

FINANCE COMMITTEE & AUDIT COMMITTEE REPORT to the BOARD OF SUPERVISORS
Wednesday, March 20, 2019
8:00 a.m.
107 NORTH KENT STREET, WINCHESTER, VIRGINIA

A Finance Committee meeting was held in the First Floor Conference Room at 107 North Kent Street on Wednesday, March 20, 2019 at 8:00 a.m.

ATTENDEES:

Committee Members Present: Judith McCann-Slaughter, Chairman; Charles DeHaven; Gary Lofton; Jeffrey Boppe; and Angela Rudolph.

Committee Members Absent: William Orndoff, Treasurer and Ellen Murphy, Commissioner of the Revenue (non-voting liaisons).

Staff present: Cheryl Shiffler, Finance Director; Sharon Kibler, Assistant Finance Director; Kris Tierney, County Administrator; Rod Williams, County Attorney; and Lenny Millholland, Sheriff.

Others present: David Foley, Robinson, Farmer, Cox Associates.

ITEMS REQUIRING ACTION BY BOARD OF SUPERVISORS:

1. The Sheriff requests a General Fund supplemental appropriation in the amount of \$17,818.14. This amount represents (2) auto claims to be used toward a replacement vehicle and vehicle maintenance. No local funds required. See attached memo, p. 3 – 5. The committee recommends approval.
2. Amendment to Frederick County Code, Chapter 155 (Taxation), to add an Article III-A (Exemption for Surviving Spouses of Certain Persons Killed in the Line of Duty). This item has been approved and forwarded from the Code & Ordinance Committee. A public hearing would be required. See attached, p. 6 – 26. The committee recommends scheduling a public hearing.

NO ACTION REQUIRED:

AUDIT COMMITTEE:

1. David Foley from Robinson, Farmer, Cox Associates will present the FY 2018 Comprehensive Annual Financial Report (CAFR) and be available for discussion of the upcoming FY 2019 audit. The FY 2018 CAFR is available in dropbox or online at: www.fcva.us/CAFR. See attached memo, p. 27 – 28. The committee accepted the report and authorized the Finance Committee Chairman to sign the engagement letter for the FY 2019 audit.

INFORMATION ONLY:

1. The Finance Director provides a Fund 10 Transfer Report for February 2019. See attached, p. 29.
2. The Finance Director provides financial statements ending February 28, 2019. See attached, p. 30 – 40.
3. The Finance Director provides an FY 2019 Fund Balance Report ending March 15, 2019. See attached, p. 41.

Respectfully submitted,

FINANCE COMMITTEE

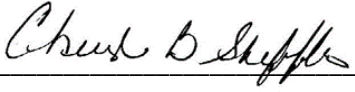
Judith McCann-Slaughter, Chairman

Charles DeHaven

Gary Lofton

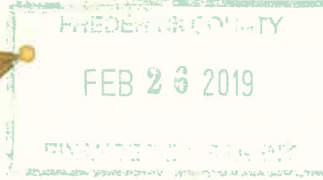
Jeffrey Boppe

Angela Rudolph

By 

Cheryl B. Shiffler, Finance Director

FREDERICK COUNTY SHERIFF'S OFFICE



Sheriff Lenny Millholland

Major Steve A. Hawkins

1080 COVERSTONE DRIVE
WINCHESTER, VIRGINIA 22602

540-662-6168
FAX 540-504-6400

TO : Cheryl Shiffler Director of Finance
FROM : Sheriff Lenny Millholland
DATE : February 22, 2019
SUBJECT : Insurance Reimbursement

We are requesting the insurance checks received for the auto claims dated December 14, 2018 involving Deputy Bradford and January 22, 2019 involving Deputy Parker be appropriated into the following line items

December 14, 2018- \$13,975.00 please appropriate in line items 3102-8005-000-000. This will be used to purchase a replacement vehicle . C.S. 2/14/19

January 22, 2019 – \$3,843.14. Please appropriate in line item 3102-3004-000-002. This will be used for maintenance on the cruiser. C.S. 2/25/19

Thank you

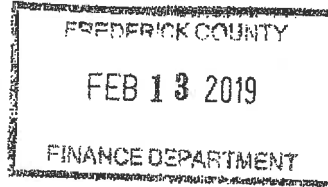
A handwritten signature in blue ink, appearing to be 'LWM'.

LWM/adl

3-010-018990-0001



VACORP



February 7, 2019

Frederick County
Attn: Jennifer Place
107 North Kent Street
Winchester, VA. 22601

Virginia Association of Counties Self Insurance Risk Pool
Member: Frederick County
Claim Number: 0342018234952
Date of Loss: 12/14/2018

Dear Ms. Place:

Enclosed please find VACORP property damage check in the amount of \$13,975.00 for the total loss of the 2016 Ford Taurus VIN 8222 that was damaged on 12/14/2018. This payment was based on the Actual Cash Value of \$14,475.00 less the \$500.00 deductible.

If you should have any questions regarding this payment, please feel free to call me at 1-888-822-6772 ext. 174.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Mullen".

Jared Mullen
Claims Specialist

Enclosed – Check



VACORP

February 11, 2019

Frederick County
Attn: Captain Mike Ellinger
107 North Kent Street
Winchester, VA 22601

VA Association of Counties Group Self-Insurance Risk Pool

Participant: Frederick County

Claim Number 0342019237681

Date of Loss: ~~02/04/2019~~

01/22/2019

Dear Sheriff Ellinger,

Enclosed please find a VACORP property damage check in the amount of \$3843.14. This check is for cost related to the repair on the 2017 Ford Explorer, Vin #0839. This amount was determined by the repair cost \$4343.14 - \$500.00 (deductible) = \$3843.14

If you should have any questions regarding this payment, please do not hesitate to contact our office.

Sincerely,

Jennifer Williams
Claims Associate

Enclosed: check



COUNTY OF FREDERICK

Roderick B. Williams
County Attorney

540/722-8383
Fax 540/667-0370
E-mail rwillia@fcva.us

MEMORANDUM

TO: Finance Committee

FROM: Roderick B. Williams
County Attorney

DATE: March 12, 2019

RE: Amendment to Frederick County Code, Chapter 155 (Taxation), to add an Article III-A (Exemption for Surviving Spouses of Certain Persons Killed in the Line of Duty) – Ability to Limit Scope of Eligibility for Exemption

The Finance Committee discussed this item at its last meeting. In short, the proposed addition to the County Code would provide an exemption from real property taxes for surviving spouses of certain public safety personnel killed in the line of duty, as such exemption is permitted, but not required, under applicable state law, Virginia Code Title 58.1, Chapter 32, Article 2.5. As authorized under state law, the exemption would apply to the surviving spouses of sworn employees or members of, essentially, any Virginia state or local agency engaged law enforcement, corrections, firefighting, emergency medical services, civil defense (including Virginia National Guard), or emergency management.

In its discussion, the Committee asked whether the County could limit the exemption to surviving spouses of only public safety agencies of Frederick County and/or such other Virginia localities as the Board might prescribe. For the reason that follows, I am of the opinion that the Board may not limit the class of individuals eligible for relief under the program, were the Board to adopt such a program.

I base this conclusion on a comparison of the language in the enabling legislation for the different property tax relief programs contained within Chapter 32 of Title 58.1 of the Code of Virginia. Thus, for instance, for the program for exemptions for elderly persons and disabled persons, the enabling legislation specifically provides that the locality may establish net financial worth and/or annual income limitations, and such other limitations, as a condition of eligibility. See Va. Code §§58.1-3210 & 58.1-3212.

By contrast, the enabling legislation for the surviving spouse program under consideration by the Finance Committee contains no such discretionary reference with respect to the class of persons eligible for the program. Instead, the enabling legislation contains a specific definition of a “covered person”, which in turn adopts a specific definition contained in the Line of Duty Act at Va. Code § 9.1-400. The enabling legislation contains nothing to suggest discretion to deviate from such a comprehensive definition.

CODE & ORDINANCE COMMITTEE REPORT to the BOARD OF SUPERVISORS
Thursday, June 28, 2018
8:30 a.m.
107 NORTH KENT STREET, WINCHESTER, VIRGINIA

ATTENDEES:

Committee Members Present: Shannon Trout, Chair; Blaine P. Dunn; J. Douglas McCarthy; Stephen Butler, and James Drown

Committee Members Absent: Derek Aston

Staff present: Roderick B. Williams, County Attorney; Jay E. Tibbs, Deputy County Administrator; Treasurer C. William Orndoff, Jr.; and Commissioner of the Revenue Ellen Murphy.

ITEMS FOR INFORMATION ONLY:

1. Amendment Frederick County Code, Chapter 155 (Taxation), Article III (Senior Citizens and Disabled Persons Exemption and Deferral), to adjust amounts to account for inflation since the amounts were last established.

These proposed revisions would adjust the different income and asset limits for program eligibility, to account for inflation since the amounts were last established, in 2003. The revisions would also provide for the amounts to be adjusted automatically each year going forward based upon changes in the Consumer Price Index. Lastly, the revisions clarify that relief under the program is limited to the taxes on the dwelling and not more than one acre of land upon which the dwelling is situated.

The committee, Treasurer, and Commissioner discussed the proposed changes. The Treasurer raised some concerns relative to the proposal to include the use of the Consumer Price Index. The committee also discussed changes to the total combined income brackets. The high end of the income brackets to receive the 100%, 60%, and 35% exemptions were each increased by \$5,000. The proposed new brackets would be as follows:

Total Combined Income	Percentage of Exemption
\$0 - \$25,000	100%
\$25,001 - \$30,000	60%
\$30,001 - \$35,000	35%
\$35,001 - \$50,000	10%

In addition to the income changes, the committee agreed to keep the net combined financial worth cap at \$150,000 and removed the Consumer Price Index provision.

Upon a motion by Mr. Dunn, seconded by Mr. McCarthy, the Code and Ordinance Committee forwarded the proposed ordinance amendment, as modified, to the Finance Committee with a recommendation of approval. The motion was unanimously approved.

2. Amendment to Frederick County Code, Chapter 155 (Taxation), to add an Article III-A (Exemption for Surviving Spouses of Certain Persons Killed in the Line of Duty).

This proposed amendment would allow for an exemption from real property taxes for surviving spouses of certain public safety personnel killed in the line of duty.

Upon a motion by Mr. McCarthy, seconded by Mr. Drown, the Code and Ordinance Committee forwarded the proposed ordinance amendment to the Finance Committee, with a recommendation of approval. The motion was approved by a 4-1 vote with Mr. Dunn voting no.

3. Amendment to Frederick County Code, Chapter 155 (Taxation), Article IV (Personal Property Taxes), Section 155-26 (Exemptions), to add an exemption for one motor vehicle each, owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand or who is blind or who is permanently and totally disabled.

This proposed amendment would allow for an exemption from personal property taxes for one motor vehicle each, owned by disabled veterans. The tax rate for this property would be zero, which would be accomplished by noting the property in the County Code as a separate class, exempted from taxation.

Mr. McCarthy moved that the Code and Ordinance Committee forwarded the proposed ordinance amendment to the Finance Committee with a recommendation of approval. The motion died for lack of a second.

There being no further business, the meeting was adjourned at 6:53 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jay E. Tibbs". The signature is written in a cursive, flowing style.

