



FISCAL YEAR 2022
POPULAR ANNUAL FINANCIAL REPORT

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In this data-driven world, we face a steady influx of facts, figures and statistics. Sorting through this information can be daunting and putting the information to good use can be a difficult task.

We are pleased to share with you the Frederick County Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2022.

In an effort to provide you with easily accessible, reliable information, the PAFR provides a brief analysis of where County revenue comes from and where those dollars go in a short and concise format.

The PAFR is presented in an effort 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 2022 Annual Comprehensive Financial Report (ACFR), 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 ACFR. 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 ACFR, which is comprised of detailed financial statements, notes, schedules and reports. The ACFR, in its entirety, is available in the Frederick County Finance Department and online at www.fcva.us/ACFR



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, 2021

Christopher P. Morill

Executive Director/CEO

CONNECT WITH US

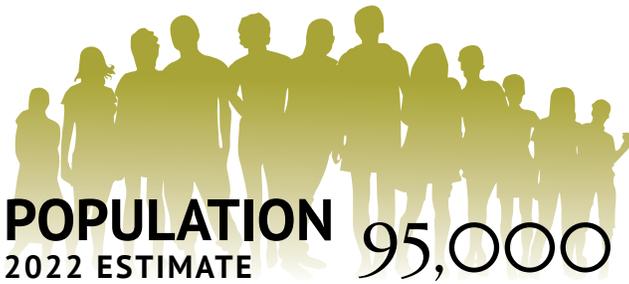
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Keep up-to-date on information from the Finance Department at www.fcva.us/finance and all-things Frederick County Government through our NewsRoom at www.fcva.us/news

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 18th largest school division in Virginia, and 31.4% of residents hold bachelors degrees or higher.



FAST FACTS

ANIMAL SHELTER

Dogs cats adopted/reclaimed: 932

BUILDING INSPECTIONS

Inspections performed: 22,150

Building/zoning related permits issued: 6,871

PARKS & RECREATION

Youth Sports participants: 6,100

basicREC average daily attendance: 744

Special Events/Excursions: 22

PUBLIC SAFETY

Fire and Medical incidents: 13,221

Law enforcement calls for service: 90,651

911 calls for service - Fire/EMS: 13,655

911 calls for service - Sheriff: 102,925

TOP TEN EMPLOYERS

Frederick County School Board

Navy Federal Credit Union

Amazon Fulfillment Center

Trex Company, Inc.

U.S. Dept. of Homeland Defense

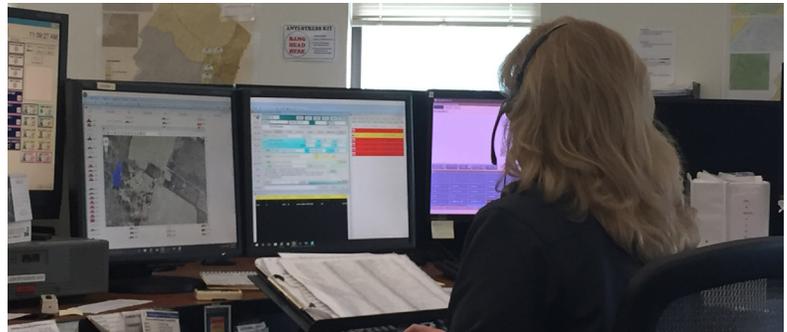
The Home Depot

Wal-Mart

H.P. Hood, Inc.

