



## Fiscal Year 2017-2018 Budget

The FY 2017-2018 budget totals \$418,605,833. This is an increase of 7.5% over the FY 2016-2017 adopted budget. This budget includes a constant real estate tax rate of \$0.60 per \$100 of assessed value. The personal property tax rate remains unchanged at \$4.86 per \$100 of assessed value. Due to the reassessment of real property conducted in 2016 to be effective January 1, 2017, the County will realize an increase in tax revenue of \$4,323,620 derived from the revised property values which will be set aside into a capital reserve fund for future capital purchases or debt.

Fund balance funding for FY 2018 equals \$7,918,047, which represents an increase of \$4,318,047 compared to FY 2017. Of this amount, \$3,088,287 will be used for critical capital needs for the School System and \$2,329,760 will be used for current critical capital needs for the General Fund. Included in this \$2.3 million for the General Fund is a \$1 million federal grant to assist in replacing the Self-Contained Breathing Apparatus (S.C.B.A.) for all career and volunteer fire and rescue personnel. The total cost to replace this gear is estimated at \$3,000,000 with \$2,000,000 budgeted on the General Fund expenditure side. The General Fund transfer to the School Operating fund equals \$77,273,630, an increase of \$2,235,457 or 3% over FY 2017. The General Fund transfer to the School Debt Service Fund equals \$15,972,475, the same amount transferred in FY 2017.

The Board of Supervisors held several budget worksessions and the Budget Public Hearing was conducted on March 22, 2017. The budget was formally adopted on April 12, 2017.

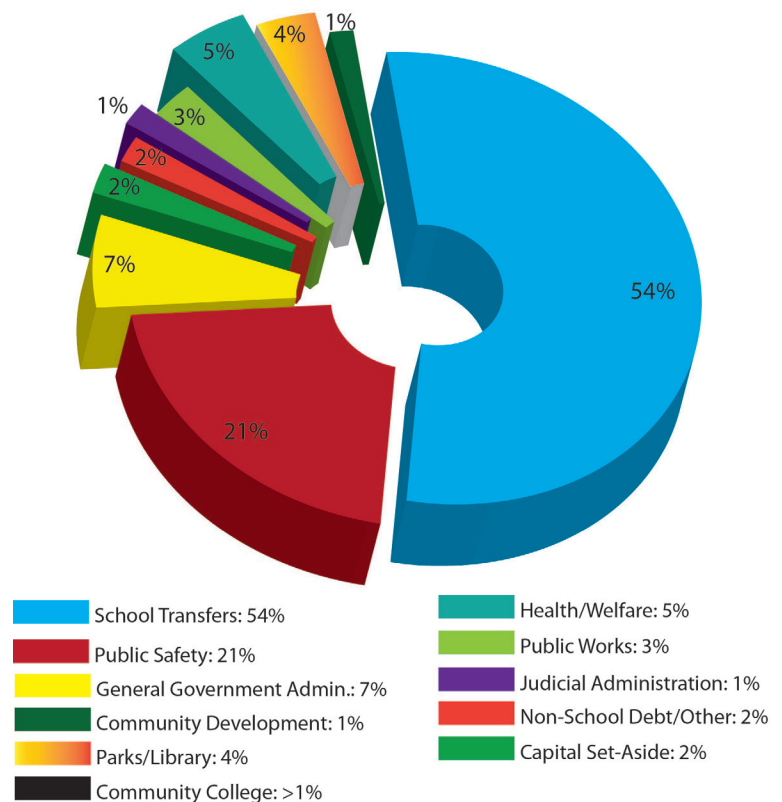
The largest funds that make up the budget are the General Fund, Northwestern Regional Adult Detention Center Fund, School Operating Fund, and School Debt Service Fund. The General Fund budget, which includes the county transfers to school operating and school debt funds, totals \$179,608,916, a 10% increase over FY 2017. The Northwestern Regional Adult Detention Center Fund budget totals \$22,363,837, a 5.7% increase over FY 2017. The School Operating Fund Budget totals \$159,879,495, a 4.4% increase over FY 2017. The School Debt Service Fund budget totals \$16,396,229, a 0.3% decrease compared to FY 2017.

The increases in the total County budget mainly consist of

- Twelve Firefighters (and related equipment) one Sheriff's Deputy, one Inspector, one Recreation Technician, two Cashiers to be hired mid-year in the Treasurer's Office, and one secretarial position for Social Services.

- Thirteen replacement vehicles for the Sheriff's Office, replacement of S.C.B.A. equipment for all career and volunteer fire and rescue personnel, and installation of Text2 9-1-1 equipment.
- Increases in funding for the health department, Northwestern Community Services, Social Services, Children's Services Act, and the Handley Library.
- An update to the current Pictometry imagery and the purchase and installation of Microsoft Office 365 for all County departments.
- 2.5% merit/COLA combination for County employees and 2.5% school division average salary increases.
- Fifteen new School System positions (13 school-based, 2 nonschool-based).
- Nonrecurring school capital funds for ten replacement school buses, technology replacements, roof replacements, facility equipment replacements, and safety and security equipment.

