

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 2007 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 2007 budget documents detail the current financial condition of FCPS and provide a multi-year perspective by including three prior years of actual data, the current year estimate, and the proposed or approved budget for the upcoming fiscal year. The current year estimate included in the fund statement reflects the most recent quarterly data available.
- ◆ The FY 2007 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 has been developed for the School Board, Leadership Team, and community to measure the usefulness and clarity of the FY 2008 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, including FCPS, is required to have an annual audit of their financial statements. The audit is conducted based on auditing standards generally accepted in the United States. Based on the audit, FCPS receives an opinion on their financial statements. A "clean" opinion is an unqualified opinion. FCPS received an unqualified opinion for FY 2007.

- ◆ GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governmental 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 and applicable legal requirements. FCPS has received the GFOA award for the previous 13 years and submitted the FY 2007 CAFR to GFOA for consideration.
- ◆ 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 quarterly budget reviews. The FY 2007 year-end financial statements document that expenditures did not exceed appropriations.
- ◆ In FY 2007, 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 liabilities were paid.
- ◆ FCPS adheres to the Fairfax County Purchasing Resolution, and in FY 2007 FCPS received no protests of contract awards.
- ◆ In FY 2007, 1,623 surplus items were reissued for use by FCPS and redistributed to 76 locations for a total savings of approximately \$304,261. Items that cannot be reused by FCPS are sold at auction to recover costs of obsolete and discarded equipment, such as computers and printers. In FY 2007, FCPS recovered \$140,061 from auction. In the future, additional cost savings will be measured and presented to the School Board.
- ◆ FCPS ensures that it meets schools and departments' procurement needs through focus groups and meetings with customer representatives. In FY 2008, an interactive survey was distributed to determine the quality and timeliness of the goods and services 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:

- ◆ FCPS continues to operate a self-supporting child nutrition program 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 FCPS' School Breakfast and National School Lunch programs. The most recent federal audit contained an

unqualified opinion. During the years between federal audits, the state performs a needs assessment or audit. In FY 2007, the Virginia Department of Education completed a Needs Assessment at Centreville Elementary School and recommended no corrective actions.

- ◆ FCPS reaches out to students and parents to promote nutrition, health, and wellness, and address the misconception that school meals contribute to childhood obesity. By providing nutrient and ingredient information, sample menus, and nutrition calculators and sponsoring innovative programs such as “Give Me Five! Colors That Jive!” and “A Great Start to Being Smart,” FCPS helps students and parents make nutritious food choices.

Additional Highlight Not Specific to an Indicator – Evidence of Compliance:

- ◆ In FY 2007, FCPS created the Office of the Comptroller and hired a Comptroller to improve financial management capability for the school division. To ensure fiscal integrity and sound financial management, safeguard assets, and promote efficiency of operations, the Comptroller evaluates FCPS’ financial plans and policies, financial reports, compliance with generally accepted accounting principles, maintenance of financial records, the conduct of relationships with vendors and the financial community, and recommends and implements strategies for improvement.
- ◆ Also in FY 2007, staff in the Department of Financial Services working with staff across the school system, analyzed and recommended improvements to FCPS’ travel policies and procedures. Financial Services revised the travel regulation, redefining local and nonlocal travel and adopting GSA per diem rates for meals, incidental expenses, and lodging and implemented Online Travel, automating the travel request and reimbursement process and reimbursing travelers for allowable expenses by direct deposit within 5-7 business days of program managers’ approval.