

County of Frederick

Financial Newsletter

September 2011



Frederick County General Election
Tuesday November 8, 2011
Visit the Voter Registration Website
To Find Precinct and Polling Place Location:
www.fcvotes.net

Special point of interest:

Alert Frederick County-Regional Emergency Notification System has been used to notify homes and businesses when there is a threat to the health and safety of residents. To register go to: www.co.frederick.va.us/public_safety/alert_frederick.aspx

Performance At A Glance

| | Year to Date | Page Reference |
|--|--------------|----------------|
| General Fund Revenue | Positive | 2 |
| General Fund Expenditures | Positive | 2 |
| Property Taxes | Positive | 3 |
| Permits & Privilege Fees | Positive | 3 |
| Other Local Taxes | Positive | 4 |
| Sales Tax | Positive | 4 |
| Northwestern Regional Adult Detention Center | Positive | 5 |
| Frederick-Winchester Landfill Fund | Positive | 6 |
| Staffing Level | Neutral | 8 |
| Unemployment Data | Positive | 9 |

Inside this issue:

| | |
|------------------------------|----|
| General Fund Data | 2 |
| Property Taxes & Permits | 3 |
| Sales & Other Local Taxes | 4 |
| NRADC | 5 |
| Landfill | 6 |
| GASB 54 | 7 |
| HR Wellness Program & Charts | 8 |
| Unemployment Data | 9 |
| Commissioner of the Revenue | 10 |
| Treasurer's Prepayment Plan | 11 |
| Fund Balance Increase | 11 |



**Old Frederick
County Courthouse**

Overall Fund Performance

Frederick County's overall General Fund revenue comparison for September 30, 2011 shows positive performance. Revenue totals are up \$187,587 year to date compared to the previous year.

The comparison of the FY12 expenditures have

decreased \$408,788 year to date from the previous year. This decrease was impacted by the NW Works building renovation in FY11. Transfers decreased \$2,894,788 and included a reduction of \$585,079 for the School Fund and \$2,300,000 for School

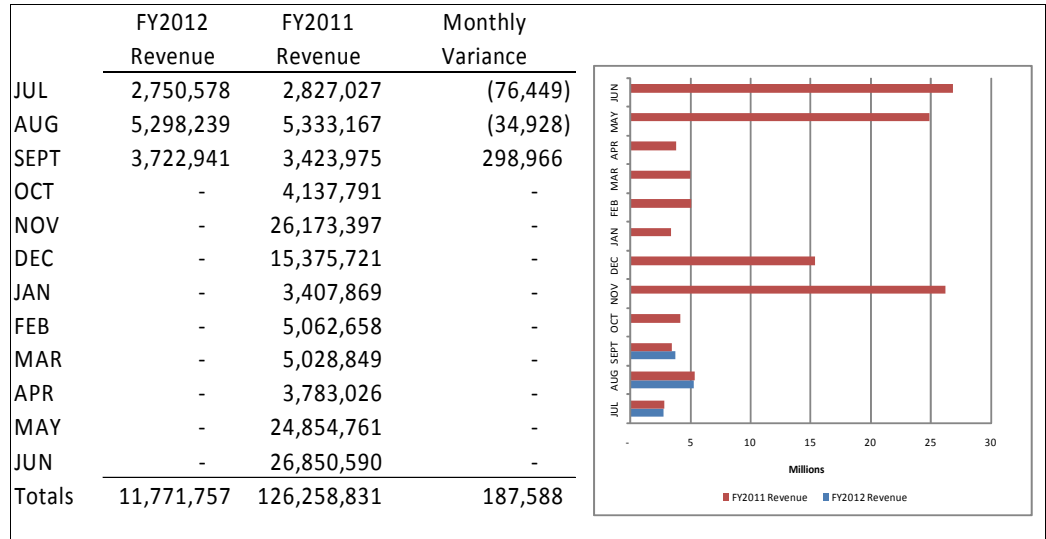
Construction.

December and June of each year show a more accurate balance with revenue than any other time since tax collections are due in those months. The flow of expenditures is more constant throughout the year.