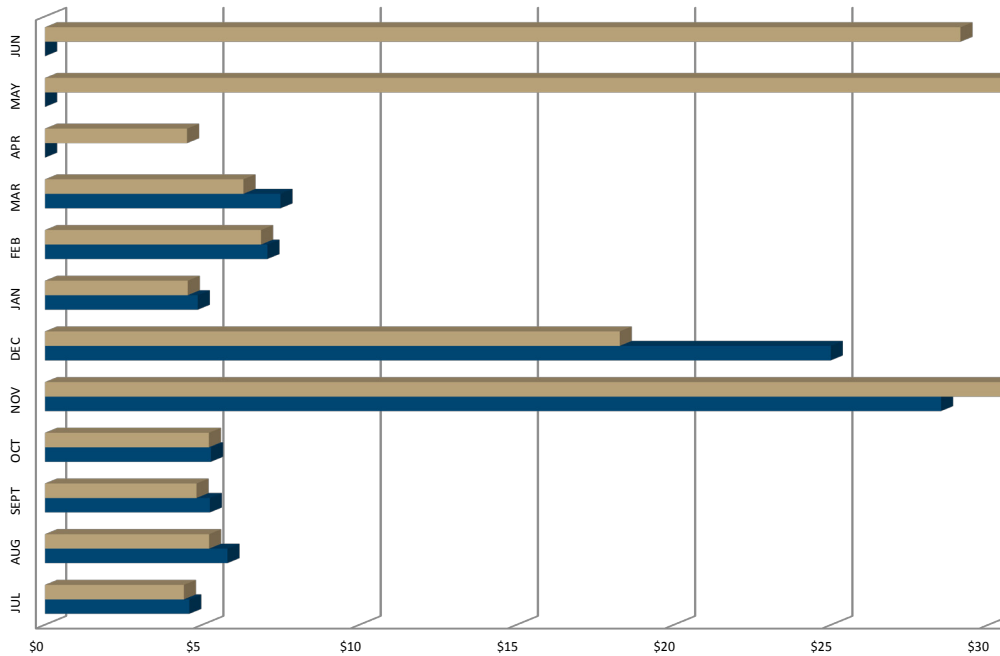
The 2017-2018 Fiscal Year begins on July 1, 2017.



# Overall General Fund Performance

Frederick County's overall General Fund revenue comparison through March 31, 2017 shows a total increase of \$7,101,917. Included in this increase are the property taxes, \$4,796,789, which are the largest single revenue stream in the General Fund. Other significant increases include other local taxes of \$1,220,334, charges for services of \$325,591 and miscellaneous \$767,697 (includes a \$600,000 donation for the Animal Shelter). The total year-to-date expenditure comparison includes a \$4.5 million increase in expenditures and a reduction of \$4.3 million in transfers for a net of \$223,599.

## General Fund Comparison

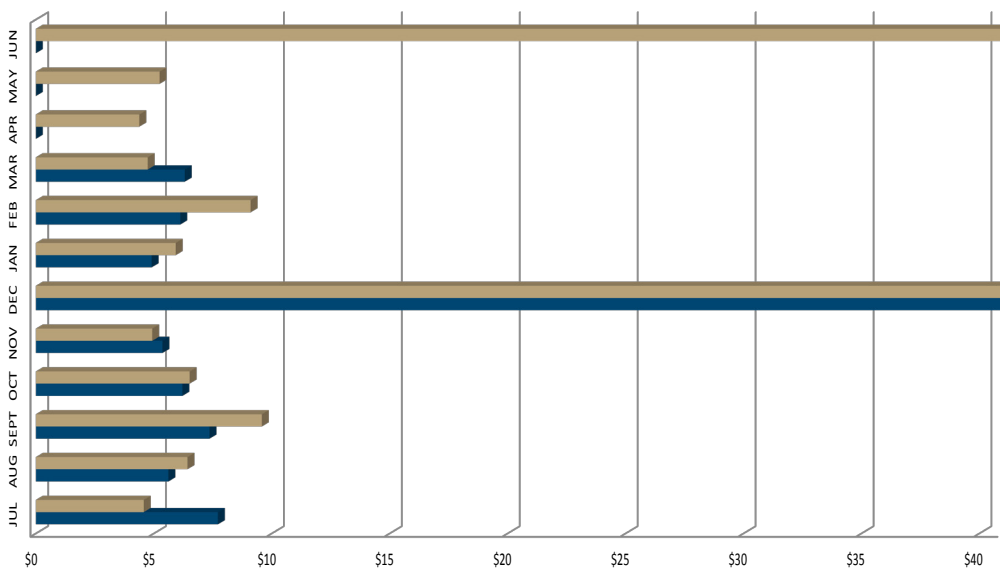


	Monthly Variance
July	172,991
August	582,231
September	426,306
October	65,683
November	(2,563,464)
December	6,713,818
January	323,150
February	201,536
March	1,179,667
April	-
May	-
June	-
Totals	7,101,917

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY2016	4,413,435	5,215,600	4,815,623	5,209,465	31,056,667	18,272,446	4,535,022	6,868,736	6,306,308	4,515,909	36,910,774	29,106,723
FY2017	4,586,426	5,797,831	5,241,929	5,275,148	28,493,203	24,986,264	4,858,172	7,070,272	7,485,975	-	-	-

Millions

## General Fund Expenditure Comparison



	Monthly Variance
July	3,145,581
August	(806,472)
September	(2,217,618)
October	(305,548)
November	436,829
December	2,399,444
January	(1,019,359)
February	(2,982,505)
March	1,573,245
April	-
May	-
June	-
Totals	223,597

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY2016	4,575,117	6,427,245	9,582,489	6,521,120	4,931,431	48,818,993	5,930,517	9,105,330	4,741,821	4,385,611	5,245,822	49,874,528
FY2017	7,720,698	5,620,773	7,364,871	6,215,572	5,368,260	51,218,437	4,911,158	6,122,825	6,315,066	-	-	-

Millions

# Importance of the Fund Balance

Fund Balance is the excess dollars of what the County owns (assets) and what the County owes (liabilities). There are several reasons that fund balance is important. It is a critical factor in financial planning and budgeting. It provides funds for unforeseen expenses or emergencies. Fund balance reduces the need for short-term borrowing for operations and cash flows. Cash flow becomes a critical component since half of the largest revenue source is collected at the end of the budget year with the June 5th tax collection.

