

# POPULAR ANNUAL FINANCIAL REPORT

## FISCAL YEAR ENDED JUNE 30, 2020

### 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, 2019 through June 30, 2020.

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 2020 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](http://www.fcva.us/CAFR)



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**County of Frederick  
Virginia**

For its Annual  
Financial Report  
for the Fiscal Year Ended

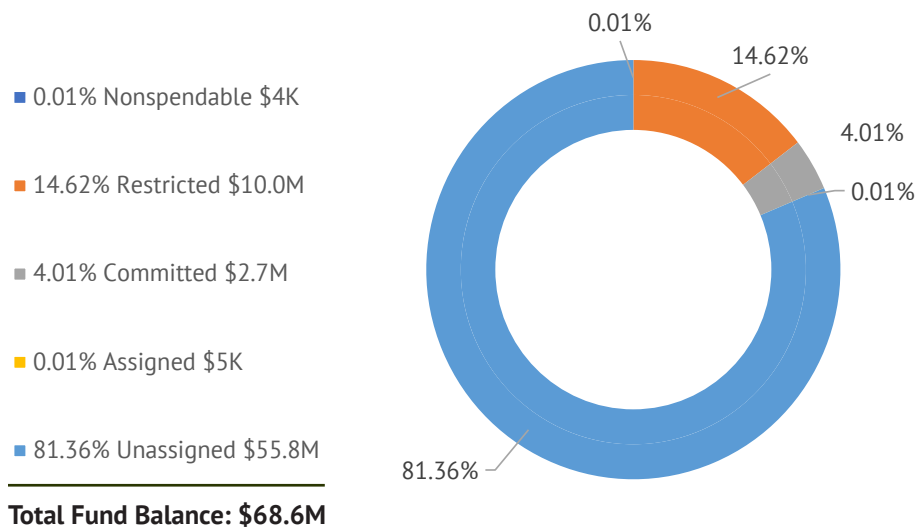
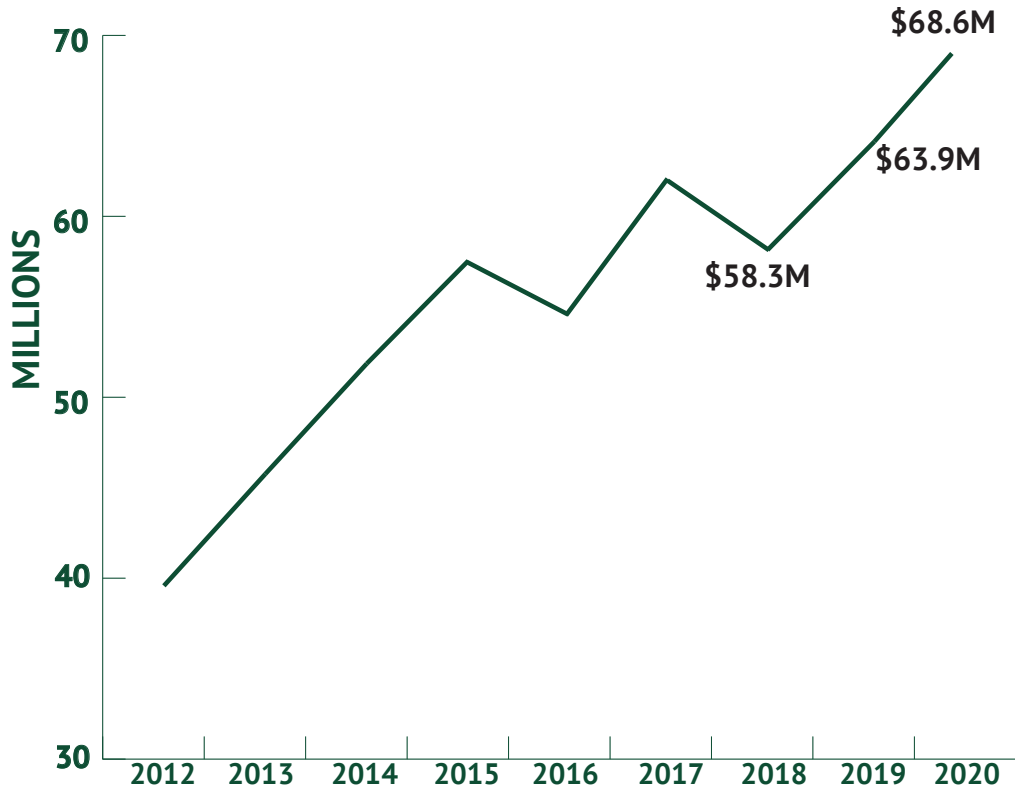
**June 30, 2019**

