

Executive Limitation #6: Financial Administration

With respect to the actual, ongoing condition of the Division's financial health, the Superintendent shall not fail to take reasonable steps to avoid allowing any fiscal condition that places the long-term financial health of the Division in jeopardy, causing a material deviation in spending from the budget adopted by the Board, or spending that is inconsistent with achieving the Division's Strategic Plan goals. The Superintendent shall not fail to be fiscally responsible and ensure all expenditures are kept within projected revenues of the Division. The Superintendent shall not fail to provide strong financial controls and an accurate, full, and transparent accounting of how taxpayer dollars are spent in support of the Division.



The Superintendent shall not fail to:

1. *Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means.*
2. *Administer all purchases in accordance with the Fairfax County Purchasing Resolution, Board procurement policies, and state and federal laws.*
3. *Prevent the organization from creating obligations over a longer term than revenues can be safely projected, or establishing provisions for modifying obligations in the event of revenue loss.*
4. *Ensure that payroll and legitimate debts of the Division are promptly paid when due.*
5. *Make all reasonable efforts to collect any funds due the Division from any source.*
6. *Seek all state and federal funds to which the Division is or may be entitled.*
7. *Keep complete and accurate financial records by fund categories and accounts in accordance with established fiscal accounting procedures as reflected in Generally Accepted Accounting Principles.*
 - a. *Ensure funds are received, processed, recorded and disbursed in a robust, comprehensive internal control system that is, at a minimum, sufficient under state required accounting practices.*
8. *Effectively and efficiently develop systems of internal control that span all operating environments, mitigate risks to acceptable levels, address risks related to financial reporting, are funded appropriately, and support sound auditing practices.*
 - a. *Coordinate and cooperate with the annual audit of all Division funds and accounts.*
9. *Obtain, generate, regulate or use relevant, quality information to support the functioning of the organization, including, but not limited to:*
 - a. *Keeping the Board up to date on any material changes to the Division's budgeted expenditures and revenues;*
 - b. *Providing a quarterly review of the budget that provides a status report of funds under the Board's control and identifies critical needs of the school system.*
10. *Provide annual guidance on carrying forward unspent funds that provides a minimum threshold for schools to retain, and creates a plan for the reallocation of any additional unspent funds that is responsive to Division needs and strategic priorities.*
11. *Publish a public and transparent annual report that indicates the financial health of the Division including revenues, expenditures, and costs of major programs.*
12. *File required financial reports accurately and on time.*

Superintendent's Interpretation:

This Executive Limitation calls on the Superintendent to take reasonable steps to avoid allowing any fiscal condition that places the long-term financial health of the Division in jeopardy.

I interpret this to mean that the Superintendent shall ensure the long-term financial health of the Division nor will they allow any material deviation in spending from the budget adopted by the Board and will ensure that all spending is consistent with achieving the Division's Strategic Plan goals.

Additionally, the Superintendent will be fiscally responsible and ensure that all expenditures do not exceed revenues and provide strong controls and an accurate and transparent accounting of how taxpayer dollars are being spent.

Further, I also interpret this Executive Limitation to mean that it is the responsibility of the Superintendent to direct the work of the Division so that organizational structures are in place to implement and monitor our progress in these areas and to share updates related to this progress with the Board on a regular basis.

Evidence of Compliance:

Certification:

I hereby present my monitoring report on Executive Limitation #6: Financial Administration (EL-6) in accordance with the reporting schedule set forth in the Board calendar. I certify that the information contained in the report is true as of March 13, 2025 to the best of my knowledge, information, and belief.

Evidence of Compliance: March 13, 2025

At the time of this report, to the best of my knowledge, information, and belief, I have gathered information and evidence that I believe supports compliance with the Board's Executive Limitation associated with this topic. In particular, I share with the Board the following information and indicators which I believe meets Executive Limitation #6.

