



Finance Department
Cheryl B. Shiffler
Director

540/665-5610

Fax: 540/667-0370

E-mail: cshiffle@co.frederick.va.us

TO: Board of Supervisors
FROM: Finance Committee
DATE: March 20, 2013
SUBJECT: Finance Committee Report and Recommendations

The Finance Committee met in the First Floor Conference Room at 107 North Kent Street on Wednesday, March 20, 2013 at 8:00 a.m. All members were present.

1. The NRADC Superintendent requests a NRADC Fund supplemental appropriation in the amount of \$30,464.85. This amount represents insurance reimbursements for storm damage. No local funds required. See attached information, p. 7. The committee recommends approval.
2. The Assistant County Administrator requests a General Fund supplemental appropriation in the amount of \$9,175.04. This amount represents an insurance reimbursement for storm damage. No local funds required. See attached information, p. 8. The committee recommends approval.
3. The Assistant County Administrator requests a General Fund supplemental appropriation in the amount of \$44,500. This amount represents funds received from the general contractor for damages sustained to the roof surface at the Bowman Library during construction. The general contractor has provided one half of the estimated cost of the roof repair. The other half will come from library proffer funds that were previously appropriated for the installation of a

- walkway at the library. See attached information, p. 9. The committee recommends approval.
4. The Finance Director requests discussion on budget amendments to cover large tax refunds. See example, p. 10. No action required.
 5. The County Administrator requests discussion on tax exemption for The Village at Orchard Ridge. See attached information, p. 11 – 20. The committee recommends postponement of the request until additional information can be presented to the committee.
 6. Requested information on outside agency funding requests is provided for discussion. A summary of the requests is attached, p. 21. Detailed requests have been uploaded to SkyDrive. Click here to view/download:
<http://sdrv.ms/16uw4PN>. No action required.

A joint Finance Committee & Board of Supervisors budget work session will be held at 12:00 noon on Wednesday, April 3, 2013 in the Board of Supervisors' Meeting Room, 107 North Kent Street, Winchester, VA.

INFORMATION ONLY

1. The Finance Director provides a Fund 10 Transfer report for February 2013. See attached, p. 22.
2. The Finance Director provides 2/28/13 financial statements. See attached, p 23 – 33.
3. The Finance Director provides 3/14/13 General Fund fund balance report. See attached, p. 34.

A Finance Committee meeting was held on Wednesday, March 20, 2013 at 8:00 A.M., in the First Floor Conference Room, 107 North Kent Street, Winchester, VA.

PRESENT

Chairman Bill M. Ewing; Richard C. Shickle; Charles S. DeHaven; Gary A. Lofton; Ron Hottle; Judy McCann-Slaughter; and Ellen Murphy, Commissioner of the Revenue (non-voting liaison).

OTHERS PRESENT

John R. Riley, Jr., County Administrator; Kris C. Tierney, Assistant County Administrator; Cheryl B. Shiffler, Finance Director; Rod Williams, County Attorney; Sharon Kibler, Assistant Finance Director; Jennifer L. Place, Budget Analyst; Lisa Saville, Lieutenant NRADC; and Larry Bradshaw, President and CEO – National Lutheran Communities & Services, Inc.

CALL TO ORDER

Chairman Ewing called the meeting to order.

AGENDA ITEMS

Chairman Ewing proposed an amendment to the agenda to add a supplemental appropriation request from Assistant Administrator Tierney as item 3. Hearing no discussion, the agenda was amended.

1. The NRADC Superintendent requested a NRADC Fund supplemental appropriation in the amount of \$30,464.85. This amount represents insurance reimbursements for storm damage. No local funds required. See attached information, p. 1. Upon a motion by Committee Member Hottle, seconded by Committee Member DeHaven, the request was unanimously approved.
2. The Assistant County Administrator requested a General Fund supplemental appropriation in the amount of \$9,175.04. This amount represents an insurance reimbursement for storm damage. No local funds required. See attached information, p. 2. Upon a motion by Committee Member Hottle, seconded by Committee Member DeHaven, the request was unanimously approved.
3. The Assistant County Administrator requested a General Fund supplemental appropriation in the amount of \$44,500. This amount represents funds received from the general contractor for damages sustained to the roof surface at the Bowman Library during construction. The general

contractor has provided one half of the estimated cost of the roof repair. The other half will come from library proffer funds that were previously appropriated for the installation of a walkway at the library. See attached information, p. 3. Upon a motion by Committee Member DeHaven, seconded by Committee Member Hottle, the request was unanimously approved.

4. The Finance Director requested discussion on budget amendments to cover large tax refunds. See example, p. 4. Finance Director Shiffler presented the following concerns with issuing tax refunds without an accompanying budget amendment:
 - a. Income statement is incorrect due to refunds normally being from revenue collected in prior years;
 - b. Unbudgeted disbursements reduce the opportunity to increase fund balance at year end;
 - c. There is no expenditure recorded for the refund, therefore there is no mechanism to track refunds.

Chairman Ewing asked for an explanation of the cause for refunds.

Commissioner of the Revenue Murphy responded that manufacturers file their tax information; however, when mistakes are discovered they utilize an appeals process to request a refund. She stated that in this particular case [i.e. Southeastern Container], the State disallowed items that the County had not and through an appeals process the refund was granted.

Committee Member Shickle suggested that, moving forward, if a refund is requested for prior year revenue, a supplemental appropriation request should accompany the refund request. Ms. Shiffler will provide a detail of all refunds granted for the current fiscal year to date at the next Finance Committee meeting.

5. The County Administrator requested discussion on the development of a payment in lieu of taxes agreement between the County and The Village at Orchard Ridge. See attached information, p. 5 – 13.

Chairman Ewing abstained from this item due to a conflict and turned the meeting over to Committee Member DeHaven to chair.

Administrator Riley presented a brief summary regarding a similar agreement that the County currently has with Westminster-Canterbury of Winchester, Inc. **(See attached contract, p. 14.)**

He also reported that at the time of the Westminster agreement, requests were not handled at the local level, but granted by the General Assembly. That procedure has changed and localities now review and grant exemptions for properties within their jurisdiction.