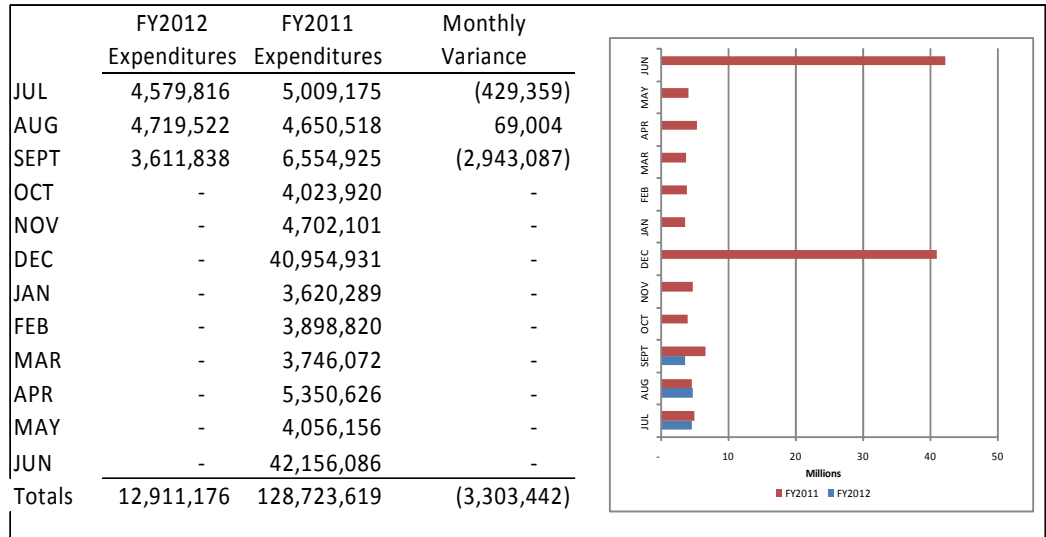
The variance year to date was a positive increase of \$187,588. Included in this increase are the property taxes, \$339,005, which are the largest single revenue stream in the General Fund. Other local taxes decreased \$107,519. Detailed comparisons follow.

Expenditures decreased \$2,943,387 for the month of September and decreased \$3,303,442 year to date. Contributing to the decrease was the NW Works building renovation and the decrease of carry forward funds to the School in the current year.

General Fund Revenue Comparison



General Fund Expenditure Comparison





Public Safety Building

Revenue Information

Property taxes include real estate, personal property and machinery and tools tax. Comparable months would be December and June due to tax collection due dates.

Included in the permits and privilege fees are land use, transfer fees,

development review fees, building, mechanical, electrical, plumbing, sign, land disturbance, commercial burning, septic haulers, and sewage installation permits. These permits collections fluctuate with the economy and housing industry.

Local sales taxes consist of the portion of the state sales tax that is remitted to the locality. The state sales tax is 4.5% with the state returning 1% of the 4.5% back to the locality. The sales tax increased \$59,375 in the same month in 2011 compared

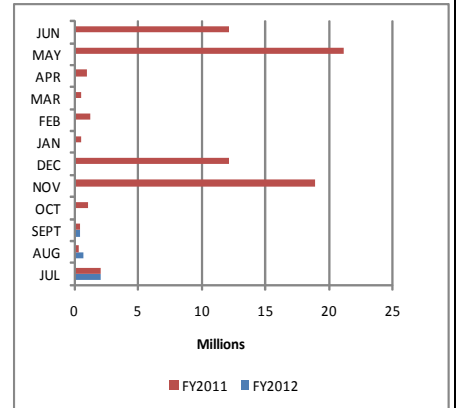
(Continued on Page 5)

Total property taxes increased \$339,005 year to date.

*Significant variances were:
Real Estate: (\$54,350)
Personal Property: \$267,556*

Property Tax Comparison 2011-2012

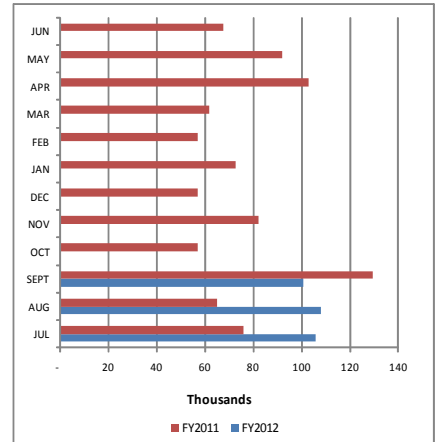
| | Property Taxes | | Variance |
|---------------|------------------|-------------------|----------------|
| | FY2012 | FY2011 | |
| JUL | 1,994,908 | 2,053,311 | (58,403) |
| AUG | 656,969 | 302,446 | 354,523 |
| SEPT | 445,736 | 402,851 | 42,885 |
| OCT | - | 1,018,028 | - |
| NOV | - | 18,842,113 | - |
| DEC | - | 12,080,534 | - |
| JAN | - | 502,081 | - |
| FEB | - | 1,186,668 | - |
| MAR | - | 491,443 | - |
| APR | - | 923,056 | - |
| MAY | - | 21,106,233 | - |
| JUN | - | 12,146,216 | - |
| Totals | 3,097,613 | 71,054,980 | 339,005 |



The permits and privilege fees decreased \$28,847 at the end of September. The variance year to date is an increase of \$43,700.