The Government Finance Officers Association (GFOA) recommends

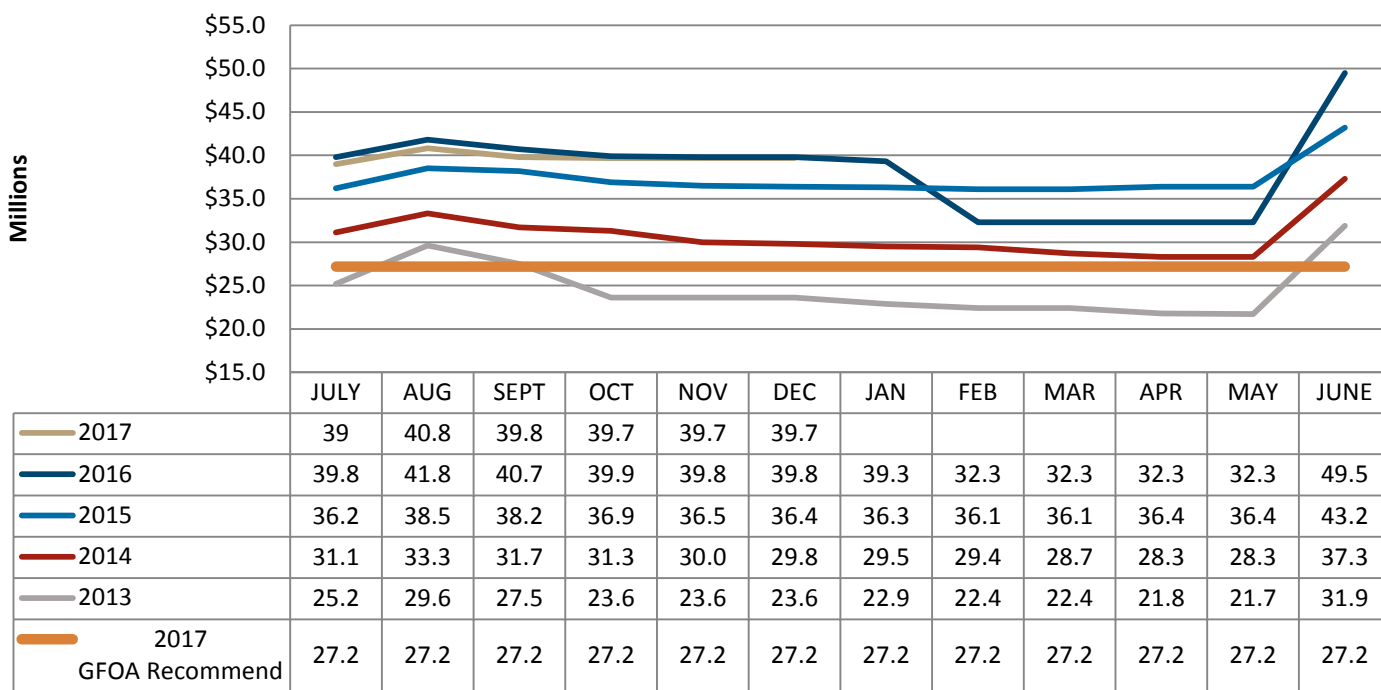
that unreserved fund balance be maintained at no less than two months of regular operating revenues or regular operating expenditures and states that it “is essential that governments maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable tax rates.” For Frederick County’s general fund, that equates to approximately \$27.2 million or 16.7% of the total general fund budget for FY 2017. Currently, the County’s fund balance is above the recommendation at 24.0% (\$39.1 million).

The County monitors unassigned general fund balance monthly. Over

the years, fund balance has been used to balance the General Fund budget. The General Fund fund balance was reduced by \$3.6 million to balance the FY 2017 budget (57% schools, 43% county general fund). This represents a decrease of \$3.7 million compared to the fund balance funding used to balance the FY 2016 budget. Fund balance has been regularly used to balance the budgets in the past. At year-end those funds have been routinely returned to unreserved fund balance as a result of unbudgeted revenues or unspent expenditures. Management and the Board of Supervisors remains committed to retaining a healthy fund balance.

*The Government Finance Officers Association (GFOA) recommends that unreserved fund balance be maintained at no less than two months of regular operating revenues or regular operating expenditures. For Frederick County’s general fund, that equates to approximately \$27.2 million or 16.7% of the total general fund budget for FY 2017. Currently, the County’s fund balance is above the recommendation at 24.0% (\$39.1 million).*

