

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

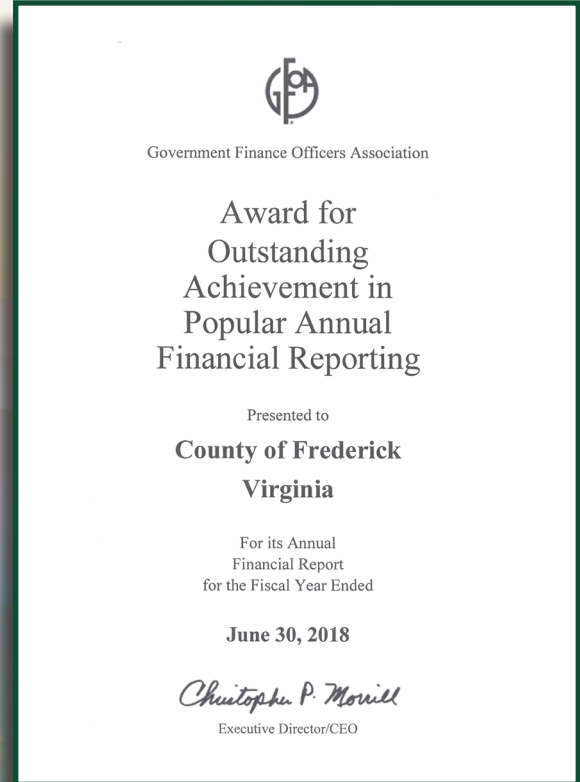
Frederick County, Virginia

We face a steady influx of facts, figures and statistics in today's busy world. Sorting through this information, deciding what is important and then putting that information to good use can be a difficult task. In an effort to provide you with easily accessible, reliable information, we are pleased to present the Frederick County, Virginia's Popular Annual Financial Report (PAFR) for the fiscal year July 1, 2018 through June 30, 2019.

The PAFR is presented in a simple and easy to understand format to better inform the public about the County's financial condition, without excessive detail or the use of technical accounting terms. This report represents the ongoing commitment of County officials to keep Frederick County citizens informed about County finances, and to be accountable for the receipt and expenditure of public funds. It is intended to be a supplement to the 2019 Comprehensive Annual Financial Report (CAFR), not a replacement. It does not conform to accounting principles generally accepted in the United States

of America (GAAP) and focuses solely on Governmental Activities. Financial information related to the County Schools, Landfill, Adult Detention Center, Regional Airport, Shawneeland and Court Services are not included.

Although the PAFR is not audited and excludes many material disclosures, financial statements, schedules and notes to the financial statements, figures are extracted from the County's CAFR. The County's financial statements are prepared using the financial reporting model prescribed by the Governmental Accounting Standards Board (GASB) and are independently audited in accordance with auditing standards generally accepted in the United States of America by the accounting firm of Robinson, Farmer, Cox Associates of Charlottesville, VA. We encourage you to read the CAFR, which is comprised of detailed financial statements, notes, schedules and reports. The CAFR, in its entirety, is available in the Frederick County Finance Department and online at www.fcva.us/CAFR



79%
of housing units are owner occupied

34,842
housing units

48,611
labor force

17%
employed in manufacturing

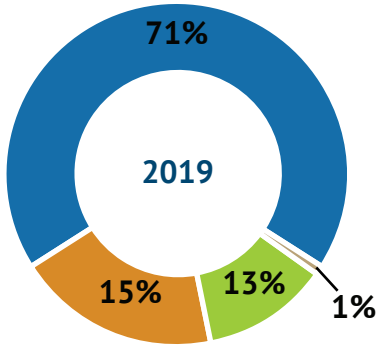
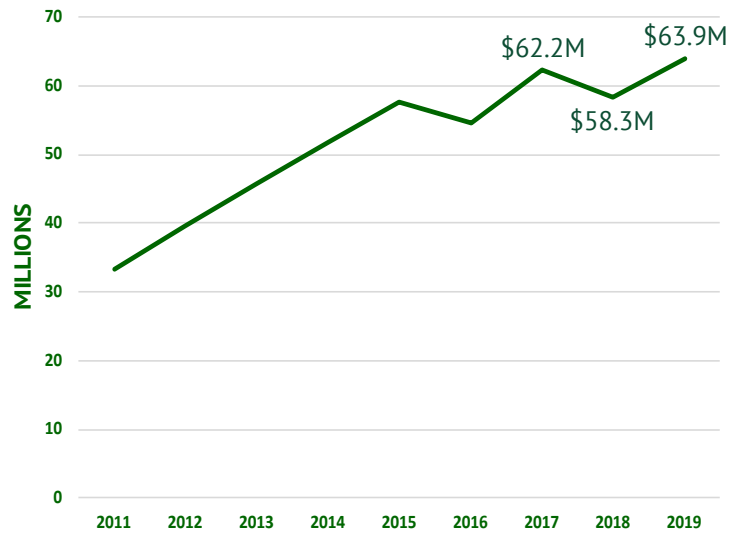
424
square miles