Permits & Privilege Fees Comparison 2011-2012

| | Permits&Fees | | Variance |
|---------------|----------------|----------------|---------------|
| | FY2012 | FY2011 | |
| JUL | 105,784 | 76,104 | 29,680 |
| AUG | 107,998 | 65,130 | 42,868 |
| SEPT | 100,525 | 129,372 | (28,847) |
| OCT | - | 56,891 | - |
| NOV | - | 81,954 | - |
| DEC | - | 57,101 | - |
| JAN | - | 72,560 | - |
| FEB | - | 56,999 | - |
| MAR | - | 61,719 | - |
| APR | - | 102,933 | - |
| MAY | - | 91,877 | - |
| JUN | - | 67,688 | - |
| Totals | 314,306 | 920,328 | 43,700 |



Other Local Taxes 2011-2012 Comparison

| | Other Local Taxes | Other Local Taxes | Variance |
|--------|-------------------|-------------------|-----------|
| | FY2012 | FY2011 | |
| JUL | 146,380 | 205,127 | (58,747) |
| AUG | 855,962 | 685,669 | 170,293 |
| SEPT | 1,942,884 | 2,161,950 | (219,066) |
| OCT | - | 1,706,087 | - |
| NOV | - | 1,721,536 | - |
| DEC | - | 1,905,096 | - |
| JAN | - | 1,810,529 | - |
| FEB | - | 2,964,016 | - |
| MAR | - | 3,591,025 | - |
| APR | - | 1,718,524 | - |
| MAY | - | 2,710,718 | - |
| JUN | - | 5,521,130 | - |
| Totals | 2,945,226 | 26,701,407 | (107,520) |

Included in other local taxes are: local sales and use tax, communications tax, utility taxes, business licenses, auto rental tax, motor vehicle license fees, recordation taxes, meals and lodging taxes, street lights and Star Fort fees. The categories that increased substantially were local sales tax and motor vehicle license fees. Sales tax detail follows.

Sales Tax 2011-2012 Comparison

| | Sales Tax | Sales Tax | Variance |
|--------|-----------|-----------|----------|
| | FY2012 | FY2011 | |
| JUL | 853,640 | 764,830 | 88,810 |
| AUG | 925,849 | 791,674 | 134,175 |
| SEPT | 862,116 | 802,741 | 59,375 |
| OCT | - | 811,899 | - |
| NOV | - | 802,700 | - |
| DEC | - | 822,556 | - |
| JAN | - | 805,436 | - |
| FEB | - | 867,665 | - |
| MAR | - | 690,198 | - |
| APR | - | 719,401 | - |
| MAY | - | 782,473 | - |
| JUN | - | 826,552 | - |
| Totals | 2,641,606 | 9,488,125 | 282,361 |

Sales Tax continues to be a large economic market indicator that is closely monitored by Frederick County officials. With sales tax on the rise by 12% through the first quarter of FY2012, officials view the increase as positive.

Revenue Information

(Continued from page 3)

to the prior year and increased \$282,361 year to date.

The variance of \$219,066 in local taxes for September was impacted by the decrease in business licenses of

\$254,138 compared to the prior year.

Communication taxes, utility taxes, motor vehicle license fees, recordation taxes, and street lights increased through the first quarter of FY 2012.

Northwestern Regional Adult Detention Center



**Northwestern
Regional Adult
Detention Center**

The Northwestern Regional Adult Detention Center is an 842-bed, medium security Jail established in 1991 to incarcerate pretrial defendants and offenders sentenced to confinement for 12 months or less. The Detention Center is governed by a 14 member body composed of representatives appointed from each of the sup-

ported jurisdictions: Clarke County, Fauquier County, Frederick County and the City of Winchester. The Detention Center staff consists of 136 sworn Jail Officers and 53 civilian employees.

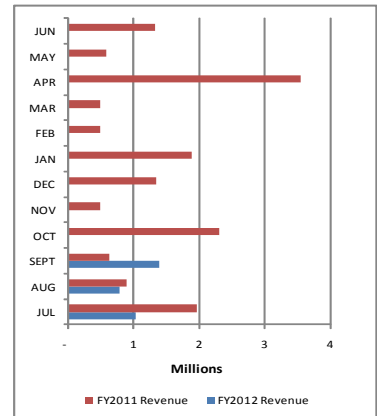
The Jail's average daily population in FY11 was 551 persons. Frederick County offenders accounted for 43.6% of

that population, a 5% increase over the previous year. The significant increase in population resulted in Frederick County bearing a greater share of the expenses associated with operating the Jail. In FY2012, Frederick County's budgeted share of Jail expenses is \$3,733,510, a 10% increase from its share of costs in FY2011.

The NRADC revenue increase in September 2011 and was a result from timing of the receipt of a jurisdiction contribution that should have been received in July of 2011, and \$140,000 less in excess operating reserve revenue funds available from the previous year to apply as revenue on July 1, 2011.