## Unassigned Fund Balance



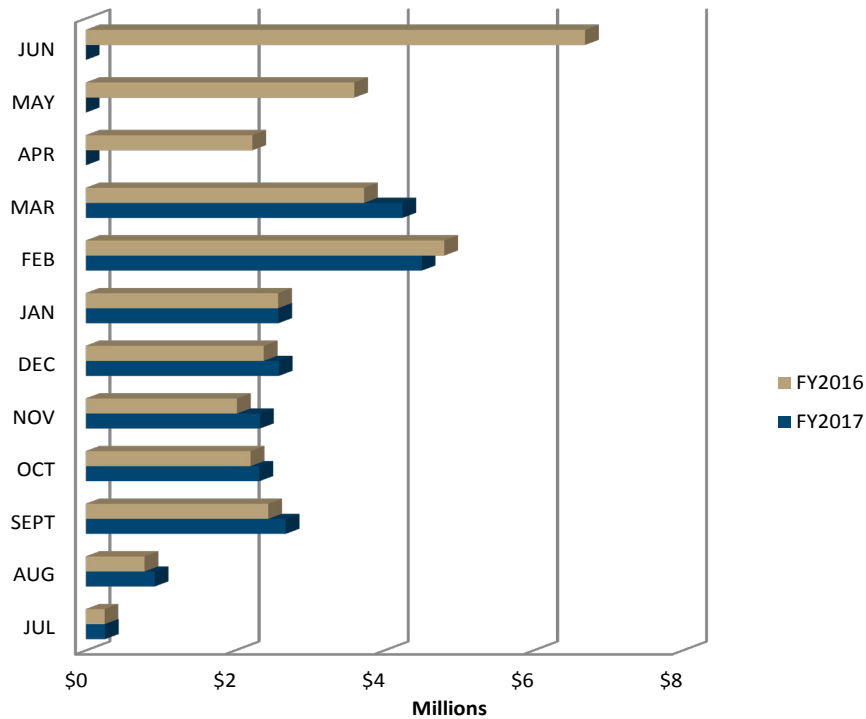
# Revenue Information

Property taxes include real estate, personal property, and machinery and tools tax. Total property taxes increased \$4.8 million through the third quarter of FY2017 compared to FY2016, and includes real estate (+\$2,211,440) impacted by a 4 cent increase generating \$3.2 million annually; personal property (+\$2,485,380); and public services (-\$152,949). The most comparable quarters would be the second and fourth due to tax collection due dates. The remaining category that has an impact on the property tax variance is penalties, interest

& administration fees for liens & distress, credit card charges/ delinquent advertising (+\$252,920).

Included in the permits and privilege fees are land use, transfer fees, development review fees, building, mechanical, electrical, plumbing, sign, land disturbance, commercial burning, blasting, septic haulers, and sewage installation permits. The total permits and privilege fees decreased \$2,643 year-to-date.

## Property Taxes Comparison



	FY2017	FY2016	Variance
JUL	3,502,459	3,202,929	299,530
AUG	522,486	391,938	130,548
SEPT	622,761	512,494	110,267
OCT	952,767	1,008,865	(56,098)
NOV	20,471,428	24,084,088	(3,612,660)
DEC	20,534,261	13,769,339	6,764,922
JAN	934,434	557,545	376,889
FEB	1,268,240	742,417	525,823
MAR	1,358,942	1,101,373	257,569
APR	-	955,118	-
MAY	-	31,743,966	-
JUN	-	13,217,406	-
Totals	50,167,779	91,287,479	4,796,791

Property taxes include real estate, personal property, and machinery and tools tax. Total property taxes increased \$4.8 million through the third quarter of FY2017 compared to FY2016.

## Revenue Information continued

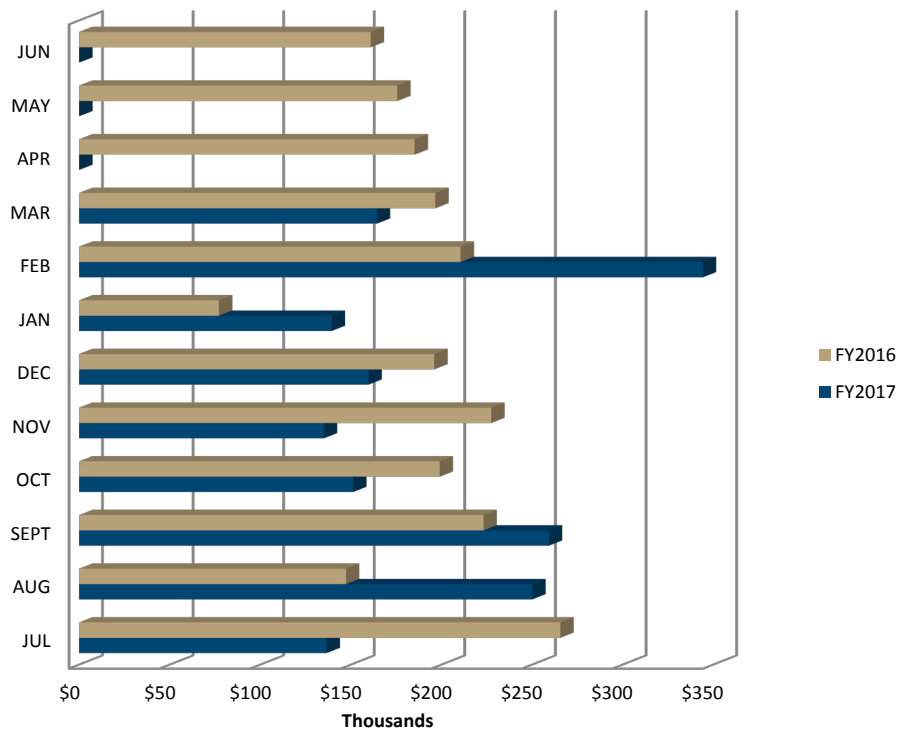
The total variance of \$1,220,335 in other local taxes through March is a net increase which was significantly impacted by the increase in local sales tax, utility taxes, business licenses, motor vehicle licenses fees, recordation taxes, meals tax, lodgings tax, and street lights. Recordation taxes increased \$223,584 over the prior year. This is another indicator that the housing market is rebounding in the area.