Commissioner of the Revenue Murphy stated that other like organizations operate within the County who do not have a payment in lieu of taxes agreement. Most other tax exempt organizations in the County were granted by the General Assembly. Mrs. Murphy had previously reviewed this request and denied it due State Code restrictions. She noted the chapel and the critical care portions of The Village at Orchard Ridge have been granted a tax exemption.

Committee Member Lofton asked why this request was being presented now and not at the time the project was approved.

Mr. Bradshaw responded there were facts unknown to him at the time of project approval. He was originally unaware that Westminster-Canterbury had this type of agreement with the County and by not granting the same status to The Village at Orchard Ridge would put them at a competitive disadvantage. Mr. Bradshaw also stated that the project provides proffers, jobs, and other taxable development.

The committee expressed concerns that when The Village at Orchard Ridge project was originally presented to the County, it was believed to be primarily taxable.

Committee Member Lofton, seconded by Committee Member Hottle, made a motion to postpone the request until the following additional information could be presented to the committee:

- a. Provide the fiscal impact to the County if this requested is granted;
- b. Provide information on the actions taken by other localities in the State when presented with a similar request;
- c. Provide a review of existing tax exempt organizations in the County to determine if there should/could be any re-evaluations.

The request for postponement was unanimously approved.

6. Outside agency funding requests were provided for discussion. A summary of the requests is attached, p. 15. Detailed requests have been uploaded to SkyDrive. Click here to view/download: <http://sdrv.ms/16uw4PN>. Administrator Riley gave a brief summary of how outside agency requests have been handled in the past.

The committee had the following comments regarding outside agency funding:

- a. Would like to see temporary capital requests considered;
- b. Prefer County contributions to be more performance based and review performance annually in order to assess the value provided by agency to the community compared to the County's contribution.
- c. Request staff identify those outside agencies having multi-jurisdictional support.

Administrator Riley requested that committee members advise staff of individual concerns and/or requests for information prior to the next budget work session.

OTHER BUSINESS

Chairman Ewing requested a budget work session be scheduled between the March 27, 2013 budget public hearing and the April 10, 2013 budget adoption.

A joint Finance Committee & Board of Supervisors budget work session will be held at 12:00 noon on Wednesday, April 3, 2013 in the Board of Supervisors' Meeting Room, 107 North Kent Street, Winchester, VA.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:55 A.M.

INFORMATION ONLY

1. The Finance Director provided a Fund 10 Transfer report for February 2013. See attached, p. 16.
2. The Finance Director provided 2/28/13 financial statements. See attached, p 17 – 26.
3. The Finance Director provided 3/14/13 General Fund fund balance report. See attached, p. 27.

Northwestern Regional Adult Detention Center

James F. Whitley - Superintendent



141 Fort Collier Road, Winchester, VA 22603
(540) 665-6374 (540) 665-1615 FAX

MEMORANDUM

TO: Cheryl Shiffler, Frederick County Finance Director
FROM: James F. Whitley, Superintendent *JFW*
DATE: March 13, 2013
SUBJECT: Insurance Reimbursement

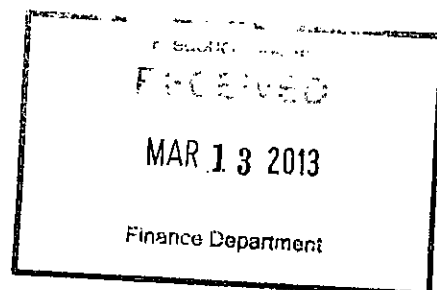
Request that a total of \$30,464.85 be appropriated to the following Jail line items in the identified amounts:

Line item	4-011-033010-3004-01	\$ 8,528.48
Line item	4-011-033010-3004-03	\$ 3,543.39
Line item	4-011-033010-3004-04	\$10,147.85
Line item	4-011-033010-5204-00	\$ 6,342.41
Line item	4-011-033010-5401-00	\$ 1,902.72

This amount represents VACORP insurance reimbursements for damages sustained to the Jail during storm activity.

Thank you for your consideration of this request.

3-011-018990-0001
111R





COUNTY of FREDERICK

MEMORANDUM

Kris C. Tierney
Assistant County Administrator

540/665-5666
Fax 540/667-0370

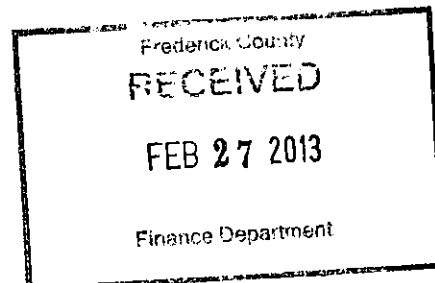
E-mail:
ktierney@co.frederick.va.us

TO: Finance Committee
FROM: Kris C. Tierney, Assistant County Administrator
RE: Request from Supplemental Appropriation - Insurance Payment for Property Damage
DATE: February 27, 2013

The County has received an insurance payment in the amount of \$9,175.04 as partial payment for repair costs resulting from water and wind damage to the County Administration Building from Hurricane Sandy on October 29, 2012. The payment reflects the cost of repairs, minus the \$1,000 deductible. Attachments document the transaction.

We are requesting the funds be placed back in the Maintenance Department's 010-043040-3004-00-003 line item.

Please let me know if I can answer any questions.



3-010-018990-0001

1096

MEMORANDUM

TO: Finance Committee Members

FROM: Kris C. Tierney, Assistant County Administrator

RE: Request for Allocation – Bowman Library Roof Repair

DATE: March 12, 2013

The Bowman Library opened in 2001. The building has a standing seam metal roof which was installed in January of the same year. In January of 2012 maintenance staff noticed numerous rust spots on the roof. Attempts to have the roof repaired or replaced under the warranty failed after close inspection of the roof revealed the rust had developed as a result of scratches to the roof surface which penetrated the zinc coating and damaged the steel substrate, thus the warranty was void.

Based on the belief that the scratches occurred during construction, the general contractor on the library project was contacted. Following lengthy discussions, the GC agreed to provide one half of the estimated amount needed to recoat the roof. Staff is requesting that \$44,500 be appropriated to line item #010-043040-3004-003. The intention is to utilize library proffer funds which have already been appropriated to cover the other half of the anticipated cost.

An invitation to bid went out on March 6, 2013. It is anticipated that a contract will be awarded in April with the work to be completed within 90 days of the award.