Deputy County Administrator

cc: Code & Ordinance Committee



COUNTY OF FREDERICK

Roderick B. Williams
County Attorney

540/722-8383
Fax 540/667-0370
E-mail: rwillia@fcva.us

MEMORANDUM

TO: Code & Ordinance Committee
Finance Committee

FROM: Roderick B. Williams
County Attorney

DATE: February 7, 2019

RE: Amendment to Frederick County Code, Chapter 155 (Taxation), to add an Article III-A (Exemption for Surviving Spouses of Certain Persons Killed in the Line of Duty).

A Board member requested addition to the County Code of provisions allowing for an exemption from real property taxes for surviving spouses of certain public safety personnel killed in the line of duty. A draft is attached. Virginia Code Title 58.1, Chapter 32, Article 2.5 (copy attached) authorizes localities to enact such an exemption as an optional program, eligibility for the program being based upon the definitions and provisions of the Line of Duty Act, Virginia Code Title 9.1, Chapter 4 (copy attached). A recommendation to the Board from each Committee would be appropriate.

Attachments



ORDINANCE
___, 2019

The Board of Supervisors of Frederick County, Virginia hereby ordains that Article III-A (Exemption for Surviving Spouses of Certain Persons Killed in the Line of Duty) of Chapter 155 (Taxation) of the Code of Frederick County, Virginia be, and the same hereby is, enacted, as follows:

CHAPTER 155 TAXATION

Article III-A Exemption for Surviving Spouses of Certain Persons Killed in the Line of Duty

§ 155-22.1 Definitions and word usage.

As used in this article, unless the context requires otherwise:

"Covered person" means any person set forth in the definition of "deceased person" in § 9.1-400 of the Code of Virginia, 1950, as amended, whose beneficiary, as defined in that section, is entitled to receive benefits under § 9.1-402 of the Code of Virginia, 1950, as amended, as determined by the Comptroller of Virginia prior to July 1, 2017, or as determined by the Virginia Retirement System on and after July 1, 2017.

§ 155-22.2 Exemption

- A. For tax years beginning on or after January 1, 2019, the real property described in subsection B, owned and occupied by the surviving spouse of any covered person as his principal place of residence is exempt from taxation. If the covered person's death occurred on or prior to January 1, 2019, and the surviving spouse has a principal residence on January 1, 2019, eligible for the exemption under this section, then the exemption for the surviving spouse shall begin on January 1, 2019. If the covered person's death occurs after January 1, 2019, and the surviving spouse has a principal residence eligible for the exemption under this section on the date that such covered person dies, then the exemption for the surviving spouse shall begin on the date that such covered person dies. If the surviving spouse acquires the property after January 1, 2019, then the exemption

shall begin on the date of acquisition, and the previous owner may be entitled to a refund for a pro rata portion of real property taxes paid pursuant to § 58.1-3360 of the Code of Virginia, 1950, as amended. The county shall not be liable for any interest on any refund due to the surviving spouse for taxes paid prior to the surviving spouse's filing of the affidavit or written statement required by § 155-22.3.

- B. Those dwellings with assessed values in the most recently ended tax year that are not in excess of the average assessed value for such year of a dwelling situated on property that is zoned as single-family residential shall qualify for a total exemption from real property taxes under this article. If the value of a dwelling is in excess of the average assessed value as described in this subsection, then only that portion of the assessed value in excess of the average assessed value shall be subject to real property taxes, and the portion of the assessed value that is not in excess of the average assessed value shall be exempt from real property taxes. Single-family homes, condominiums, town homes, manufactured homes as defined in § 46.2-100 of the Code of Virginia, 1950, as amended, whether or not the wheels and other equipment previously used for mobility have been removed, and other types of dwellings of surviving spouses, whether or not the land on which the single-family home, condominium, town home, manufactured home, or other type of dwelling of a surviving spouse is located is owned by someone other than the surviving spouse, that (i) meet this requirement and (ii) are occupied by such persons as their principal place of residence shall qualify for the real property tax exemption. If the land on which the single-family home, condominium, town home, manufactured home, or other type of dwelling is located is not owned by the surviving spouse, then the land is not exempt. For purposes of determining whether a dwelling, or a portion of its value, is exempt from real property taxes, the average assessed value shall be such average for all dwellings located within the county that are situated on property zoned as single-family residential.
- C. The surviving spouse shall qualify for the exemption so long as the surviving spouse does not remarry and continues to occupy the real property as his principal place of residence. The exemption applies without any restriction on the spouse's moving from one principal place of residence within Frederick County to a different principal place of residence within Frederick County.
- D. The exemption shall be calculated, as provided herein, based upon the taxes otherwise due for the dwelling and up to one acre of land upon which it is situated. A real property improvement other than a dwelling, made to such one acre exempt from taxation pursuant to this subsection, shall also be exempt from taxation so long as the principal use of the improvement is (a) to house or cover motor vehicles or household goods and personal effects as classified in

subdivision A 14 of § 58.1-3503 of the Code of Virginia, 1950, as amended, and as listed in § 58.1-3504 of the Code of Virginia, 1950, as amended, and (b) for other than a business purpose.

- E. For purposes of this exemption, real property of any surviving spouse of a covered person includes real property (i) held by a surviving spouse as a tenant for life, (ii) held in a revocable inter vivos trust over which the surviving spouse holds the power of revocation, or (iii) held in an irrevocable trust under which the surviving spouse possesses a life estate or enjoys a continuing right of use or support. Such real property does not include any interest held under a leasehold or term of years.

- F. 1. In the event that (i) a surviving spouse is entitled to an exemption under this section by virtue of holding the property in any of the three ways set forth in subsection E and (ii) one or more other persons have an ownership interest in the property that permits them to occupy the property, then the tax exemption for the property that otherwise would have been provided shall be prorated by multiplying the amount of the exemption by a fraction the numerator of which is 1 and the denominator of which equals the total number of people having an ownership interest that permits them to occupy the property.

- 2. In the event that the principal residence is jointly owned by two or more individuals including the surviving spouse, and no person is entitled to the exemption under this section by virtue of holding the property in any of the three ways set forth in subsection E, then the exemption shall be prorated by multiplying the amount of the exemption by a fraction the numerator of which is the percentage of ownership interest in the dwelling held by the surviving spouse and the denominator of which is 100.

§ 155-22.3 Application for exemption

The surviving spouse claiming the exemption under this article shall file with the Commissioner of the Revenue, on forms to be supplied by the Commissioner of the Revenue, an affidavit or written statement (i) setting forth the surviving spouse's name, (ii) indicating any other joint owners of the real property, (iii) certifying that the real property is occupied as the surviving spouse's principal place of residence, and (iv) including evidence of the determination of the Comptroller or the Virginia Retirement System pursuant to section 155-22.1. The surviving spouse shall also provide documentation that he is the surviving spouse of a covered person and of the date that the covered person died. The surviving spouse shall be required to refile the information required by this section only if the surviving spouse's principal place of residence changes. The surviving spouse shall promptly notify the Commissioner of the Revenue of any remarriage.

§ 155-22.4 Absence from residence

The fact that surviving spouses who are otherwise qualified for tax exemption pursuant to this article are residing in hospitals, nursing homes, convalescent homes, or other facilities for physical or mental care for extended periods of time shall not be construed to mean that the real estate for which tax exemption is sought does not continue to be the sole dwelling of such persons during such extended periods of other residence, so long as such real estate is not used by or leased to others for consideration.

Enacted this _____ day of _____, 2019.

Charles S. DeHaven, Jr., Chairman	_____	Gary A. Lofton	_____
J. Douglas McCarthy	_____	Robert W. Wells	_____
Blaine P. Dunn	_____	Shannon G. Trout	_____
Judith McCann-Slaughter	_____		

Kris C. Tierney
Clerk, Board of Supervisors
County of Frederick, Virginia

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Article 2.5. Exemption for Surviving Spouses of Certain Persons Killed in the Line of Duty

§ 58.1-3219.13. Definitions.

As used in this article, unless the context requires otherwise:

"Covered person" means any person set forth in the definition of "deceased person" in § 9.1-400 whose beneficiary, as defined in § 9.1-400, is entitled to receive benefits under § 9.1-402, as determined by the Comptroller prior to July 1, 2017, or as determined by the Virginia Retirement System on and after July 1, 2017.

2017, c. 248.

§ 58.1-3219.14. Exemption from taxes on property of surviving spouses of certain persons killed in the line of duty.

A. Pursuant to Article X, Section 6-B of the Constitution of Virginia, for tax years beginning on or after January 1, 2017, any county, city, or town may exempt from taxation the real property described in subsection B of the surviving spouse of any covered person who occupies the real property as his principal place of residence. If the covered person's death occurred on or prior to January 1, 2017, and the surviving spouse has a principal residence on January 1, 2017, eligible for the exemption under this section, then the exemption for the surviving spouse shall begin on January 1, 2017. If the covered person's death occurs after January 1, 2017, and the surviving spouse has a principal residence eligible for the exemption under this section on the date that such covered person dies, then the exemption for the surviving spouse shall begin on the date that such covered person dies. If the surviving spouse acquires the property after January 1, 2017, then the exemption shall begin on the date of acquisition, and the previous owner may be entitled to a refund for a pro rata portion of real property taxes paid pursuant to § 58.1-3360. No county, city, or town shall be liable for any interest on any refund due to the surviving spouse for taxes paid prior to the surviving spouse's filing of the affidavit or written statement required by § 58.1-3219.15.

B. Those dwellings, in any locality that provides the exemption pursuant to this article, with assessed values in the most recently ended tax year that are not in excess of the average assessed value for such year of a dwelling situated on property that is zoned as single-family residential shall qualify for a total exemption from real property taxes under this article. If the value of a dwelling is in excess of the average assessed value as described in this subsection, then only that portion of the assessed value in excess of the average assessed value shall be subject to real property taxes, and the portion of the assessed value that is not in excess of the average assessed value shall be exempt from real property taxes. Single-family homes, condominiums, town homes, manufactured homes as defined in § 46.2-100 whether or not the wheels and other equipment previously used for mobility have been removed, and other types of dwellings of surviving spouses, whether or not the land on which the single-family home, condominium, town home, manufactured home, or other type of dwelling of a surviving spouse is located is owned by someone other than the surviving spouse, that (i) meet this requirement and (ii) are occupied by such persons as their principal place of residence shall qualify for the real property tax exemption. If the land on which the single-family home, condominium, town home,

manufactured home, or other type of dwelling is located is not owned by the surviving spouse, then the land is not exempt.

For purposes of determining whether a dwelling, or a portion of its value, is exempt from county and town real property taxes, the average assessed value shall be such average for all dwellings located within the county that are situated on property zoned as single-family residential.

C. The surviving spouse shall qualify for the exemption so long as the surviving spouse does not remarry and continues to occupy the real property as his principal place of residence. The exemption applies without any restriction on the spouse's moving to a different principal place of residence.