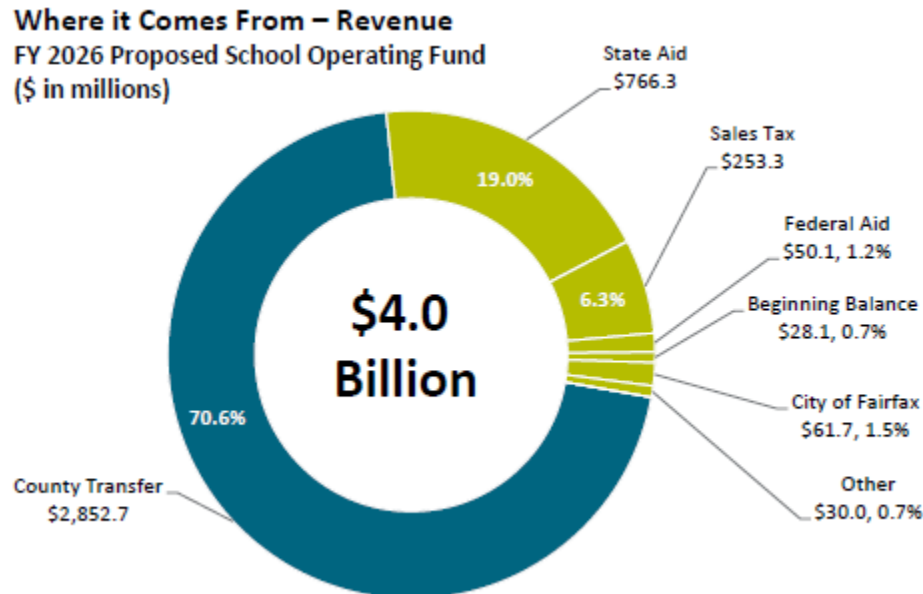
Indicators Include, But Are Not Limited To, The Following:

- 1. Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means.**

Continuing Evidence for Indicator 1:

- FCPS prioritizes maintaining healthy reserves. School Board reserves are maintained to enable FCPS to address unanticipated needs in a timely manner. Each year, the reserve amount is approved after a careful review of previous years' expenditures and balances to ensure that sufficient contingency funding is not delayed awaiting quarterly budget reviews. The reserves cover areas such as 1) grants; 2) food and nutrition services; 3) restricted School Board flexibility; 4) school materials, staffing contingency, and; 5) strategic reserves.

- FCPS has implemented systems to establish clear parameters for spending so that spending is within allotted program budgets.
 - Budgets are planned around funds projected to be received.
 - FOCUS, the enterprise resource planning (ERP) financial management system, assures budgets are loaded and programs can only spend against appropriated amounts. Internal restrictions are in place within the software that ensure no expenditures can be made that would exceed the total budgeted amount.



2. Administer all purchases in accordance with the Fairfax County Purchasing Resolution, Board procurement policies, and state and federal laws.

Newly Added or Updated Evidence for Indicator 2:

- The Office of Procurement Services implemented a standard contract approval and notification template in October 2024 (FY 2025) for contract approval and contract notification actions in accordance with [Policy 5011: Authority to Contract](#). The new template provides consistent details including but not limited to historical, current, and budgetary information.
- Contracts requiring approval during the summer recess, when the School Board does not meet, will be submitted to the School Board in advance of the summer recess. A summary list of all contracts will be provided, including information detailing the negative impact if not approved. The standard contract approval template for each contract will be included as an attachment.

Continuing Evidence for Indicator 2:

- All FCPS procurement policies align with the [Virginia Public Procurement Act](#) which outlines public policies pertaining to governmental procurement from nongovernmental sources.
- FCPS follows the [Fairfax County Purchasing Resolution](#), established by the Fairfax County Government, in order to ensure that all procurement procedures are conducted with transparency and administrative efficiency.
- The Office of Procurement services adheres to all internal policies, including, but not limited to:

- School Board Policy 5011: Purchasing and Supply: Authority to Contract
- School Board Policy 5012: Purchasing and Supply: Purchasing Goods and Non-Professional Services Using Appropriated and Nonappropriated Funds
- School Board Policy 5015: Purchasing and Supply: Procurement of Professional and Consultant Services
- FCPS adheres to Procurement Standards for Federal Grant Awards.
- Quarterly Contract Reports are presented to the Board which include all sole source contracts, and all other contracts over \$200,000. Additionally, certain contracts over \$200,000 require Board approval, and certain contracts over \$500,000 are communicated via Friday letter.
- The Division collaborates with the FCPS Office of the Auditor General, which reports to the School Board and conducts independent audits, at the school level to review if purchases were made in compliance with procurement procedures.
- FCPS is subject to an external audit on an annual basis with a review of transactions for procurement, contracts, and spending against contracts. The external auditors contract with Fairfax County Government to also audit FCPS. This is a joint contract for audit services.