Please let me know if I can answer any questions.



C. William Orndoff, Jr. Treasurer
 107 North Kent Street
 Winchester, Virginia 22601

SOUTHEASTERN CONTAINER
 PO BOX 1880
 WINCHESTER VA 22604

000056925

DESCRIPTION	GENERAL LEDGER	AMOUNT
REFUND PP07-PP10	3 10 11010 99	\$348,309.18
REFUND INTEREST	4 10 12240 5808 000 000	\$151,670.48

WARNING - THIS CHECK IS PROTECTED BY SPECIAL SECURITY FEATURES



Must Be Cashed
 Within Six Months
 Of Check Date

000056925

68-139/514

1

February 22, 2013

PAY TO THE ORDER OF SOUTHEASTERN CONTAINER

\$****499,979.66**

Four Hundred Ninety-Nine Thousand Nine Hundred Seventy-Nine Dollars And 66/Cents

BB&T

Branch Banking and Trust Company

FOR REFUND

SECURE FEATURES INCLUDE INVISIBLE FIBERS • MICROPRINTING • VOID FEATURE PANTOGRAPH • ENDORSEMENT BACKER • BROWNSTAIN CHEMICAL REACTANT.

THE VILLAGE AT ORCHARD RIDGE January 3, 2013

Overview

The Village at Orchard Ridge (TVOR) is a faith based Virginia, 501(c)3 not-for-profit organization whose sole member is National Lutheran Communities & Services (NLCS), a Maryland 501(c)3 not-for-profit organization. NLCS has been providing services to seniors in Maryland and the District of Columbia since 1890. NLCS expanded its services to Virginia in 2011 through the acquisition of a rental moderate price community in Staunton, VA and will open TVOR in February 2013. NLCS corporate membership includes the three adjoining Synods of the Evangelical Lutheran Church in America (ELCA). All NLCS related communities serve individuals and couples of all faiths and backgrounds at each of its communities. In its 122 years of service to seniors, NLCS has never asked anyone to leave their community due to lack of resources. The organization currently provides annual benevolent care and discounted services amounting to approximately \$5 million, which accounts to 16% of annual gross revenue. The mission of the organization is as follows:

“To fulfill its Christian ministry, National Lutheran Communities & Services provides an array of options for seniors including residential living along with home and health care services which are designed to meet individual needs.”

What do Nonprofit organizations stand for?

In December 2012, the Johns Hopkins University – Center for Society Studies released a paper to answer the questions *“What do Nonprofit Stand For – Renewing the nonprofit value commitment”*. The study identified the following seven features commonly associated with the nonprofit sector:

- *Productive* – creating jobs and economic value; mobilizing assets to address public problems; enhancing local economic vitality.
- *Empowering* – mobilizing & empowering citizens; contributing to public discourse; providing opportunities for civic engagement for the public good.
- *Effective* – providing programs & services of the highest quality at reasonable cost; making a difference in the lives of the individuals and the community.
- *Enriching* – giving expression to central human values; providing opportunities for people to learn and grow; fostering intellectual, scientific, cultural & spiritual development; preserving culture & history; promoting creativity.
- *Reliable* – resilient and demonstrating staying power both in good times and bad; operating in a trustworthy and accountable manner
- *Responsive* – responding to clients, patrons and communities; meeting needs that the market and government don't meet; pursuing innovative approaches when needed.
- *Caring* – serving underserved populations; providing services/programs at reduced or no cost to disadvantaged populations; community focused.

How does TVOR reflect the above values in their resident community and the community at large?

Productive

- ❖ TVOR will provide approximately 100 jobs each year.
- ❖ During the TVOR construction project there were 1,200 hard hat stickers issued to workers on the project.
- ❖ Approximately 98 different contractors have worked on the TVOR project.
- ❖ TVOR is currently negotiating with local farmers to build a local sustainable agricultural program which will provide most of the food utilized at TVOR.
- ❖ TVOR will have a vibrant volunteer program which will provide opportunities for the Frederick County community at large to participate in the Community.

Empowering

- ❖ TVOR Staff has met with members of the Frederick County Parks and Recreation department to discuss possible collaborations to build a second pool at the TVOR site to provide practice facilities for local school districts.
- ❖ TVOR has been approached about collaborating on a project to provide a cart path that would ultimately connect Valley Health with the Rock Harbor Golf Club and “green ring”.
- ❖ TVOR has filed applications to provide home health services to the greater Frederick County area beyond the boundaries of TVOR.
- ❖ TVOR is in discussions with Valley Health to provide “*Safer Aging Technology*” as part of the post discharge regiment of patients going back home from the hospital.
- ❖ TVOR can be a significant partner in transitional care that will have a positive impact on the community and as a synergistic component for both TVOR and Valley Health.
- ❖ TVOR will provide \$1 million to the county to build a new fire station in December, 2014.

Effective

- ❖ TVOR will provide independent living, assisted living/memory support and skilled nursing at its community. Short-term rehabilitation will be a component of the skilled nursing community during the early years of operation.
- ❖ Additionally, TVOR will provide 25 rental units which will provide an additional option for those individual or couples whose resources fit better with a rental versus an entry fee product.

Enriching

- ❖ The residents at TVOR will represent all aspects of respectful and dignified aging. It is expected that TVOR will help teach individuals how to age as they go through the continuum care by providing comfort, care, compassion and respect.
- ❖ TVOR will provide a robust Life Enrichment program to foster a culture of lifelong learning in the community. This will be done through internal and external programs brought to the community but also through collaborative efforts with local organizations including Shenandoah University. A catalogue of activities will be developed on a quarterly basis which will at times be made available to the Frederick County community at large.
- ❖ TVOR will seek through collaboration with Valley Health a Clinical Pastoral Education that will help instruct clergy from all faiths to better serve seniors in all phases of the aging process.
- ❖ Each resident at TVOR has a unique story and life experience. Through the use of collaboration with “LifeBio”, these stories will not be lost but preserved through interviews

and observations. A collaboration with local schools to help document these life experiences has been successful throughout other areas of the country and the intent will be to establish these collaborations with TVOR.