D. A county, city, or town shall provide for the exemption from real property taxes of (i) the qualifying dwelling, or that portion of the value of such dwelling and land that qualifies for the exemption pursuant to subsection B, and (ii) with the exception of land not owned by the surviving spouse, the land, not exceeding one acre, upon which it is situated. However, if a county, city, or town provides for an exemption from or deferral of real property taxes of more than one acre of land pursuant to Article 2 (§ 58.1-3210 et seq.), then the county, city, or town shall also provide an exemption for the same number of acres pursuant to this section. A real property improvement other than a dwelling, including the land upon which such improvement is situated, made to such one acre or greater number of acres exempt from taxation pursuant to this subsection shall also be exempt from taxation so long as the principal use of the improvement is (a) to house or cover motor vehicles or household goods and personal effects as classified in subdivision A 14 of § 58.1-3503 and as listed in § 58.1-3504 and (b) for other than a business purpose.

E. For purposes of this exemption, real property of any surviving spouse of a covered person includes real property (i) held by a surviving spouse as a tenant for life, (ii) held in a revocable inter vivos trust over which the surviving spouse holds the power of revocation, or (iii) held in an irrevocable trust under which the surviving spouse possesses a life estate or enjoys a continuing right of use or support. Such real property does not include any interest held under a leasehold or term of years.

F. 1. In the event that (i) a surviving spouse is entitled to an exemption under this section by virtue of holding the property in any of the three ways set forth in subsection E and (ii) one or more other persons have an ownership interest in the property that permits them to occupy the property, then the tax exemption for the property that otherwise would have been provided shall be prorated by multiplying the amount of the exemption by a fraction the numerator of which is 1 and the denominator of which equals the total number of people having an ownership interest that permits them to occupy the property.

2. In the event that the principal residence is jointly owned by two or more individuals including the surviving spouse, and no person is entitled to the exemption under this section by virtue of holding the property in any of the three ways set forth in subsection E, then the exemption shall be prorated by multiplying the amount of the exemption by a fraction the numerator of which is the percentage of ownership interest in the dwelling held by the surviving spouse and the denominator of which is 100.

2017, c. 248.

§ 58.1-3219.15. Application for exemption.

A. The surviving spouse claiming the exemption under this article shall file with the commissioner of the revenue of the county, city, or town or such other officer as may be designated by the governing body in which the real property is located, on forms to be supplied by the county, city, or town, an affidavit or written statement (i) setting forth the surviving spouse's name, (ii) indicating any other joint owners of the real property, (iii) certifying that the real property is occupied as the surviving spouse's principal place of residence, and (iv) including evidence of the determination of the Comptroller or the Virginia Retirement System pursuant to subsection A. The surviving spouse shall also provide documentation that he is the surviving spouse of a covered person and of the date that the covered person died.

The surviving spouse shall be required to refile the information required by this section only if the surviving spouse's principal place of residence changes.

B. The surviving spouse shall promptly notify the commissioner of the revenue of any remarriage.

2017, c. 248.

§ 58.1-3219.16. Absence from residence.

The fact that surviving spouses who are otherwise qualified for tax exemption pursuant to this article are residing in hospitals, nursing homes, convalescent homes, or other facilities for physical or mental care for extended periods of time shall not be construed to mean that the real estate for which tax exemption is sought does not continue to be the sole dwelling of such persons during such extended periods of other residence, so long as such real estate is not used by or leased to others for consideration.

2017, c. 248.

Chapter 4. Line of Duty Act.

§ 9.1-400. Title of chapter; definitions.

A. This chapter shall be known and designated as the Line of Duty Act.

B. As used in this chapter, unless the context requires a different meaning:

"Beneficiary" means the spouse of a deceased person and such persons as are entitled to take under the will of a deceased person if testate, or as his heirs at law if intestate.

"Deceased person" means any individual whose death occurs on or after April 8, 1972, in the line of duty as the direct or proximate result of the performance of his duty, including the presumptions under §§ 27-40.1, 27-40.2, 51.1-813, 65.2-402, and 65.2-402.1 if his position is covered by the applicable statute, as a law-enforcement officer of the Commonwealth or any of its political subdivisions, except employees designated pursuant to § 53.1-10 to investigate allegations of criminal behavior affecting the operations of the Department of Corrections, employees designated pursuant to § 66-3 to investigate allegations of criminal behavior affecting the operations of the Department of Juvenile Justice, and members of the investigations unit of the State Inspector General designated pursuant to § 2.2-311 to investigate allegations of criminal behavior affecting the operations of a state or nonstate agency; a correctional officer as defined in § 53.1-1; a jail officer; a regional jail or jail farm superintendent; a sheriff, deputy sheriff, or city sergeant or deputy city sergeant of the City of Richmond; a police chaplain; a member of any fire company or department or emergency medical services agency that has been recognized by an ordinance or a resolution of the governing body of any county, city, or town of the Commonwealth as an integral part of the official safety program of such county, city, or town, including a person with a recognized membership status with such fire company or department who is enrolled in a Fire Service Training course offered by the Virginia Department of Fire Programs or any fire company or department training required in pursuit of qualification to become a certified firefighter; a member of any fire company providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard; a member of the Virginia National Guard or the Virginia Defense Force while such member is serving in the Virginia National Guard or the Virginia Defense Force on official state duty or federal duty under Title 32 of the United States Code; any special agent of the Virginia Alcoholic Beverage Control Authority; any regular or special conservation police officer who receives compensation from a county, city, or town or from the Commonwealth appointed pursuant to the provisions of § 29.1-200; any commissioned forest warden appointed under the provisions of § 10.1-1135; any member or employee of the Virginia Marine Resources Commission granted the power of arrest pursuant to § 28.2-900; any Department of Emergency Management hazardous materials officer; any other employee of the Department of Emergency Management who is performing official duties of the agency, when those duties are related to a major disaster or emergency, as defined in § 44-146.16, that has been or is later declared to exist under the authority of the Governor in accordance with § 44-146.28; any employee of any county, city, or town performing official emergency management or emergency services duties in cooperation with the Department of Emergency Management, when those duties are related to a major disaster or emergency, as defined in § 44-146.16, that has been or is later declared to exist under the authority of the Governor in accordance with § 44-146.28 or a local emergency, as defined in § 44-146.16, declared by a local governing body; any nonfirefighter regional hazardous materials emergency response team

member; any conservation officer of the Department of Conservation and Recreation commissioned pursuant to § 10.1-115; or any full-time sworn member of the enforcement division of the Department of Motor Vehicles appointed pursuant to § 46.2-217.

"Disabled person" means any individual who has been determined to be mentally or physically incapacitated so as to prevent the further performance of his duties at the time of his disability where such incapacity is likely to be permanent, and whose incapacity occurs in the line of duty as the direct or proximate result of the performance of his duty, including the presumptions under §§ 27-40.1, 27-40.2, 51.1-813, 65.2-402, and 65.2-402.1 if his position is covered by the applicable statute, in any position listed in the definition of deceased person in this section. "Disabled person" does not include any individual who has been determined to be no longer disabled pursuant to subdivision A 2 of § 9.1-404. "Disabled person" includes any state employee included in the definition of a deceased person who was disabled on or after January 1, 1966.

"Eligible dependent" for purposes of continued health insurance pursuant to § 9.1-401 means the natural or adopted child or children of a deceased person or disabled person or of a deceased or disabled person's eligible spouse, provided that any such natural child is born as the result of a pregnancy that occurred prior to the time of the employee's death or disability and that any such adopted child is (i) adopted prior to the time of the employee's death or disability or (ii) adopted after the employee's death or disability if the adoption is pursuant to a preadoptive agreement entered into prior to the death or disability. Eligibility will continue until the end of the year in which the eligible dependent reaches age 26 or when the eligible dependent ceases to be eligible based on the Virginia Administrative Code or administrative guidance as determined by the Department of Human Resource Management.

"Eligible spouse" for purposes of continued health insurance pursuant to § 9.1-401 means the spouse of a deceased person or a disabled person at the time of the death or disability. Eligibility will continue until the eligible spouse dies, ceases to be married to a disabled person, or in the case of the spouse of a deceased person, dies, remarries on or after July 1, 2017, or otherwise ceases to be eligible based on the Virginia Administrative Code or administrative guidance as determined by the Department of Human Resource Management.

"Employee" means any person who would be covered or whose spouse, dependents, or beneficiaries would be covered under the benefits of this chapter if the person became a disabled person or a deceased person.

"Employer" means (i) the employer of a person who is a covered employee or (ii) in the case of a volunteer who is a member of any fire company or department or rescue squad described in the definition of "deceased person," the county, city, or town that by ordinance or resolution recognized such fire company or department or rescue squad as an integral part of the official safety program of such locality.

"Fund" means the Line of Duty Death and Health Benefits Trust Fund established pursuant to § 9.1-400.1.

"Line of duty" means any action the deceased or disabled person was obligated or authorized to perform by rule, regulation, condition of employment or service, or law.

"LODA Health Benefit Plans" means the separate health benefits plans established pursuant to § 9.1-401.

"Nonparticipating employer" means any employer that is a political subdivision of the Commonwealth that elected to directly fund the cost of benefits provided under this chapter and not participate in the Fund.

"Participating employer" means any employer that is a state agency or is a political subdivision of the Commonwealth that did not make an election to become a nonparticipating employer.

"VRS" means the Virginia Retirement System.

1995, cc. 112, 156, 597, §§ 2.1-133.5, 2.1-133.6; 1996, cc. 66, 174; 1998, c. 712; 2001, cc. 678, 844; 2003, cc. 37, 41, 1005; 2004, c. 30; 2005, cc. 907, 910; 2006, c. 824; 2007, c. 87; 2011, cc. 572, 586; 2012, cc. 374, 458, 573; 2015, cc. 38, 502, 503, 730; 2016, c. 677; 2017, cc. 439, 627; 2018, c. 548.

§ 9.1-400.1. Line of Duty Death and Health Benefits Trust Fund.

A. There is hereby established a permanent and perpetual fund to be known as the Line of Duty Death and Health Benefits Trust Fund, consisting of such moneys as may be appropriated by the General Assembly, contributions or reimbursements from participating and nonparticipating employers, gifts, bequests, endowments, or grants from the United States government or its agencies or instrumentalities, net income from the investment of moneys held in the Fund, and any other available sources of funds, public and private. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest and income earned from the investment of such moneys shall remain in the Fund and be credited to it. The moneys in the Fund shall be (i) deemed separate and independent trust funds, (ii) segregated and accounted for separately from all other funds of the Commonwealth, and (iii) administered solely in the interests of the persons who are covered under the benefits provided pursuant to this chapter. Deposits to and assets of the Fund shall not be subject to the claims of creditors.

B. The Virginia Retirement System shall invest, reinvest, and manage the assets of the Fund as provided in § 51.1-124.39 and shall be reimbursed from the Fund for such activities as provided in that section.

C. The Fund shall be used to provide the benefits under this chapter related to disabled persons, deceased persons, eligible dependents, and eligible spouses on behalf of participating employers and to pay related administrative costs.

D. Each participating employer shall make annual contributions to the Fund and provide information as determined by VRS. The amount of the contribution for each participating employer shall be determined on a current disbursement basis in accordance with the provisions of this section. For purposes of establishing contribution amounts for participating employers, a member of any fire company or department or rescue squad that has been recognized by an ordinance or a resolution of the governing body of any locality of the Commonwealth as an integral part of the official safety program of such locality shall be considered part of the locality served by the company, department, or rescue squad. If a company, department, or rescue squad serves more than one locality, the affected localities shall determine the basis and apportionment of the required covered payroll and contributions for each company, department, or rescue squad.