NRADC Revenues

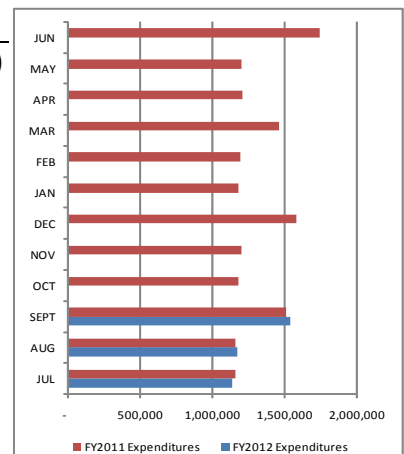
| | FY2012 Revenue | FY2011 Revenue | Monthly Variance |
|--------|-------------------|-------------------|---------------------|
| JUL | 1,032,028 | 1,972,355 | (940,327) |
| AUG | 782,589 | 891,021 | (108,432) |
| SEPT | 1,386,703 | 631,569 | 755,134 |
| OCT | - | 2,310,472 | - |
| NOV | - | 492,426 | - |
| DEC | - | 1,349,526 | - |
| JAN | - | 1,887,206 | - |
| FEB | - | 483,547 | - |
| MAR | - | 492,035 | - |
| APR | - | 3,548,136 | - |
| MAY | - | 587,191 | - |
| JUN | - | 1,330,562 | - |
| Totals | 3,201,320 | 15,976,046 | (293,625) |



NRADC expenditures increased \$29,064 in September 2011 compared to September in the prior year and increased \$24,082 year to date.

NRADC Expenditures

| | FY2012 Expenditures | FY2011 Expenditures | Monthly Variance |
|--------|------------------------|------------------------|---------------------|
| JUL | 1,138,976 | 1,155,902 | (16,926) |
| AUG | 1,170,653 | 1,158,708 | 11,945 |
| SEPT | 1,538,192 | 1,509,128 | 29,064 |
| OCT | - | 1,176,513 | - |
| NOV | - | 1,198,004 | - |
| DEC | - | 1,577,491 | - |
| JAN | - | 1,181,211 | - |
| FEB | - | 1,192,645 | - |
| MAR | - | 1,463,274 | - |
| APR | - | 1,203,955 | - |
| MAY | - | 1,201,127 | - |
| JUN | - | 1,739,625 | - |
| Totals | 3,847,821 | 15,757,583 | 24,083 |



Frederick-Winchester Landfill

The Frederick County Sanitary Landfill provides non-hazardous solid waste disposal needs for Frederick and Clarke Counties and the City of Winchester. The landfill property includes 932 acres and has been in operation since July 1, 1975. Acreage has been added to the facility throughout its operation. The most recent land purchase was a parcel of 54

acres located to the western side of the landfill along Sulphur Spring Road and will be used as a buffer.

On November 4, 2010, the Frederick County Landfill began commercial operation of the Landfill Gas to Energy Plant. The overall project continues to be successful, along with waste reduction through recycling,

compositing, brush grinding and tire shredding.

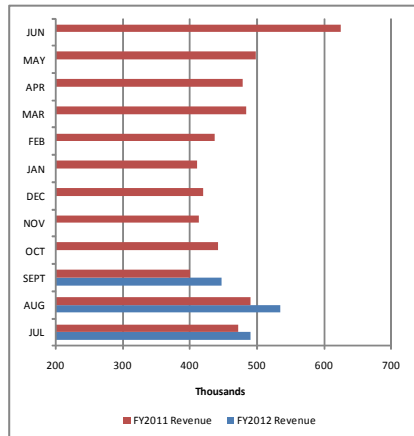
The average monthly tonnage through September FY 2012 is 12,668 compared to 12,858 in the prior year. The tonnage remains constant as a result of increased recycling.



Landfill Convenience Center

Landfill Revenues

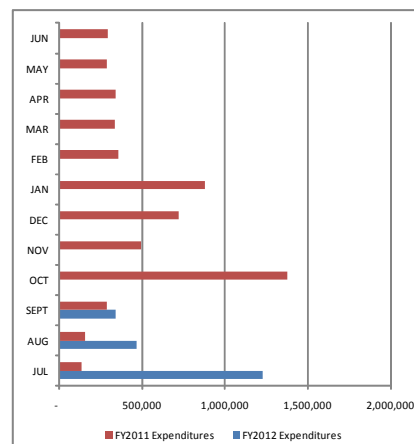
| | FY2012 Revenue | FY2011 Revenue | Monthly Variance |
|--------|----------------|----------------|------------------|
| JUL | 489,700 | 471,514 | 18,186 |
| AUG | 534,369 | 490,876 | 43,493 |
| SEPT | 446,675 | 400,310 | 46,365 |
| OCT | - | 442,321 | - |
| NOV | - | 413,665 | - |
| DEC | - | 419,942 | - |
| JAN | - | 410,623 | - |
| FEB | - | 436,456 | - |
| MAR | - | 483,729 | - |
| APR | - | 479,088 | - |
| MAY | - | 497,965 | - |
| JUN | - | 624,630 | - |
| Totals | 1,470,743 | 5,571,119 | 108,043 |



Landfill revenue increased \$46,365 in September 2011 and \$108,043 year to date. The increase in revenue can be attributed to revenue received from the gas to energy project.