Reliable

- ❖ TVOR is a part of the NLCS organization which has demonstrated over 122 years of service. its commitment to serving senior. While this mission has primarily been in the District of Columbia and in Maryland, the organization now has a presence in Virginia to enhance this long legacy of service.
- ❖ NLCS as an organization is committed to developing an annual Community Impact report which will reflect the impact of each community in its local area. Even prior to opening, TVOR has participated in the annual Apple Blossom Festival along with community volunteer activities in the holiday season.

Responsive

- ❖ The Center for Medicare Studies has provided data which indicates the gap in services available to seniors in communities such as TVOR. The Center indicates that for every individual in a skilled nursing care, eight seniors are living alone or with a well caregiver or family member. To respond to this issue, TVOR will actively provide services outside the boundaries of the TVOR community.
- ❖ Innovative products such as SaferAging Technology will provide technology in individuals' homes that can alert emergency responders to health or safety issues, enhancing the quality of life in the senior's home.

Caring

- ❖ TVOR, consistent with the long history of NLCS, will provide a benevolent care program to those individuals who can no longer afford their care.
- ❖ TVOR will never ask anyone to leave the community due to a lack of financial resources through no fault of their own.
- ❖ TVOR will provide jobs for some of the youth of Frederick County. For many of them this will be their first job experience. The experience of working with seniors in their community and in an environment of care will hopefully enhance their view of seniors and provide a springboard for work ethic, compassion and caring.

Other Issues

- ❖ TVOR understands that there is no longer a legislative solution to achieve either a full or partial tax exemption and understands that it is at the discretion of each County to provide such a tax abatement.
- ❖ This precedent of tax abatement has been established in Frederick County with Westminster Canterbury – Shenandoah Valley. Pursuant to budget information provided on the County website Westminster Canterbury seems to provide approximately \$25,589 annually to the County for a payment in lieu of taxes.
- ❖ There will be approximately 300 residents living on the TVOR campus when Phase I is full. Of the current depositors on record, only 23% currently reside in Frederick County. In addition to the jobs depicted above, that means there may be as many as 220 to 230 new residents in Frederick County that are currently living elsewhere. These individuals will be a vibrant part of the community contributing funds for shopping, visitors, etc. to the County and City revenue levels.
- ❖ TVOR has provided infrastructure to enhance the area off of Route 50 where the community will reside. Just this week, it appears that a new national pharmacy chain is considering this

area and requested projected census information for TVOR to help support their decision to re-locate to this area of Frederick County.

- ❖ TVOR as a senior living community will not contribute to traffic or infrastructure issues and will not put any burden on schools or education resources. There will be additional demands on fire and rescue, but the \$1 million payment to support the fire station will significantly enhance the county fire and rescue facilities.
- ❖ There is an inherent competitive imbalance between the two not-for-profit Continuing Care Retirement Communities in Frederick County, given the potential difference in payments for real estate taxes between the two communities.

In summary, The Village at Orchard Ridge will be a vibrant part of the Frederick County Community for all of the reasons described above. For the reasons illustrated above, The Village at Orchard Ridge respects consideration from the county to develop a Payment in Lieu of Taxes program consistent with what has been provided to the other Continuing Care Retirement Community in Frederick County. Providing this option to The Village at Orchard Ridge will create a competitive balance to providing services to senior in the Shenandoah Valley. Thanks for your consideration.

DRAFT

**The Village At Orchard Ridge Tax Abatement Considerations
January 3, 2013**

Governing Body shall consider:

1. Whether the organization is IRC §501(c) tax exempt.

The Village at Orchard Ridge (TVOR) is exempt from federal income taxes as a 501(c)(3) organization. The effective date of exemption is October 15, 2008, pursuant to a determination letter dated June 24, 2010 issued by the Internal Revenue Service (attached).

2. Whether the organization has a current annual ABC license for the property.

TVOR has applied for an ABC license, but until the Business License for the community is received following construction completion, the ABC license will not be available.

3. Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation.

TVOR and its parent organization, National Lutheran Communities & Services, conduct salary surveys at least every three years to assure that compensation is adequate and not in excess of a reasonable allowance. The survey is conducted by a third party Human Resources professional to assure a reasonable salary structure.

4. Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by the organization is generated by funds received from donations, contributions, or local, state or federal grants.

As a not-for-profit organization, no part of the net earnings of the organization inure to the benefit of any individual. Additionally, net earnings of the organization are invested into the business in order to assure/enhance current and future services to the residents of TVOR. TVOR is funded through entry fees and monthly fees paid by the residents of the community. It is anticipated that TVOR may participate in the Medicare and Medicaid programs for skilled nursing services. The community receives no federal or state grants, and the community will solicit donations to support its benevolent and capital causes as necessary.

5. Whether the organization provides services for the common good of the public.

TVOR will be providing housing and health services to both residents of Frederick County and beyond the county's boundaries. In addition, the community will provide activities, meals and other services related to quality aging services. The organization, in its 122 years of history, has never asked any resident to leave its community due to a lack of sufficient funds to pay for the

resident's room, board and care. The organization currently provides approximately \$5 million in annual free and discounted care to its residents.

6. Whether a substantial part of the activities of the organization involves carrying on propaganda or attempting to influence legislations and whether the organization participates in political campaigns.

TVOR does not carry on any propaganda or participate in political campaigns. TVOR is a member of the Virginia Association of Not-for-Profit Homes for the Aging and LeadingAge. Both of these service organizations advocate for legislative issues important to seniors. TVOR may from time to time contact its governmental representatives to express views on pending legislation.

7. The revenue impact to the locality and its taxpayers of exempting the property.
 - ❖ There will be approximately 300 residents living on the TVOR campus when Phase I is fully occupied. Of the current depositors on record, only 23% currently reside in Frederick County. In addition to the new jobs created by TVOR, there may be as many as 220 to 230 new residents in Frederick County who are currently living elsewhere. These individuals will be a vibrant part of the community, contributing income taxes, sales taxes and personal property taxes to Frederick County, as well as generating taxes and economic development within Frederick County from their (and their families' and visitors') purchases of goods and services from County based businesses.
 - ❖ TVOR has provided infrastructure to enhance the area off of Route 50 where the community is located. It has recently come to our attention that a new national pharmacy chain is considering the area and has requested projected census information from TVOR to help support its decision to locate to this area of Frederick County.
 - ❖ As a senior living community, TVOR will not contribute to traffic or infrastructure issues and will not put any burden on schools or education resources. There will be additional demands on fire and rescue services, but TVOR's \$1 million payment to support a new fire station will significantly enhance the county fire and rescue facilities.
8. Any other criteria, facts and circumstances that the Board deems pertinent.