County of Frederick

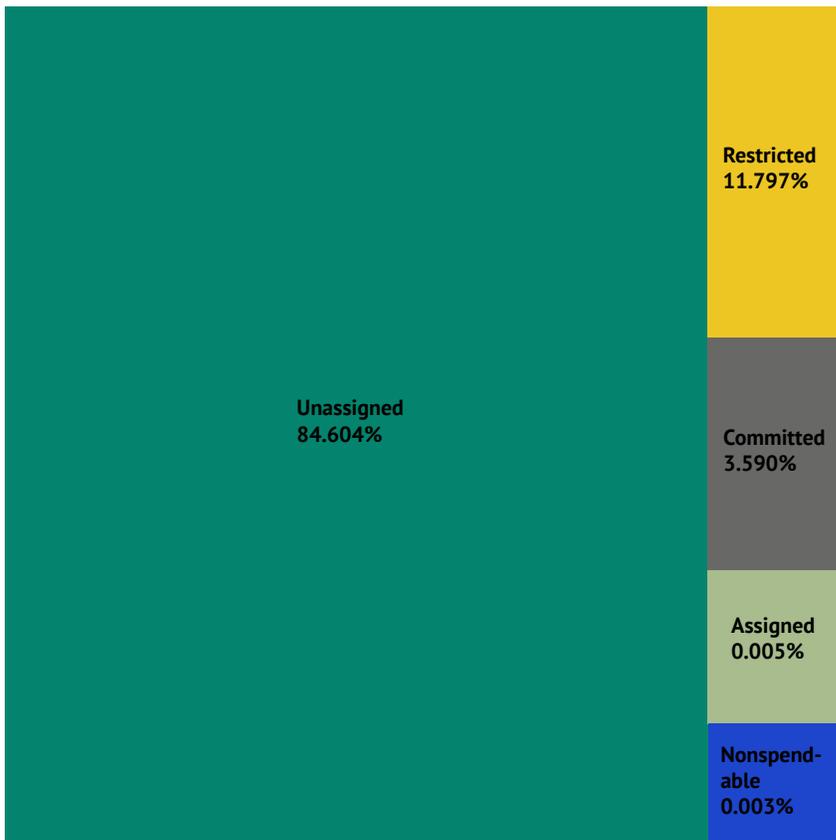
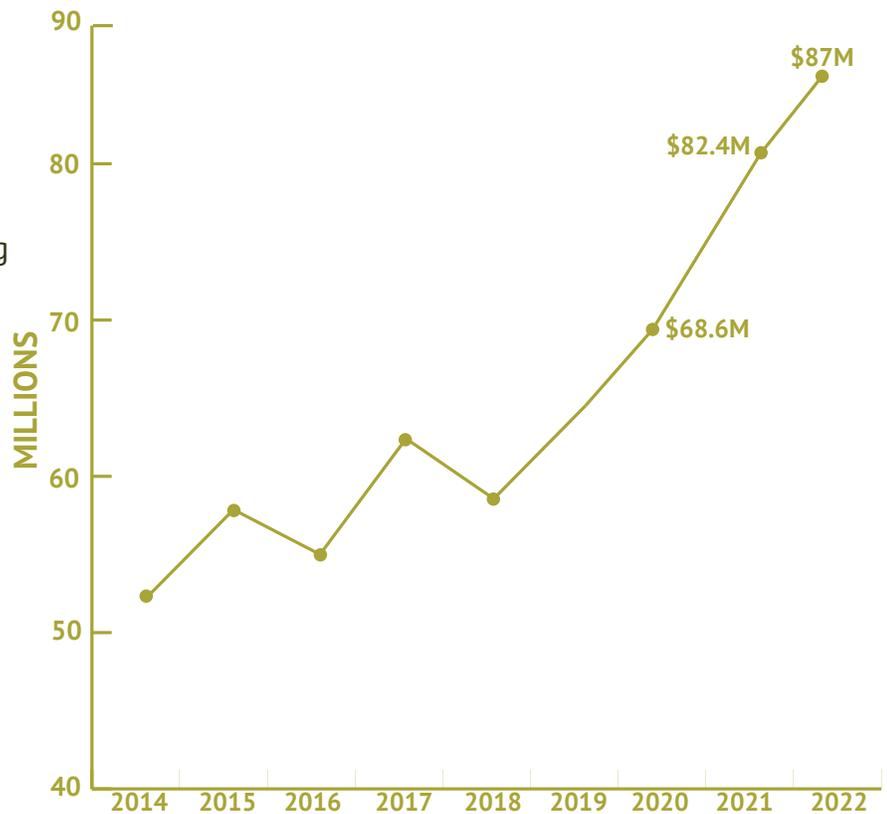
Fisher Scientific Company



FY 2022 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.



TOTAL FUND BALANCE \$87M

Nonspendable	\$2,870
Restricted	\$10,264,508
Committed	\$3,123,866
Assigned	\$4,780
Unassigned	\$73,612,601

NOTE

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County policy transfers unassigned fund balance in excess of 20% operating reserves to a capital reserve fund following the close of the fiscal year. For 2022, \$19.6 million of the \$73.6 million was reserved for future capital needs.