3. Prevent the organization from creating obligations over a longer term than revenues can be safely projected, or establishing provisions for modifying obligations in the event of revenue loss.

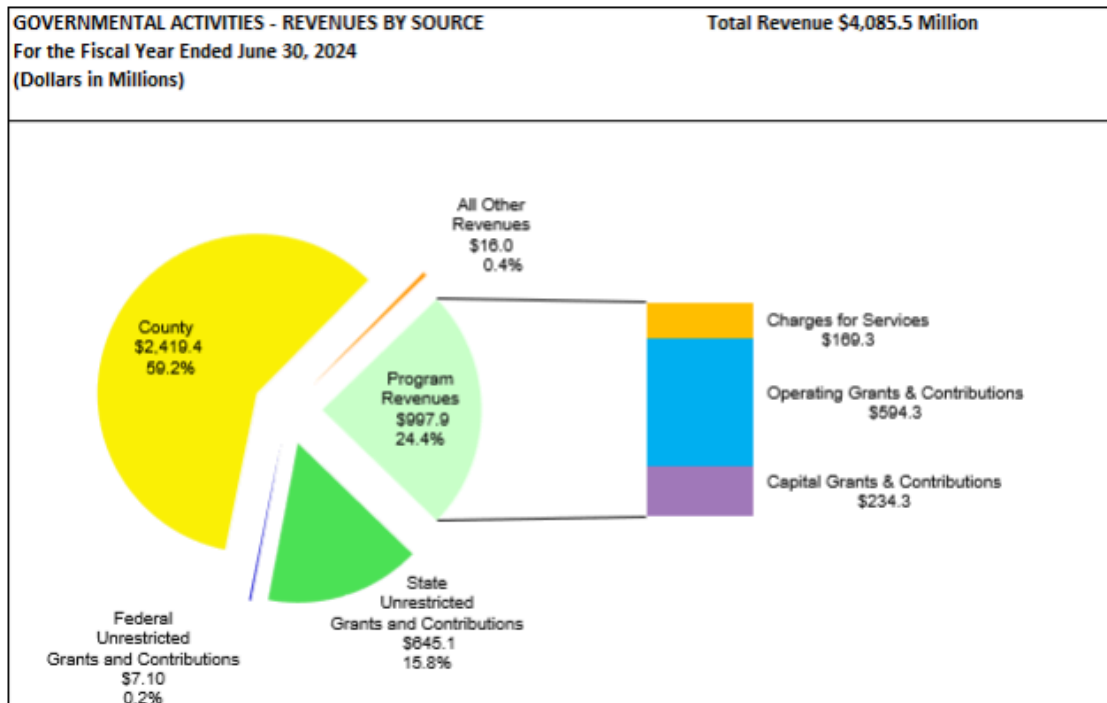
Continuing Evidence for Indicator 3:

- FCPS Quarterly Budget Reviews assure that the Division addresses revenue or expenditure adjustments in a timely manner. Quarterly Budgets Reviews are presented at Midyear, Third Quarter, and the Final Budget Review.
- The final budget review process ensures that funds are eligible for carryover into the following fiscal year, which begins on July 1.
 - FY 2024 close-out processes were in alignment with Board Policy 5110 which provides procedural financial closing guidance for the end of the fiscal year and critical actions that must be taken by the deadlines provided.
 - Encumbrances are closed *at year end* where the goods and services are no longer needed.
 - FCPS utilizes special budget posting periods (Period 14) to ensure all expenses are captured and accounted for even after the fiscal year ends on June 30th. This facilitates reconciliation by allowing for the recording of late expenditures.
 - Post year end review of revenues and obligations in Period 14, assures FCPS executes transactions in the correct fiscal year and fund.
- External audits of FCPS assure financial health through an audit of prepared financial statements of the organization.
- Fund accounting is utilized to track revenues and obligations/expenditures for specific purposes. If revenue loss or deficits occur, review can occur for budget transfers from the Operating Fund, or for use of reserves to manage the fund.
- Below is the FY 2026 Advertised Budget noting the budgeted funding and positions supporting each fund:

FY 2026 Advertised Budget						
SCHOOL BOARD FUNDS	PROPOSED BUDGET		ADJUSTMENTS		ADVERTISED BUDGET	
	Amount	Full-Time Positions	Amount	Full-Time Positions	Amount	Full-Time Positions
School Operating	\$4,042,141,681	26,029.3	\$0	0.0	\$4,042,141,681	26,029.3
School Construction	\$262,846,013	95.3	\$0	0.0	\$262,846,013	95.3
Food and Nutrition Services	\$139,144,760	57.5	\$0	0.0	\$139,144,760	57.5
Adult and Community Education	\$9,721,528	33.4	\$0	0.0	\$9,721,528	33.4
Grants and Self-Supporting Programs	\$106,994,891	663.5	\$0	0.0	\$106,994,891	663.5
School Insurance	\$34,748,941	11.8	\$0	0.0	\$34,748,941	11.8
Health and Flexible Benefits	\$703,405,973	33.0	\$0	0.0	\$703,405,973	33.0
Educational Employees' Supplementary Retirement System	\$260,665,007	37.0	\$0	0.0	\$260,665,007	37.0
School Other Post-Employment Benefits Trust	\$18,799,500	0.0	\$0	0.0	\$18,799,500	0.0

- Revenues are tracked and monitored by fiscal year and source. FCPS follows a consistent budget process for all nine funds under the control of the School Board. Below are actual revenues by source:

The following chart presents revenues by source for the fiscal year ended June 30, 2024:



4. Ensure that payroll and legitimate debts of the Division are promptly paid when due.

Newly Added or Updated Evidence for Indicator 4:

- The FCPS pay method is consistently reviewed. In the MyPath HCM replacement project the FCPS pay method will change and, while there will be occurrences of leave without pay, the employee's hourly rate will now be consistent across all pay periods.
- Providing all leave balances up front to employees reduced the instances of leave without pay transactions from FY 2023 to FY 2024 by 22 percent (from 4,946 to 3,854).

Continuing Evidence for Indicator 4:

- The Division processes both a monthly and a biweekly payroll, with [pay schedules](#) being published annually. Payrolls are processed in advance to ensure timely delivery of bank files to employees and vendors to settle the obligations of payrolls including tax filings, benefit vendors, and retirement contributions to partner agencies.
- A Payroll Warrant, certified by a payroll accountant and approved by an agent (or deputy agent) and deputy clerk of the School Board, is produced to support the funding memo sent to Fairfax County Office of Finance. This is a standard process that informs the county government how much funding is required to meet and ensure transfer of funds for FCPS payroll.
- FCPS ensures payments are timely, which includes daily Accounts Payable payments of system-wide obligations, weekly Procurement Card (Pcard) payments, and daily employee travel reimbursements. Payments are monitored for due dates and past due amounts.
- [FCPS Regulation 5610](#) outlines guidance to ensure that all FCPS personnel are paid on-time as well as procedures to follow in the event that personnel is over- or underpaid.

5. Make all reasonable efforts to collect any funds due the Division from any source.

Continuing Evidence for Indicator 5

- Timely and accurate filing of reimbursements are performed by the Comptroller's Office; Grant reimbursements are tracked; and revenues and expenditures are monitored monthly.
- Account receivables are tracked by the Comptroller's Office for funds owed to the Division. This ensures that all due funds are documented and tracked efficiently for collection. An internal review and reconciliation of outstanding accounts receivable is performed monthly.
- Revenue is tracked to the anticipated budget to identify if collection efforts are needed to be performed.
- Revenue is tracked and monitored by category and analyzed year to year by fund as noted below

