

EXECUTIVE SUMMARY

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EVIDENCE OF COMPLIANCE FCPS OPERATIONAL EXPECTATIONS MONITORING REPORT

Function: Financial Services

A. Budget: The Superintendent will develop a balanced, clearly presented, needs-based budget that meets the community's expectations and the School Board's goals.

Highlights –Evidence of Compliance:

- ◆ FCPS submitted the FY 2006 approved budget documents to the Government Finance Officers Association (GFOA) and the Association of School Business Officials International (ASBO) and has been awarded the Distinguished Budget Presentation and Meritorious Budget Awards, respectively.
- ◆ The FY 2006 budget documents detail the current financial condition of FCPS and provide a multi-year perspective by including three prior year's actual data, the current year estimate, and the proposed or approved budget for the upcoming fiscal year. The estimate included in the fund statement is the most recent financial data.
- ◆ The FY 2006 Program Budget document presents the total resources allocated to each educational program and details expenditures, positions, offsetting revenue, and net cost by program. It also includes a program description, an explanation of cost, program contact, and the program's accountability reporting cycle.
- ◆ A survey will be developed in FY 2008 for the School Board, Leadership Team, and community to measure the usefulness and clarity of the budget documents. The results will drive changes to future budget documents.

B. Financial Management: The Superintendent will manage financial affairs in a fiscally accountable, transparent manner consistent with School Board budget and goals, maximizing effectiveness and conserving resources.

Highlights –Evidence of Compliance:

- ◆ Fairfax County is required to have an annual audit of their financial statements which includes FCPS. At the conclusion of the audit, FCPS receives an opinion on their financial statements based on the audit. A "clean" opinion is an unqualified opinion. The auditors conduct the audit based on established professional standards. FCPS received an unqualified opinion from the auditors for fiscal year 2006.
- ◆ The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to government entities whose Comprehensive Annual Financial Report (CAFR) meets certain requirements including ease of readability, efficient organization, and satisfaction of both accounting principles generally accepted in the United States of America and applicable legal requirements. FCPS has received the GFOA award for the previous 12 years and submitted the FY 2006 CAFR in December 2006.
- ◆ In order to provide fiscal information to the School Board and the community, budget documents, financial reports, answers to budget questions, and other related documents are available on FCPS' public website at www.fcps.edu/fs.
- ◆ The annual budget serves as the financial plan for the upcoming fiscal year and reflects a plan of activities for both daily and long-term operations based on the School Board's priorities and community expectations. Significant variations from the approved financial plan are presented to the School Board for approval during the quarterly budget reviews. The FY 2006 year-end financial statements document that expenditures did not exceed appropriations.
- ◆ In FY 2006, all deadlines were met for 26 biweekly and 12 monthly payrolls, including published pay dates, in compliance with federal, state and FCPS regulations. In addition, all valid vendor obligations were met.
- ◆ FCPS adheres to the Fairfax County Purchasing Resolution, and in FY 2006 FCPS received no valid protests of contract awards.

- ◆ In FY 2006, 448 surplus items were reissued for use by FCPS and distributed to 42 locations for a total savings of approximately \$110,000. To recover capital costs of obsolete and discarded equipment such as computers and printers, items that cannot be reused by FCPS are sold at auction. In FY 2006, FCPS received a net profit of \$103,792 from auction. In the future, additional cost savings will be measured and presented to the School Board.
- ◆ To ensure that the procurement needs of schools and departments are met, feedback is solicited from advisory focus groups. The Office of Procurement Services participates in high school, middle school, and elementary school finance technicians' and administrative assistants' meetings, financial services quarterly meetings with departmental staff, principal association meetings, and quarterly procurement schedule reviews with departmental staff. An interactive survey is being designed that will determine the quality and timeliness of services being provided.

C. FOOD AND NUTRITION SERVICES: The Superintendent will operate a child nutrition program within the Federal guidelines that promote healthy choices while remaining self-supporting.

Highlights –Evidence of Compliance:

- ◆ The child nutrition program continues to be self-supporting despite rising food, labor and benefits, and replacement equipment costs. To assist with indirect program costs, the Office of Food and Nutrition Services transfers \$2.6 million to the school operating budget and pays rent for their administrative facilities.
- ◆ Every five years, the federal government audits the Office of Food and Nutrition Services. The most recent federal audit contained an unqualified opinion. During the years between federal audits, the state audits the Office of Food and Nutrition Services. In FY 2006, the Virginia Department of Education completed a Needs Assessment of School Nutrition Programs at Riverside Elementary School, South County Secondary School, and the central office. There were no corrective actions recommended.
- ◆ The Office of Food and Nutrition Services provides nutrition and wellness information to the school community in a variety of venues including maintaining the Energy Zone website, teaching nutrition in the classroom, presenting information at PTA meetings, and providing information for PTA newsletters and the employee Supergram.