If any participating employer fails to remit contributions or other fees or costs associated with the Fund, VRS shall inform the State Comptroller and the affected participating employer of the delinquent amount. In calculating the delinquent amount, VRS may impose an interest rate of

one percent per month of delinquency. The State Comptroller shall forthwith transfer such delinquent amount, plus interest, from any moneys otherwise distributable to such participating employer.

2016, c. 677;2017, c. 439.

§ 9.1-401. Continued health insurance coverage for disabled persons, eligible spouses, and eligible dependents.

A. Disabled persons, eligible spouses, and eligible dependents shall be afforded continued health insurance coverage as provided in this section, the cost of which shall be paid by the nonparticipating employer to the Department of Human Resource Management or from the Fund on behalf of a participating employer, as applicable. If any disabled person or eligible spouse is receiving the benefits described in this section and would otherwise qualify for the health insurance credit described in Chapter 14 (§ 51.1-1400 et seq.) of Title 51.1, the amount of such credit shall be deposited into the Line of Duty Death and Health Benefits Trust Fund or paid to the nonparticipating employer, as applicable, from the health insurance credit trust fund, in a manner prescribed by VRS.

B. 1. The continued health insurance coverage provided by this section for all disabled persons, eligible spouses, and eligible dependents shall be through separate plans, referred to as the LODA Health Benefits Plans (the Plans), administered by the Department of Human Resource Management. The Plans shall comply with all applicable federal and state laws and shall be modeled upon state employee health benefits program plans. Funding of the Plans' reserves and contingency shall be provided through a line of credit, the amount of which shall be based on an actuarially determined estimate of liabilities. The Department of Human Resource Management shall be reimbursed for health insurance premiums and all reasonable costs incurred and associated, directly and indirectly, in performing the duties pursuant to this section (i) from the Line of Duty Death and Health Benefits Trust Fund for costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses on behalf of participating employers and (ii) from a nonparticipating employer for premiums and costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses for which the nonparticipating employer is responsible. If any nonparticipating employer fails to remit such premiums and costs, the Department of Human Resource Management shall inform the State Comptroller and the affected nonparticipating employer of the delinquent amount. In calculating the delinquent amount, the Department of Human Resource Management may impose an interest rate of one percent per month of delinquency. The State Comptroller shall forthwith transfer such delinquent amount, plus interest, from any moneys otherwise distributable to such nonparticipating employer.

2. In the event that temporary health care insurance coverage is needed for disabled persons, eligible spouses, and eligible dependents during the period of transition into the LODA Health Benefits Plans, the Department of Human Resource Management is authorized to acquire and provide temporary transitional health insurance coverage. The type and source of the transitional health plans shall be within the sole discretion of the Department of Human Resource Management. Transitional coverage for eligible dependents shall comply with the eligibility criteria of the transitional plans until enrollment in the LODA Health Benefits Plan can be completed.

C. 1. a. Except as provided in subdivision 2 and any other law, continued health insurance

coverage in any LODA Health Benefits Plans shall not be provided to any person (i) whose coverage under the Plan is based on a deceased person's death or a disabled person's disability occurring on or after July 1, 2017 and (ii) who is eligible for Medicare due to age.

b. Coverage in the LODA Health Benefits Plans shall also cease for any person upon his death.

2. The provisions of subdivision 1 a shall not apply to any disabled person who is eligible for Medicare due to disability under Social Security Disability Insurance or a Railroad Retirement Board Disability Annuity. The Department of Human Resource Management may provide such disabled person coverage under a LODA Health Benefits Plan that is separate from the plan for other persons.

3. Continued health insurance under this section shall also terminate upon the disabled person's return to full duty in any position listed in the definition of deceased person in § 9.1-400. Such disabled person shall promptly notify the participating or nonparticipating employer, VRS, and the Department of Human Resource Management upon his return to work.

4. Such continued health insurance shall be suspended for the Plan year following a calendar year in which the disabled person whose coverage under the Plan is based on a disability occurring on or after July 1, 2017, has earned income in an amount equal to or greater than the salary of the position held by the disabled person at the time of disability, indexed annually based upon the annual increases in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor. Such suspension shall cease the Plan year following a calendar year in which the disabled person has not earned such amount of income. The disabled person shall notify the participating or nonparticipating employer, VRS, and the Department of Human Resource Management no later than March 1 of the year following any year in which he earns income of such amount, and notify the participating or nonparticipating employer, VRS, and the Department of Human Resource Management when he no longer is earning such amount. Upon request, a disabled person shall provide VRS and the Department of Human Resource Management with documentation of earned income.

1998, c. 712, § 2.1-133.7:1; 2000, c. 616; 2001, c. 844; 2016, c. 677; 2017, c. 439.

§ 9.1-401.1. Supplemental short-term disability benefit for state police officers.

A state police officer who is a participating employee, as defined in § 51.1-1100, and who incurs a work-related injury in the line of duty, shall receive supplemental short-term disability coverage, pursuant to § 51.1-1121, that provides income replacement for 100 percent of the officer's creditable compensation for the first six months and, pursuant to a certification by the Superintendent of State Police, based on a medical evaluation, that the officer is likely to return to service within another six months, up to one calendar year, that the officer is disabled, without regard to the officer's number of months of state service. Except as provided in this section with regard to the rate of income replacement and the duration of supplemental short-term disability coverage, such state police officers shall be eligible for work-related, supplemental short-term disability benefits upon the same terms and conditions that apply to other participating employees pursuant to Article 4 (§ 51.1-1119 et seq.) of Chapter 11 of Title 51.1. Upon the expiration of the one-calendar-year period, such state police officers shall be eligible for supplemental long-term disability benefits as provided in § 51.1-1123.

2010, c. 654.

§ 9.1-402. Payments to beneficiaries of certain deceased law-enforcement officers, firefighters, etc., and retirees.

A. The beneficiary of a deceased person whose death occurred on or before December 31, 2005, while in the line of duty as the direct or proximate result of the performance of his duty shall be entitled to receive the sum of \$75,000, which shall be paid by the nonparticipating employer or from the Fund on behalf of a participating employer, as applicable, in gratitude for and in recognition of his sacrifice on behalf of the people of the Commonwealth.

B. The beneficiary of a deceased person whose death occurred on or after January 1, 2006, while in the line of duty as the direct or proximate result of the performance of his duty shall be entitled to receive the sum of \$100,000, which shall be paid by the nonparticipating employer or from the Fund on behalf of a participating employer, as applicable, in gratitude for and in recognition of his sacrifice on behalf of the people of the Commonwealth.

C. Subject to the provisions of § 27-40.1, 27-40.2, 51.1-813, or 65.2-402, if the deceased person's death (i) arose out of and in the course of his employment or (ii) was within five years from his date of retirement, his beneficiary shall be entitled to receive the sum of \$25,000, which shall be paid by the nonparticipating employer or from the Fund on behalf of a participating employer, as applicable.

1995, cc. 156, 597, § 2.1-133.7; 2000, c. 314; 2001, c. 844; 2006, c. 878; 2016, c. 677.

§ 9.1-402.1. Payments for burial expenses.

It is the intent of the General Assembly that expeditious payments for burial expenses be made for deceased persons whose death is determined to be a direct and proximate result of their performance in the line of duty as defined by the Line of Duty Act. Upon the approval of VRS, at the request of the family of a person who may be subject to the line of duty death benefits, payments shall be made to a funeral service provider for burial and transportation costs by the nonparticipating employer or from the Fund on behalf of a participating employer, as applicable. These payments would be advanced from the death benefit that would be due to the beneficiary of the deceased person if it is determined that the person qualifies for line of duty coverage. Expenses advanced under this provision shall not exceed the coverage amounts outlined in § 65.2-512. In the event a determination is made that the death is not subject to the line of duty benefits, VRS or other Virginia governmental retirement fund of which the deceased is a member will deduct from benefit payments otherwise due to be paid to the beneficiaries of the deceased payments previously paid for burial and related transportation expenses and return such funds to the nonparticipating employer or to the Fund on behalf of a participating employer, as applicable. The Virginia Retirement System shall have the right to file a claim with the Virginia Workers' Compensation Commission against any employer to recover burial and related transportation expenses advanced under this provision.

2012, cc. 90, 576; 2016, c. 677.

§ 9.1-403. Claim for payment; costs.

A. Every beneficiary, disabled person or his spouse, or dependent of a deceased or disabled person shall present his claim to the chief officer, or his designee, of the employer for which the disabled or deceased person last worked on forms to be provided by VRS. Upon receipt of a claim, the chief officer or his designee shall forward the claim to VRS within seven days. The Virginia Retirement System shall determine eligibility for benefits under this chapter. The Virginia

Retirement System may request assistance in obtaining information necessary to make an eligibility determination from the Department of State Police. The Department of State Police shall take action to conduct the investigation as expeditiously as possible. The Department of State Police shall be reimbursed from the Fund or the nonparticipating employer, as applicable, for the cost of searching for and obtaining information requested by VRS. The Virginia Retirement System shall be reimbursed for the reasonable costs incurred for making eligibility determinations by nonparticipating employers or from the Fund on behalf of participating employers, as applicable. If any nonparticipating employer fails to reimburse VRS for reasonable costs incurred in making an eligibility determination, VRS shall inform the State Comptroller and the affected nonparticipating employer of the delinquent amount. In calculating the delinquent amount, VRS may impose an interest rate of one percent per month of delinquency. The State Comptroller shall forthwith transfer such delinquent amount, plus interest, from any moneys otherwise distributable to such nonparticipating employer.

B. 1. Within 10 business days of being notified by an employee, or an employee's representative, that such employee is permanently and totally disabled due to a work-related injury suffered in the line of duty, the agency or department employing the employee shall provide him with information about the continued health insurance coverage provided under this chapter and the process for initiating a claim. The employer shall assist in filing a claim, unless such assistance is waived by the employee or the employee's representative.

2. Within 10 business days of having knowledge that a deceased person's surviving spouse, dependents, or beneficiaries may be entitled to benefits under this chapter, the employer for which the deceased person last worked shall provide the surviving spouse, dependents, or beneficiaries, as applicable, with information about the benefits provided under this chapter and the process for initiating a claim. The employer shall assist in filing a claim, unless such assistance is waived by the surviving spouse, dependents, or beneficiaries.

C. Within 30 days of receiving a claim pursuant to subsection A, an employer may submit to VRS any evidence that could assist in determining the eligibility of a claim. However, when the claim involves a presumption under § 65.2-402 or 65.2-402.1, VRS shall provide an employer additional time to submit evidence as is necessary not to exceed nine months from the date the employer received a claim pursuant to subsection A. Any such evidence submitted by the employer shall be included in the agency record for the claim.

1995, c. 156, § 2.1-133.8; 1998, c. 712; 2001, cc. 427, 844; 2007, c. 90; 2009, cc. 393, 580; 2016, c. 677.

§ 9.1-404. Order of the Virginia Retirement System.