*Christopher P. Morill*

Executive Director/CEO

## FY 2020 GENERAL FUND: TOTAL 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.



### 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 2020 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 increased over the previous year.

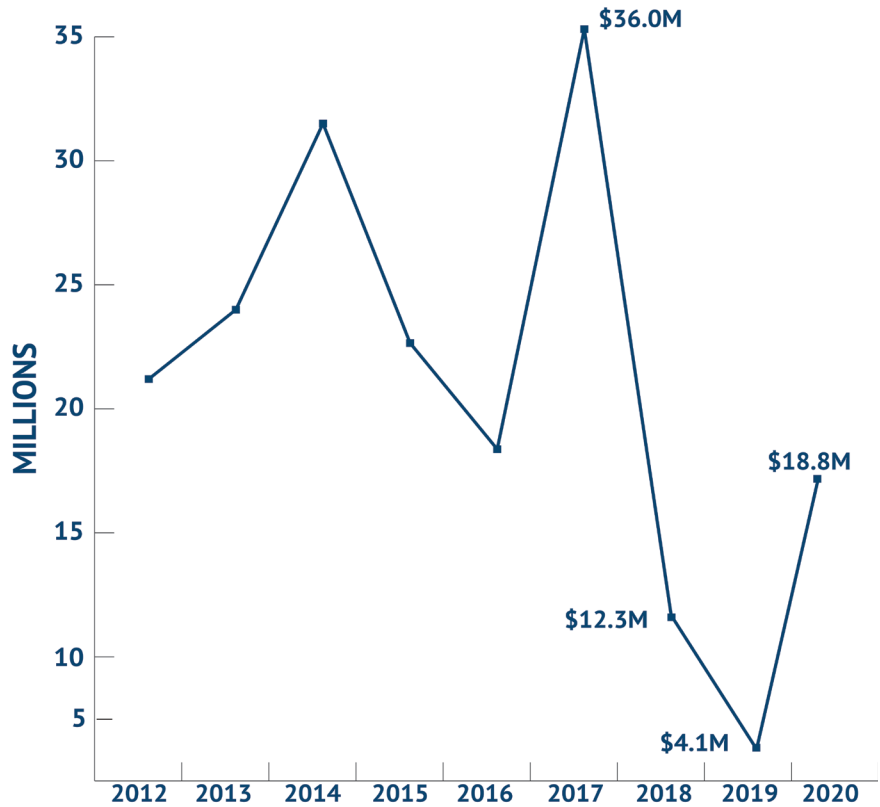
## FY 2020

Beginning Net Position	\$ 4,087,354
Total Revenues	+ 178,528,499
Total Expenses	<u>- 163,788,748</u>
Ending Net Position	\$ 18,827,105

*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.*

*The \$14.7 million increase for 2020 is partially due to a real estate reassessment, CARES Act Funding, and reduced expenses as a result of a spending freeze due to COVID-19.*