Connect with Us

Keep up-to-date on information from the Finance Department at www.fcva.us/finance and all-things Frederick County Government through our NewsRoom at www.fcva.us/news

FY 2019 GENERAL FUND: FUND BALANCE

Fund Balance is the excess dollars of what the County owns (assets) over what the County owes (liabilities) in the current year. Fund balance is a critical factor in financial planning and budgeting, provides for unforeseen expenses or emergencies, reduces the need for short-term borrowing for operations by assuring sufficient cash flow, and demonstrates financial stability, which enhances bond rating, thereby lowering debt issuance costs. The County's fund balance has increased over the last 3 years.

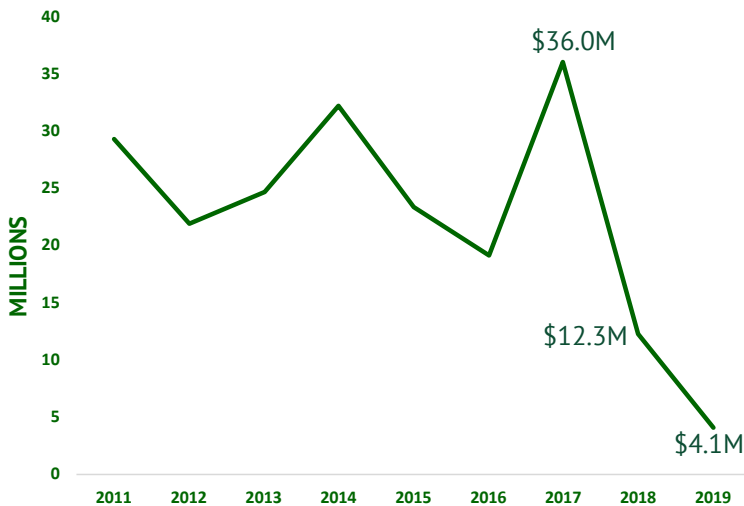


\$9.3M Committed
\$45.3M Unassigned
\$8.5M Restricted
\$659K Nonspendible

What's the difference between Net Position and Fund Balance?

Net position of governmental activities reflects the difference between all economic assets and liabilities, both short-term and long-term, while fund balance of governmental funds represents the difference between only currently available assets and the liabilities to be repaid from those assets. Additions to fund balance include: capital assets (land, buildings, schools, etc.), internal service funds, other long-term assets, and deferrals. Long-term liabilities are subtractions from fund balance and include items such as OPEB and pension liabilities and debt and interest payments outside of the current year. (See Exhibit 4 of the CAFR)

FY 2019 GOVERNMENTAL ACTIVITIES: NET POSITION



Changes in net position are represented by comparing total annual revenue with total annual expenses. When revenue exceeds expenses, the County's net position improves. The County's net position has decreased over the last three years.

FY 2019

Beginning Net Position	\$ 12,322,809
Total Revenues	+ 169,028,778
Total Expenditures	- 177,264,233
Ending Net Position	\$ 4,087,654