FY 2022 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 2022

Beginning Net Position	\$ 43,115,072
Total Revenues	+ 240,838,879
Total Expenses	- 212,690,759
Ending Net Position	\$ 71,263,192

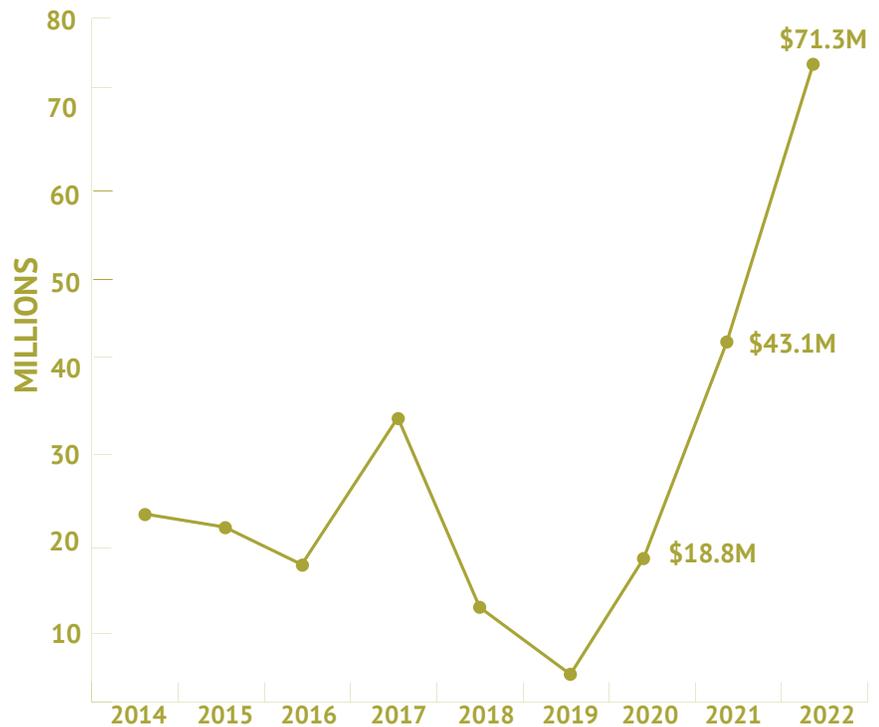
The significant reduction in net position in 2018 is due to the new accounting standard required to recognize postemployment benefits other than pensions (OPEB). Without this reporting change, the County's net position would have remained flat as there was a minimal difference, \$153,309, between revenues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

The \$24.3 million increase for 2021 is due to a combination of revenues exceeding budget projections, and an increase in property taxes as a result of the prior year reassessment and increased automobile values. In addition, CARES Act funding was still being used in FY21.

The \$28.1 million increase for 2022 is due to a combination of revenues exceeding budget projections, growth in personal property, and new construction increased real estate tax revenue.



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 ACFR)