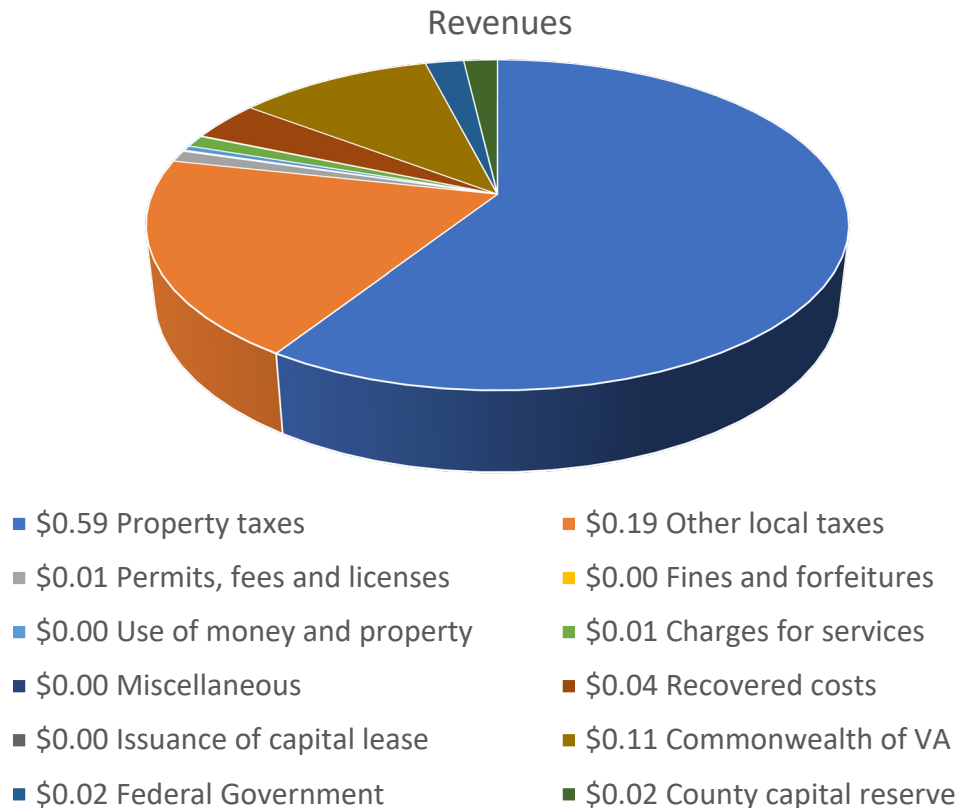


## SOURCES OF COUNTY REVENUES - GENERAL FUND

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	FY2020	FY2019	FY2018
Property taxes	\$120,543,325	\$113,629,440	\$107,522,001
Other local taxes	39,526,349	36,634,376	35,918,445
Permits, fees and licenses	2,285,194	2,188,705	2,294,004
Fines and forfeitures	248,111	313,896	299,419
Use of money and property	998,794	1,272,035	665,536
Charges for services	2,344,290	3,003,141	2,822,424
Miscellaneous	156,935	416,830	381,942
Recovered costs	7,948,509	3,422,092	3,431,929
Issuance of capital lease	-	449,291	-
Commonwealth of VA	21,859,486	21,652,162	21,203,596
Federal Government	4,304,569	4,025,596	3,937,571
County Capital Reserve	3,783,655	-	-
<b>Total Revenues</b>	<b>\$203,999,217</b>	<b>\$187,007,564</b>	<b>\$178,476,867</b>

**REVENUES** Fiscal year 2020 results illustrated as cents per dollar of revenue with property taxes making up 59¢ for each \$1 received.



## USE OF COUNTY FUNDS - GENERAL FUND

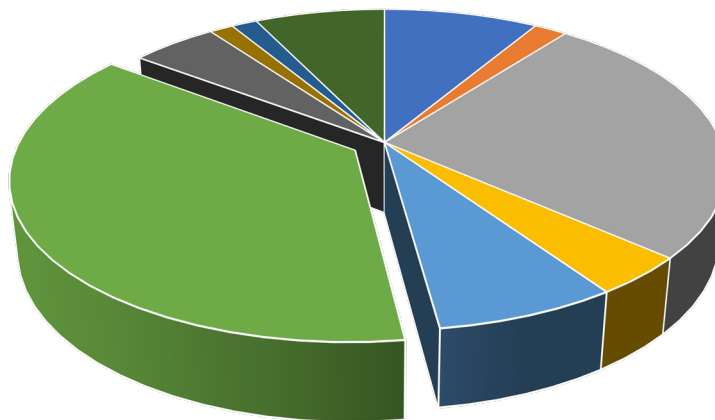
On an annual basis, the County adopts an annual operating budget which allocated dollars to the highest priorities as determined by the Board of Supervisors. The General Fund primarily is financed by real estate and personal property taxes and supports core services such as public safety.