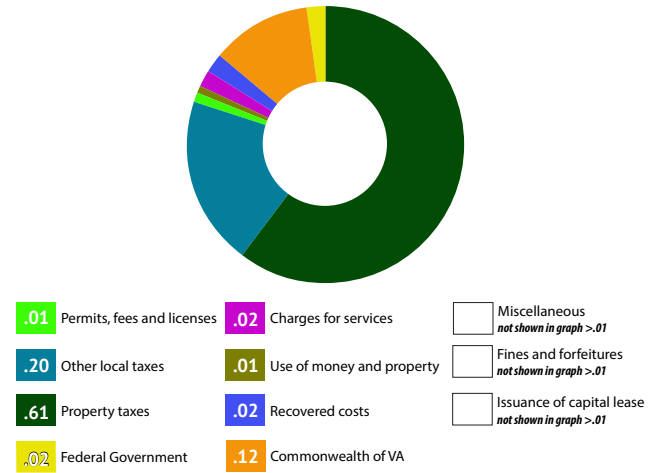
The significant reduction in net position in 2018 is due to the new accounting standard required to recognize postemployment benefits other than pensions (OPEB). Without this reporting change, the County's net position would have remained flat as there was a minimal difference, \$153,309, between revenues and expenditures for 2018.

The \$8.2 million decrease in net position for 2019 is due to a \$15.7 million increase in education expenses as a result of a net increase in school general obligation bonds issues, offset by increased general revenue in the amount of \$7.4 million.

SOURCES OF COUNTY REVENUES - GENERAL FUND

The General Fund is the County's primary operating fund. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The major sources of revenues for the General Fund are real estate and personal property taxes, other taxes, non-restricted grants, and operating grants and contributions. These taxes predominately fund basic government services including Public Safety, Parks and Recreation, and education. The activities being paid for through the general fund constitute the principal administrative and operational tasks of Frederick County Government.

Revenues	FY2019	FY2018	FY2017
Property taxes	\$113,629,440	\$107,522,001	\$99,929,131
Other local taxes	36,634,376	35,918,445	34,425,677
Permits, fees and licenses	2,188,705	2,294,004	2,422,501
Fines and forfeitures	313,896	299,419	468,331
Use of money and property	1,272,035	665,536	297,082
Charges for services	3,003,141	2,822,424	2,780,201
Miscellaneous	416,830	381,942	979,383
Recovered costs	3,422,092	3,431,929	3,412,859
Issuance of capital lease	449,291	-	-
Commonwealth of VA	21,652,162	21,203,596	21,011,155
Federal Government	4,025,596	3,937,571	3,747,715
Total Revenues	\$187,007,564	\$178,476,867	\$169,474,035



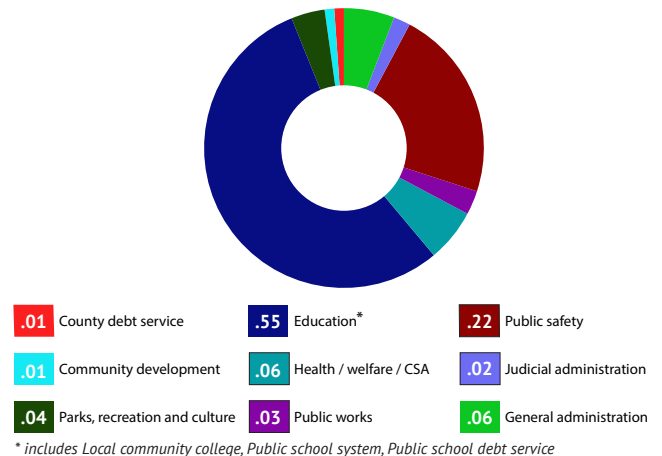
REVENUES Fiscal year 2019 results illustrated as cents per dollar of revenue with property taxes making up 61¢ for each \$1 received.

USE OF COUNTY FUNDS - GENERAL FUND

On an annual basis, the County adopts an annual operating budget which allocated dollars to the highest priorities as determined by the Board of Supervisors. The General Fund primarily is financed by real estate and personal property taxes and supports core services such as public safety.

The County provides services to our citizens with the majority of the fund being dedicated to Education and Public Safety, which includes Fire and Rescue and the Sheriff's Office, Parks and Recreation, and Health & Welfare.

Expenses	FY2019	FY2018	FY2017
General administration	\$11,067,912	\$9,913,885	\$9,614,001
Judicial administration	2,962,088	2,604,293	2,655,729
Public safety	39,152,979	38,683,668	32,574,607
Public works	5,432,118	5,678,157	4,587,590
Health / welfare / CSA	11,114,109	10,703,876	10,366,602
Local community college	81,080	76,320	78,819
Public school system	85,327,387	81,630,162	74,298,082
Public school debt service	14,579,320	15,972,475	15,972,475
Parks, recreation and culture	7,346,862	6,497,972	6,110,877
Community development	2,155,810	8,317,506	3,436,464
County debt service	2,257,231	2,246,754	2,227,060
Total Expenditures	\$181,476,896	\$182,325,068	\$161,922,306