School Operating Fund Statement ¹							
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	FY 2026	
	Actual	Actual	Actual	Approved	Revised ²	Proposed	
BEGINNING BALANCE, July 1							
Budgeted Beginning Balance	\$ 32,112,883	\$ 26,536,181	\$ 28,106,217	\$ 28,106,217	\$ 30,366,614	\$ 28,106,217	
Department Critical Needs Carryover	14,893,188	24,089,039	29,425,030	-	26,233,991	-	
Schools/Projects Carryover	61,377,348	86,387,519	83,098,513	-	137,643,905	-	
Outstanding Encumbered Obligations	38,766,340	57,155,128	53,337,692	-	88,538,493	-	
Recommended Expenditure Adjustments	57,164,001	69,063,902	107,457,234	-	64,151,123	-	
Total Beginning Balance	\$ 204,313,760	\$ 263,231,768	\$ 301,424,685	\$ 28,106,217	\$ 346,934,126	\$ 28,106,217	
RESERVES:							
Future Year Beginning Balance	\$ 21,874,771	\$ 21,874,771	\$ 25,000,000	\$ -	\$ 28,106,217	\$ -	
Centralized Instructional Resources Reserve	-	-	-	-	-	-	
Fuel Contingency	2,000,000	2,000,000	2,000,000	-	2,000,000	-	
School Board Flexibility Reserve	8,000,000	8,000,000	8,000,000	-	8,000,000	-	
Total Reserve	\$ 31,874,771	\$ 31,874,771	\$ 35,000,000	\$ -	\$ 38,106,217	\$ -	
REVENUE:							
Sales Tax	\$ 269,036,889	\$ 266,411,271	\$ 244,410,881	\$ 241,675,874	\$ 241,675,874	\$ 253,340,339	
State Aid	527,572,831	620,480,176	703,341,833	754,755,437	754,755,437	766,275,457	
Federal Aid	167,082,179	169,727,802	109,476,945	51,091,748	63,293,379	50,073,177	
City of Fairfax Tuition	48,934,163	52,911,698	58,575,531	55,564,732	55,564,732	61,676,853	
Tuition, Fees, and Other	22,124,023	25,416,465	32,056,409	28,570,338	30,111,056	29,127,560	
Total Revenue	\$ 1,034,750,084	\$ 1,134,947,411	\$ 1,147,861,600	\$ 1,131,658,129	\$ 1,145,400,479	\$ 1,160,493,386	
TRANSFERS IN:							
Combined County General Fund	\$ 2,172,661,166	\$ 2,275,310,924	\$ 2,419,409,875	\$ 2,584,409,875	\$ 2,584,409,875	\$ 2,852,667,078	
County Transfer - Cable Communications	875,000	875,000	875,000	875,000	875,000	875,000	
Total Transfers In	\$ 2,173,536,166	\$ 2,276,185,924	\$ 2,420,284,875	\$ 2,585,284,875	\$ 2,585,284,875	\$ 2,853,542,078	
Total Revenue and Transfers	\$ 3,208,286,250	\$ 3,411,133,335	\$ 3,568,146,475	\$ 3,716,943,005	\$ 3,730,685,354	\$ 4,014,035,464	
Total Funds Available	\$ 3,444,474,781	\$ 3,706,239,875	\$ 3,904,571,160	\$ 3,745,049,222	\$ 4,115,725,697	\$ 4,042,141,681	

¹ Does not add due to rounding.

² As presented to the School Board at the FY 2025 Midyear Budget Review on December 19, 2024.

- The Comptroller's Office also performs self-audits and compliance audit reviews.

6. Seek all state and federal funds to which the Division is or may be entitled.

Newly Added or Updated Evidence for Indicator 6:

- The Department of Financial Services works with program managers to ensure reimbursements are up to date.
- FCPS has continued to monitor the federal landscape for additional information.
 - FCPS will continue to pursue all federal opportunities that align with the Division's goals and Strategic Plan.
- FCPS reconciles to the state budget at every stage of the budget process. As part of the Governor's budget for FY 2026, FCPS staff identified a state data error that would have resulted in a \$2.6 million reduction in State funding to FCPS. FCPS staff made VDOE aware of the error allowing for correction by both chambers of the General Assembly during the House and Senate budget amendment process.

Continuing Evidence for Indicator 6:

- The Office of Budget Services, Office of Grants Development, pursues all applicable grant opportunities.
- FCPS Quarterly Budget Review process includes a section called "Grants Development". This area, found at the end of each quarterly budget review, includes updates on the status of grants within the current fiscal year and previous fiscal year (when applicable).
- The Comptroller's Office performs grant monitoring, assuring reimbursements for grants, both Federal and State, are filed monthly or quarterly. FOCUS denotes each grant as a "project" to track grant revenue and to assure it is reimbursed against the expenditures monthly.
- Monthly Reconciliations for actual to budget reporting includes state and federal revenue received vs. planned. Analysis is performed at the budgeted commitment item level, or detailed General Ledger (GL) level, and monthly reconciliations are conducted to ensure reimbursement of funds.

7. Keep complete and accurate financial records by fund categories and accounts in accordance with established fiscal accounting procedures as reflected in Generally Accepted Accounting Principles.

- Ensure funds are received, processed, recorded and disbursed in a robust, comprehensive internal control system that is, at a minimum, sufficient under state required accounting practices*

Points below are evidence of 7 and 7a.

