revenue adjustment is offset by corresponding expenditures adjustments in IV.B.)*

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**FY 2017 REVENUE AND BEGINNING BALANCE ADJUSTMENTS** **\$110,875,263**

√-Recurring  
X-Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
<b>IV. FY 2017 EXPENDITURE ADJUSTMENTS</b>		
<b>X A. Multiyear Federal Grants</b>	<b>\$9,491,734</b>	<b>0.0</b>
<p>Unspent multiyear federal grant awards from FY 2016 totaling \$9.5 million are carried forward and are being reappropriated for FY 2017. <i>(Expenditure adjustment is offset by corresponding revenue adjustments in III.C.)</i></p>		
<b>X B. New Federal Grant – IDEA Champions Together</b>	<b>5,000</b>	<b>0.0</b>
<p>Grant funding totaling \$5,000 provides funding for uniforms, coach's stipend, and transportation for the Unified Sports teams at Robinson Secondary and Lee High School. <i>(Expenditure adjustment is offset by corresponding revenue adjustments in III.D.)</i></p>		
<b>X C. Commitments and Carryover</b>	<b>60,763,516</b>	<b>0.0</b>
<p>Outstanding encumbered obligations, school and multiyear projects carryover, and department critical needs carryover are reappropriated in FY 2017:</p> <ul style="list-style-type: none"> <li>• Outstanding encumbered obligations      \$29.3 million</li> <li>• Multiyear projects carryover                \$13.3 million</li> <li>• School carryover                                 \$12.2 million</li> <li>• Department critical needs carryover        \$5.9 million</li> </ul>		
<b>X D. School Board Flexibility Reserve</b>	<b>8,000,000</b>	<b>0.0</b>
<p>Funding of \$8.0 million is maintained for the School Board Flexibility Reserve to meet unforeseen circumstances that occur during the fiscal year. Any unused portion is carried forward to the next fiscal year with School Board approval.</p>		
<b>X E. Fuel Contingency</b>	<b>2,000,000</b>	<b>0.0</b>
<p>As discussed during the FY 2017 Approved Budget process, fuel rates were reduced and a reserve was recommended to be created to mitigate rate fluctuations. This is consistent with Fairfax County Government's budgeting process for fuel.</p>		
<b>X F. Staffing Contingency to Address Class Size</b>	<b>1,000,000</b>	<b>0.0</b>
<p>As discussed during the FY 2017 Approved Budget process, funding of \$1.0 million will be set-aside as a contingency for staffing. Should the budgeted positions in the staffing reserve be exhausted, this funding will provide schools with support for reducing class sizes or addressing enrollment/demographic fluctuations.</p>		

√-Recurring  
X-Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
<p><b>X G. World Languages</b></p> <p>Funding of \$0.2 million is allocated for the third year to continue the development of the world languages curriculum for elementary and secondary schools, as well as for looking for opportunities to develop global partnerships.</p>	<b>214,608</b>	<b>0.0</b>
<p><b>X H. World Language Textbooks</b></p> <p>On April 14, 2016, the School Board adopted Spanish, French, and German textbooks for Levels 1-3 as recommended by the World Language Basal Instructional Materials Adoption Committee and the Selection Advisory Committee. Funding totaling \$3.8 million will be required and \$3.1 million is requested to centrally fund these hardback books with online text resources. This new funding, combined with available textbook funding of \$0.7 million, will allow the purchase to be fully funded with no reductions to school per-pupil allocations.</p>	<b>3,057,745</b>	<b>0.0</b>
<p><b>√ I. Position Conversions Due to Reorganization</b></p> <p>Effective July 1, 2016, functions from the departments of Instructional Services, Special Services, and Human Resources were realigned. Position authorization is requested for a position for the newly created School Support Office and a position to support Equity and Innovation. Both positions are funded through available resources resulting from this reorganization.</p>	<b>0</b>	<b>2.0</b>
<b>FY 2017 EXPENDITURE ADJUSTMENTS</b>	<b>\$84,532,603</b>	<b>2.0</b>

√-Recurring  
X-Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
<b>V. FY 2017 RECOMMENDED TRANSFERS OUT ADJUSTMENTS</b>		
<b>X A. Major Maintenance</b>	<b>\$3,550,970</b>	<b>0.0</b>
<p>Funding is requested to continue to address the backlog of major maintenance using one-time funding. Funding totaling \$3.6 million was eliminated during the adoption of the FY 2014 Approved Budget. At that time, FCPS adopted a process of restoring the funding for major maintenance at the FY 2013 level using funding available at year-end annually. This recommendation represents the fourth consecutive time that year-end funding has been utilized to supplement major maintenance. Funding major infrastructure maintenance will help prevent the failure of critical systems, deterioration of major capital investments, and significant health and safety hazards. Due to budget constraints, infrastructure maintenance has been limited, and there is a substantial backlog of infrastructure that has surpassed its useful life.</p>		
<b>X B. Joint BOS/SB Infrastructure Sinking Reserve Fund</b>	<b>305,774</b>	<b>0.0</b>
<p>Funding of \$0.3 million is being allocated in accordance with recommendations of the Infrastructure Financing Committee (IFC). On March 25, 2014, the Board of Supervisors approved recommendations which included setting aside a designated amount or percentage of available carryover funds to meet infrastructure needs. This commitment was to begin with the FY 2014 carryover review, and the IFC suggested increasing this commitment over three to five years until reaching a funding level of 20 percent of the unencumbered carryover balances of both the County and School budgets not needed for critical requirements. By allocating this funding, FCPS is contributing 50 percent of the five year implementation commitment in this second year.</p>		
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<b>FY 2017 TRANSFERS OUT ADJUSTMENTS</b>	<b>\$3,856,744</b>	<b>0.0</b>
<b>FY 2017 TOTAL DISBURSEMENT ADJUSTMENTS</b>	<b><u>\$88,389,347</u></b>	<b><u>2.0</u></b>
<b>VI. FY 2018 BEGINNING BALANCE</b>		
<b>X A. Beginning Balance</b>	<b>\$22,485,916</b>	
<p>All of the remaining funding available, \$22.5 million, is recommended to be set aside for the FY 2018 beginning balance. This results in an initial shortfall of \$10.6 million as compared to the beginning balance included in the FY 2017 Approved Budget.</p>		
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√-Recurring  
X-Nonrecurring



	<u>AMOUNT</u>	<u>POSITIONS</u>
<b>FY 2017 TOTAL FUNDS AVAILABLE</b>	<b><u>\$0</u></b>	
<b>VII. AGENDA SUMMARY</b>		
FY 2016 ACTUAL REVENUE VARIANCE		(\$5,020,367)
FY 2016 ACTUAL EXPENDITURE VARIANCE (After School Board Flexibility Reserve and commitments and carryover)		(\$37,635,380)
TOTAL FUNDS AVAILABLE		<u>\$32,615,013</u>
LESS IDENTIFIED AS PART OF THE FY 2017 APPROVED BUDGET		
Fuel Contingency		\$2,000,000
Staffing Contingency		1,000,000
LESS PRIOR COMMITTED PRIORITIES AND REQUIREMENTS		
Major Maintenance		3,550,970
World Languages		214,608
Joint BOS/SB Infrastructure Sinking Reserve Fund		305,774
LESS STRATEGIC PLAN INVESTMENTS		
World Language Text Books		3,057,745
LESS FY 2018 BEGINNING BALANCE SET ASIDE		<u>22,485,916</u>
AVAILABLE ENDING BALANCE		<u>\$0</u>

√-Recurring  
X-Nonrecurring

## VIII. OTHER FUNDS

### SCHOOL CONSTRUCTION FUND

The FY 2016 actual receipts are \$8.0 million less than the budgeted amount. This is primarily due to a multiyear Department of Defense federal grant award with \$9.4 million unspent and carried forward for the expansion of the Ft. Belvoir Elementary School, offset by \$0.9 million in miscellaneous revenue received above the budgeted amount, which includes County proffers; boosters, youth associations, and community support of turf fields; funding received for schools' work orders; \$0.4 million in turf field replacement revenue; and \$0.1 million more than budgeted for capital cost recovery from Thomas Jefferson High School tuition. Transfers in reflect no changes as compared to the FY 2016 Third Quarter Budget.