REVENUES – GENERAL FUND

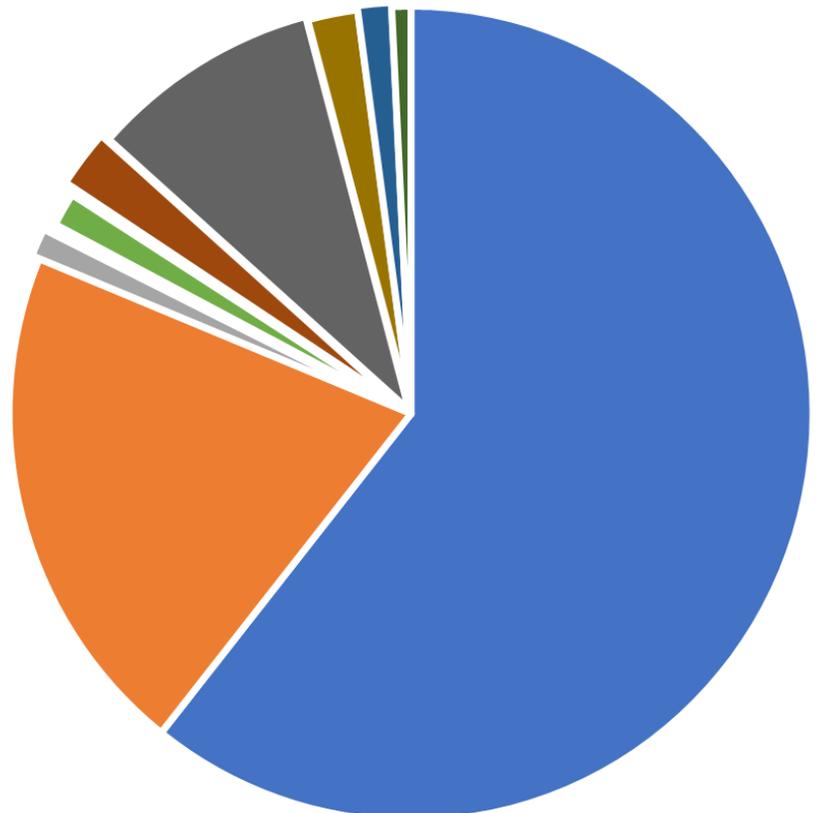
The General Fund is the County’s primary operating fund. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The major sources of revenues for the General Fund are real estate and personal property taxes, other taxes, non-restricted grants, 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	FY2022	FY2021	FY2020
Property taxes	\$143,127,050	\$129,586,450	\$120,543,325
Other local taxes	48,407,932	43,632,400	39,526,349
Permits, fees and licenses	2,657,136	2,424,417	2,285,194
Fines and forfeitures	207,792	199,394	248,111
Use of money and property	641,222	3,125,173	998,794
Charges for services	3,178,308	2,411,670	2,344,290
Miscellaneous	500,328	438,314	156,935
Recovered costs	5,480,630	4,071,208	7,948,509
Commonwealth of VA	21,902,845	21,118,336	21,859,486
Federal Government	4,744,887	4,404,069	4,304,569
County Capital Reserve	3,207,350	2,379,301	3,783,655
CARES Funds	1,815,000	4,845,362	-
TOTAL REVENUES	\$235,870,480	\$218,636,094	\$203,999,217

TOTAL REVENUES \$235.9M

Fiscal year 2022 results illustrated as cents per dollar of revenue with property taxes making up 61¢ for each \$1 received.

Property taxes	\$0.61	
Other local taxes	\$0.21	
Permits, fees and licenses	\$0.01	
Charges for services	\$0.01	
Recovered costs	\$0.02	
Commonwealth of VA	\$0.09	
Federal Government	\$0.02	
County capital reserve	\$0.01	
CARES Funds	\$0.01	



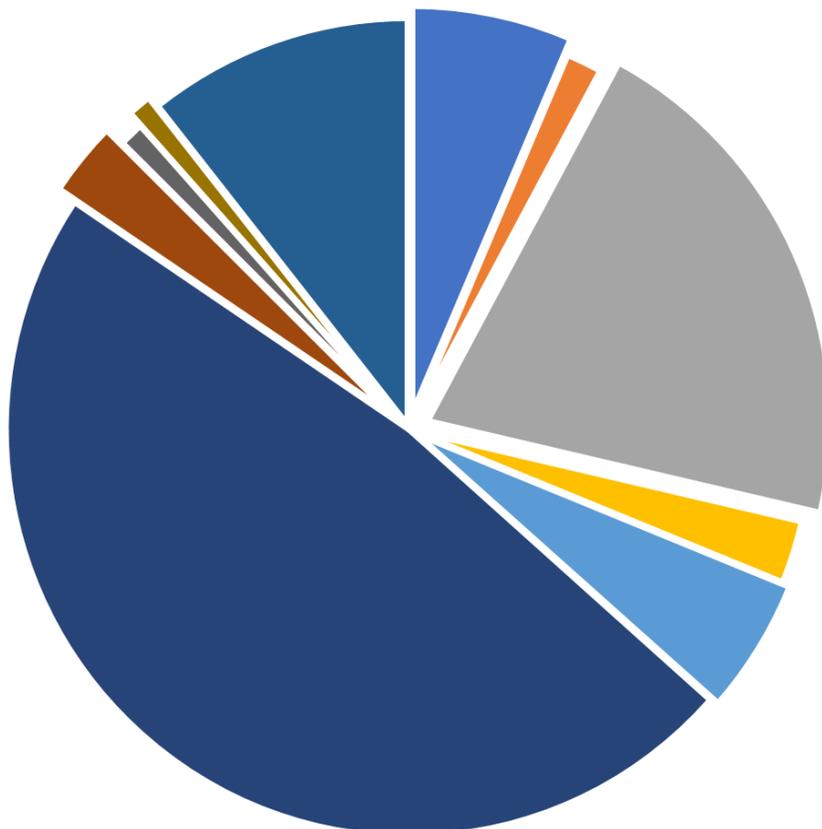
EXPENDITURES – GENERAL FUND

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 & Recreation, and Health & Welfare.