The County's precedent for tax abatement has been established already with a Payment in Lieu of Taxes program established for Westminster Canterbury of Winchester, dating from November 18, 1985. The agreement between Frederick County and Westminster Canterbury requires an annual payment of one tenth of one percent (.01%) of the assessed value of Westminster Canterbury's property. Pursuant to a letter from Ellen Murphy, the Frederick County Commissioner of Revenue, to John Riley, County Administrator, the gross assessment of TVOR's property will be \$43,502,400. Assuming that TVOR and the County enter into an agreement that is similar to the agreement between Frederick County and Westminster Canterbury, the annual Payment in Lieu of Taxes for TVOR would be \$43,502.40. TVOR assumes, however, that this number will change as the assessment on the community changes over time and future phases of the project are constructed.

There is a chapel on the community's campus that will be available to both residents of the community, and residents generally of Frederick County. The chapel will be used for both religious services and for activities that will be open to the general public.

The community's campus will also include a licensed nursing home, which will be operated strictly on a not-for-profit basis.

It was shared with us by Mr. Shickle that as TVOR was proceeding through the zoning process, a request for tax exemption or abatement was never mentioned by the organization. As I was not a part of that process, I cannot confirm anything that may have been said. However, there are good reasons why TVOR did not request an exemption at that time:

- The tax exempt status of TVOR was not yet confirmed by the Internal Revenue Service. While the exemption may have been anticipated at that time, without a determination letter from the IRS, any discussion of a tax exemption during the zoning process would have been moot.
- The zoning process was handled by the seller of the property to TVOR, with relatively limited input and involvement from TVOR. TVOR did not own the property at the time of the rezoning. In all likelihood, the property seller was unaware of the issues involved (since it was not eligible for a tax exemption itself), and therefore did not ask for an exemption.

There may be other reasons, but given the organization's change in leadership since that time, any other reasons for not mentioning the issue are purely speculation.

It was also shared by Mr. Riley that the inducement resolution clearly indicates, as required by the resolution in Line 3, that the "Estimated real property tax per year using present tax rates" would be \$189,978. Given that TVOR never discussed any kind of tax arrangements with the County and was unaware of the agreement with Westminster Canterbury, the figure noted was based solely on the current tax rate, without regard to TVOR's eligibility for tax exemptions or abatement.

Additional justification and information about The Village at Orchard Ridge is also attached to this document.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 24 2010

THE VILLAGE AT ORCHARD RIDGE INC
C/O THEODORE R GOLDSTOCK
3 BETHESDA METRO CENTER STE 460
BETHESDA, MD 20814.

Employer Identification Number:
26-3445374
DLN:
17053327361029
Contact Person:
TYRONE THOMAS ID# 95046
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
October 15, 2008
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

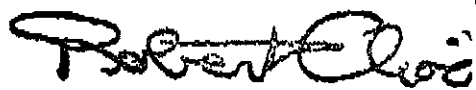
Letter 947 (DO/CG)

-2-

THE VILLAGE AT ORCHARD RIDGE INC

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

Letter 947 (DO/CO)

THIS AGREEMENT made and dated this 18th day of November 1985, by and between the COUNTY OF FREDERICK, VIRGINIA, the party of the first part, and WESTMINSTER-CANTERBURY OF WINCHESTER, INC. the party of the second part.

WHEREAS: WESTMINSTER-CANTERBURY OF WINCHESTER, INC. is proceeding with the construction of the initial complex of a planned retirement community off Route 522, North, part of which complex is to be located within the County of Frederick and part within the City of Winchester.

WHEREAS: WESTMINSTER-CANTERBURY OF WINCHESTER, INC. desires to obtain the support of FIRE AND EMERGENCY SERVICES, HEALTH, PARKS AND RECREATION, SHERIFF, TRANSPORTATION and any other services provided by the COUNTY OF FREDERICK.

WHEREAS: The COUNTY OF FREDERICK agrees to provide support of the aforementioned services to the entire complex, including both County and City portions;


THEREFORE, WESTMINSTER-CANTERBURY OF WINCHESTER, INC. agrees to compensate the COUNTY OF FREDERICK for providing these services.

THEREFORE, the amount of annual charges shall be determined on January 1st of each year, based upon the assessed value of real estate in the name of WESTMINSTER-CANTERBURY OF WINCHESTER, INC. on that date of each year. The rate is established at 1/10 of 1% of the assessed value of said property.

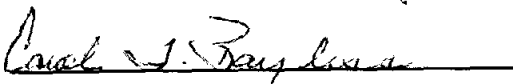
It is mutually understood and hereby expressly agreed by the parties hereto that the COUNTY OF FREDERICK has the authority to collect the annual charges and WESTMINSTER-CANTERBURY OF WINCHESTER, INC. shall pay to or as directed the annual charge.

In Witness Whereof, the following authorized signatures of the respective parties hereto, affixed upon duplicate copies hereof, on the date first above mentioned.

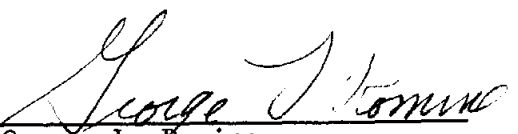
COUNTY OF FREDERICK, VIRGINIA

BY 
John R. Riley, Jr.
County Administrator

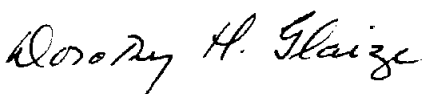
ATTEST:



WESTMINSTER-CANTERBURY OF WINCHESTER, INC.