The reserve for turf field replacement increased from \$1.1 million to \$1.4 million due to a \$0.4 million turf field revenue received during the year. This turf field funding is being held in reserve pending future replacement needs.

Actual expenditures total \$193.7 million which is \$48.9 million lower than the FY 2016 Third Quarter Budget Review. This decrease is primarily due to the multiyear impact of how projects are budgeted, such as the construction grant for the expansion of Fort Belvoir Elementary School which is expected to be completed in FY 2017; a four month delay in the start of the Forestville Elementary School project due to legal issues pertaining to the new sanitary line; permit delays for the Cherry Run Elementary School and West Springfield High School renovation projects, as well as lower than expected construction bid costs. 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 FY 2017 Revised Budget reflects the reappropriation of carryforward DOD federal grant funding of \$9.4 million. The federal grant funding is received on a cost reimbursement basis. As construction expenses are incurred, revenue is requested for reimbursement from the grant. The FY 2017 Revised Budget also includes \$0.4 million in turf field replacement revenue that is projected to be received from 22 schools and rental fees to be collected through community use. In addition, the FY 2017 Revised Budget includes an increase of \$0.3 million for the Joint Board of Supervisors/School Board Infrastructure Sinking Reserve Fund in accordance with recommendations of the Infrastructure Financing Committee and one-time funding of \$3.6 million in continued support for addressing the backlog within major infrastructure maintenance.

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

Excluding the beginning balance, revenue in the Food and Nutrition Services (FNS) fund totals \$75.2 million, which is \$0.4 million higher than the FY 2016 Third Quarter Budget Review primarily due to a \$0.3 million, or 0.9 percent, increase in food sales, and a \$0.2 million, or 0.5 percent, increase in federal aid, offset by a decrease of \$0.1 million, or 8.8 percent, in state aid. In FY 2016, daily meal sales started to increase slightly, averaging 82,168 lunches served daily, after several years of continuous decline.

Actual expenditures total \$74.2 million which is a decrease of \$4.0 million as compared to the FY 2016 Third Quarter Budget Review. The decrease is due to lower expenditures of \$1.4 million in food costs, a decrease of \$2.3 million in employee salaries and benefits which resulted primarily from overtime savings, and \$0.3 million reduction in other expenditures, primarily for capital outlay.

In FY 2016, more revenues were generated than expenditures incurred in the Food and Nutrition Services (FNS) fund by \$1.0 million, resulting in an increase in the fund's reserve. The FY 2017 Revised Budget is adjusted to reflect an additional \$4.1 million available for beginning balance as compared to the projection in the FY 2017 Approved Budget. Revenue increased by \$5,000 due to available grant funding in FY 2017. Expenditures increased by \$26,110 due to the increase in expenditures of \$21,110 in outstanding encumbered obligations from FY 2016 and an additional \$5,000 grant appropriation. In FY 2017, 5.0 full time equivalent (FTE) positions will be converted from hourly contracted positions as a result of an internal classification review. In total, the revenue and expenditure adjustments as compared to the FY 2017 Approved Budget results in an increase of \$4.1 million to the FNS' reserve, bringing the reserve total to \$12.7 million in FY 2017. The reserve enables FNS to mitigate the impact of expenditure and revenue variations and enables FNS to provide funding for equipment replacement, technology training and other improvements; to fund salary improvements, if approved by the School Board; and to meet emergency expenses.

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

The FY 2016 ending balance for the Adult and Community Education (ACE) Fund totals \$23,972. Total receipts and transfers total \$8.8 million, which is \$0.9 million, or 9.5 percent, lower than the \$9.7 million projected in the FY 2016 Third Quarter Budget Review. This variance is primarily due to lower tuition receipts than projected, as well as lower state aid. Tuition is the primary revenue source for ACE, which has a variety of individual program offerings for students and the community which are based on community interest and demand. Actual expenditures total \$9.2 million, which is \$1.0 million, or 9.4 percent, less than the FY 2016 Third Quarter Budget Review. Expenditures are lower primarily due to lower enrollment.

The FY 2017 budget has been revised to reflect a \$0.3 million decrease in tuition revenue, which includes lower enrollment projections partially offset by tuition increases in some courses. Expenditures are also reduced based on lower enrollment.

**GRANTS AND SELF-SUPPORTING PROGRAMS FUND**

The FY 2016 ending balance for the Grants and Self-Supporting Programs Fund totals \$11.9 million. The ending balance is comprised of \$4.2 million for summer school and \$7.7 million in grant revenues not yet expended. The FY 2017 budget is increasing by \$22.4 million and 7.9 positions due to new and revised grant awards and the reappropriation of the ending balance and multiyear grant awards.

**Grants Subfund:**

The FY 2016 ending balance for the Grants Subfund totals \$7.7 million and primarily represents grant revenues not yet expended for Cable Communications, Medicaid, State Technology Plan, Fairfax Network, Great Beginnings, Assessment for Learning Project, and College Night.

The FY 2017 budget for the Grants Subfund reflects a net increase of \$20.8 million due to revised grants awards and the reappropriation of the ending balance and multiyear grant awards. Of this amount, \$7.7 million represents ending balance and \$13.1 million results from the reappropriation of multiyear grants awards primarily for entitlement grants such as Title I, Title II, and Title III; 21<sup>st</sup> Century Community Learning Center; Department of Defense Education Activity; Project Aware; State Technology Plan. Additionally, authorization is requested for a net increase of 7.9 positions with no additional funding required.

<b>Federal</b>	<b>Amount</b>	<b>Positions</b>
Department of Defense Education Activity*	-	1.0
Title I, Part A*	-	5.9
Title II, Part A*	<u>-</u>	<u>1.0</u>
<b>Total:</b>	<b>\$0</b>	<b>7.9</b>

\*Position authorization is requested; funding is reflected in the FY 2017 Revised Budget.

**Summer School Subfund:**

The FY 2016 ending balance in the Summer School Subfund is \$4.2 million, primarily due to lower than budgeted expenditures of \$1.3 million and \$2.6 million in reserve funding that was unspent. Lower than budgeted expenditures primarily include Summer Enrichment Intervention Remediation and Extended School Year. Revenue receipts were \$0.3 million higher than estimated due primarily to additional state revenue for remediation offset by lower tuition receipts. The FY 2016 ending balance is available to help fund potential costs associated with the restructuring of summer programs, including the Credit Recovery Academy, the Young Scholars Program, and the Summer Literacy Incentive Program.