A. 1. The Virginia Retirement System shall make an eligibility determination within 45 days of receiving all necessary information for determining eligibility for a claim filed under § 9.1-403. The Virginia Retirement System may use a medical board pursuant to § 51.1-124.23 in determining eligibility. If benefits under this chapter are due, VRS shall notify the nonparticipating employer, which shall provide the benefits within 15 days of such notice, or VRS shall pay the benefits from the Fund on behalf of the participating employer within 15 days of the determination, as applicable. The payments shall be retroactive to the first date that the disabled person was no longer eligible for health insurance coverage subsidized by his employer.

2. Two years after an individual has been determined to be a disabled person, VRS may require the disabled person to renew the determination through a process established by VRS. If a

disabled person refuses to submit to the determination renewal process described in this subdivision, then benefits under this chapter shall cease for the individual, any eligible dependents, and an eligible spouse until the individual complies. If such individual does not comply within six months from the date of the initial request for a renewed determination, then benefits under this chapter shall permanently cease for the individual, any eligible dependents, and an eligible spouse. If VRS issues a renewed determination that an individual is no longer a disabled person, then benefits under this chapter shall permanently cease for the individual, any eligible dependents, and an eligible spouse. If VRS issues a renewed determination that an individual remains a disabled person, then VRS may require the disabled person to renew the determination five years after such renewed determination through a process established by VRS. The Virginia Retirement System may require the disabled person to renew the determination at any time if VRS has information indicating that the person may no longer be disabled.

B. The Virginia Retirement System shall be reimbursed for all reasonable costs incurred and associated, directly and indirectly, in performing the duties pursuant to this chapter (i) from the Line of Duty Death and Health Benefits Trust Fund for costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses on behalf of participating employers and (ii) from a nonparticipating employer for premiums and costs related to disabled persons, deceased persons, eligible dependents, and eligible spouses for which the nonparticipating employer is responsible.

C. The Virginia Retirement System may develop policies and procedures necessary to carry out the provisions of this chapter.

1995, cc. 156, 597, § 2.1-133.9; 1998, c. 712; 2001, c. 844; 2016, c. 677; 2017, c. 439.

§ 9.1-405. Appeal from decision of Virginia Retirement System.

Any beneficiary, disabled person or eligible spouse or eligible dependent of a deceased or disabled person aggrieved by the decision of VRS may appeal the decision through a process established by VRS. Any such process may utilize a medical board as described in § 51.1-124.23. An employer may submit information related to the claim and may participate in any informal fact-finding proceeding that is included in such process established by VRS. Upon completion of the appeal process, the final determination issued by VRS shall constitute a case decision as defined in § 2.2-4001. Any beneficiary, disabled person, or eligible spouse or eligible dependent of a deceased or disabled person aggrieved by, and claiming the unlawfulness of, such case decision shall have a right to seek judicial review thereof in accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act. The employer shall not have a right to seek such judicial review.

1995, cc. 156, 597, § 2.1-133.10; 1998, c. 712; 2001, c. 844; 2016, c. 677.

§ 9.1-406. Repealed.

Repealed by Acts 2016, c. 677, cl. 2, effective July 1, 2017.

§ 9.1-407. Training.

Any employee entitled to benefits under this chapter shall receive training within 30 days of his employment, and again every two years thereafter, concerning the benefits available to himself or his beneficiary in case of disability or death in the line of duty. The Virginia Retirement System and the Department of Human Resource Management, in consultation with the Secretary of Public Safety and Homeland Security, shall develop training information to be distributed to

employers. The employer shall be responsible for providing the training. Such training shall not count toward in-service training requirements for law-enforcement officers pursuant to § 9.1-102 and shall include, but not be limited to, the general rules for intestate succession described in § 64.2-200 that may be applicable to the distribution of benefits provided under § 9.1-402.

2006, c. 535;2014, cc. 115, 490;2016, c. 677;2017, c. 439.

§ 9.1-408. Records of investigation confidential.

A. Evidence and documents obtained by or created by, and the report of investigation prepared by, the Department of State Police, the Virginia Retirement System, or the Department of Human Resource Management in carrying out the provisions of this chapter shall (i) be deemed confidential, (ii) be exempt from disclosure under the Freedom of Information Act (§ 2.2-3700 et seq.), and (iii) not be released in whole or in part by any person to any person except as provided in this chapter. Notwithstanding the provisions of this section, VRS may release to necessary parties such information, documents, and reports for purposes of administering appeals under this chapter.

B. Notwithstanding subsection A, the Department of State Police and the Department of Accounts shall, upon request, share with the Virginia Retirement System and the Department of Human Resource Management any information, evidence, documents, and reports of investigation related to existing and past claims for benefits provided under this Chapter. Such information, evidence, documents, and reports of investigation shall be exempt from disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

2010, c. 568;2017, c. 439.

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Communication with Those Charged with Governance

To the Audit Committee County of Frederick, Virginia

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Frederick ("County") for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 17, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. The County adopted new accounting guidance, GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

Management's estimate of the depreciable lives of capital assets is based on the actual lives of prior assets and industry standards. We evaluated the key factors and assumptions used to develop the depreciable lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of other post-employment benefit liabilities is based on the actuarial valuation performed by a qualified independent actuary. We evaluated the key factors and assumptions used to develop the estimated liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Audit Committee and management of the County of Frederick and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Kimmel, Cox Associates

Charlottesville, Virginia
December 20, 2018

DATE	DEPARTMENT/GENERAL FUND	REASON FOR TRANSFER	FROM	TO	ACCT	CODE	AMOUNT
2/7/2019	MANAGEMENT INFORMATION SYSTEMS	PAY HELP SYSTEMS INVOICE	1222	5413	000	000	(377.00)
	MANAGEMENT INFORMATION SYSTEMS		1222	3005	000	000	377.00
2/7/2019	OTHER	REPAIR AND MAINTENANCE BUILDINGS - ROUND HILL	1224	5415	000	001	(1,940.00)
	COUNTY OFFICE BUILDINGS/COURTHOUSE		4304	3004	000	008	1,940.00
	OTHER		1224	5308	000	000	(410.00)
	COUNTY OFFICE BUILDINGS/COURTHOUSE		4304	3004	000	008	410.00
	OTHER		1224	5307	000	000	(220.00)
	COUNTY OFFICE BUILDINGS/COURTHOUSE		4304	3004	000	008	220.00
	OTHER		1224	5302	000	000	(153.00)
	COUNTY OFFICE BUILDINGS/COURTHOUSE		4304	3004	000	008	153.00
2/7/2019	REASSESSMENT/BOARD OF ASSESSORS	TRANSPORT NEW VEHICLE	1210	3007	000	000	(330.00)
	REASSESSMENT/BOARD OF ASSESSORS		1210	8005	000	000	330.00
2/7/2019	COUNTY OFFICE BUILDINGS/COURTHOUSE	WATER/SEWAGE PSB-WATER PRICES DOUBLED 2019	4304	5408	000	005	(113.99)
	COUNTY OFFICE BUILDINGS/COURTHOUSE		4304	5103	000	005	113.99
2/8/2019	FIRE AND RESCUE	EQUIPMENT FOR F&R F-150	3505	8003	000	000	34,440.00
	TRANSFERS/CONTINGENCY		9301	5890	000	000	(34,440.00)
2/13/2019	SHERIFF	COVER JANUARY EXPENSE OF POWER EQUIPMENT	3102	5401	000	000	(4,000.00)
	SHERIFF		3102	5408	000	000	4,000.00
2/13/2019	ADMINISTRATION DSS	DSS VEHICLE	5316	8005	000	000	22,977.00
	TRANSFERS/CONTINGENCY		9301	5890	000	000	(22,977.00)
2/14/2019	TRANSFERS/CONTINGENCY	RETURN UNSPENT FUNDS FOR SHERIFF'S RADIO EQUIPMENT	9301	5890	000	000	18,014.00
	SHERIFF		3102	5409	000	000	(18,014.00)
2/14/2019	PARKS AND RECREATION ADMINISTRATION	CAPRA RESOURCE MATERIALS	7101	5413	000	000	(110.00)
	PARKS AND RECREATION ADMINISTRATION		7101	5411	000	000	110.00
2/22/2019	GENERAL ENGINEERING/ADMINISTRATION	NEW COPIER LEASE	4201	4003	000	002	(1,000.00)
	GENERAL ENGINEERING/ADMINISTRATION		4201	5413	000	000	1,000.00
2/22/2019	CLEARBROOK PARK	SAND FOR VOLLEYBALL COURT & WWW	7109	5413	000	000	(10,000.00)
	CLEARBROOK PARK		7109	5412	000	000	10,000.00
2/22/2019	SHERANDO PARK	UTILITY RATE INCREASE	7110	3004	000	003	(2,000.00)
	CLEARBROOK PARK		7109	5102	000	000	2,000.00
	SHERANDO PARK		7110	3004	000	003	(1,200.00)
	SHERANDO PARK		7110	5103	000	000	1,200.00
2/22/2019	RECREATION CENTERS AND PLAYGROUNDS	TO COVER LIFT FOR WWW	7104	3010	000	000	(50.00)
	CLEARBROOK PARK		7109	9001	000	000	50.00
2/25/2019	FIRE AND RESCUE	F-150 TR10 EQUIPMENT F&R	3505	8005	000	000	21,060.00
	TRANSFERS/CONTINGENCY	FIRE AND RESCUE TRUCK AND RADIO	9301	5890	000	000	(21,060.00)
2/25/2019	SHERIFF	SHERIFF VEHICLE EQUIPMENT	3102	8005	000	000	312,381.00
	TRANSFERS/CONTINGENCY		9301	5890	000	000	(312,381.00)
2/26/2019	REASSESSMENT/BOARD OF ASSESSORS	DUES	1210	5305	000	000	(100.00)
	REASSESSMENT/BOARD OF ASSESSORS		1210	5801	000	000	100.00
2/26/2019	FIRE AND RESCUE	PROMOTIONS 2/19 PAYROLL	3505	1007	000	001	(1,643.00)
	FIRE AND RESCUE		3505	1001	000	067	1,643.00
	TREASURER		1213	1001	000	058	(6,774.30)
	TREASURER		1213	1001	000	062	6,774.30
	TREASURER		1213	1001	000	058	(1,987.00)
	TREASURER		1213	1001	000	041	1,987.00
2/27/2019	SHERIFF	DECAL GRAPHICS FOR (15) UTILITY CRUISERS AND INSTALLATION	3102	8005	000	000	(11,250.00)
	SHERIFF		3102	5408	000	000	11,250.00
2/27/2019	PLANNING	PURCHASE OF HP T930PS DESIGNJET	8101	3006	000	000	(800.00)
	PLANNING		8101	8001	000	000	800.00
	PLANNING		8101	5401	000	001	(1,400.00)
	PLANNING		8101	8001	000	000	1,400.00
	PLANNING		8101	5413	000	000	(2,000.00)
	PLANNING		8101	8001	000	000	2,000.00
	PLANNING		8101	5401	000	000	(2,000.00)
	PLANNING		8101	8001	000	000	2,000.00
2/27/2019	ANIMAL SHELTER	SUPPLEMENT TRAVEL EXPENSE	4305	3002	000	000	(1,500.00)
	ANIMAL SHELTER		4305	5506	000	000	1,500.00
2/27/2019	REFUSE COLLECTION	VEHICLE MAINTENANCE AND REPAIR	4203	3004	000	001	(2,000.00)
	REFUSE COLLECTION		4203	3004	000	002	2,000.00

