

Date: April 26, 2016

For ACTION

For INFORMATION

Board Agenda: Yes   
No

**FROM:** Stacey B. Johnson, Chief Financial Officer

**THROUGH:** Alvin L. Crawley, Ed.D., Superintendent of Schools

**TO:** The Honorable Karen A. Graf, Chairman, and Members of the Alexandria City School Board

**TOPIC:** Preliminary FY 2016 Monthly Financial Report for the fiscal year-to-date period ending March 31, 2016

**BACKGROUND:** School Board Policy DI, Financial Accounting and Reporting, requires the preparation and issuance of monthly financial reports. Monthly reports are provided to the School Board for the three primary funds covering school division operations: Operating Fund, Grants and Special Projects Fund, and School Nutrition Fund.

These preliminary financial reports show the FY 2016 final budget as adopted by the School Board on May 28, 2015, the revised budget of record as of March 31, 2016 including all adjustments and transfers, all actual revenue earned and expenditures incurred as of March 31, 2016, and all encumbrances booked in this same period. Also included are the remaining balances for each revenue and expenditure line item. These reports are considered preliminary because the accounting period was not officially closed at the time this report was prepared.

Notable this period, the Indirect Cost revenue continues to be lower in FY 2016 than originally budgeted due to a change in the Indirect Cost Rate which is calculated by the State and approved by the US Department of Education. This rate was reduced from 8.6% to 4.1% after the budget was adopted. In addition, Custodial and Rental Fees are also expected to be lower than previous years due to decreased usage of ACPS facilities. These decreases are partially offset by the anticipated increase in State Sales Tax Revenue.

A separate report showing all budget transfers exceeding \$25,000 for the reporting month is attached. There were five budget transfers meeting these criteria in March, including transferring funds to management services for redistricting and other professional services for facilitation and VSBA policy support within the School Board's budget, and from Curriculum and Instruction departments to Accountability for work performed by Hanover Research. Funding was also realigned within the Title I, special education, and adult education grant accounts to adjust salaries and other costs based on the approved program changes submitted by grant managers.

**RECOMMENDATION:** The Superintendent recommends the School Board accept the Preliminary FY 2016 Monthly Financial Report for the fiscal year-to-date period ending March 31, 2016.

**CONTACT PERSON:** Stacey B. Johnson, Chief Financial Officer, 703-619-8044

**ATTACHMENTS:**

1. Preliminary FY 2016 Monthly Financial Report for the fiscal year-to-date period ending March 31, 2016
2. FY 2016 Monthly Budget Transfer Over \$25,000 Report, March 2016