BY 
George L. Romine
President
Board of Trustees

ATTEST:


Dorothy H. Glaiize

**OUTSIDE AGENCIES
FY 2013-2014**

Organization	2012-2013 Approved Budget	2013-2014 Budget Request	\$ Difference	% Difference
Shenandoah Apple Blossom Festival	\$3,825	\$5,000	\$1,175	31%
The Metropolitan Washington Ear, Inc.	\$306	\$306	\$0	0%
The Laurel Center	\$6,503	\$8,000	\$1,497	23%
The Laurel Center Capital Campaign (\$150,000 over 3 years) **NEW REQUEST!!**	\$0	\$50,000	\$50,000	100%
Youth Football Program	\$3,060	\$5,000	\$1,940	63%
Blue Ridge Legal Services, Inc.	\$2,851	\$5,756	\$2,905	102%
Northern Virginia 4-H Educational Center	\$3,825	\$5,000	\$1,175	31%
Lord Fairfax SWCD	\$7,650	\$11,250	\$3,600	47%
NSV Regional Commission	\$43,622	\$44,085	\$463	1%
CLEAN, Inc.	\$10,519	\$15,000	\$4,481	43%
Shenandoah Valley Discovery Museum	\$19,125	\$25,000	\$5,875	31%
Our Health, Inc.	\$20,655	\$25,000	\$4,345	21%
NW Works, Inc.	\$25,245	\$29,750	\$4,505	18%
Youth Development Center	\$22,950	\$30,000	\$7,050	31%
Health Department	\$301,959	\$354,205	\$52,246	17%
The Handley Library	\$801,050	\$851,389	\$50,339	6%
Lord Fairfax Community College	\$56,493	\$76,936	\$20,443	36%
Shenandoah Area Agency on Aging	\$60,930	\$100,215	\$39,285	64%
Northwestern Community Services	\$318,263	\$318,263	\$0	0%
Lord Fairfax EMS Council, Inc.	\$16,420	\$16,420	\$0	0%
Access Independence, Inc.	\$11,475	\$12,000	\$525	5%
Help With Housing, Inc. **NEW REQUEST!!**	\$0	\$10,000	\$10,000	100%
Tourism Program - City of Winchester	\$100,500	\$100,500	\$0	0%
Museums - City of Winchester	\$25,000	\$25,000	\$0	0%
Total	\$1,862,226	\$2,124,075	\$261,849	

DATE	DEPARTMENT/GENERAL FUND	REASON FOR TRANSFER	FROM	TO	ACCT	CODE	AMOUNT
2/1/2013	SHERIFF	CAREER DEVELOPMENT	3102	1001	000	000	8,012.57
	SHERIFF		3102	1002	000	000	16,899.90
	SHERIFF		3102	1007	000	001	(24,912.47)
2/11/2013	COUNTY OFFICE BUILDINGS/COURT	LEASING OF EMERGENCY GENERATOR	4304	3010	000	000	(5,000.00)
	COUNTY OFFICE BUILDINGS/COURT		4304	9001	000	000	5,000.00
2/11/2013	COMMONWEALTH'S ATTORNEY	TRANSFER DUE TO NEGATIVE BALANCE	2201	5409	000	000	(200.00)
	COMMONWEALTH'S ATTORNEY		2201	5413	000	000	200.00
2/12/2013	COUNTY OFFICE BUILDINGS/COURT	GENERATOR REPAIRS AT CAB	4304	3010	000	005	(3,000.00)
	COUNTY OFFICE BUILDINGS/COURT		4304	3004	000	001	3,000.00
2/12/2013	ECONOMIC DEVELOPMENT COMMISSION	OTHER OPERATING EXPENSES	8102	3002	000	006	(1,000.00)
	ECONOMIC DEVELOPMENT COMMISSION		8102	5413	000	000	1,000.00
2/12/2013	TREASURER	VGFOA DUES	1213	5401	000	000	(50.00)
	TREASURER		1213	5801	000	000	50.00
2/14/2013	JUVENILE COURT PROBATION	COST OF PRINTERS AND SUPPLIES	3303	5506	000	000	(170.00)
	JUVENILE COURT PROBATION		3303	5401	000	000	170.00
2/14/2013	JUVENILE COURT PROBATION	DRUG SCREENING DEVICES	3303	5506	000	000	(393.75)
	JUVENILE COURT PROBATION		3303	5404	000	001	393.75
2/15/2013	ELECTORAL BOARD AND OFFICIALS	BALANCE LINE ITEM	1301	1006	000	002	(385.00)
	ELECTORAL BOARD AND OFFICIALS		1301	1003	000	000	385.00
2/15/2013	SOCIAL SERVICES ADMINISTRATION	RECLASS/PROMOTING SAFE AND STABLE FAMILIES	5316	1001	000	000	(24,027.90)
	SOCIAL SERVICES PUBLIC ASSISTANCE		5317	5866	000	000	24,027.90
2/19/2013	ANIMAL SHELTER	SUPPLEMENT REMAINDER OF FY13	4305	5413	000	000	(500.00)
	ANIMAL SHELTER		4305	4003	000	002	500.00
2/20/2013	INFORMATION TECHNOLOGY	DELL VIRTUALIZATION EQUIPMENT	1220	8007	000	003	(84,392.24)
	INFORMATION TECHNOLOGY		1220	9001	000	000	84,392.24
2/26/2013	REASSESSMENT/BOARD OF ASSESSORS	PAYOUT BALANCE	1210	1001	000	041	(2,052.00)
	REASSESSMENT/BOARD OF ASSESSORS		1210	1001	000	006	2,052.00
2/27/2013	COUNTY OFFICE BUILDINGS/COURT	EMERGENCY GENERATOR REPAIR	4304	3010	000	000	(2,164.00)
	COUNTY OFFICE BUILDINGS/COURT		4304	3004	000	001	2,164.00
3/1/2013	PARKS AND RECREATION ADMINISTRATION	VRPS CONFERENCE	7101	5506	000	000	(94.35)
	PARKS MAINTENANCE		7103	5506	000	000	94.35
3/1/2013	PARKS MAINTENANCE	NPSI RECERTIFICATION	7103	5506	000	000	50.65
	SHERANDO PARK		7110	5413	000	000	(50.65)
3/4/2013	COMMONWEALTH'S ATTORNEY	NEGATIVE BALANCE	2201	5204	000	000	(550.00)
	COMMONWEALTH'S ATTORNEY		2201	5413	000	000	550.00
3/4/2013	COMMISSIONER OF THE REVENUE	REPLACE COMPUTER	1209	5401	000	000	900.00
3/5/2013	COUNTY ATTORNEY	ADDITIONAL DUES ITEM	1202	5401	000	000	(20.00)
	COUNTY ATTORNEY		1202	5801	000	000	20.00
3/5/2013	PARKS MAINTENANCE	FITNESS EQUIPMENT AT CENTERS	7103	3010	000	000	2,826.73
	CLEARBROOK PARK		7109	3004	000	001	(2,826.73)