County of Frederick
 General Fund
 February 28, 2019

ASSETS	FY19 <u>2/28/19</u>	FY18 <u>2/28/18</u>	Increase <u>(Decrease)</u>
Cash and Cash Equivalents	49,338,713.75	46,440,333.77	2,898,379.98 *A
Petty Cash	1,555.00	1,555.00	0.00
Receivables:			
Taxes, Commonwealth, Reimb. P/P	5,030,112.08	5,079,866.65	(49,754.57)
Streetlights	580.91	806.71	(225.80)
Miscellaneous Charges	19,641.10	37,446.64	(17,805.54)
Due from Fred. Co. San. Auth.	657,083.23	657,083.23	0.00
Prepaid Postage	2,277.55	4,965.44	(2,687.89)
GL controls (est.rev / est. exp)	<u>(4,939,144.94)</u>	<u>(14,316,506.08)</u>	<u>9,377,361.14</u> (1) Attached
TOTAL ASSETS	<u>50,110,818.68</u>	<u>37,905,551.36</u>	<u>12,205,267.32</u>
LIABILITIES			
Retainage Payable	47,010.53	0.00	47,010.53
Performance Bonds Payable	774,987.14	1,302,241.80	(527,254.66)
Taxes Collected in Advance	213,852.14	506,617.86	(292,765.72) *B
Deferred Revenue	<u>5,050,633.09</u>	<u>5,115,850.51</u>	<u>(65,217.42)</u> *C
TOTAL LIABILITIES	6,086,482.90	6,924,710.17	(838,227.27)
EQUITY			
Fund Balance			
Reserved:			
Encumbrance General Fund	1,959,053.84	3,449,088.11	(1,490,034.27) (2) Attached
Conservation Easement	4,779.85	4,779.85	0.00
Peg Grant	331,565.38	234,066.38	97,499.00
Prepaid Items	949.63	949.63	0.00
Advances	657,083.23	657,083.23	0.00
Employee Benefits	93,120.82	93,120.82	0.00
Courthouse Fees	408,676.25	362,751.09	45,925.16
Historical Markers	17,804.23	17,542.19	262.04
Reserve For Capital	7,028,510.00	0.00	7,028,510.00
Animal Shelter	1,216,179.07	1,091,175.27	125,003.80
Sheriff's Reserve	1,000.00	1,000.00	0.00
Proffers	5,158,521.68	4,160,177.57	998,344.11 (3) Attached
Parks Reserve	17,631.82	12,413.70	5,218.12
E-Summons Funds	163,429.73	78,269.19	85,160.54
VDOT Revenue Sharing	436,270.00	436,270.00	0.00
Undesignated Adjusted Fund Balance	<u>26,529,760.25</u>	<u>20,382,154.16</u>	<u>6,147,606.09</u> (4) Attached
TOTAL EQUITY	<u>44,024,335.78</u>	<u>30,980,841.19</u>	<u>13,043,494.59</u>
TOTAL LIAB. & EQUITY	<u>50,110,818.68</u>	<u>37,905,551.36</u>	<u>12,205,267.32</u>

NOTES:

*A Cash increase includes an increase in revenue and fund balance and a decrease in expenditures and transfers (refer to the comparative statement of revenues, expenditures, transfers and change in fund balance).

*B Decrease in prepayment of real estate taxes at year end in the previous year to prepay because of the new tax law.

*C Deferred revenue includes taxes receivable, street lights, misc. charges, dog tags, and motor vehicle registration fees.

BALANCE SHEET

(1) GL Controls	FY19	FY18	Inc/(Decrease)
Est.Revenue	180,250,744	171,298,698	8,952,046
Appropriations	(80,173,241)	(84,308,250)	4,135,009
Est.Tr.to Other fds	(106,975,701)	(104,756,042)	(2,219,660)
Encumbrances	1,959,054	3,449,088	(1,490,034)
	(4,939,145)	(14,316,506)	9,377,361

(2) General Fund Purchase Orders 2/19

DEPARTMENT	Amount	
Commissioner of the Revenue	28,822.13	2019 Chevrolet Colorado
County Office Buildings	4,500.00	Control System Public Safety Building
Fire and Rescue	47,300.00	Uniforms
	47,300.00	Protective Clothing
	10,235.23	Emergency Lighting for 2019 Ford F-250 includes Installation
	6,776.00	Online Employee Scheduling and Document Management
	34,439.32	Motorola Multi-Ban Radios and Accessories
	31,578.70	2019 Ford F-150 4x4
	30,381.99	2019 Ford E-250 Cargo Van
	16,290.71	Emergency Lighting, Push Bumper & Installation
	63,730.07	LifePak & Lucas Annual Preventive Maintenance
Parks	40,355.15	Outdoor Gym & Installation Sherando
	10,606.10	Frederick Heights Park Trail
	560.40	Agricultural Supplies
	462,980.00	Sherando Park Recreation Access Project
	9,512.04	Event Shirts
	5,650.00	Sand for Volleyball Courts
	6,890.00	Clearbrook Park Volleyball Courts Project
	6,246.00	Trailer
	1,532.40	Youth Basketball Uniforms
	5,572.25	Spring/Summer Uniforms for Summer Events
	858.00	Summer League Basketball Uniforms
	104,372.00	Sherando Park Restroom Facility
Planning	3,014.36	Crafts Order
Public Safety	6,200.00	HP Designjet Printer
Registrar	5,000.00	Clear Lot At North Mountain Tower
Sheriff	223.60	Envelopes
	4,540.00	One Solution Software and Installation Service
	254.59	Body Vest Carriers
	887.65	Uniforms
	3,693.43	Tactical Equipment
	2,892.00	(2) Raptor K Band Radar
	127,600.00	Armored Swat Van
	9,000.00	(12) Simunition Guns
	10,747.90	Uniforms
	8,992.35	(15) Body Armor
	5,276.64	Combat Uniforms
	397,941.77	(12) 2019 Ford Truck Police Utility (1) Ford F-150 Responder
	46,980.00	(2) 2019 Chevrolet Impalas
	166,719.12	(24) Motorola APX8500 All Band Mobile Radios w/Accessories
	148,823.64	(18) Light Bars and Accessories for 2019 Police Interceptors
	23,986.00	(100) Batteries & Accessories for Motorola Portable Radios
	5,356.00	(13) Flex 9Body Armor
Treasurer	4,436.30	Envelopes
Total	1,959,053.84	

(3) Proffer Information	SCHOOLS	PARKS	FIRE & RESCUE	Designated Other Projects	TOTAL
Balance 2/28/19	2,751,622.38	87,651.67	463,712.91	1,855,534.72	5,158,521.68

Designated Other Projects Detail

Administration	327,492.71				
Bridges	14,714.00				
Historic Preservation	158,000.00	12/11/14 Board Action designated \$50,000 for final debt payment			
Library	200,857.01	on the Huntsberry property.			
Rt.50 Trans.Imp.	10,000.00				
Rt. 50 Rezoning	25,000.00				
Rt. 656 & 657 Imp.	25,000.00				
RT.277	162,375.00				
Sheriff	81,706.00				
Solid Waste	12,000.00				
Stop Lights	52,445.00				
Treasurer	700.00				
BPG Properties/Rt.11 Corridor	330,000.00				
Blackburn Rezoning	452,745.00				
Clearbrook Bus.Ctr.Rezoning	2,500.00				
Total	1,855,534.72				

Other Proffers 2/28/19

(4) Fund Balance Adjusted	
Ending Balance 2/19	35,900,000.54
Revenue 2/19	96,517,422.56
Expenditures 2/19	(51,148,273.28)
Transfers 2/19	(54,739,389.57)
Ending Balance 2/19	26,529,760.25

County of Frederick
 Comparative Statement of Revenues, Expenditures
 and Changes in Fund Balance
 February 28, 2019

REVENUES:	<u>Appropriated</u>	FY19 2/28/19 <u>Actual</u>	FY18 2/28/18 <u>Actual</u>	YTD Actual <u>Variance</u>
General Property Taxes	123,179,515.00	55,846,828.43	53,611,841.24	2,234,987.19 (1)
Other local taxes	36,959,731.00	20,138,748.94	19,208,456.19	930,292.75 (2)
Permits & Privilege fees	1,838,386.00	1,355,737.96	1,539,302.90	(183,564.94) (3)
Revenue from use of money and property	531,401.55	900,720.10	475,411.88	425,308.22 (4)
Charges for Services	3,090,299.00	1,894,200.68	1,801,525.09	92,675.59
Miscellaneous	534,187.57	417,164.88	451,947.94	(34,783.06)
Recovered Costs	1,650,224.00	1,475,463.40	1,111,797.65	363,665.75 (5)
Proffers		880,499.64	764,959.30	115,540.34 (5)
Intergovernmental:				
Commonwealth	12,462,499.74	13,482,534.04	13,227,661.22	254,872.82 (6)
Federal	4,500.00	69,524.16	97,073.14	(27,548.98) (7)
Insurance Recoveries	0.00	3,104.33	0.00	3,104.33
Transfers	0.00	52,896.00	0.00	52,896.00
TOTAL REVENUES	180,250,743.86	96,517,422.56	92,289,976.55	4,227,446.01
EXPENDITURES:				
General Administration	13,024,232.27	8,984,734.25	8,565,208.54	419,525.71
Judicial Administration	2,928,600.52	1,834,975.39	1,679,646.99	155,328.40
Public Safety	39,701,618.13	25,420,448.54	24,816,053.95	604,394.59
Public Works	6,299,995.63	3,494,703.07	3,141,242.00	353,461.07
Health and Welfare	10,223,475.00	5,679,791.98	5,580,971.72	98,820.26
Education	81,080.00	60,810.00	57,240.00	3,570.00
Parks, Recreation, Culture	8,662,891.30	4,634,215.17	4,412,527.21	221,687.96
Community Development	2,188,820.46	1,038,594.88	2,909,954.77	(1,871,359.89)
TOTAL EXPENDITURES	83,110,713.31	51,148,273.28	51,162,845.18	(14,571.90) (8)
OTHER FINANCING SOURCES (USES):				
Operating transfers from / to	104,038,229.33	54,739,389.57	58,011,649.70	(3,272,260.13) (9)
Excess (deficiency)of revenues & other sources over expenditures & other uses	(6,898,198.78)	(9,370,240.29)	(16,884,518.33)	(7,514,278.04)
Fund Balance per General Ledger		35,900,000.54	37,266,672.49	(1,366,671.95)
Fund Balance Adjusted to reflect Income Statement 2/28/19		26,529,760.25	20,382,154.16	6,147,606.09

(1)General Property Taxes	FY19	FY18	Increase/Decrease
Real Estate Taxes	29,824,907	28,367,776	1,457,131
Public Services	1,202,351	1,402,899	(200,548)
Personal Property	23,742,338	22,797,639	944,699
Penalties and Interest	819,193	816,199	2,993
Credit Card Chgs./Delinq.Advertising	(26,534)	(54,772)	28,238
Adm.Fees For Liens&Distress	284,573	282,099	2,475
	55,846,828	53,611,841	2,234,987