**SCHOOL INSURANCE FUND**

Total FY 2016 School Insurance Fund receipts of \$13.5 million are \$0.4 million, or 3.4 percent, higher than the FY 2016 Third Quarter Budget Review as a result of an increase in recovered costs (e.g., restitution and subrogation recoveries). Total FY 2016 expenditures of \$12.7 million are \$4.6 million, or 26.8 percent, lower than the FY 2016 estimate of \$17.4 million (excluding the budget of \$9.5 million for the allocated reserve), primarily due to lower than projected liability claims experienced. FY 2016 year-end results reflect a \$2.0 million net increase in accrued liabilities based on projections included in the most recent actuarial valuation of the School Insurance Fund. This net change in accrued liabilities is accounted for in the fund's restricted reserves. As compared to the FY 2017 Approved Budget, the FY 2017 Revised Budget reflects a \$5.1 million increase in the beginning balance due to a combination of the additional revenue received from recovered costs and lower expenditures incurred as of FY 2016 year-end. In addition, as compared to the FY 2017 approved, the revised budget includes a \$3.1 million increase in the allocated reserve and a \$2.0 million increase in restricted reserves. The \$21,000 increase in FY 2017 projected expenditures is due to outstanding encumbered obligations for related actuarial services.

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

The FY 2016 Premium Stabilization Reserve year-end balance totals \$35.9 million, which is a \$2.7 million, or 6.9 percent, decrease from the FY 2016 Third Quarter Budget Review. Total School Health and Flexible Benefits Fund FY 2016 revenue of \$369.4 million is \$5.6 million, or 1.5 percent, higher than the FY 2016 Third Quarter Budget Review. The increase was primarily due to higher revenue from federal and manufacturer drug subsidies and rebates of \$7.6 million and an increase of \$0.6 million for Flexible Account Withholdings offset by lower net contributions (employer, employee, and retiree contributions combined) of \$2.7 million.

School Health and Flexible Benefits Fund FY 2016 expenditures total \$372.9 million, which is a net increase of \$8.2 million, or 2.3 percent, as compared to the FY 2016 Third Quarter Budget Review. The increase is due to higher actual FY 2016 health claims and premiums related expenditures of \$6.3 million, higher estimated claims incurred but not yet reported (IBNR) of \$2.6 million, and an increase in the Flexible Account Reimbursements of \$0.4 million. These increases were offset by lower Administrative Expenses of \$1.1 million. A certified IBNR estimate will not be available until after FCPS' year-end close. Any required adjustments resulting from the certified IBNR will be incorporated in the FY 2017 Midyear Budget Review.

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

The FY 2016 ending balance for the Educational Employees' Retirement System of Fairfax County (ERFC) Fund is \$2.1 billion, which is \$288.0 million, or 12.3 percent, lower than the FY 2016 Third Quarter Budget Review. FY 2016 receipts total \$61.3 million, a net decrease of \$298.4 million, or 83.0 percent, below the FY 2016 Third Quarter Budget Review. This decrease is due to a loss of \$56.7 million from investment returns; a decrease of \$300.8 million, or 123.2 percent, from the FY 2016 Third Quarter Budget Review. This decrease was slightly offset by an increase in revenue from employer and employee contributions of \$2.4 million, or 2.1 percent, from the estimate.

ERFC expenditures total \$188.0 million, which is \$10.3 million, or 5.2 percent, lower than the FY 2016 Third Quarter Budget Review primarily due to lower than projected retirement benefits payments and refunds disbursements. Due to the timing of the FY 2016 Final Budget Review, final transactions from investment activities, including actual returns from June, and the impact of employee retirements occurring at year-end on expenditures will be incorporated in the FY 2017 Midyear Budget Review. The FY 2017 beginning balance includes a decrease of \$288.0 million as a result of the lower funding available at FY 2016 year-end. Outstanding encumbered obligations totaling \$2,742 at FY 2016 year-end are reflected in projected expenditures for the FY 2017 Revised Budget.

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

The FY 2016 ending balance for the OPEB Trust Fund is \$100.4 million, which is \$2.8 million, or 2.7 percent, lower than the FY 2016 Third Quarter Budget Review, due to unfavorable investment returns as compared to the estimate. As a result of the timing of the FY 2016 Final Budget Review, final transactions from investment activities, including actual returns from June, will be incorporated in the FY 2017 Midyear Budget Review. Total revenue of \$21.3 million is \$2.8 million, or 11.6 percent, lower than the FY 2016 Third Quarter Budget Review due to the decrease in investment returns.

FY 2016 expenditures totaling \$16.8 million are lower than the FY 2016 Third Quarter Budget Review by \$3,844 due to lower administrative expenses. The FY 2017 Revised Budget includes a \$2.8 million decrease in the beginning balance as a result of the lower funding available at FY 2016 year-end.