Local sales taxes consist of the portion of the state sales tax that is remitted to the locality. The state sales tax is

5.3% with the state returning 1% back to the locality. The sales tax increased \$428,383 or 4.4%, through the third quarter of FY 2017 compared to the prior year. The chart is presented on a cash basis to reflect a better third quarter comparison.

Included in other local taxes are: local sales and use tax, communications sales tax, utility taxes, business licenses, auto rental tax, motor vehicle licenses fees, recordation taxes, meals and lodging taxes, street lights, and Star Fort fees.

## Permits & Privilege Fees Comparison

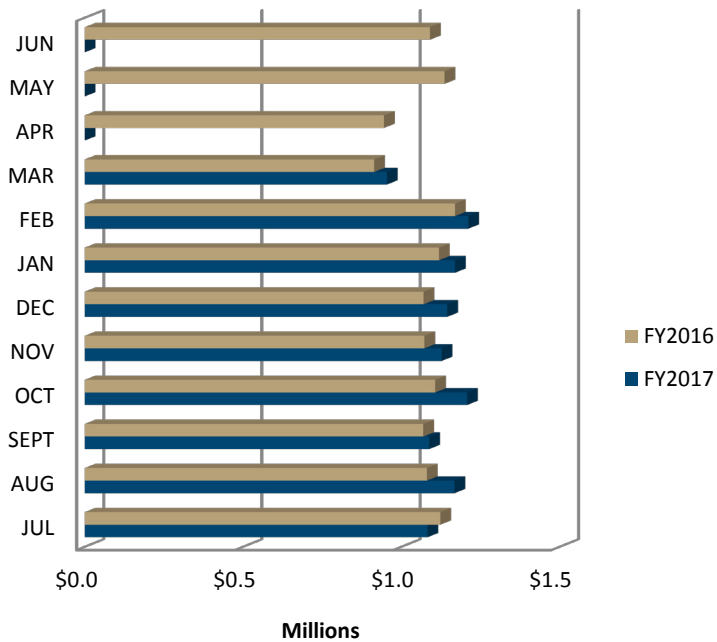


	FY2017	FY2016	Variance
JUL	136,573	265,580	(129,007)
AUG	250,088	147,249	102,839
SEPT	259,223	223,126	36,097
OCT	151,181	198,968	(47,787)
NOV	135,067	227,398	(92,331)
DEC	159,719	195,958	(36,239)
JAN	139,378	77,103	62,275
FEB	344,266	210,527	133,739
MAR	164,322	196,552	(32,230)
APR	-	185,147	-
MAY	-	175,549	-
JUN	-	160,944	-
Totals	1,739,818	2,264,101	(2,643)

Included in the permits and privilege fees are land use, transfer fees, development review fees, building, mechanical, electrical, plumbing, sign, land disturbance, commercial burning, blasting, septic haulers, and sewage installation permits. The total permits and privilege fees decreased \$2,643 year-to-date.

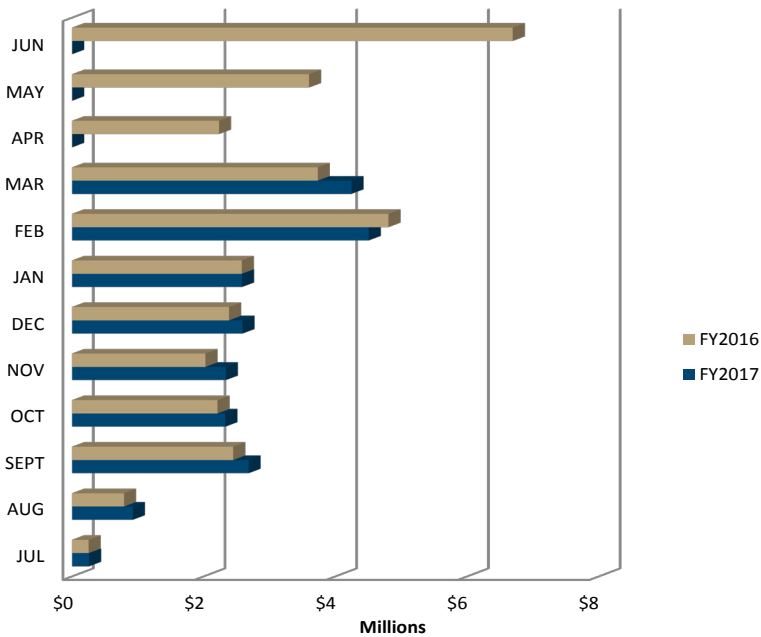
# Revenue Information continued

## Local Sales Tax Comparison



	FY2017	FY2016	Variance
JUL	1,082,210	1,122,773	(40,563)
AUG	1,167,837	1,080,475	87,362
SEPT	1,087,960	1,069,363	18,597
OCT	1,207,457	1,106,524	100,933
NOV	1,127,290	1,072,560	54,730
DEC	1,144,869	1,070,229	74,640
JAN	1,169,108	1,118,937	50,171
FEB	1,211,301	1,169,279	42,022
MAR	954,157	913,666	40,491
APR	-	944,929	-
MAY	-	1,136,253	-
JUN	-	1,090,057	-
Totals	10,152,189	12,895,045	428,383