Newly Added or Updated Evidence for Indicator 7:

- FCPS continues to be recognized for its outstanding financial reporting.
 - Recently, the Comptroller Office won the Association of School Business Officials (ASBO) and Governors Finance Officers Association (GFOA) awards for Financial Reporting for the Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) for FY 2024. Awards were received for the Educational Employees Supplementary Retirement System (ERFC) pension plan for FY 2024.
 - In addition, ASBO and GFOA awarded FCPS Budget with the Meritorious Budget Award and the Distinguished Budget Presentation Award for FY 2025 Approved Budget.
 - FCPS also received a clean audit opinion for its FY 2024 financial statements.

Continuing Evidence for Indicator 7:

- Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). These financial statements consist of government-wide statements, including the Statement of Net Position and the Statement of Activities; fund financial statements; and notes to the financial statements. The Comptroller's Office assures that the financial activity of FCPS is recorded appropriately.
- Fund financial accounting and reporting is utilized following GAAP to group related accounts; funds are used to maintain control over financial resources for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting allows FCPS to track transactions in individual funds and ensures compliance with finance-related legal requirements.
 - Funds are divided into Governmental Funds, Proprietary Funds and Fiduciary funds and, following GAAP, separate financial statements are produced for each classification.
 - The ERFC is a legally separate entity that provides pension benefits and is a component unit of FCPS as required by GAAP accounting.
 - FCPS Fund types and descriptions are noted below:

The Financial Pyramid					
Fund		<ul style="list-style-type: none"> School Operating School Construction Adult and Community Education Food and Nutrition Services Grants and Self-Supporting Programs Health and Flexible Benefits School Insurance Educational Employees' Supplementary Retirement System of Fairfax County Other Post-Employment Benefits 			
Activity Type		<ul style="list-style-type: none"> Revenue or Expenditure 			
Commitment Item Group		<ul style="list-style-type: none"> Capital Outlay Employee Benefits Materials and Supplies State Aid State Revenue 			
Commitment Item		<ul style="list-style-type: none"> Basic Aid Retirement Textbooks General Office Supplies Facility Modifications 			
Fund Classification	Fund Type	Fund Description	School Board Fund	Budget Basis	Accounting Basis
Governmental Funds – account for operating and special revenue activities	Operating	The School Operating Fund is FCPS' primary operating fund which accounts for all financial resources except those that are accounted for in another fund.	• School Operating	• Modified Accrual • ER Daniels Trust and Gift fund not included	Modified Accrual
	Capital Projects	The Capital Projects Fund tracks financial transactions used for the acquisition, construction, or renovation of school sites, buildings, and other major capital improvements.	• School Construction	• Modified Accrual	Modified Accrual
	Special Revenue	Special Revenue Funds are used to account for proceeds of specific revenue sources, other than major capital projects, in which expenditures are restricted for a specified purpose.	• Adult and Community Education • Food and Nutrition Services • Grants and Self-Supporting Programs	• Modified Accrual	Modified Accrual
Proprietary Funds – account for business type activities	Internal Service	Internal Service Funds account for the financing of goods and services provided by one department to other departments within FCPS on a cost reimbursement basis.	• Health and Flexible Benefits • School Insurance	• Accrual • Depreciation and compensated absences not included	Accrual
Fiduciary Funds – account for resources held for others by FCPS as an agent or trustee	Trust	Pension and Other Post-Employment Benefits Trust Funds account for assets held in a trustee capacity for the members and beneficiaries.	• Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) • School Other Post-Employment Benefits (OPEB)	• Accrual • Depreciation and compensated absences not included	Accrual

- FCPS has won many awards for its accounting and financial reporting for the separately issued financial reports, the ACFR and the ERFC pension plan. In addition, ASBO and GFOA awarded FCPS with the Meritorious Budget Award and the Distinguished Budget Presentation Award for the fiscal year 2025 Approved Budget.
 - ASBO Certificate of Excellence in Financial Reporting received annually assures that Generally Accepted Accounting Principles are followed. FCPS has received this award for 30 consecutive years.