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

Expenditures	FY2020	FY2019	FY2018
General administration	\$13,654,137	\$11,067,912	\$9,913,885
Judicial administration	2,931,762	2,962,088	2,604,293
Public safety	41,395,357	39,152,979	38,683,668
Public works	6,291,241	5,432,118	5,678,157
Health / welfare / CSA	11,760,036	11,114,109	10,703,876
Local community college	81,308	81,080	76,320
Public school system	83,349,189	85,327,387	81,630,162
Public school debt service	16,248,300	14,579,320	15,972,475
Parks, recreation and culture	7,625,553	7,346,862	6,497,972
Community development	2,123,758	2,155,810	8,317,506
County debt service	2,268,063	2,257,231	2,246,754
County capital reserve	11,504,520	-	-
<b>Total Expenditures</b>	<b>\$199,233,224</b>	<b>\$181,476,896</b>	<b>\$182,325,068</b>

**Expenditures** Fiscal year 2020 results illustrated as cents per dollar of expenditure, with Education accounting for 54¢ and Public Safety accounting for 21¢ of every \$1 spent.

Expenditures



- \$0.07 General administration
- \$0.21 Public safety
- \$0.06 Health / welfare / CSA
- \$0.04 Parks, recreation and culture
- \$0.01 County debt service
- \$0.01 Judicial administration
- \$0.03 Public works
- \$0.54 Education
- \$0.01 Community development
- \$0.06 County capital reserve

# 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 20th largest school division in Virginia, and 28.7% of residents hold bachelors degrees or higher.