Landfill Expenditures

| | FY2012 Expenditures | FY2011 Expenditures | Monthly Variance |
|--------|---------------------|---------------------|------------------|
| JUL | 1,226,446 | 131,248 | 1,095,198 |
| AUG | 466,969 | 156,246 | 310,723 |
| SEPT | 340,261 | 285,276 | 54,985 |
| OCT | - | 1,375,558 | - |
| NOV | - | 492,354 | - |
| DEC | - | 719,019 | - |
| JAN | - | 881,246 | - |
| FEB | - | 354,140 | - |
| MAR | - | 332,085 | - |
| APR | - | 341,385 | - |
| MAY | - | 287,961 | - |
| JUN | - | 292,951 | - |
| Totals | 2,033,675 | 5,649,468 | 1,460,905 |



The September 2011 Landfill expenditures increased \$54,985 compared to the previous year. Year to date expenditures have increased \$1,460,905. Several capital projects have impacted the expenditures including the leachate expansion and the partial capping MSW.

Government Accounting Standard Board (GASB) is the source of general accepted accounting principles (GAAP) used by state and local governments. The mission of the GASB is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and educate the public, including issuers, auditors and users of those financial reports.

GASB 54

Fund Balance Reporting and Governmental Fund Type Definitions

Governments are required to implement GASB 54 for fiscal year ending June 30, 2011. GASB 54 establishes a new hierarchy of fund balance classifications, and clarifies the definitions of existing governmental fund types.

The five possible fund balance classifications in the hierarchy are as follows:

Nonspendable fund balance

- Amounts that cannot be spent because they are not in spendable form (an example of this would be prepaids) or are required to remain intact legally or contractually.

Restricted fund balance

- Amounts constrained for a specific purpose by external parties (creditors or higher levels of government) constitutional provisions, or enabling legislation.

Committed fund balance

- Amounts constrained to specific purposes by a government, using its highest level of decision-making authority (board action). Such amounts cannot be used for any other purposes unless the government takes the same action to remove or change the constraints placed on the resources.
- Formal action to commit fund balance to a specific purpose should occur prior to year-end; however the amount can be determined in a subsequent period.

Assigned fund balance

- Amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by a committee or official that has been delegated authority to assign amounts.
- For all government funds except the general fund, assigned fund balance represents the amounts that is not restricted or committed.

Unassigned fund balance

- Amounts available for any purposed.
- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned.
- For all governmental funds except the general fund, amounts expended in excess of resources that are non spendable , restricted, committed or assigned.

In determining the components of fund balance, first the non-spendable portion is determined. In the general fund, the unassigned fund balance is the residual classification after amounts have been classified as non-spendable, restricted, committed or assigned. With five different fund balance classifications, Frederick County will experience a reduction in what was previously referred to as unreserved fund balance .



Tom Cooper helps unload rain barrel lids during setup for the 2009 bin and barrel truckload sale.

New Wellness Program for County Staff

Over the past several years, Frederick County's medical costs, both in premiums and claims, have increased. Fortunately, the County has been able to absorb these increases and not pass them along to our employees. This was a monumental task in years that operating budgets were either reduced or maintained current level spending. However, knowing that these costs will continue to rise, it is important to be proactive about ways in which we may be able to control future costs.

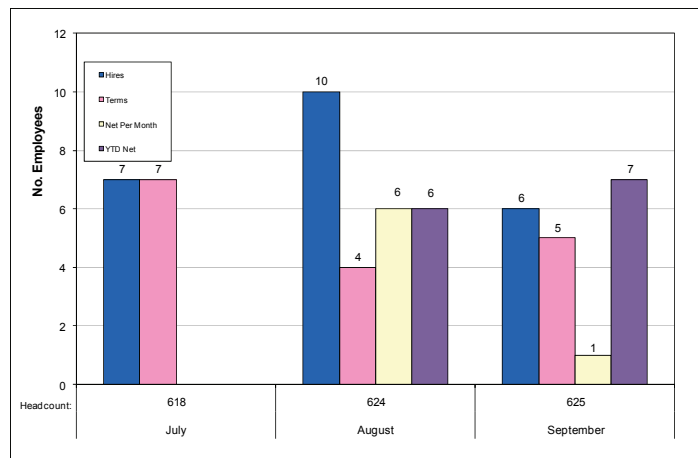
One possibility in addressing future medical costs is contending with employees' health and wellness. Wellness programs are based on the belief that unhealthy lifestyles can be changed with the right support structure. Whether the issues involve smoking cessation, stress management, obesity and depression; targeted programs based on the needs of the population are providing employers with increasingly effective and affordable methods for improving workforce health, productivity, and ultimately healthcare costs.