- The Government Finance Officers Association of the U.S and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to FCPS for its ACFR. This award has been received annually by FCPS and assures accuracy and transparency of financial information. In order to be eligible, the report must also satisfy both GAAP and applicable legal requirements. FCPS has received this award for 30 years.
- GFOA gave an Award of Outstanding Achievement in Popular Annual Financial Reporting to FCPS for the fiscal year ended June 30, 2024. This award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.
- Annual external auditors attest that the financial statements are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the Primary Government and all component units required by U.S. GAAP for the reporting entity, FCPS. Auditors attest to knowledge of fraud or suspected fraud. FCPS has received a clean Audit opinion.
- Internal control structures are in place which include the separation of duties and limits access in the FOCUS financial system.

8. Effectively and efficiently develop systems of internal control that span all operating environments, mitigate risks to acceptable levels, address risks related to financial reporting, are funded appropriately, and support sound auditing practices.

a. Coordinate and cooperate with the annual audit of all Division funds and accounts.

Points below are evidence of 8 and 8a

Continuing Evidence for Indicator 8:

- FCPS internal control systems are designed to provide reasonable assurance about the achievement of FCPS' objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with the applicable laws and regulations. FCPS administers internal controls to prevent any material error or fraud by 1) segregating roles and responsibilities, 2) system access limitations within the Enterprise Reporting Program (ERP) system and all systems 3) financial regulations, policies and procedures 4) monitoring, tracking and reconciliations.
 - FCPS assures internal controls with its financial reporting structure, use of a detailed chart of accounts and general ledger to track all revenues and expenditures and through the use of segregation of duties and roles to mitigate fraud risk and assure sound practices.
 - Chart of Accounts and the ERP system, FOCUS, structure to include funds, subfunds, cost centers, funded programs, to a commitment item level detail (general ledger account) is kept to track all transactions so analysis can occur at various levels of detail. Expenditures are monitored at high program level to detail levels of the General Ledger (GL).
 - Risk mitigation occurs with internal controls and compliance reviews of financial activity, adherence to monthly reconciliations for both expenditures and revenues, reconciliations of positions, p-card spending review, and bank statement reconciliations.
 - FCPS adheres to the principle of segregation of duties for financial tasks. This means different personnel handle various aspects of financial transactions, reducing the risk of errors and fraud. Additionally, system controls within the use of FOCUS where roles are reviewed and well defined for access and approvals and routing.

- Internal controls are maintained in FOCUS, but also in assigning tasks and roles in FOCUS. FCPS meticulously assigns tasks and roles within FOCUS, implementing a system of checks and balances and reviews. These access controls restrict user permissions, minimizing the risk of unauthorized activity.
- FCPS internal controls are evaluated annually with an external audit which reviews all policies, procedures and financial controls.
 - The Office of the Comptroller coordinates the annual external audit of all Division funds and accounts. The external auditors review financial records and accounts and assure FCPS follows GAAP and further assures that funds are received, processed, recorded and discussed in a sound system with internal controls as required by state and federal guidance.
 - FCPS utilizes a multi-layered approach of internal controls, which strengthens the overall financial safeguards. Internal controls are reviewed by the Comptroller's Office and by the External Auditors who review controls and further examine the effectiveness of these controls. An annual Audit by External Auditors reviews internal controls, risks, and review of operating environments.
 - The Annual Comprehensive Financial Report (ACFR) incorporates the findings of external audits, which verify FCPS's adherence to established accounting principles and internal control best practices. A summary of expenditures and balances of financial reports is made available through the Annual Report of Expenditures FY 2024.

9. Obtain, generate, regulate or use relevant, quality information to support the functioning of the organization, including, but not limited to:

- a. *Keeping the Board up to date on any material changes to the Division's budgeted expenditures and revenues;*
- b. *Providing a quarterly review of the budget that provides a status report of funds under the Board's control and identifies critical needs of the school system.*

Points below are evidence of 9, 9a, and 9b.

Continuing Evidence for Indicator 9:

- Midyear, Third Quarter, and Year-End Budget Reviews are conducted and made publicly available. These reviews provide details of actual or anticipated deviations from the adopted budget. These variances include budget expenditure adjustments and necessary reallocation of funds.
- A Fiscal Forecast presentation is prepared for the Board and presented approximately eight months prior to the start of the fiscal year and outlines a preliminary summary of forecasted revenues and projections of expenditures.
- The Superintendent sends a weekly letter to the School Board that serves as a regular opportunity to inform the Board of time-sensitive financial planning updates and emerging issues. In the event that there is no weekly letter due to vacations, breaks, or other reasons, the Board will be informed in advance.