(2) Other Local Taxes

Local Sales Tax	7,323,855.33	7,047,748.68	276,106.65
Communications Sales Tax	583,983.27	624,247.66	(40,264.39)
Utility Taxes	2,100,957.78	1,981,791.51	119,166.27
Business Licenses	4,938,894.89	4,515,913.47	422,981.42
Auto Rental Tax	93,178.37	64,939.41	28,238.96
Motor Vehicle Licenses Fees	528,975.93	563,867.61	(34,891.68)
Recordation Taxes	1,241,076.13	1,154,859.63	86,216.50
Meals Tax	2,941,233.44	2,857,521.35	83,712.09
Lodging Tax	369,912.90	377,661.35	(7,748.45)
Street Lights	12,510.90	15,765.52	(3,254.62)
Star Fort Fees	4,170.00	4,140.00	30.00
Total	20,138,748.94	19,208,456.19	930,292.75

(3)Permits&Privileges

Dog Licenses	21,813.83	29,019.00	(7,205.17)
Land Use Application Fees	6,325.00	6,325.00	-
Transfer Fees	2,177.77	2,205.22	(27.45)
Development Review Fees	212,957.14	342,716.70	(129,759.56)
Building Permits	823,687.73	857,360.28	(33,672.55)
2% State Fees	5,666.99	7,715.70	(2,048.71)
Electrical Permits	88,500.50	87,189.00	1,311.50
Plumbing Permits	18,625.00	14,078.00	4,547.00
Mechanical Permits	69,435.00	67,591.00	1,844.00
Sign Permits	1,575.00	5,625.00	(4,050.00)
Permits Commerical Burning	75.00	175.00	(100.00)
Blasting Permits	255.00	270.00	(15.00)
Land Disturbance Permits	102,644.00	118,333.00	(15,689.00)
Commercial Pump and Haul Fee	500.00	-	500.00
Residential Pump and Haul Fee	100.00	500.00	(400.00)
Transfer Development Rights	1,400.00	200.00	1,200.00
Total	1,355,737.96	1,539,302.90	(183,564.94)

(4) Revenue from use of

Money	871,198.93	443,676.08	427,522.85
Property	29,521.17	31,735.80	(2,214.63)
Total	900,720.10	475,411.88	425,308.22

(5) Recovered Costs	FY19	FY18	Increase/Decrease
	2/28/2019	2/28/2018	
Recovered Costs Treasurer's Office	819.00	32,772.00	(31,953.00)
Recovered Costs Social Services	29,168.54	12,981.28	16,187.26
Purchasing Card Rebate	205,315.50	156,281.56	49,033.94
Recovered Costs-IT/GIS	27,261.00	27,261.00	-
Recovered Costs F&R Fee Recovery	342,395.54	158,627.30	183,768.24
Recovered Cost Fire Companies	171,346.53	94,182.34	77,164.19
Recovered Costs Sheriff	47,400.00	28,900.00	18,500.00
Reimbursement Circuit Court	6,299.98	6,873.73	(573.75)
Reimb.Public Works/Planning Clean Up	2,242.47	1,283.68	958.79
Clarke County Container Fees	48,252.02	39,785.70	8,466.32
City of Winchester Container Fees	30,445.13	28,726.40	1,718.73
Refuse Disposal Fees	84,778.80	71,091.77	13,687.03
Recycling Revenue	43,495.00	49,140.25	(5,645.25)
Sheriff Restitution	3,125.00	-	3,125.00
Container Fees Bowman Library	1,278.96	1,237.28	41.68
Reimb.of Expenses Gen.District Court	20,257.23	19,564.56	692.67
Reimb.Task Force	45,873.00	37,673.82	8,199.18
Reimb. Elections	4,195.62	-	4,195.62
Westminster Canterbury Lieu of Tax	18,651.80	18,651.80	-
Grounds Maint. Frederick County Schools	247,824.07	234,915.13	12,908.94
Comcast PEG Grant	65,843.50	65,163.00	680.50
Fire School Programs	11,680.00	12,038.00	(358.00)
Clerks Reimbursement to County	6,247.15	6,492.02	(244.87)
Reimb. Sheriff	11,267.56	8,155.03	3,112.53
Subtotal Recovered Costs	1,475,463.40	1,111,797.65	363,665.75
Proffer Sovereign Village	47,563.49	-	47,563.49
Proffer Lynnehaven	-	3,378.31	(3,378.31)
Proffer Redbud Run	77,448.00	45,178.00	32,270.00
Proffer Canter Estates	-	65,407.52	(65,407.52)
Proffer Southern Hills	103,646.29	147,300.00	(43,653.71)
Proffer Snowden Bridge	612,793.86	445,123.47	167,670.39
Proffer Cedar Meadows	39,048.00	58,572.00	(19,524.00)
Subtotal Proffers	880,499.64	764,959.30	115,540.34
Grand Total	2,355,963.04	1,876,756.95	479,206.09

(6) Commonwealth Revenue	FY19	FY18	
	2/28/2019	2/28/18	Increase/Decrease
Motor Vehicle Carriers Tax	38,825.41	22,886.25	15,939.16
Mobile Home Titling Tax	66,870.71	90,343.99	(23,473.28)
Recordation Taxes	353,850.45	302,051.73	51,798.72
P/P State Reimbursement	6,526,528.18	6,526,528.18	-
Shared Expenses Comm.Atty.	320,688.55	321,373.03	(684.48)
Shared Expenses Sheriff	1,484,784.05	1,457,091.76	27,692.29
Shared Expenses Comm.of Rev.	131,899.73	129,267.13	2,632.60
Shared Expenses Treasurer	97,992.89	96,884.89	1,108.00
Shared Expenses Clerk	266,331.21	269,288.83	(2,957.62)
Public Assistance Grants	3,095,578.35	3,143,646.24	(48,067.89)
Litter Control Grants	18,330.00	14,774.00	3,556.00
Four-For-Life-Funds	88,718.24	85,262.32	3,455.92
Emergency Services Fire Program	260,328.00	251,441.00	8,887.00
DMV Grant Funding	16,341.91	20,295.28	(3,953.37)
Parks -State Grants	24,792.12	-	24,792.12
State Grant Emergency Services	-	15,925.00	(15,925.00)
Parks State Grant		10,985.00	
Sheriff State Grants	37,015.50	36,827.60	187.90
JJC Grant Juvenile Justice	96,269.00	96,269.00	-
Rent/Lease Payments	156,188.81	160,635.58	(4,446.77)
Spay/Neuter Assistance State	2,558.72	2,167.50	391.22
Wireless 911 Grant	151,025.37	41,076.56	109,948.81
State Forfeited Asset Funds	15,815.94	18,593.81	(2,777.87)
VA Dept. of Health	93,033.80	-	93,033.80
Victim Witness-Commonwealth Office	138,767.10	113,919.04	24,848.06
F&R OEMS Reimbursement	-	127.50	(127.50)
Total	13,482,534.04	13,227,661.22	254,872.82

County of Frederick

General Fund

February 28, 2019

(7) Federal Revenue	FY19	FY18	Increase/Decrease
Payments In Lieu of Taxes	352.20	0.00	352.20
Federal Forfeited Assets DOJ	-	1,549.17	(1,549.17)
Federal Funds Sheriff	69,171.96	6,423.36	62,748.60
Emergency Services Grant Federal	-	87,278.14	(87,278.14)
Forfeited Assets Treasury	-	1,822.47	(1,822.47)
Total	69,524.16	97,073.14	(27,548.98)

(8) Expenditures

Expenditures decreased \$14,571.90. **General Administration** increased \$419,525.71 and includes \$163,585.88 in IT for firewall support, switch and smartnet contract, and switch replacement core data network. **Public Safety** increased \$604,394.59. Inspections purchased (2) 2018 F-150 Ford 4x4 trucks at a cost of \$55,570.50, Fire and Rescue (3) 2019 F-250 trucks with emergency lighting equipment for \$110,653 and Isimulate training with IPADS and stethoscopes costing \$33,120. **Public Works** increased \$353,461.07 and includes the the \$296,141.64 for the Stephenson Compactor Site and an Engineering purchase for a 2018 Ford F-150 4x4 at cost of \$28,408. Additionally, \$25,406 for a heat pump that includes Installation and \$32,400 for control system. **Community Development** decreased \$1,871,359.89 and was impacted by the \$2 million transfer to the Economic Development Authority for economic incentive for the Navy Credit Union in the previous year. The transfers decreased \$3,272,260.13. See chart below:

(9) Transfers Decreased \$3,272,260.13	FY19	FY18	Increase/Decrease
Transfer to School Operating	41,730,199.45	40,951,338.87	778,860.58 *1
Transfer to Debt Service Schools	7,267,910.00	7,986,237.50	(718,327.50) *2
Transfer to Debt Service County	1,747,270.88	1,716,209.87	31,061.01 *3
Transfer School Operating Capital	4,067,416.47	3,088,287.00	979,129.47 *4
Operational Transfers	(73,407.23)	(54,043.54)	(19,363.69) *5
Board Contingency	0.00	4,323,620.00	(4,323,620.00) *6
Total	54,739,389.57	58,011,649.70	(3,272,260.13)

*1 School Operating FY19 was \$542,862.45 C/F encumbrances and \$41,187,337 for half the School Operating. The FY18 total was C/F that includes School encumbrances of \$1,032,255.77, grant funds for \$285,003.55 received in FY17 for specific purposes, and \$997,264.55 represents unspent FY17 funds to be spent on buses. Additionally \$38,636,815 for half the School operating.

*2 The transfer to debt service was reduced \$718,327.50.

*3 Payments include the Bowman Library and the City of Winchester for Courtroom, Roof, and HVAC Projects, Millwood Station, Roundhill, Public Safety, and the Animal Shelter.

*4 School Operating Capital FY19 includes \$316,537.71 that represents a carry forward unspent, restricted grant funds and \$186,878.76 carry forward of unspent funds for the purchase of a school bus and security equipment. Additionally, \$1,264,000 for security equipment upgrade and \$2.3 million budgeted. FY18 budgeted for School Operating Capital.

*5 Timing of Insurance Charge Outs.

*6 Board of Supervisors Capital.

County of Frederick
 FUND 11 NORTHWESTERN REGIONAL ADULT DETENTION CENTER
 February 28, 2019

ASSETS	FY2019 <u>2/28/19</u>	FY2018 <u>2/28/18</u>	Increase <u>(Decrease)</u>
Cash	8,743,193.25	8,568,579.63	174,613.62 *1
GL controls(est.rev/est.exp)	<u>(1,469,056.09)</u>	<u>(948,158.84)</u>	<u>(520,897.25)</u>
TOTAL ASSETS	<u>7,274,137.16</u>	<u>7,620,420.79</u>	<u>(346,283.63)</u>
LIABILITIES			
Accrued Operating Reserve Costs	<u>2,551,494.10</u>	<u>2,507,247.00</u>	<u>44,247.10</u>
TOTAL LIABILITIES	<u>2,551,494.10</u>	<u>2,507,247.00</u>	<u>44,247.10</u>
EQUITY			
Fund Balance Reserved			
Encumbrances Undesignated Fund Balance	73,253.83	71,003.26	2,250.57
	<u>4,649,389.23</u>	<u>5,042,170.53</u>	<u>(392,781.30) *2</u>
TOTAL EQUITY	<u>4,722,643.06</u>	<u>5,113,173.79</u>	<u>(390,530.73)</u>
TOTAL LIABILITY & EQUITY	<u>7,274,137.16</u>	<u>7,620,420.79</u>	<u>(346,283.63)</u>

NOTES:

*1 Cash increased \$174,613.62. Refer to the following page for comparative statement of revenues and expenditures and changes in fund balance.