## POPULATION



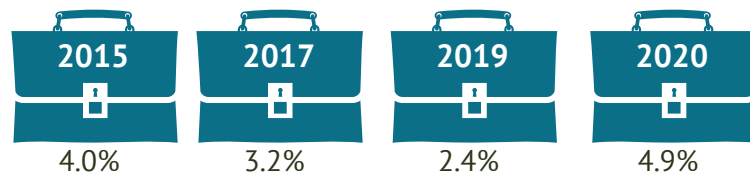
\*estimates

## PER CAPITA INCOME

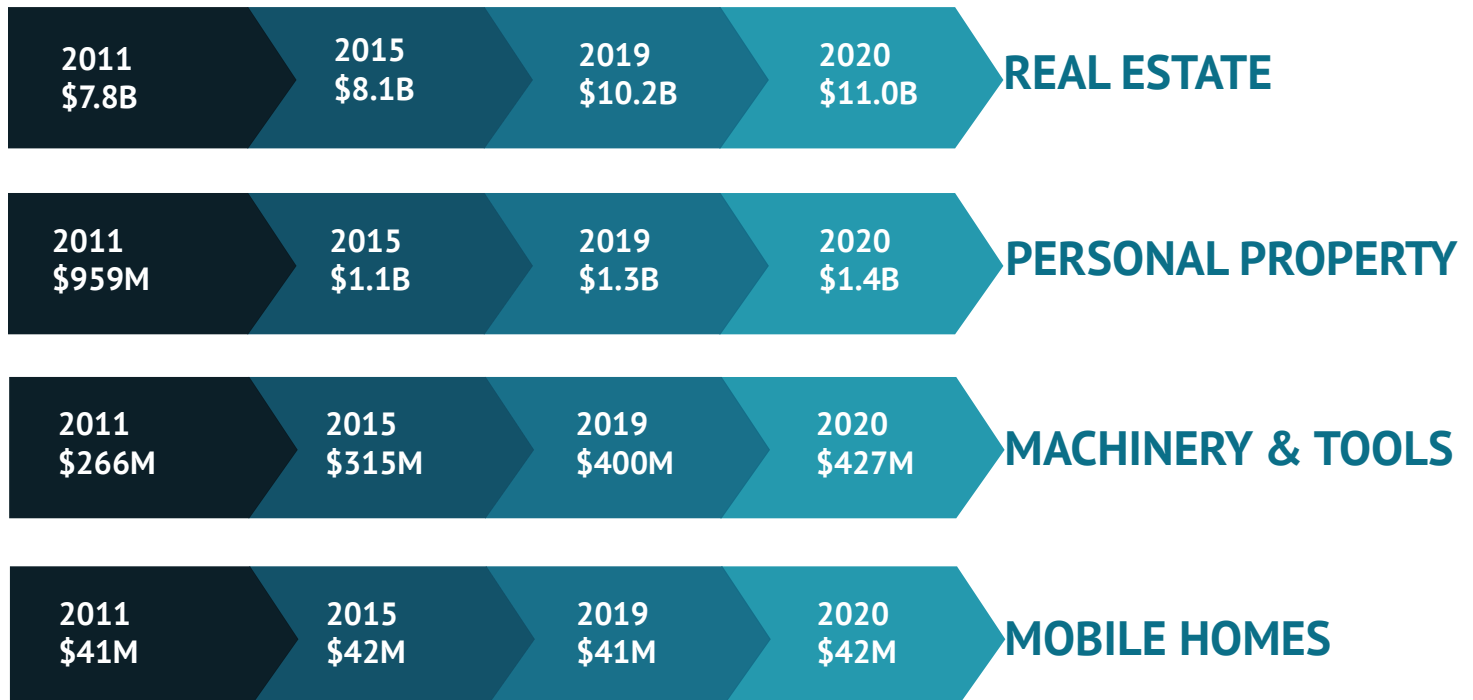


\*estimate

## UNEMPLOYMENT



## TAXABLE PROPERTY VALUES

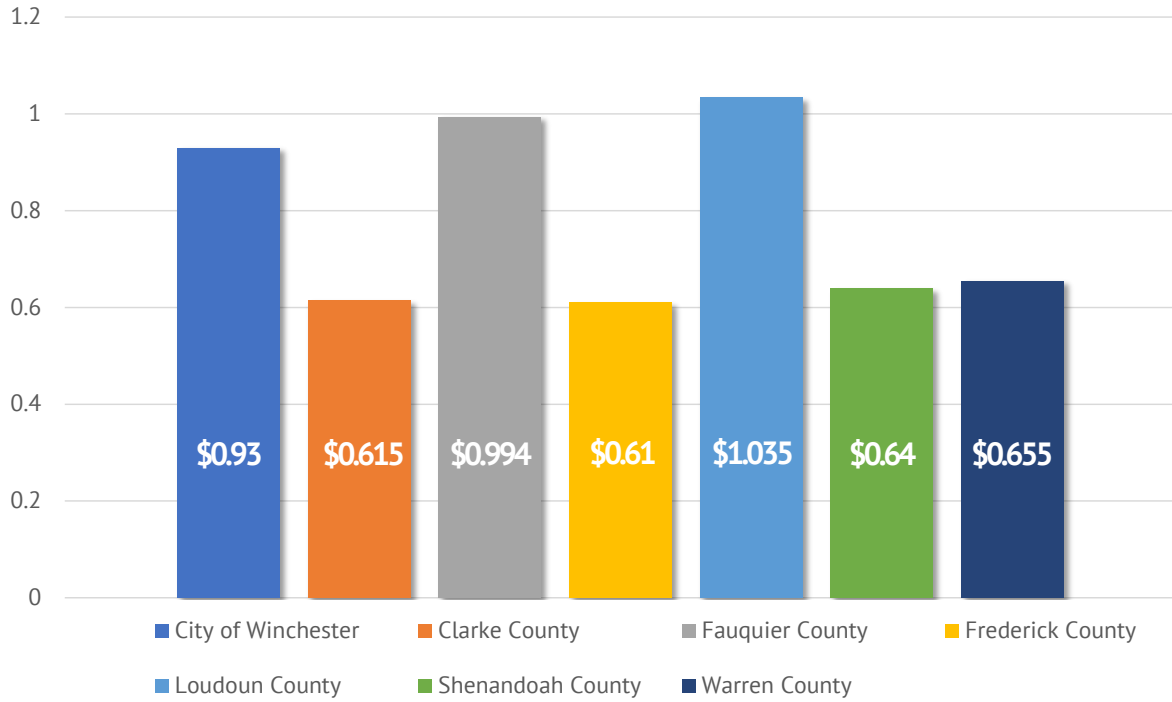




# 2020 TAX RATES

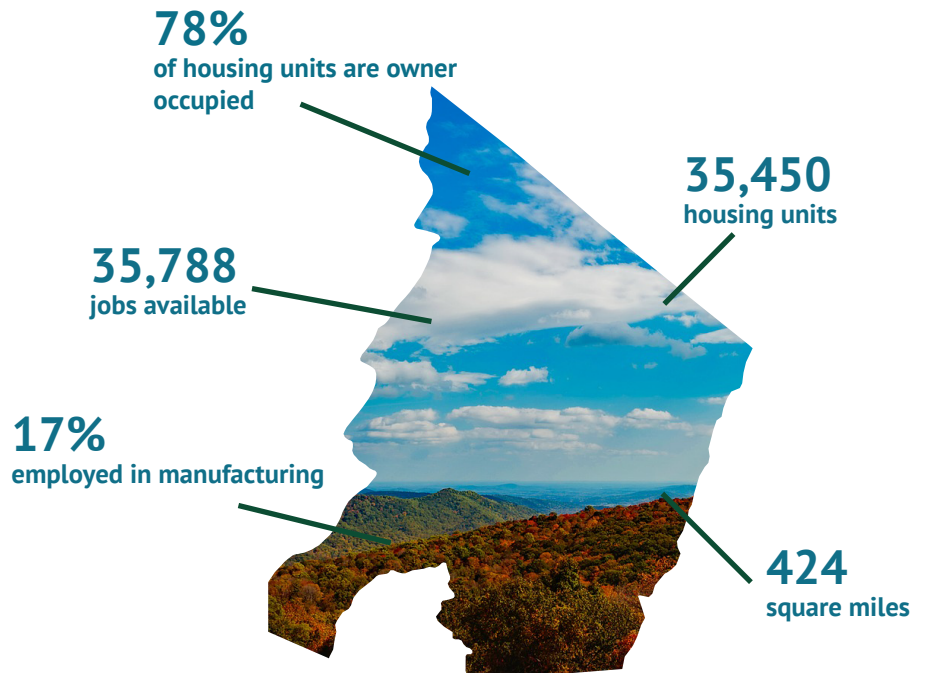
Real Estate\*: 0.610

\*Per \$100 of assessed value



**Other Rates:**  
**Personal Property: 4.86**  
**Machinery & Tools: 2.00**  
**Airplanes: 0.01**  
**Mobles Homes: 0.610**





Frederick County EDA; US Census Bureau; US BLS

## BY THE NUMBERS

### ANIMAL SHELTER

Dogs adopted/reclaimed: 633  
 Cats adopted/reclaimed: 492  
 Vaccinated animals at rabies clinics: 144

### BUILDING INSPECTIONS

Number of inspections performed: 23,123  
 Number of building/zoning related permits issued: 6,647  
 Number of failed inspections: 6,027

### PARKS & RECREATION

Program participants: 44,700  
 basicREC average daily attendance: 697

### PUBLIC SAFETY

Fire and Medical incidents: 10,810  
 Law enforcement calls for service: 89,403  
 911 calls for service - Fire/EMS: 10,962  
 911 calls for service - Sheriff: 96,562

## MAJOR EMPLOYERS

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

## Connect with Us

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