SCHOOL OPERATING FUND STATEMENT

	FY 2016 <u>Third Quarter</u>	FY 2016 <u>Actual</u>	<u>Variance</u>	FY 2017 <u>Approved</u>	FY 2017 <u>Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, July 1:</b>						
Budgeted Beginning Balance	\$ 30,347,826	\$ 30,347,826	\$ -	\$ 33,120,624	33,120,624	\$ -
School Board Flexibility Reserve	8,000,000	8,000,000	-	-	8,000,000	8,000,000
Transportation Public Safety Radios	7,445,623	7,445,623	-	-	-	-
Fuel Contingency	-	-	-	-	2,000,000	2,000,000
Staffing Contingency to Address Class Size	763,930	763,930	-	-	1,000,000	1,000,000
Outstanding Encumbered Obligations	36,575,423	36,575,423	-	-	29,326,074	29,326,074
Multiyear Project Carryover	3,515,946	3,515,946	-	-	13,309,962	13,309,962
School Carryover	12,688,519	12,688,519	-	-	12,227,049	12,227,049
Department Critical Needs Carryover	4,078,400	4,078,400	-	-	5,900,431	5,900,431
Prior Committed Priorities and Requirements	6,153,754	6,153,754	-	-	4,071,352	4,071,352
Strategic Plan Investments	3,201,469	3,201,469	-	-	3,057,745	3,057,745
<b>Total Beginning Balance</b>	<b>\$ 112,770,890</b>	<b>\$ 112,770,890</b>	<b>\$ -</b>	<b>\$ 33,120,624</b>	<b>\$ 112,013,237</b>	<b>\$ 78,892,613</b>
Future Year Beginning Balance	\$ 27,838,595	\$ 27,838,595	\$ -	\$ -	22,485,916	\$ 22,485,916
Centralized Textbook Replacement Reserve	6,059,244	6,059,244	-	8,865,265	8,865,265	-
<b>Total Reserves</b>	<b>\$ 33,897,839</b>	<b>\$ 33,897,839</b>	<b>\$ -</b>	<b>\$ 8,865,265</b>	<b>\$ 31,351,181</b>	<b>\$ 22,485,916</b>
<b>RECEIPTS:</b>						
Sales Tax	\$ 185,306,610	\$ 187,287,375	\$ 1,980,765	\$ 192,391,105	\$ 192,391,105	\$ -
State Aid	401,714,930	402,126,484	411,554	418,072,526	418,072,526	-
Federal Aid	50,533,088	41,077,103	(9,455,985)	42,219,310	51,716,044	9,496,734
City of Fairfax Tuition	44,005,676	44,005,676	-	44,655,699	44,655,699	-
Tuition, Fees, and Other	19,393,531	21,436,830	2,043,299	20,166,514	20,166,514	-
<b>Total Receipts</b>	<b>\$ 700,953,835</b>	<b>\$ 695,933,468</b>	<b>\$ (5,020,367)</b>	<b>\$ 717,505,155</b>	<b>\$ 727,001,889</b>	<b>\$ 9,496,734</b>
<b>TRANSFERS IN:</b>						
Combined County General Fund	\$ 1,825,153,345	\$ 1,825,153,345	\$ -	\$ 1,913,518,902	\$ 1,913,518,902	\$ -
County Transfer - Cable Communications	600,000	600,000	-	600,000	600,000	-
<b>Total Transfers In</b>	<b>\$ 1,825,753,345</b>	<b>\$ 1,825,753,345</b>	<b>\$ -</b>	<b>\$ 1,914,118,902</b>	<b>\$ 1,914,118,902</b>	<b>\$ -</b>
<b>Total Receipts &amp; Transfers</b>	<b>\$ 2,526,707,180</b>	<b>\$ 2,521,686,813</b>	<b>\$ (5,020,367)</b>	<b>\$ 2,631,624,057</b>	<b>\$ 2,641,120,791</b>	<b>\$ 9,496,734</b>
<b>Total Funds Available</b>	<b>\$ 2,673,375,909</b>	<b>\$ 2,668,355,542</b>	<b>\$ (5,020,367)</b>	<b>\$ 2,673,609,946</b>	<b>\$ 2,784,485,209</b>	<b>\$ 110,875,263</b>
<b>EXPENDITURES:</b>						
School Board Flexibility Reserve	\$ 2,589,234,175	\$ 2,490,835,279	\$ (98,398,896)	\$ 2,632,950,272	\$ 2,709,482,875	\$ 76,532,603
School Board Flexibility Reserve	8,000,000	-	(8,000,000)	-	8,000,000	8,000,000
<b>Total Expenditures</b>	<b>\$ 2,597,234,175</b>	<b>\$ 2,490,835,279</b>	<b>\$ (106,398,896)</b>	<b>\$ 2,632,950,272</b>	<b>\$ 2,717,482,875</b>	<b>\$ 84,532,603</b>
<b>TRANSFERS OUT:</b>						
School Construction Fund	\$ 12,666,296	\$ 12,666,296	\$ -	\$ 7,049,030	\$ 10,905,774	\$ 3,856,744
Grants & Self-Supporting Fund	17,785,974	17,785,974	-	18,237,453	18,237,453	-
Adult & Community Education Fund	235,000	235,000	-	235,000	235,000	-
Consolidated County & School Debt Fund	3,468,575	3,468,575	-	3,466,725	3,466,725	-
<b>Total Transfers Out</b>	<b>\$ 34,155,845</b>	<b>\$ 34,155,845</b>	<b>\$ -</b>	<b>\$ 28,988,208</b>	<b>\$ 32,844,952</b>	<b>\$ 3,856,744</b>
<b>Total Disbursements</b>	<b>\$ 2,631,390,020</b>	<b>\$ 2,524,991,124</b>	<b>\$ (106,398,896)</b>	<b>\$ 2,661,938,480</b>	<b>\$ 2,750,327,827</b>	<b>\$ 88,389,347</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ 41,985,889</b>	<b>\$ 143,364,418</b>	<b>\$ 101,378,529</b>	<b>\$ 11,671,466</b>	<b>\$ 34,157,382</b>	<b>\$ 22,485,916</b>
<b>LESS BEGINNING BALANCE REQUIREMENTS:</b>						
FY 2017 Beginning Balance	\$ 27,838,595	\$ 33,120,624	\$ 5,282,029	\$ -	\$ -	\$ -
<b>LESS RESERVES:</b>						
School Board Flexibility Reserve	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -	\$ -
Centralized Textbook Replacement Reserve	8,865,265	8,865,265	-	11,671,466	11,671,466	-
<b>Total Reserves</b>	<b>\$ 8,865,265</b>	<b>\$ 16,865,265</b>	<b>\$ 8,000,000</b>	<b>\$ 11,671,466</b>	<b>\$ 11,671,466</b>	<b>\$ -</b>
<b>LESS COMMITMENTS AND CARRYOVER:</b>						
Outstanding Encumbered Obligations	\$ -	\$ 29,326,074	\$ 29,326,074	\$ -	\$ -	\$ -
Multiyear Project Carryover	-	13,309,962	13,309,962	-	-	-
School Carryover	-	12,227,049	12,227,049	-	-	-
Department Critical Needs Carryover	-	5,900,431	5,900,431	-	-	-
<b>Total Commitments and Carryover</b>	<b>\$ -</b>	<b>\$ 60,763,516</b>	<b>\$ 60,763,516</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL FUNDS AVAILABLE, JUNE 30</b>	<b>\$ 5,282,029</b>	<b>\$ 32,615,013</b>	<b>\$ 27,332,984</b>	<b>\$ -</b>	<b>\$ 22,485,916</b>	<b>\$ 22,485,916</b>
<b>FUTURE YEAR BEGINNING BALANCE</b>						
Set-Aside for FY 2018 Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ 22,485,916	\$ 22,485,916
<b>LESS ADMINISTRATIVE ADJUSTMENTS:</b>						
<i>Identified as Part of the FY 2017 Approved Budget</i>						
Fuel Contingency	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -
Staffing Contingency to Address Class Size	-	1,000,000	1,000,000	-	-	-
<b>Prior Committed Priorities and Requirements</b>						
Major Maintenance	-	3,550,970	3,550,970	-	-	-
World Languages - Year 3	-	214,608	214,608	-	-	-
Joint BOS/SB Infrastructure Sinking Reserve Fund	-	305,774	305,774	-	-	-
<b>Strategic Plan Investments</b>						
World Languages Textbooks	-	3,057,745	3,057,745	-	-	-
Set Aside for FY 2018 Beginning Balance	-	22,485,916	22,485,916	-	-	-
<b>Available Ending Balance</b>	<b>\$ 5,282,029</b>	<b>\$ 141 -</b>	<b>\$ (5,282,029)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