10. Provide annual guidance on carrying forward unspent funds that provides a minimum threshold for schools to retain, and creates a plan for the reallocation of any additional unspent funds that is responsive to Division needs and strategic priorities.

Continuing Evidence for Indicator 10:

- Division transaction practices align in accordance with Generally Accepted Accounting Principles (GAAP) to assure all spending in a fiscal year is appropriately recorded to obtain a true year end fund balance by fiscal year.
- FCPS has a separate online platform called CARY (Critical Needs Accrual Request for Year-End) which assures that unspent funds undergo a strict review process for all schools and departments individually.
- Budget Guidance for year end and carryover is set prior to the end of a financial year.

11. Publish a public and transparent annual report that indicates the financial health of the Division including revenues, expenditures, and costs of major programs.

Newly Added or Updated Evidence for Indicator 11:

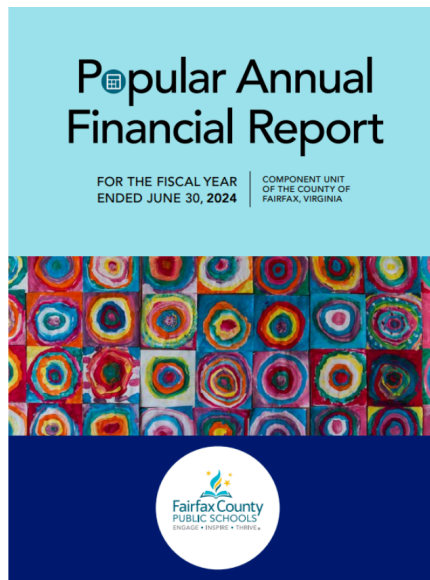
- The [Transparency Portal](#) allows the public to search financial data of FCPS. It allows users to search and view summary information about payments to specific vendors and budget versus actual expenditures. The financial data available on this site is unaudited and therefore has not been reviewed for accuracy by an outside party.
- An audited [Annual Comprehensive Financial Report \(ACFR\)](#) for each fiscal year is prepared annually.

Continuing Evidence for Indicator 11:

- FCPS follows GAAP (Generally Accepted Accounting Principles) and GASB (Governmental Accounting Standards Board) reporting standards for transparency and accuracy.
- The [ACFR](#) is the financial report noting the financial health of the organization and provides transparency. This report incorporates external audit findings, which document FCPS's compliance with established accounting principles and internal control best practices and presents the financial health of the Division and includes revenues, expenditures and costs of major programs. By publishing the ACFR, FCPS demonstrates its commitment to accountability and public trust. Work on this report begins in May of the end of the fiscal year and is published the following January.



- The [Popular Annual Financial Report](#) provides a high-level summary of FCPS annual financial reporting.



- The [Annual Adopted Budget](#) provides the financial guidance for revenues, expenditures and programs for the upcoming fiscal year.

12. File required financial reports accurately and on time.

Continuing Evidence for Indicator 12:

- FCPS takes action to ensure that financial reports are filed accurately and on time:
 - The [ACFR](#) is prepared at the end of each fiscal year, June 30.
 - The Annual School Report (ASR) is filed with the state annually in a timely manner in September of each year. A summary ASR annual reported financial expenditures is made available through the [Annual Report of Expenditures FY 2024](#).
- [End-of-year external audits are performed](#) to ensure accurate financial reporting
 - Annual External Audit assures accuracy of information presented for the fiscal year. The FY 2025 report will be available in December 2025.
 - Single Audit and VRS audits are performed annually in conjunction with the financial audit.
 - FCPS internal FOCUS audit is performed at the end of each fiscal year to assure proper financial reporting by fiscal year.
- FOCUS closes monthly for reporting to assure proper and timely recording of transactions. Monthly reconciliations are required for revenues, expenditures, Procurement cards, and bank reconciliations for appropriated and non-appropriated funds (local school activity funds - LSAF).
- The Office of Auditor General [conducts independent audits](#) over local school activity funds. These audits include reviews of procurement cards to ensure that cards are used in compliance. On a sampling basis, monthly procurement card reconciliations and reports are tested.
 - Procurement Cards have purchasing limits and any changes are communicated via Procurement Card Request or Change Form.
 - Procurement reports are provided to the Board for transactions over \$200K.