Frederick County currently offers a few wellness initiatives through internal programs and a relationship with the Valley Health and Wellness Facility. However, we will be exploring other ways in which we can truly provide a wellness program that meets the needs of Frederick County employees while making it a fun ride! Our initial step, in the very near future, will be a survey of our employees' interests and challenges that a wellness program may be able to offer. Stay tuned!

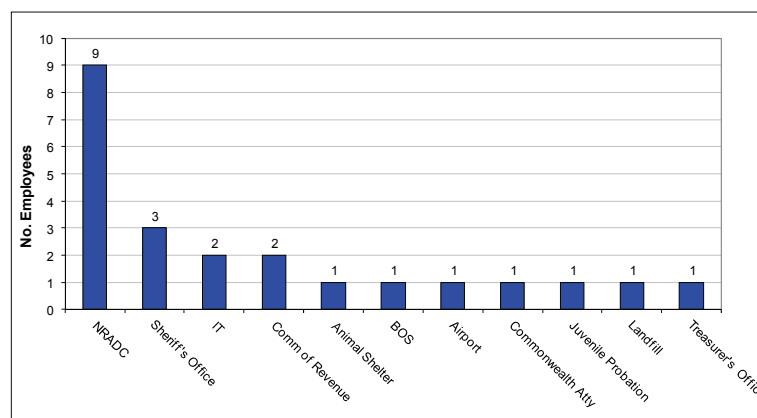
The first chart not only explains County-wide employment activity of hiring and exiting employees, but also the total number of employees gained each month and on a fiscal basis. The second chart reflects the total number of hires per department as of the end of September.

Department of Human Resources

Employment Activity 2011-2012



Essential Positions Filled 2011-2012



Go online to the Human Resources website for employment opportunities.
<http://www.co.frederick.va.us/humanresources/vacancies.aspx>



Bowman Library

Frederick County's Reduced Workforce

For the past three years, all county positions that became vacant were considered frozen. Only positions that were emergency service critical, or were in a department that had already been reduced in size were given consideration by

the County Administrator. have been frozen.

Not all positions that were eliminated were vacant. When the county reduced its workforce through layoffs, those employees were eligible for unemployment benefits that are directly reimbursed

by the County to the Virginia Employment Commission.

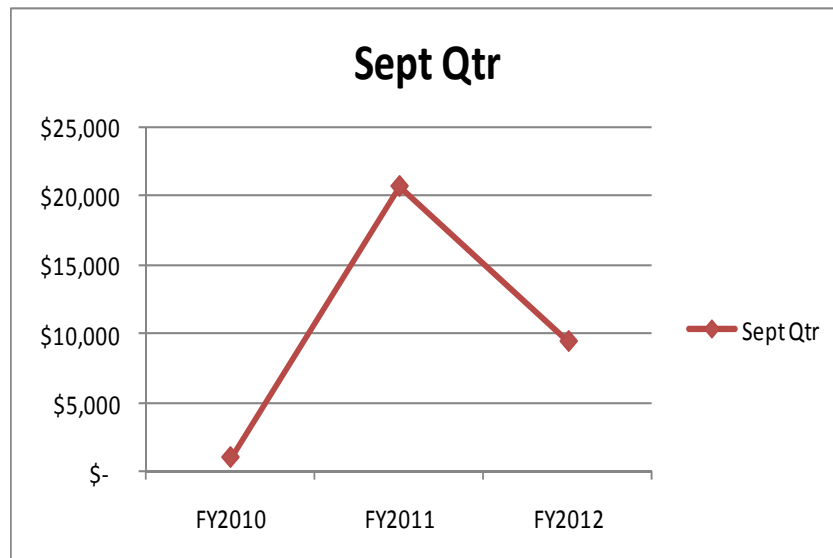
Frederick County Staff Unemployment Claims:

*September 2009 \$988
September 2010 \$20,669
September 2011 \$9,410*

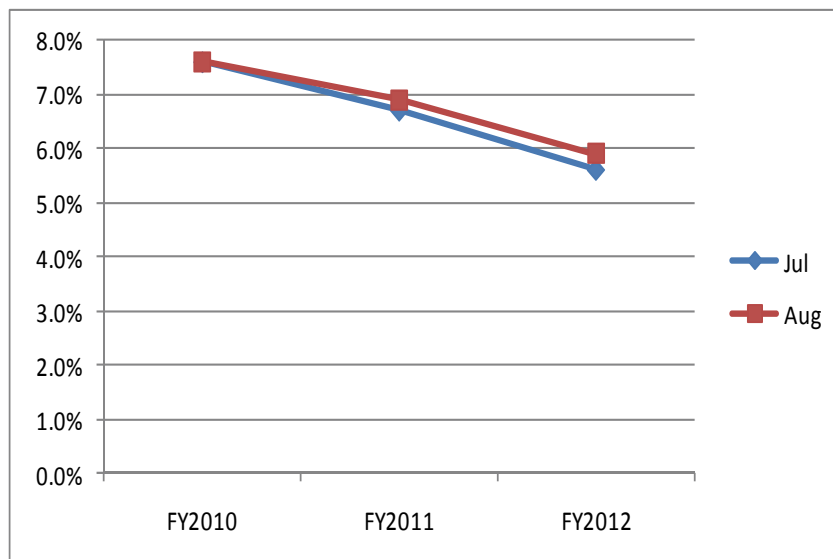
*Frederick County is billed by
the VEC for actual claims paid.*

*The unemployment rate for
the region in August 2011
was 5.9% compared to
6.7% in August 2010.*

Frederick County Government Claims (reported quarterly)



Area Unemployment Rate



Frederick County Commissioner of the Revenue’s Office

Visit us online at www.frederickcountyva.gov/persprop for forms and program details.

It is the Commissioner of the Revenue’s job to assess all property in Frederick County. The County levies a personal property tax on all vehicles and any type of trailer. Likewise, motor homes, mobile homes, boats, airplanes, and business or industrial personal property are taxed. A vehicle is subject to tax if it is normally garaged/parked in the County, even if registered in another State (by Virginia law). The County’s tax year is from Jan.1 through Dec.31 and personal property taxes are billed in halves--due June 5th and December 5th. If taxable property is discovered, purchased, moved in, or constructed that was not on record in time for the normal billing cycle, staff will issue supplemental bills with different due dates.

Taxpayers are responsible for filing newly-purchased or moved-in taxable property within 60 days. Taxpayers should not rely on the DMV or dealers to file property for them. Taxpayers are required to report name, address, ownership, or location changes when they occur. No annual filing is required for vehicles after the first year unless information, such as the item’s location or ownership, has changed. Tax returns for business personal property, other than vehicles, must be filed annually by March 15th for all assets ready for use on that January 1st. Owners of aircraft and mobile homes are also required to file annually with the County. Taxable items that

are sold, junked, disposed of, or leave the County need to be reported by the owner(s) to COR. DMV should also be notified of changes for any items registered with them.

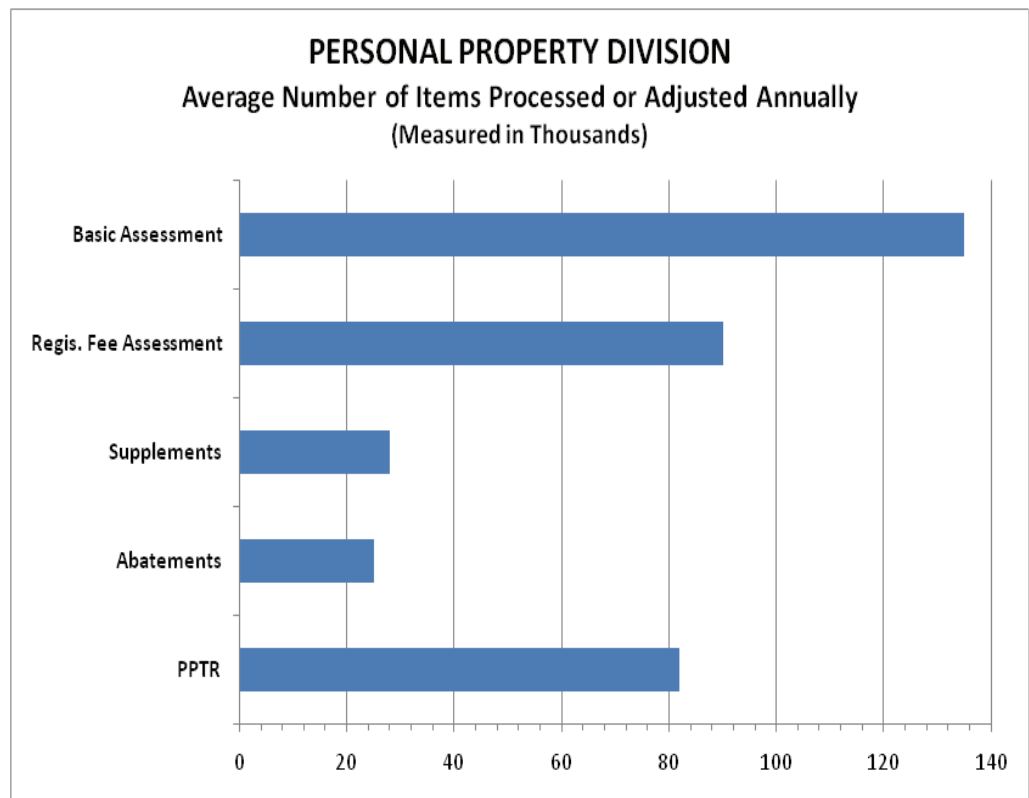
Except airplanes and business personal property(not allowed by State code), Frederick County prorates taxes for qualifying personal property- - items are taxed only for the number of full months in the County rather than for an entire year, unless moved to a non-prorating VA locality. Taxpayers may request a refund for moved property if it is going into another prorating locality or out of state. Business personal property, other than vehicles, is due for the entire 12 months of any year in