SCHOOL CONSTRUCTION FUND STATEMENT

	FY 2016 <u>Third Quarter</u>	FY 2016 <u>Actual</u>	<u>Variance</u>	FY 2017 <u>Approved</u>	FY 2017 <u>Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 36,866,476	\$ 36,866,476	\$ -	\$ -	\$ 40,531,794	\$ 40,531,794
<b>RESERVES:</b>						
Reserve For Turf Replacement	1,058,045	1,058,045	-	1,058,045	1,408,603	350,558
<b>Total Reserve</b>	<b>\$ 1,058,045</b>	<b>\$ 1,058,045</b>	<b>\$ -</b>	<b>\$ 1,058,045</b>	<b>\$ 1,408,603</b>	<b>\$ 350,558</b>
<b>RECEIPTS:</b>						
General Obligation Bonds	\$ 155,000,000	\$ 155,000,000	\$ -	\$ 155,000,000	\$ 155,000,000	\$ -
Federal Grant - DOD Ft. Belvoir	22,909,085	13,499,004	(9,410,081)	-	9,410,081	9,410,081
City of Fairfax	20,000	27,105	7,105	20,000	20,000	-
TJHSST Tuition - Capital Costs	300,000	418,948	118,948	500,000	500,000	-
Miscellaneous Revenue	286,000	1,173,406	887,406	286,000	286,000	-
Turf Field Replacement Revenue	-	350,558	350,558	-	354,621	354,621
<b>Total Receipts</b>	<b>\$ 178,515,085</b>	<b>\$ 170,469,021</b>	<b>\$ (8,046,064)</b>	<b>\$ 155,806,000</b>	<b>\$ 165,570,702</b>	<b>\$ 9,764,702</b>
<b>AUTHORIZED BUT UNISSUED BONDS</b>	<b>\$ 304,138,445</b>	<b>\$ -</b>	<b>\$ (304,138,445)</b>	<b>\$ -</b>	<b>\$ 238,299,106</b>	<b>\$ 238,299,106</b>
<b>Total Referendums</b>	<b>\$ 304,138,445</b>	<b>\$ -</b>	<b>\$ (304,138,445)</b>	<b>\$ -</b>	<b>\$ 238,299,106</b>	<b>\$ 238,299,106</b>
<b>TRANSFERS IN:</b>						
<b>School Operating Fund</b>						
Building Maintenance	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 6,449,030	\$ 10,000,000	\$ 3,550,970
Classroom Equipment	397,756	397,756	-	-	-	-
Facility Modifications	600,000	600,000	-	600,000	600,000	-
Synthetic Turf Field Initiative	1,500,000	1,500,000	-	-	-	-
Joint BOS/SB Infrastructure Sinking Reserve	168,540	168,540	-	-	305,774	305,774
<b>County General Construction and Contributions Fund</b>						
Synthetic Turf Field Initiative	1,500,000	1,500,000	-	-	-	-
Joint BOS/SB Infrastructure Sinking Reserve	13,100,000	13,100,000	-	13,100,000	13,100,000	-
<b>Total Transfers In</b>	<b>\$ 27,266,296</b>	<b>\$ 27,266,296</b>	<b>\$ -</b>	<b>\$ 20,149,030</b>	<b>\$ 24,005,774</b>	<b>\$ 3,856,744</b>
<b>Total Receipts and Transfers</b>	<b>\$ 509,919,826</b>	<b>\$ 197,735,317</b>	<b>\$ (312,184,509)</b>	<b>\$ 175,955,030</b>	<b>\$ 427,875,582</b>	<b>\$ 251,920,552</b>
<b>Total Funds Available</b>	<b>\$ 547,844,347</b>	<b>\$ 235,659,838</b>	<b>\$ (312,184,509)</b>	<b>\$ 177,013,075</b>	<b>\$ 469,815,979</b>	<b>\$ 292,802,904</b>
<b>EXPENDITURES AND COMMITMENTS:</b>						
Expenditures	\$ 242,647,857	\$ 193,719,442	\$ (48,928,416)	\$ 175,955,030	\$ 229,888,654	\$ 53,933,624
Additional Contractual Commitments	304,138,445	-	(304,138,445)	-	238,299,106	238,299,106
<b>Total Disbursements</b>	<b>\$ 546,786,302</b>	<b>\$ 193,719,442</b>	<b>\$ (353,066,861)</b>	<b>\$ 175,955,030</b>	<b>\$ 468,187,759</b>	<b>\$ 292,232,729</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ 1,058,045</b>	<b>\$ 41,940,397</b>	<b>\$ 40,882,352</b>	<b>\$ 1,058,045</b>	<b>\$ 1,628,220</b>	<b>\$ 570,175</b>
<b>Less:</b>						
Reserve For Turf Replacement	\$ 1,058,045	\$ 1,408,603	\$ 350,558	\$ 1,058,045	\$ 1,628,220	\$ 570,175
<b>Available Ending Balance</b>	<b>\$ -</b>	<b>\$ 40,531,794</b>	<b>\$ 40,531,794</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**FOOD AND NUTRITION SERVICES FUND STATEMENT**

	<u>FY 2016 Third Quarter</u>	<u>FY 2016 Actual</u>	<u>Variance</u>	<u>FY 2017 Approved</u>	<u>FY 2017 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 12,462,035	\$ 12,462,035	\$ -	\$ 9,033,086	\$ 13,178,232	\$ 4,145,146
<b>RECEIPTS:</b>						
State Aid	\$ 1,149,874	\$ 1,049,064	\$ (100,810)	\$ 1,153,857	\$ 1,153,857	\$ -
Federal Aid	34,549,926	34,719,215	169,289	36,075,261	36,075,261	-
Food Sales	39,083,935	39,428,281	344,347	43,956,209	43,956,209	-
Other Revenue	16,745	43,447	26,702	17,207	22,207	5,000
<b>Total Receipts</b>	<b>\$ 74,800,480</b>	<b>\$ 75,240,008</b>	<b>\$ 439,528</b>	<b>\$ 81,202,534</b>	<b>\$ 81,207,534</b>	<b>\$ 5,000</b>
<b>Total Funds Available</b>	<b>\$ 87,262,515</b>	<b>\$ 87,702,043</b>	<b>\$ 439,528</b>	<b>\$ 90,235,620</b>	<b>\$ 94,385,766</b>	<b>\$ 4,150,146</b>
<b>EXPENDITURES:</b>	\$ 78,229,429	\$ 74,199,901	\$ (4,029,529)	\$ 81,646,357	\$ 81,672,467	\$ 26,110
Food and Nutrition Services General Reserve	\$ 9,033,086	\$ -	\$ (9,033,086)	\$ 8,589,263	\$ 12,713,299	\$ 4,124,036
<b>Total Disbursements</b>	<b>\$ 87,262,515</b>	<b>\$ 74,199,901</b>	<b>\$ (13,062,615)</b>	<b>\$ 90,235,620</b>	<b>\$ 94,385,766</b>	<b>\$ 4,150,146</b>
Change in Inventory	\$ -	\$ 323,910	\$ 323,910	\$ -	\$ -	\$ -
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ -</b>	<b>\$ 13,178,232</b>	<b>\$ 13,178,232</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Less:</b>						
Outstanding Encumbered Obligations	\$ -	\$ 21,110	\$ 21,110	\$ -	\$ -	\$ -
Inventory	-	1,501,206	1,501,206	-	-	-
<b>Available Ending Balance</b>	<b>\$ -</b>	<b>\$ 11,655,916</b>	<b>\$ 11,655,916</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