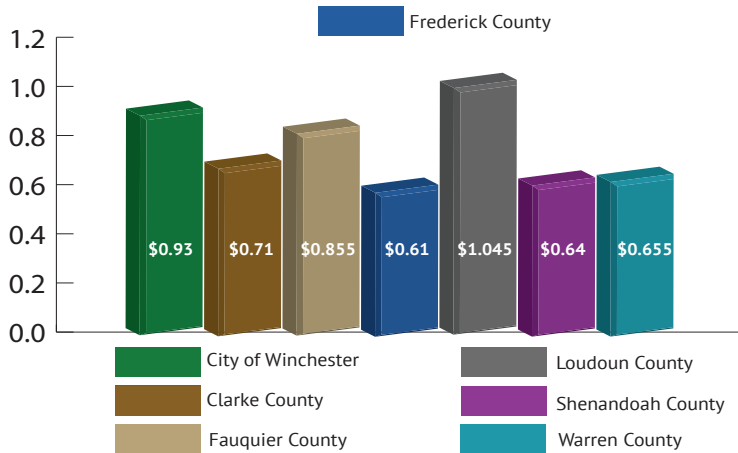
EXPENDITURES Fiscal year 2019 results illustrated as cents per dollar of expenditure, with Education accounting for 55¢ and Public Safety accounting for 22¢ of every \$1 spent.

OUR COMMUNITY

Frederick County, at the tip of the Northern Shenandoah Valley, is 72 miles northwest of Washington, D.C., and in the northernmost corner of the state of Virginia. The County, which covers 424 square miles and borders the West Virginia line, was established in 1738. The County sits at the mouth of the Shenandoah Valley which stretched 200 miles between two mountain ranges - The Blue Ridge Mountains to the east and the Allegheny Mountains to the west. The Valley is bound by two rivers, the Potomac River to the north and the James River to the south. Its county administrator form of government was established in 1971. In the southeastern portion of the county, there are two incorporated towns, Stephens City and Middletown. Frederick County is the 13th largest county in Virginia by population, is home to the 22nd largest school division in Virginia, and 29.1% of residents hold bachelors degrees or higher.

2019 TAX RATES

Real Estate*: 0.610



*Per \$100 of assessed value

Personal Property: 4.86 | Machinery & Tools: 2.00
Airplanes: 0.01 | Mobiles Homes: 0.610

MAJOR EMPLOYERS

Frederick County School Board
 Navy Federal Credit Union
 U.S. Dept. of Homeland Defense
 Amazon
 County of Frederick
 Trex Company Inc.
 H.P. Hood, Inc.
 Lord Fairfax Community College
 The Home Depot
 Metromont Corporation

POPULATION

2014: 82,730 | 2016: 84,668 | 2018: 88,355 | 2019: 90,000* | 2025: 94,023*

*estimates

UNEMPLOYMENT



*estimate

PER CAPITA INCOME

2014: \$43,288 | 2016: \$47,070 | 2018: \$50,802 | 2019: \$52,000*

*estimate

TAXABLE PROPERTY VALUES REAL ESTATE

2010: \$8.1B | 2014: \$7.8B | 2018: \$9.7B | 2019: \$10.2B

PERSONAL PROPERTY

2010: \$877M | 2014: \$976M | 2018: \$1.1B | 2019: \$1.3B

MACHINERY & TOOLS

2010: \$266M | 2014: \$282M | 2018: \$394M | 2019: \$400M

MOBILE HOMES

2010: \$40M | 2014: \$42M | 2018: \$42M | 2019: \$41M

MILESTONES

ANIMAL SHELTER

Dogs adopted/reclaimed: 774
 Cats adopted/reclaimed: 850
 Vaccinated animals at rabies clinics: 354

BUILDING INSPECTIONS

Inspections performed: 18,483
 Building/zoning permits issued: 6,997
 Failed inspections: 5,194

PARKS & RECREATION

Program participants: 74,638
 basicREC average daily attendance: 730

PUBLIC SAFETY

Fire and Medical incidents: 11,157
 Law enforcement calls for service: 77,238
 911 Calls for service - F&R/EMS: 11,573
 911 Calls for service - Sheriff: 86,946