County of Frederick
 General Fund
 February 28, 2013

ASSETS	FY13 <u>2/28/2013</u>	FY12 <u>2/29/2012</u>	Increase (Decrease)
Cash and Cash Equivalents	34,895,949.16	30,007,289.17	4,888,659.99 *A
Petty Cash	1,555.00	1,555.00	0.00
Receivables:			
Taxes, Commonwealth, Reimb. P/P	5,314,218.64	4,723,374.77	590,843.87 *B
Streetlights	1,302.81	1,492.67	(189.86)
Commonwealth, Federal, 45 day Taxes	24,565.80	31,018.86	(6,453.06)
Due from Fred. Co. San. Auth.	734,939.23	734,939.23	0.00
Prepaid Postage	6,624.84	4,230.28	2,394.56
GL controls (est.rev / est. exp)	<u>(12,234,683.02)</u>	<u>(6,625,711.52)</u>	<u>(5,608,971.50) (1) Attached</u>
TOTAL ASSETS	<u>28,744,472.46</u>	<u>28,878,188.46</u>	<u>(133,716.00)</u>
LIABILITIES			
Accrued Liabilities	364,027.00	391,398.78	(27,371.78) *C
Performance Bonds Payable	1,495,951.17	1,546,193.63	(50,242.46)
Taxes Collected in Advance	187,729.54	107,207.94	80,521.60
Deferred Revenue	<u>5,340,396.54</u>	<u>4,736,631.68</u>	<u>603,764.86</u> *D
TOTAL LIABILITIES	7,388,104.25	6,781,432.03	606,672.22
EQUITY			
Fund Balance			
Reserved:			
Encumbrance General Fund	539,929.43	195,058.43	344,871.00 (2) Attached
Conservation Easement	2,135.00	1,635.00	500.00
Peg Grant	128,354.00	82,948.40	45,405.60
Prepaid Items	949.63	949.63	0.00
Advances	734,939.23	734,939.23	0.00
Employee Benefits	93,120.82	93,120.82	0.00
Courthouse ADA Fees	124,084.63	75,601.48	48,483.15
Historical Markers	17,227.91	17,194.14	33.77
Transportation Reserve	377,396.00	438,300.00	(60,904.00) *E
Animal Shelter	325,780.61	309,579.84	16,200.77
Proffers	1,630,662.27	1,640,089.10	(9,426.83) (3) Attached
Economic Development Incentive	550,000.00	687.01	549,312.99 *F
Star Fort Fees	0.00	4,261.53	(4,261.53)
VDOT Revenue Sharing	436,270.00	436,270.00	0.00
Undesignated Adjusted Fund Balance	<u>16,395,518.68</u>	<u>18,066,121.82</u>	<u>(1,670,603.14) (4) Attached</u>
TOTAL EQUITY	<u>21,356,368.21</u>	<u>22,096,756.43</u>	<u>(740,388.22)</u>
TOTAL LIAB. & EQUITY	<u>28,744,472.46</u>	<u>28,878,188.46</u>	<u>(133,716.00)</u>

NOTES:

*A The cash increase reflects prior year surplus.

*B The increase in taxes receivable was impacted by the increased real estate tax rate and on the assessments of real property and personal property.

*C The difference is a result of employer health insurance costs being collected a month in advance.

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

*E Due to Rt. 11 N. Project(Board Action 2/27/13).

*F The current \$550,000 represents Carmeuse Lime and Stone local incentive.

BALANCE SHEET

(1) GL Controls	FY13	FY12	Inc/(Decrease)
Est.Revenue	123,211,981	121,785,110	1,426,871
Appropriations	(59,762,672)	(56,261,785)	(3,500,887)
Est.Tr.to Other fds	(76,223,922)	(72,344,095)	(3,879,826)
Encumbrances	539,929	195,058	344,871
	(12,234,683)	(6,625,712)	(5,608,972)

(2) General Fund Purchase Orders

Outstanding 2/28/13

DEPARTMENT	Amount	Description
Fire and Rescue	13,117.27	Uniforms
	29,373.65	Chevy Tahoe
	14,580.94	HAZ MAT Equipment
	2,994.35	Promotional Supplies for Volunteer Recruitment
	3,015.99	Scott SCBA Repair
	3,851.16	Fire Service Test Banks
EDC	4,995.00	Annual License to Access Detailed Workforce Information
IT	5,421.90	2 Microsoft Exchange Servers
Stephens City Fire & Rescue	5,195.00	Tile Replacement
	8,750.00	Bathroom Renovation
Parks	57,699.00	2013 Bus
	78,061.00	3 Toro Mowers
Sheriff	23,460.00	F150 4X4
	10,150.00	100 WIFI Antennas and Mounts
	227,016.00	9 Police Interceptor Sedans
	2,820.00	Reflective Marking Kits
	22,974.00	Lightbars and Adapter Kits
	22,942.22	Ammunition
	3,511.95	Computer Forensics Software& Equipment
Total	539,929.43	

(3)Proffer Information	SCHOOLS	PARKS	FIRE & RESCUE	Designated Other Projects	TOTAL
<u>Balance@2/28/13</u>	722,838.19	105,037.47	280,362.07	522,424.54	1,630,662.27

Designated Other Projects Detail

Administration	126,243.54
Bridges	43,700.00
Historic Preservation	58,000.00
Library	14,907.00
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	19,199.00
Solid Waste	12,000.00
Stop Lights	26,000.00
Total	522,424.54

Other Proffers @2/28/13

(4) Fund Balance Adjusted	
Beginning Balance 2/13	22,381,090.33
Revenue 2/13	70,334,192.58
Expenditures 2/13	(34,701,997.63)
Transfers 2/13	(41,617,766.60)
2/13 Adjusted Fund Balance	16,395,518.68

County of Frederick
 Comparative Statement of Revenues, Expenditures
 and Changes in Fund Balance
 February 28, 2013