ADULT & COMMUNITY EDUCATION FUND STATEMENT

	<u>FY 2016 Third Quarter</u>	<u>FY 2016 Actual</u>	<u>Variance</u>	<u>FY 2017 Approved</u>	<u>FY 2017 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 397,679	\$ 397,679	\$ -	\$ -	\$ 26,993	\$ 26,993
<b>RECEIPTS:</b>						
State Aid	\$ 936,843	\$ 725,301	\$ (211,542)	\$ 744,292	\$ 744,292	\$ -
Federal Aid	1,778,342	1,779,967	1,625	1,666,438	1,666,438	-
Tuition and Fees	6,367,913	5,559,726	(808,187)	6,412,348	6,157,485	(254,863)
Other	417,269	510,215	92,946	452,384	452,384	-
<b>Total Receipts</b>	<u>\$ 9,500,366</u>	<u>\$ 8,575,209</u>	<u>\$ (925,157)</u>	<u>\$ 9,275,462</u>	<u>\$ 9,020,599</u>	<u>\$ (254,863)</u>
<b>TRANSFERS IN:</b>						
School Operating Fund	\$ 235,000	\$ 235,000	\$ -	\$ 235,000	\$ 235,000	\$ -
<b>Total Transfers In</b>	<u>\$ 235,000</u>	<u>\$ 235,000</u>	<u>\$ -</u>	<u>\$ 235,000</u>	<u>\$ 235,000</u>	<u>\$ -</u>
<b>Total Receipts and Transfers</b>	\$ 9,735,366	\$ 8,810,209	\$ (925,157)	\$ 9,510,462	\$ 9,255,599	\$ (254,863)
<b>Total Funds Available</b>	\$ 10,133,046	\$ 9,207,888	\$ (925,157)	\$ 9,510,462	\$ 9,282,593	\$ (227,869)
<b>EXPENDITURES:</b>	\$ 10,133,046	\$ 9,180,895	\$ (952,151)	\$ 9,510,462	\$ 9,282,593	\$ (227,869)
<b>ENDING BALANCE, JUNE 30</b>	\$ -	\$ 26,993	\$ 26,993	\$ -	\$ -	\$ -
<b>Less:</b>						
Outstanding Encumbered Obligations	\$ -	\$ 3,021	\$ 3,021	\$ -	\$ -	\$ -
<b>Available Ending Balance</b>	<u>\$ -</u>	<u>\$ 23,972</u>	<u>\$ 23,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>FY 2016 Third Quarter</u>	<u>FY 2016 Actual</u>	<u>Variance</u>	<u>FY 2017 Approved</u>	<u>FY 2017 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>						
Grants	\$ 5,409,349	\$ 5,409,349	\$ -	\$ -	\$ 7,681,059	\$ 7,681,059
Summer School	7,317,999	7,317,999	-	2,550,968	4,169,687	1,618,719
<b>Total Beginning Balance</b>	<b>\$ 12,727,348</b>	<b>\$ 12,727,348</b>	<b>\$ -</b>	<b>\$ 2,550,968</b>	<b>\$ 11,850,746</b>	<b>\$ 9,299,777</b>
<b>RECEIPTS:</b>						
<b>Grants</b>						
State Aid	\$ 9,917,624	\$ 8,214,080	\$ (1,703,544)	\$ 7,641,723	\$ 10,569,856	\$ 2,928,132
Federal Aid	41,240,022	34,192,340	(7,047,682)	31,014,107	41,081,415	10,067,308
Industry, Foundation, Other	692,745	888,835	196,089	-	91,000	91,000
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
<b>Summer School</b>						
State Aid	2,100,000	2,585,993	485,993	2,267,161	2,267,161	-
Tuition	2,639,441	2,279,066	(360,375)	2,406,205	2,406,205	-
Industry, Foundation, Other	25,500	171,360	145,860	-	-	-
<b>Total Receipts</b>	<b>\$ 62,615,332</b>	<b>\$ 48,331,673</b>	<b>\$ (14,283,660)</b>	<b>\$ 49,329,196</b>	<b>\$ 62,415,636</b>	<b>\$ 13,086,440</b>
<b>TRANSFERS IN:</b>						
School Operating Fund (Grants)	\$ 9,029,576	\$ 9,029,576	\$ -	\$ 9,481,055	\$ 9,481,055	\$ -
School Operating Fund (Summer School)	8,756,398	8,756,398	-	8,756,398	8,756,398	-
Cable Communications Fund (Grants)	3,282,217	3,282,217	-	3,619,872	3,619,872	-
<b>Total Transfers In</b>	<b>\$ 21,068,191</b>	<b>\$ 21,068,191</b>	<b>\$ -</b>	<b>\$ 21,857,325</b>	<b>\$ 21,857,325</b>	<b>\$ -</b>
<b>Total Funds Available</b>	<b>\$ 96,410,871</b>	<b>\$ 82,127,212</b>	<b>\$ (14,283,660)</b>	<b>\$ 73,737,489</b>	<b>\$ 96,123,707</b>	<b>\$ 22,386,217</b>
<b>EXPENDITURES:</b>						
Grants	\$ 69,571,533	\$ 53,335,337	\$ (16,236,196)	\$ 51,756,757	\$ 72,524,256	\$ 20,767,498
Unallocated Grants	6,000,000	-	(6,000,000)	6,000,000	6,000,000	-
Summer School	18,288,370	16,941,129	(1,347,241)	15,980,732	16,608,349	627,617
<b>Total Expenditures</b>	<b>\$ 93,859,903</b>	<b>\$ 70,276,466</b>	<b>\$ (23,583,437)</b>	<b>\$ 73,737,489</b>	<b>\$ 95,132,604</b>	<b>\$ 21,395,115</b>
<b>RESERVES:</b>						
Summer School Reserve	\$ 2,550,968	\$ -	\$ (2,550,968)	\$ -	\$ 991,102	\$ 991,102
<b>Total Reserves</b>	<b>\$ 2,550,968</b>	<b>\$ -</b>	<b>\$ (2,550,968)</b>	<b>\$ -</b>	<b>\$ 991,102</b>	<b>\$ 991,102</b>
<b>Total Disbursements</b>	<b>\$ 96,410,871</b>	<b>\$ 70,276,466</b>	<b>\$ (26,134,405)</b>	<b>\$ 73,737,489</b>	<b>\$ 96,123,707</b>	<b>\$ 22,386,217</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ -</b>	<b>\$ 11,850,746</b>	<b>\$ 11,850,746</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Less:</b>						
Outstanding Encumbered Obligations	\$ -	\$ 3,246,840	\$ 3,246,840	\$ -	\$ -	\$ -
<b>Available Ending Balance</b>	<b>\$ -</b>	<b>\$ 8,603,906</b>	<b>\$ 8,603,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