## Other Local Taxes Comparison



	FY2017	FY2016	Variance
JUL	256,931	251,182	5,749
AUG	921,716	787,799	133,917
SEPT	2,679,697	2,446,560	233,137
OCT	2,326,366	2,207,227	119,139
NOV	2,333,674	2,025,762	307,912
DEC	2,587,225	2,384,059	203,166
JAN	2,580,479	2,577,618	2,861
FEB	4,504,077	4,803,435	(299,358)
MAR	4,242,935	3,729,123	513,812
APR	-	2,231,007	-
MAY	-	3,597,987	-
JUN	-	6,691,285	-
Totals	22,433,100	33,733,045	1,220,335

The total variance of \$1,220,335 in other local taxes through March is a net increase which was significantly impacted by the increase in local sales tax, utility taxes, business licenses, motor vehicle licenses fees, recordation taxes, meals tax, lodgings tax, and street lights.

# Northwestern Regional Adult Detention Center

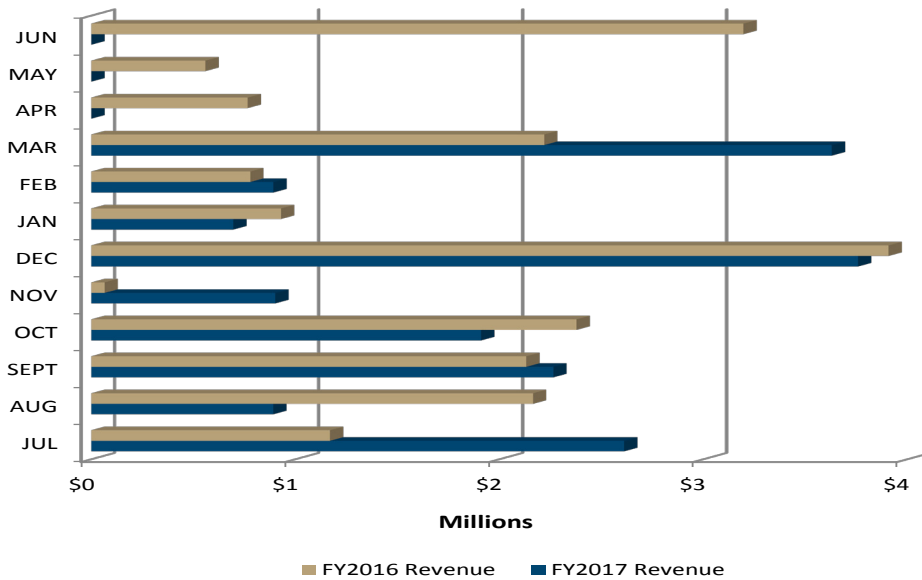
The Northwestern Regional Adult Detention Center is an 840 bed, medium security, direct supervision corrections facility located in Frederick County. The Jail, organized in October 1989, in accordance with Article 5, Title 53 .1-105 Code of Virginia, serves the counties of Clarke, Fauquier, and Frederick, and the City of Winchester.

The Jail is governed by a Regional Jail Authority composed of appointed members from each of the four participating localities. The year-to-date increase in revenue of \$1,811,434 is a result of the timing of the local contributions in the current year.

- 2017 Funded Capital Expenditures
- \$16,000 Steamer-Kitchen
- \$15,000 Tilt Skillet-Kitchen
- \$6,000 Ice Maker-Kitchen
- \$65,000 Replace all HVAC units at Annex building
- \$44,000 Ford 15 Passenger Transit Van
- \$13,960 Office equipment leases

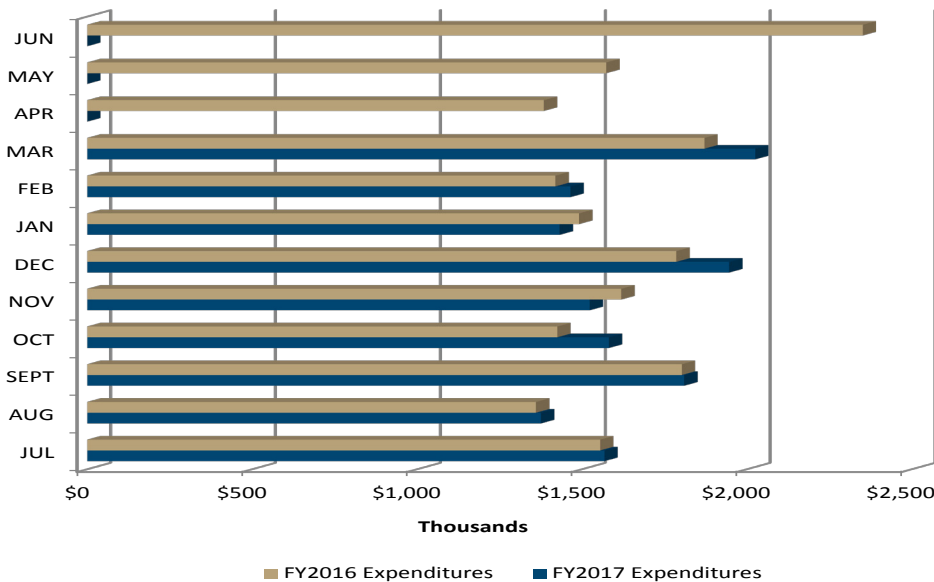
## Overall Fund Performance

### Revenue



Month	Monthly Variance
July	1,441,881
August	(1,272,910)
September	132,456
October	(467,877)
November	837,000
December	(149,583)
January	(233,570)
February	113,464
March	1,410,573
April	-
May	-
June	-
Totals	1,811,434