which it is ready for use on January 1 of that year— regardless of whether it is moved, junked, sold, or the business closed.

Staff annually assesses approximately 135,000 pieces of personal property excluding business items. We use the National Automobile Dealers Association (NADA) Car Guides clean trade-in value as listed in the January(current tax year), Eastern Edition. For new model year vehicles, business property and other taxable assets not listed in the Guide, the assessment is based on a percentage of the owner’s capitalized cost.

After viewing relevant documentation, staff applies Personal Property Tax Relief from the State to quali-

fying passenger vehicles, flags military vehicles, applies special rates to one vehicle of each qualifying Fire & Rescue volunteer, and makes value adjustments to personal property with high mileage or damage. Arms-length proof is required. Additionally, staff members balance books and supplements, verify pertinent assessment details, post to accounts receivable, send assessments to the Treasurer for billing, and record adjustments as necessary. Abatements are verified, balanced, posted, and forwarded to the Treasurer for issuance of credits or refunds when appropriate.



County of Frederick

Department of Finance
107 North Kent Street
Winchester, Virginia 22601

Phone: 540-665-5610

To subscribe to the Quarterly Newsletter go to:

http://www.co.frederick.va.us/email_updates/email_updates.aspx

Select Financial Information

WE'RE ON THE WEB!

FREDERICKCOUNTYVA.GOV

Frederick County Treasurer's Department

\$\$ Frederick County taxes-don't pay more than you have to! \$\$

Do you want to avoid the last minute scramble to come up with a tax payment? Consider our prepayment plans. Prepayment plans allow you to resolve your tax liability in installments (weekly, biweekly, monthly). Prepayment plans can be estimated for personal property tax, real estate tax, or both. In order to enroll on prepayment, all accounts must be current. Please note that the formal due dates (June 5th and December 5th) are still effective with prepayment plans. Any balance after the due date will be subject to penalty and interest. Using a prepayment plan allows you to pay smaller amounts over a greater period of time to reduce the impact on your budget. Prepayments can be made using our website, in person, or through the mail just like other payments.

Another way to reduce the amount you pay is to avoid late charges. Penalty and interest are charged the day after the taxes are due. If a taxpayer does not have the cash, credit card payments offer a reasonable option. An average tax bill of \$300 would be \$338.25 after it was three months delinquent. That same tax bill would only be \$319.61 if paid timely with a credit card(18% interest, 3 months), a savings of \$18.64.

Finally, if you know that you are not going to be able to pay your tax bill, you should contact our office to see if you qualify for a delinquent payment plan. These plans can limit the collection fees incurred on your account, saving you money.

For information on all these options, please visit our website at

www.fredtax.com

Frederick County Increases Fund Balance

The county's general fund returned \$8.2 million back to fund balance at the end of FY 2011. The general fund experienced a positive revenue variance of \$3.8 million and had over \$4.4 million in unspent general fund budgeted expenditures. The majority of the revenue variance was collections in excess of projections in property taxes and sales tax. The county's delinquent property tax rate for the past five years is less than one-percent which is critical to balancing budgets. Sales tax continues to show increases that gives a glimmer of economic recovery to the area.

Unspent general fund budgeted expenditures were experienced throughout the budget. In the past three years, the general fund has experienced reductions in its budget. Over these years, budgets have been reduced resulting in a decrease in workforce, change in policies and a decrease in funding to outside agencies. In FY 2011, the \$4.4 million in unspent funds were largely a reduction in workforce. With reductions being in the third year, the only area left to cut is manpower and benefits. Current staff continues to deliver services to our citizens by being asked to do more. We commend their efforts and dedication.



County
Administration
Complex