SCHOOL INSURANCE FUND STATEMENT

	<u>FY 2016</u> <u>Third Quarter</u>	<u>FY 2016</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2017</u> <u>Approved</u>	<u>FY 2017</u> <u>Revised</u>	<u>Variance</u>
Workers' Compensation Accrued Liability	\$ 32,852,007	\$ 32,852,007	\$ -	\$ 32,823,211	\$ 34,229,315	\$ 1,406,104
Other Insurance Accrued Liability	4,706,704	4,706,704	-	4,707,649	5,261,660	554,011
Allocated Reserves	13,737,557	13,737,557	-	9,494,015	12,621,223	3,127,208
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$ 51,296,268</b>	<b>\$ 51,296,268</b>	<b>\$ -</b>	<b>\$ 47,024,875</b>	<b>\$ 52,112,198</b>	<b>\$ 5,087,323</b>
<b>RECEIPTS:</b>						
<b>Workers' Compensation</b>						
School Operating Fund	\$ 8,238,928	\$ 8,238,928	\$ -	\$ 8,238,928	\$ 8,238,928	\$ -
School Food & Nutrition Serv. Fund	324,284	324,284	-	324,284	324,284	-
<b>Other Insurance</b>						
School Operating Fund	4,468,127	4,468,127	-	4,468,127	4,468,127	-
Insurance Proceeds/ Rebates	50,000	489,963	439,963	50,000	50,000	-
<b>Total Receipts</b>	<b>\$ 13,081,339</b>	<b>\$ 13,521,302</b>	<b>\$ 439,963</b>	<b>\$ 13,081,339</b>	<b>\$ 13,081,339</b>	<b>\$ -</b>
<b>Total Funds Available</b>	<b>\$ 64,377,607</b>	<b>\$ 64,817,570</b>	<b>\$ 439,963</b>	<b>\$ 60,106,214</b>	<b>\$ 65,193,537</b>	<b>\$ 5,087,323</b>
<b>EXPENDITURES:</b>						
Workers' Compensation Administration	\$ 669,033	\$ 433,007	\$ (236,026)	\$ 694,375	\$ 694,375	\$ -
Workers' Compensation Claims Paid	9,171,000	6,783,979	(2,387,021)	9,171,000	9,171,000	-
Workers' Compensation Claims Management	1,000,000	988,468	(11,532)	1,000,000	1,000,000	-
Other Insurance	6,512,699	4,499,919	(2,012,780)	6,483,702	6,504,702	21,000
General Reserves	9,494,015	-	(9,494,015)	5,226,277	8,332,484	3,106,208
<b>Total Expenditures</b>	<b>\$ 26,846,747</b>	<b>\$ 12,705,372</b>	<b>\$ (14,141,374)</b>	<b>\$ 22,575,354</b>	<b>\$ 25,702,561</b>	<b>\$ 3,127,208</b>
Net change in accrued liabilities-Workers' Comp	\$ -	\$ 1,406,104	\$ 1,406,104	\$ -	\$ -	\$ -
Net change in accrued liabilities-Other Insurance	-	554,011	554,011	-	-	-
<b>Net Change in Accrued Liability</b>	<b>\$ -</b>	<b>\$ 1,960,115</b>	<b>\$ 1,960,115</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING BALANCE, June 30</b>	<b>\$ 37,530,860</b>	<b>\$ 52,112,198</b>	<b>\$ 14,581,338</b>	<b>\$ 37,530,860</b>	<b>\$ 39,490,975</b>	<b>\$ 1,960,115</b>
<b>Less:</b>						
Outstanding Encumbered Obligations	\$ -	\$ 21,000	\$ 21,000	\$ -	\$ -	\$ -
<b>Available Ending Balance</b>	<b>\$ 37,530,860</b>	<b>\$ 52,091,198</b>	<b>\$ 14,560,338</b>	<b>\$ 37,530,860</b>	<b>\$ 39,490,975</b>	<b>\$ 1,960,115</b>
<b>Restricted Reserves</b>						
Workers' Compensation Accrued Liability	\$ 32,823,211	\$ 34,229,315	\$ 1,406,104	\$ 32,823,211	\$ 34,229,315	\$ 1,406,104
Other Insurance Accrued Liability	4,707,649	5,261,660	554,011	4,707,649	5,261,660	554,011
Allocated Reserves	-	12,600,223	12,600,223	-	-	-
<b>Total Reserves</b>	<b>\$ 37,530,860</b>	<b>\$ 52,091,198</b>	<b>\$ 14,560,338</b>	<b>\$ 37,530,860</b>	<b>\$ 39,490,975</b>	<b>\$ 1,960,115</b>

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	<u>FY 2016 Third Quarter</u>	<u>FY 2016 Actual</u>	<u>Variance</u>	<u>FY 2017 Approved</u>	<u>FY 2017 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 39,401,484	\$ 39,401,484	\$ -	\$ 38,576,888	\$ 35,922,791	\$ (2,654,097)
<b>RECEIPTS:</b>						
Employer Contributions	\$ 222,599,256	\$ 221,937,236	\$ (662,020)	\$ 237,821,921	\$ 237,821,921	\$ -
Employee Contributions	65,429,878	66,121,290	691,412	69,755,561	69,755,561	-
Retiree/Other Contributions	55,002,948	52,285,637	(2,717,311)	58,583,929	58,583,929	-
Interest Income	73,000	135,576	62,576	73,000	73,000	-
Rebates and Subsidies	12,840,000	20,392,004	7,552,004	12,840,000	12,840,000	-
<b>Subtotal</b>	<b>\$ 355,945,082</b>	<b>\$ 360,871,743</b>	<b>\$ 4,926,661</b>	<b>\$ 379,074,411</b>	<b>\$ 379,074,411</b>	<b>\$ -</b>
Flexible Accounts Withholdings	\$ 7,885,000	\$ 8,520,677	\$ 635,677	\$ 8,040,000	\$ 8,040,000	\$ -
<b>Total Receipts</b>	<b>\$ 363,830,082</b>	<b>\$ 369,392,420</b>	<b>\$ 5,562,338</b>	<b>\$ 387,114,411</b>	<b>\$ 387,114,411</b>	<b>\$ -</b>
<b>Total Funds Available</b>	<b>\$ 403,231,566</b>	<b>\$ 408,793,904</b>	<b>\$ 5,562,338</b>	<b>\$ 425,691,299</b>	<b>\$ 423,037,202</b>	<b>\$ (2,654,097)</b>
<b>EXPENDITURES/PAYMENTS:</b>						
Health Benefits Paid	\$ 290,058,977	\$ 296,009,547	\$ 5,950,570	\$ 309,438,573	\$ 309,438,573	\$ -
Premiums Paid	52,778,875	53,156,491	377,616	56,370,302	56,370,302	-
Claims Incurred but not Reported (IBNR)	22,092,000	24,700,000	2,608,000	21,476,000	26,692,000	5,216,000
IBNR Prior Year Credit	(22,708,000)	(22,708,000)	-	(22,092,000)	(24,700,000)	(2,608,000)
Health Administrative Expenses	14,547,826	13,422,456	(1,125,370)	16,709,865	16,709,865	-
<b>Subtotal</b>	<b>\$ 356,769,678</b>	<b>\$ 364,580,494</b>	<b>\$ 7,810,815</b>	<b>\$ 381,902,740</b>	<b>\$ 384,510,740</b>	<b>\$ 2,608,000</b>
Flexible Accounts Reimbursement	\$ 7,750,000	\$ 8,150,081	\$ 400,081	\$ 7,900,000	\$ 7,900,000	\$ -
FSA Administrative Expenses	135,000	140,539	5,539	140,000	140,000	-
<b>Subtotal</b>	<b>\$ 7,885,000</b>	<b>\$ 8,290,619</b>	<b>\$ 405,619</b>	<b>\$ 8,040,000</b>	<b>\$ 8,040,000</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 364,654,678</b>	<b>\$ 372,871,113</b>	<b>\$ 8,216,435</b>	<b>\$ 389,942,740</b>	<b>\$ 392,550,740</b>	<b>\$ 2,608,000</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ 38,576,888</b>	<b>\$ 35,922,791</b>	<b>\$ (2,654,097)</b>	<b>\$ 35,748,559</b>	<b>\$ 30,486,462</b>	<b>\$ (5,262,097)</b>
<b>Less:</b>						
Premium Stabilization Reserve	\$ 38,576,888	\$ 35,922,791	\$ (2,654,097)	\$ 35,748,559	\$ 30,486,462	\$ (5,262,097)
<b>Available Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	<u>FY 2016 Third Quarter</u>	<u>FY 2016 Actual</u>	<u>Variance</u>	<u>FY 2017 Approved</u>	<u>FY 2017 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	\$ 2,179,692,115	\$ 2,179,692,115	\$ -	\$ 2,341,060,045	\$ 2,053,037,808	(\$288,022,237)
<b>RECEIPTS:</b>						
Contributions	\$ 115,541,552	\$ 117,985,200	\$ 2,443,648	\$ 117,847,133	\$ 117,847,133	\$ -
Investment Income	244,150,000	(56,664,815)	(300,814,815)	264,850,000	264,850,000	-
<b>Total Receipts</b>	<u>\$ 359,691,552</u>	<u>\$ 61,320,384</u>	<u>(\$298,371,168)</u>	<u>\$ 382,697,133</u>	<u>\$ 382,697,133</u>	<u>\$ -</u>
<b>Total Funds Available</b>	\$ 2,539,383,667	\$ 2,241,012,499	(\$298,371,168)	\$ 2,723,757,178	\$ 2,435,734,941	(\$288,022,237)
<b>EXPENDITURES</b>	\$ 198,323,622	\$ 187,974,691	(\$10,348,931)	\$ 208,671,625	\$ 208,674,367	\$ 2,742
<b>ENDING BALANCE, JUNE 30</b>	\$ 2,341,060,045	\$ 2,053,037,808	(\$288,022,237)	\$ 2,515,085,553	\$ 2,227,060,575	(\$288,024,978)
<b>Less:</b>						
Outstanding Encumbered Obligations	\$ -	\$ 2,742	\$ 2,742	\$ -	\$ -	\$ -
<b>AVAILABLE BALANCE</b>	<u>\$2,341,060,045</u>	<u>\$2,053,035,067</u>	<u>(\$288,024,978)</u>	<u>\$2,515,085,553</u>	<u>\$2,227,060,575</u>	<u>(\$288,024,978)</u>