### Expenditures



Month	Monthly Variance
July	12,846
August	14,745
September	7,236
October	156,492
November	(95,617)
December	160,375
January	(58,920)
February	45,410
March	153,940
April	-
May	-
June	-
Totals	396,507

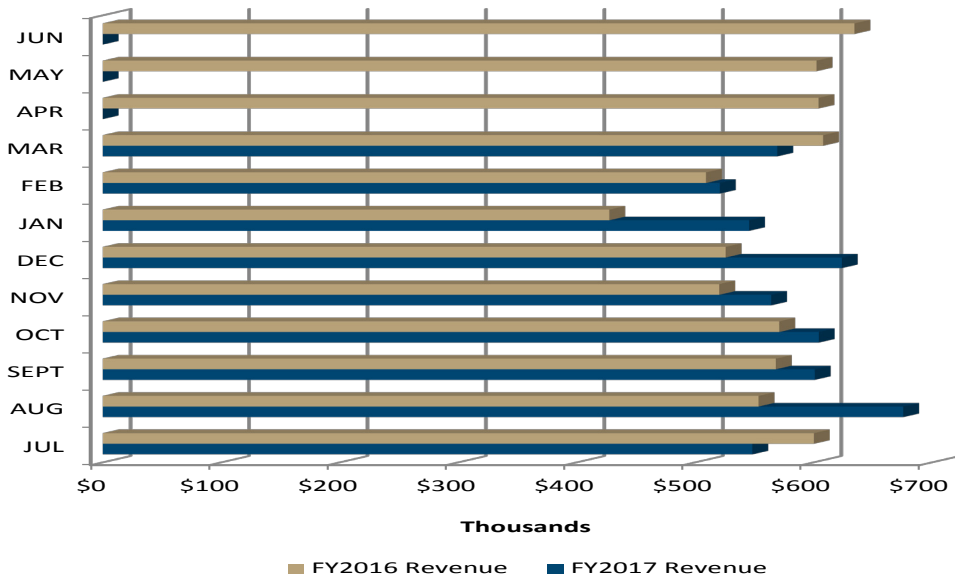
# Frederick County Regional Landfill

The Frederick County Sanitary Landfill provides non-hazardous solid waste disposal needs for Frederick County and Clarke Counties and the City of Winchester. The landfill property includes 932 acres of which 90 acres have been permitted under Subtitle “D” Regulations as a municipal solid waste facility, and 50 acres permitted as a Construction Demolition Debris waste facility. The additional acreage is maintained as borrow area and a buffer.

The Landfill revenue variance increase of \$369,396 year to date includes interest, salvage and surplus, fees, tire recycling, recycling electronics, and renewable energy credits. Expenditures increased \$1,476,250 and were impacted significantly by capital costs for the CDD landfill partial closure of Area 1, Phase 1 and the purchase of a Cat 826 compactor.

## Overall Fund Performance

### Revenue



	Monthly Variance
July	1,441,881
August	(1,272,910)
September	132,456
October	(467,877)
November	837,000
December	(149,583)
January	(233,570)
February	113,464
March	1,410,573
April	-
May	-
June	-
Totals	1,811,434



••••• The landfill is home to a wide variety of wildlife like turkey and the blue heron on the following page. •••••



# Frederick County Regional Landfill continued

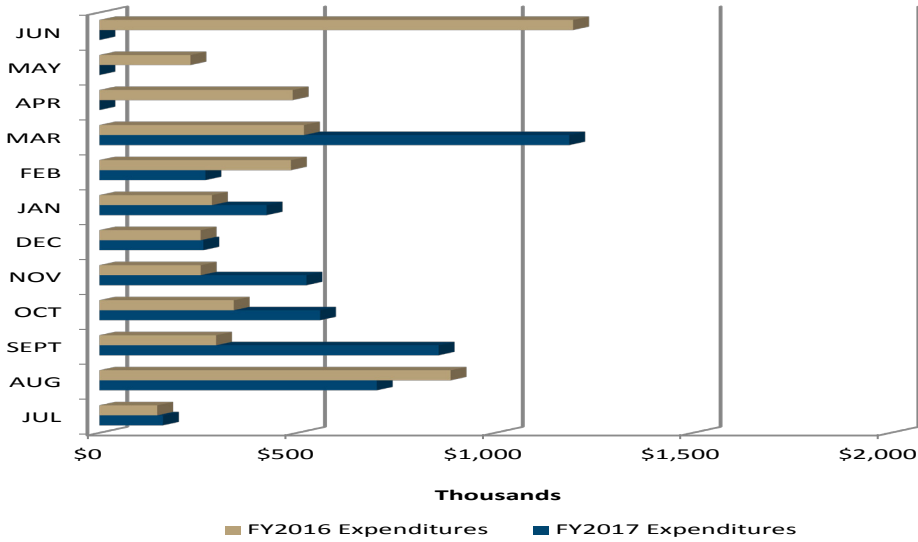
## 2017 Funded Capital Expenditures

- \$850,000 - Purchase of a new Caterpillar 826 trash compactor for CDD landfill ensures the landfill maintains quality equipment that performs as necessary, and will reduce the amount of down time due to costly repairs.
- \$120,000 - Purchase of GPS system for new trash compactor will expand the current GPS control system at the facility by adding Trimble receivers to equipment

including the new compactor. This will assist the equipment operators in maximizing waste compaction and maintaining proper elevation.