Expenditures	FY2022	FY2021	FY2020
General administration	\$14,914,702	\$12,335,688	\$13,654,137
Judicial administration	3,336,375	2,942,811	2,931,762
Public safety	48,119,651	42,930,250	41,395,357
Public works	5,817,279	6,031,603	6,291,241
Health / welfare / CSA	12,493,543	11,875,229	11,760,036
Local community college	81,308	81,308	81,308
Public school system	92,283,620	87,933,236	83,349,189
Public school debt service	18,076,916	17,085,531	16,248,300
Parks, recreation and culture	6,907,012	6,244,228	7,625,553
Community development	2,286,017	2,161,568	2,123,758
County debt service	2,217,732	2,272,561	2,268,063
County capital reserve	24,695,712	13,004,306	11,504,520
TOTAL EXPENDITURES	\$231,229,867	\$204,898,319	\$199,233,224

TOTAL EXPENDITURES \$231.2M



Fiscal year 2022 results illustrated as cents per dollar of expenditure with education accounting for 48¢ for each \$1 received.

- General administration \$0.06
- Judicial administration \$0.01
- Public safety \$0.21
- Public works \$0.03
- Health / welfare / CSA \$0.05
- Education \$0.48
- Parks, recreation & culture \$0.03
- Community development \$0.01
- County debt service \$0.01
- County capital reserve \$0.11

2022 vs 2012

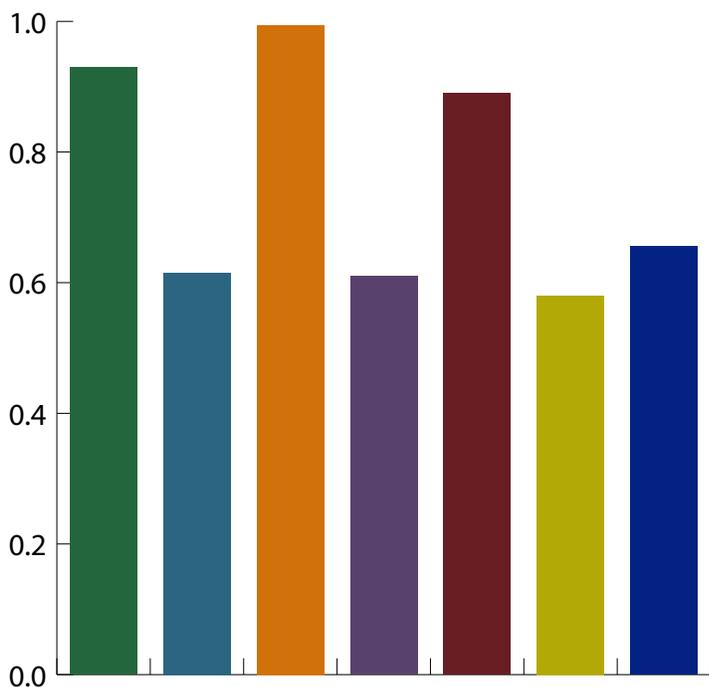
TAXABLE PROPERTY VALUES

REAL ESTATE \$12.2B
2012 \$7.6B

PERSONAL PROPERTY \$1.2B
2012 \$943B

MACHINERY & TOOLS \$457M
2012 \$248M

MOBILE HOMES \$36M
2012 \$41M



2022 REAL ESTATE TAX RATES

per \$100 of assessed value

- █ \$0.93 City of Winchester
- █ \$0.61 Clarke County
- █ \$0.994 Fauquier County
- █ \$0.61 Frederick County
- █ \$0.89 Loudoun County
- █ \$0.58 Shenandoah County
- █ \$0.655 Warren County

OTHER TAX RATES:

- \$4.86 Personal Property
- \$2.00 Machinery & Tools
- \$0.01 Airplanes
- \$0.61 Mobiles Homes