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

	<u>FY 2016 Third Quarter</u>	<u>FY 2016 Actual</u>	<u>Variance</u>	<u>FY 2017 Approved</u>	<u>FY 2017 Revised</u>	<u>Variance</u>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$ 95,899,763</b>	<b>\$ 95,899,763</b>	<b>\$ -</b>	<b>\$ 103,209,263</b>	<b>\$ 100,429,819</b>	<b>\$ (2,779,444)</b>
<b>REVENUE:</b>						
Employer Contributions	\$ 21,689,000	\$ 21,689,000	\$ -	\$ 22,404,000	\$ 22,404,000	\$ -
Net Investment Income	2,400,000	(383,289)	(2,783,289)	5,142,013	5,142,013	-
<b>Total Revenue</b>	<b>\$ 24,089,000</b>	<b>\$ 21,305,711</b>	<b>\$ (2,783,289)</b>	<b>\$ 27,546,013</b>	<b>\$ 27,546,013</b>	<b>\$ -</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 119,988,763</b>	<b>\$ 117,205,474</b>	<b>\$ (2,783,289)</b>	<b>\$ 130,755,276</b>	<b>\$ 127,975,832</b>	<b>\$ (2,779,444)</b>
<b>EXPENDITURES:</b>						
Benefits Paid	\$ 16,689,000	\$ 16,689,000	\$ -	\$ 17,404,000	\$ 17,404,000	\$ -
Administrative Expenses	90,500	86,656	(3,844)	90,500	90,500	-
<b>Total Expenditures</b>	<b>\$ 16,779,500</b>	<b>\$ 16,775,656</b>	<b>\$ (3,844)</b>	<b>\$ 17,494,500</b>	<b>\$ 17,494,500</b>	<b>\$ -</b>
<b>ENDING BALANCE, JUNE 30</b>	<b>\$ 103,209,263</b>	<b>\$ 100,429,819</b>	<b>\$ (2,779,444)</b>	<b>\$ 113,260,776</b>	<b>\$ 110,481,332</b>	<b>\$ (2,779,444)</b>

**SUPPLEMENTAL APPROPRIATION RESOLUTION  
FY 2017**

**BE IT RESOLVED** that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2017 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>
S10000	Public Schools Operating Operating Expenditures	\$2,609,766,024	\$2,717,482,875	\$107,716,851
S31000	School Construction Operating Expenditures	\$175,955,030	\$468,187,759	\$292,232,729
S40000	School Food & Nutrition Services Operating Expenditures	\$90,153,330	\$94,385,766	\$4,232,436
S43000	School Adult & Community Education Operating Expenditures	\$9,510,462	\$9,282,593	(\$227,869)
S50000	School Grants & Self-Supporting Operating Expenditures	\$73,629,503	\$96,123,707	\$22,494,204
S60000	Public Schools Insurance Fund Operating Expenditures	\$22,575,354	\$25,702,561	\$3,127,207
S62000	School Health and Flexible Benefits Trust Fund Operating Expenditures	\$429,758,354	\$423,037,202	(\$6,721,152)
S71000	School Educational Employees' Supplementary Retirement Trust Fund Operating Expenditures	\$208,671,625	\$208,674,367	\$2,742
S71100	School Other Post Employment Benefits Trust Fund Operating Expenditures	\$17,494,500	\$17,494,500	\$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 2016 Final Budget Review, at a regular meeting held on July 28, 2016, at Luther Jackson Middle School, Falls Church, Virginia.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ilene Muhlberg, Clerk  
County School Board of  
Fairfax County, Virginia

**FISCAL PLANNING RESOLUTION  
FY 2017**

**BE IT RESOLVED** that the Fairfax County School Board requests the County Board of Supervisors to amend the FY 2017 Fiscal Planning Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>Fund</u>	<u>Transfer To</u>	<u>From</u>	<u>To</u>	<u>Change</u>
S10000	Public Schools Operating					
		S31000	School Construction	\$7,049,030	\$10,905,774	\$3,856,744
		S43000	School Adult & Community Education	\$235,000	\$235,000	\$0
		S50000	School Grants & Self Supporting	\$18,237,453	\$18,237,453	\$0
		C20000	Consolidated Debt Service	\$3,466,725	\$3,466,725	\$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 2016 Final Budget Review, at a regular meeting held on July 28, 2016, at Luther Jackson Middle School, Falls Church, Virginia.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ilene Muhlberg, Clerk  
County School Board of  
Fairfax County, Virginia



**Grants Development Section  
Office of Budget Services**

**Quarterly Report – FY 2016  
Date: June 30, 2016**

***Update for FY 2016 Grants***

The current status of competitive grant applications is as follows:

- Competitive grants submitted: \$8.2 million (69 grants)
- Competitive grants awarded: \$2.9 million (36 grants)
- Competitive grants denied: \$1.3 million (11 grants)
- Competitive grants pending: \$4.0 million (22 grants)

The current status of entitlement grant applications\* is as follows:

- Entitlement grants submitted: \$67.6 million (16 grants)
- Entitlement grants awarded: \$27.6 million (12 grants)
- Entitlement grants pending: \$39.2 million (4 grants)

*\*The total amount of entitlement grants submitted does not equal the total of grants awarded and pending since the amount awarded may differ from the amount requested.*