- \$250,000 - Storm water improvements at outfall #2 over the past several years will address the amount of suspended solids being discharged into Sulphur Spring Run.

## Expenditures



	Monthly Variance
July	14,491
August	(186,438)
September	562,744
October	218,155
November	267,391
December	6,811
January	138,319
February	(216,064)
March	670,841
April	-
May	-
June	-
Totals	1,476,250



# COMPREHENSIVE ANNUAL



# F I N A N C I A L R E

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The goal of the program is not to assess the financial health of participating governments, but rather to ensure that users of their financial statements have the information they need to do so themselves.

Frederick County has received the award thirty-one times.

## COUNTY OF FREDERICK, VIRGINIA Fiscal Year Ending June 30, 2016

The GFOA established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

Frederick County has received the award eleven times.



The purpose of this report is to summarize and simplify the presentation of information contained in the audited Frederick County 2016 Comprehensive Annual Financial Report (CAFR). The County's financial statements are prepared using the financial reporting model prescribed by the Governmental Accounting Standards Board (GASB) and are independently audited in accordance with auditing standards generally accepted in the United States of America by the accounting firm of Robinson, Farmer, Cox Associates of Charlottesville, VA. We encourage you to read the CAFR, which is comprised of detailed financial statements, notes, schedules and reports.

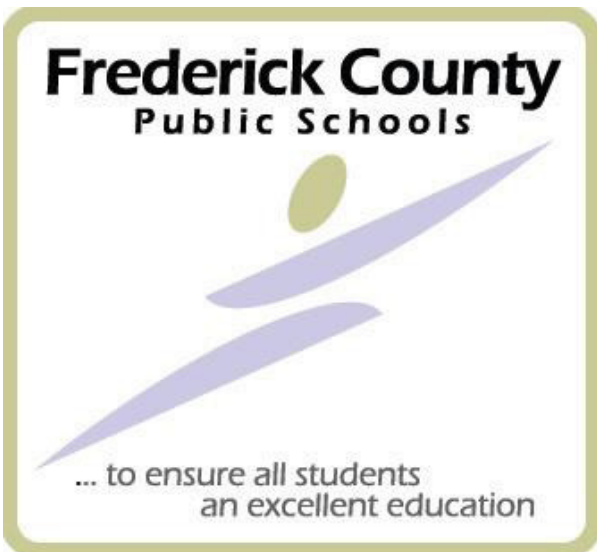
The CAFR, in its entirety, is available in the Frederick County Finance Department and online at [www.fcva.us/CAFR](http://www.fcva.us/CAFR).



• Old and out of date SCBA equipment as seen in this photo is being replaced for all career and volunteer fire and rescue personnel in FY2018



• Thirteen vehicles in the Sheriff's Office are budgeted for replacement in FY2018.



• The FY 2018 budget includes funding for fifteen new School System positions (13 school-based, 2 nonschool-based).

# Frederick County Finance Committee: 3rd Quarter, 2017

The Finance Committee generally meets at 8:00 a.m. on the third Wednesday of each month in the First Floor Conference Room in the County Administration Complex. The committee is comprised of three board members and three citizen members. The Treasurer and the Commissioner of the Revenue serve as non-voting liaisons. The primary function of the committee is to review matters of a financial nature including proposed changes to fiscal/procurement policies and the review and recommendation for matters of a financial nature coming forward to the Board including, but not limited to, supplemental appropriations, transfers and contracts. The following were the meeting dates for the third quarter of fiscal year 2017: January, 18, February 15, and March 15. The Finance Committee also held a number of joint budget work sessions with the Board of Supervisors. All Finance Committee Agendas and Reports can be found online, [www.fcva.us/fincomm](http://www.fcva.us/fincomm).

The Frederick County  
**Finance Committee**  
generally meets at 8:00 a.m.  
on the third Wednesday  
of each month

County Administration Building  
1st Floor Conference Room  
107 N. Kent Street, Winchester

*The public is encouraged to attend.*



## MEETING NOTICE

107 N. Kent Street | Winchester, VA | 22601  
540 | 665 | 5600  
[www.fcva.us](http://www.fcva.us)

The following are General Fund supplemental appropriation requests which required no local funds:

- \$30,338 for donations and various reimbursements to the Sheriff's Department;
- \$2,667 for the Inspections Department for an automobile insurance claim reimbursement;
- \$64,220 for body cameras (year 1) for the Sheriff's Department;
- \$70,495 for electronic summons system for the Sheriff's Department;
- \$17,500 for Parks from the VDOT Recreation Access Grant;
- \$12,838 for Social Services to become fiscal agent for the CFW Foster Care Program; and
- \$10,266 for Fire & Rescue fire school programs revenue collected.

The committee also held discussion on the following topics:

- The FY 2016 CAFR (Comprehensive Annual Financial Report) was presented. The CAFR can be found online at: [www.fcva.us/CAFR](http://www.fcva.us/CAFR);
- FY 2018 budget work sessions were held;
- The Blue Ridge Youth Soccer Association (BRYSA) requested tax exemption;
- The Parks & Recreation Donation and Recognition Policy; and
- Funding sources and cash balance for the Airport Operating Fund.

## Connect with Us

Keep up to date on all information about Frederick County Government by visiting our website: [www.fcva.us](http://www.fcva.us) and through our various Social Media Outlets. Visit [www.fcva.us/news](http://www.fcva.us/news) for information on all departmental outlets.