*2 Fund balance decreased \$392,781.30. The beginning balance was \$5,566,043.76 and include: adjusting entries, budget controls for FY19(\$1,316,409.00) and the year to date revenue less expenditures of \$399,754.47.

Current Unrecorded Accounts Receivable-	<u>FY19</u>
Prisoner Billing:	27,739.52
Compensation Bpard Reimbursement 2/19	<u>493,570.35</u>
Total	521,309.87

County of Frederick
 Comparative Statement of Revenues, Expenditures
 and Changes in Fund Balance
 February 28, 2019

FUND 11 NORTHWESTERN REGIONAL ADULT DETENTION CENTER

REVENUES:	<u>Appropriated</u>	FY2019 2/28/19 <u>Actual</u>	FY2018 2/28/18 <u>Actual</u>	YTD Actual <u>Variance</u>
Credit Card Probation	-	351.67	80.56	271.11
Interest		72,789.77	40,908.15	31,881.62
Supervision Fees	56,096.00	33,727.00	20,538.00	13,189.00
Drug Testing Fees	1,000.00	150.00	150.00	-
Work Release Fees	350,628.00	222,199.34	195,118.04	27,081.30
Prisoner Fees from other localities	0.00	237.96	0.00	237.96
Federal Bureau Of Prisons	0.00	165.00	220.00	(55.00)
Local Contributions	7,824,994.00	5,785,244.25	5,798,062.50	(12,818.25)
Miscellaneous	7,501.00	5,315.37	2,066.07	3,249.30
Phone Commissions	400,000.00	177,668.75	154,756.30	22,912.45
Food & Staff Reimbursement	80,000.00	36,766.13	52,240.50	(15,474.37)
Elec.Monitoring Part.Fees	97,000.00	87,746.38	42,283.00	45,463.38
Share of Jail Cost Commonwealth	1,350,000.00	621,220.97	635,672.60	(14,451.63)
Reimb. Of Prior Year Deficit			0.00	
Medical & Health Reimb.	85,000.00	31,516.56	43,393.57	(11,877.01)
Shared Expenses CFW Jail	5,400,000.00	3,153,050.44	3,046,343.24	106,707.20
State Grants	276,233.00	135,763.00	122,488.00	13,275.00
D.J.C.P. Grant	0.00	0.00	0.00	0.00
Local Offender Probation	277,467.00	138,777.00	141,717.00	(2,940.00)
Bond Proceeds	0.00	0.00	0.00	0.00
Transfer From General Fund	5,266,848.00	3,893,932.50	4,045,844.25	(151,911.75)
TOTAL REVENUES	21,472,767.00	14,396,622.09	14,341,881.78	54,740.31
EXPENDITURES:	23,015,076.92	13,996,867.62	12,903,345.02	1,093,522.60
Excess(Deficiency)of revenues over expenditures	(1,542,309.92)	399,754.47	1,438,536.76	(1,038,782.29)
FUND BALANCE PER GENERAL LEDGER		<u>4,249,634.76</u>	<u>3,603,633.77</u>	<u>646,000.99</u>
Fund Balance Adjusted To Reflect Income Statement 2/28/19		4,649,389.23	5,042,170.53	(392,781.30)

County of Frederick
Fund 12 Landfill
February 28, 2019

ASSETS	FY2019 <u>2/28/19</u>	FY2018 <u>2/28/18</u>	Increase (Decrease)
Cash	37,245,785.55	37,448,427.66	(202,642.11)
Receivables:			
Accounts Receivable			
Fees	597,915.24	466,541.80	131,373.44 *1
Accounts Receivable Other	3,225.95	4,766.76	(1,540.81)
Allow.Uncollectible Fees	(84,000.00)	(84,000.00)	0.00
Fixed Assets	47,529,650.90	47,158,186.20	371,464.70
Accumulated Depreciation	(31,283,925.70)	(29,232,078.83)	(2,051,846.87)
GL controls(est.rev/est.exp)	<u>(4,095,510.55)</u>	<u>(3,258,158.00)</u>	<u>(837,352.55)</u>
TOTAL ASSETS	<u>49,913,141.39</u>	<u>52,503,685.59</u>	<u>(2,590,544.20)</u>
LIABILITIES			
Accounts Payable	-	-	
Accrued VAC.Pay and Comp TimePay	173,153.49	158,608.75	14,544.74
Accrued Remediation Costs	13,434,744.90	13,079,548.65	355,196.25 *2
Deferred Revenue Misc.Charges	<u>3,225.95</u>	<u>4,766.76</u>	<u>(1,540.81)</u>
TOTAL LIABILITIES	<u>13,611,124.34</u>	<u>13,242,924.16</u>	<u>368,200.18</u>
EQUITY			
Fund Balance			
Reserved:			
Encumbrances	24,068.00	0.00	24,068.00 *3
Land Acquisition	1,048,000.00	1,048,000.00	0.00
New Development Costs	3,812,000.00	3,812,000.00	0.00
Environmental Project Costs	1,948,442.00	1,948,442.00	0.00
Equipment	3,050,000.00	3,050,000.00	0.00
Undesignated			
Fund Balance	<u>26,419,507.05</u>	<u>29,402,319.43</u>	<u>(2,982,812.38) *4</u>
TOTAL EQUITY	<u>36,302,017.05</u>	<u>39,260,761.43</u>	<u>(2,958,744.38)</u>
TOTAL LIABILITY AND EQUITY	<u>49,913,141.39</u>	<u>52,503,685.59</u>	<u>(2,590,544.20)</u>

NOTES:

*1 Landfill receivables increased \$131,373.44. Landfill fees at 2/19 were \$530,841.41 compared to \$484,736.23 at 2/18 for an increase of \$46,105.18. Delinquent fees at 2/19 were \$112,463.07 compared to \$27,360.13 at 2/18 for an increase of \$85,102.94.

*2 Remediation increased \$355,196.25 and includes \$308,263.00 for post closure and \$46,933.25 interest.

*3 The encumbrance balance at 2/28/19 was \$24,068.00 for a Toyota forklift.

*4 Fund balance decreased \$2,982,812.38. The beginning balance was \$31,691,389.40 and includes adjusting entries, budget controls for FY19(\$30,199), C/F Landfill projects(\$3,706,000), and (\$1,535,683.35) for year to date revenue less expenses.

County of Frederick
 Comparative Statement of Revenue, Expenditures
 and Changes in Fund Balance
 February 28, 2019

FUND 12 LANDFILL REVENUES	<u>Appropriated</u>	FY2019 2/28/19 <u>Actual</u>	FY2018 2/28/18 <u>Actual</u>	YTD Actual <u>Variance</u>
Credit Card Charges	0.00	3,921.02	3,707.60	213.42
Interest on Bank Deposits	120,000.00	282,933.16	133,812.36	149,120.80
Salvage and Surplus	75,000.00	98,311.55	98,973.31	(661.76)
Sanitary Landfill Fees	6,562,000.00	4,549,124.15	3,816,916.13	732,208.02
Charges to County	0.00	386,675.85	340,540.41	46,135.44
Charges to Winchester	0.00	102,420.95	88,232.00	14,188.95
Tire Recycling	142,500.00	162,259.45	156,442.13	5,817.32
Reg. Recycling Electronics	91,200.00	40,475.00	32,482.16	7,992.84
Greenhouse Gas Credit Sales	0.00	29,680.82	4,918.95	24,761.87
Miscellaneous	0.00	239.00	255.00	(16.00)
Renewable Energy Credits	168,402.00	103,409.10	119,493.18	(16,084.08)
Landfill Gas To Electricity	312,837.00	194,427.87	257,449.03	(63,021.16)
Insurance Recoveries		4,872.23	0.00	4,872.23
Waste Oil Recycling		0.00	0.00	0.00
TOTAL REVENUES	<u>7,471,939.00</u>	<u>5,958,750.15</u>	<u>5,053,222.26</u>	<u>905,527.89</u>
Operating Expenditures	5,567,138.00	3,267,662.35	2,485,374.90	782,287.45
Capital Expenditures	6,024,379.55	4,226,771.15	483,610.38	3,743,160.77
TOTAL Expenditures	<u>11,591,517.55</u>	<u>7,494,433.50</u>	<u>2,968,985.28</u>	<u>4,525,448.22</u>
Excess(deficiency)of revenue over expenditures	(4,119,578.55)	(1,535,683.35)	2,084,236.98	(3,619,920.33)
Fund Balance Per General Ledger		<u>27,955,190.40</u>	<u>27,318,082.45</u>	<u>637,107.95</u>
FUND BALANCE ADJUSTED		26,419,507.05	29,402,319.43	(2,982,812.38)

County of Frederick, VA
Report on Unreserved Fund Balance
March 15, 2019

Unreserved Fund Balance, Beginning of Year, July 1, 2018 **46,153,037**

Prior Year Funding & Carryforward Amounts

C/F forfeited asset funds	(52,569)
C/F Fire Company Capital	(224,818)
C/F Capital impact study	(59,067)
C/F Sheriff auto claim reimbursement	(15,191)
C/F Parks projects	(324,382)
C/F compactor rehab	(19,500)
C/F Middletown convenience site	(45,000)
C/F Stephenson convenience site	(385,342)
C/F spay/neuter program	(6,521)
C/F design/build animal shelter addition	(6,727)
C/F county admin bldg maintenance projects	(31,044)
C/F School Operating	(503,416)
	(1,673,577)

Other Funding / Adjustments

COR refund - Ascar Leasing	(2,521)
COR refund - BMW Financial	(2,790)
COR refund - Bowman Properties	(3,283)
COR refund - Capital Meats	(23,136)
Sheriff SWAT vehicle	(130,943)
COR refund - Acar Leasing	(3,026)
COR refund - Toyota Leasing	(4,087)
COR refund - Toyota Leasing	(3,714)
COR refund - Disabled Veteran	(3,492)
COR refund - Disabled Veteran	(3,907)
COR refund - Disabled Veteran	(7,297)
COR refund - American Telephone	(2,712)
COR refund - APC PCS LLC	(40,650)
Return unspent FY 18 VJCCCA funds	(41,450)
School Safety Phase II	(1,264,000)
COR refund - Enterprise FM	(5,786)
COR refund - Disabled Veteran	(2,543)
COR refund - Disabled Veteran	(3,501)
COR refund - Disabled Veteran	(12,290)
correct original budget appropriation error	28,400
COR refund - Handy Mart	(12,321)
COR refund - James Plummer	(2,876)
COR refund - Toyota Leasing	(3,025)
Reserve for capital	(7,028,510)
COR refund - Physiotherapy Associates	(2,869)
	(8,582,328)

Fund Balance, March 15, 2019 **35,897,132**