REVENUES:	<u>Appropriated</u>	FY13 2/28/2013 <u>Actual</u>	FY12 2/29/2012 <u>Actual</u>	YTD Actual <u>Variance</u>
General Property Taxes	82,285,000.00	39,238,663.36	36,328,564.31	2,910,099.05 (1)
Other local taxes	27,145,651.00	14,681,322.87	14,088,513.49	592,809.38 (2)
Permits & Privilege fees	904,250.00	790,959.77	663,296.39	127,663.38 (3)
Revenue from use of money and property	173,500.56	200,109.68	129,238.20	70,871.48 (4)
Charges for Services	2,250,180.00	1,412,050.89	1,411,984.10	66.79
Miscellaneous	758,279.75	382,387.87	248,677.73	133,710.14
Recovered Costs	751,053.81	1,578,129.96	882,361.14	695,768.82 (5)
Intergovernmental:				
Commonwealth	8,727,460.94	11,885,083.05	12,123,126.35	(238,043.30) (6)
Federal	196,604.85	165,485.13	116,223.01	49,262.12 (7)
Transfers	0.00	0.00	0.00	0.00
TOTAL REVENUES	123,191,980.91	70,334,192.58	65,991,984.72	4,342,207.86
EXPENDITURES:				
General Administration	9,486,474.44	5,628,047.23	4,515,941.49	1,112,105.74
Judicial Administration	2,112,454.66	1,312,574.29	1,218,686.70	93,887.59
Public Safety	26,519,468.11	17,000,167.06	15,873,741.43	1,126,425.63
Public Works	4,378,283.63	2,344,034.33	2,222,551.48	121,482.85
Health and Welfare	7,125,292.00	4,066,761.52	4,331,532.44	(264,770.92)
Education	56,493.00	42,369.75	42,369.75	0.00
Parks, Recreation, Culture	5,261,636.92	3,191,619.14	3,257,169.39	(65,550.25)
Community Development	1,818,193.88	1,116,424.31	1,101,318.06	15,106.25
TOTAL EXPENDITURES	56,758,296.64	34,701,997.63	32,563,310.74	2,138,686.89 (8)
OTHER FINANCING SOURCES (USES):				
Operating transfers from / to	79,228,296.72	41,617,766.60	38,066,446.78	3,551,319.82 (9)
Excess (deficiency)of revenues & other sources over expenditures & other uses	(12,794,612.45)	(5,985,571.65)	(4,637,772.80)	1,347,798.85
Fund Balance per General Ledger		22,381,090.33	22,703,894.62	(322,804.29)
Fund Balance Adjusted to reflect Income Statement@2/28/13		16,395,518.68	18,066,121.82	(1,670,603.14)

(1)General Property Taxes	FY13	FY12	Increase/Decrease
Real Estate Taxes	22,103,617	20,374,506	1,729,111
Public Services	1,229,704	685,750	543,954
Personal Property	15,081,463	14,488,161	593,302
Penalties and Interest	610,277	570,881	39,397
Credit Card Chgs./Delinq.Advertising	(17,580)	(14,528)	(3,052)
Adm.Fees For Liens&Distress	231,182	223,796	7,387
	39,238,663	36,328,564	2,910,099

(2) Other Local Taxes

Local Sales & Use Tax	5,657,318.75	5,313,098.46	344,220.29
Communications Sales Tax	702,767.70	657,104.42	45,663.28
Utility Taxes	1,731,762.54	1,627,673.69	104,088.85
Business Licenses	2,736,126.50	2,931,498.70	(195,372.20)
Auto Rental Tax	62,593.47	54,531.77	8,061.70
Motor Vehicle Licenses Fees	452,428.95	441,009.53	11,419.42
Recordation Taxes	837,599.64	623,477.15	214,122.49
Meals Tax	2,240,406.70	2,173,806.02	66,600.68
Lodging Tax	237,910.02	243,891.00	(5,980.98)
Street Lights	18,103.43	18,009.54	93.89
Star Fort Fees	4,305.17	4,413.21	(108.04)
Total	14,681,322.87	14,088,513.49	592,809.38

(3)Permits&Privileges

Dog Licenses	28,160.00	36,426.00	(8,266.00)
Land Use Application Fees	7,225.00	4,343.00	2,882.00
Transfer Fees	1,681.20	1,467.90	213.30
Development Review Fees	233,872.44	99,820.20	134,052.24 *1
Building Permits	394,662.68	356,958.70	37,703.98
2% State Fees	2,461.68	2,204.84	256.84
Electrical Permits	43,933.00	67,002.00	(23,069.00)
Plumbing Permits	6,675.00	18,255.00	(11,580.00)
Mechanical Permits	31,342.17	49,083.75	(17,741.58)
Sign Permits	2,421.60	1,550.00	871.60
Permits for Commercial Burning	350.00	100.00	250.00
Explosive Storage Permits	700.00	700.00	-
Blasting Permits	225.00	165.00	60.00
Land Disturbance Permits	36,900.00	23,520.00	13,380.00
Sewage Haulers Permit	-	200.00	(200.00)
Sewage Installation License	300.00	900.00	(600.00)
Residential Pump And Haul Fee	50.00	100.00	(50.00)
Transfer Development Rights	-	500.00	(500.00)
Total	790,959.77	663,296.39	127,663.38

(4) Revenue from use of

Money	68,928.03	98,919.37	(29,991.34)
Property	131,181.65	30,318.83	100,862.82 *2
	200,109.68	129,238.20	70,871.48

*1 The increase of permit fees were impacted by the increase in the fee charge for development review and other fee categories

*2 Sale of Stephens City School(\$99.025)

(5) Recovered Costs	FY13	FY12	Increase/Decrease
Recovered Costs Treas.Office	44,955.25	43,062.22	1,893.03
Worker's Comp	800.00	750.00	50.00
Purchasing Card Rebate	96,305.09	93,020.92	3,284.17
Recovered Costs-IT/GIS	5,000.00	-	5,000.00
Reimbursement Circuit Court	9,071.41	13,430.13	(4,358.72)
Clarke County Container Fees	36,363.80	38,149.39	(1,785.59)
City of Winchester Container Fees	11,901.15	7,455.91	4,445.24
Refuse Disposal Fees	41,613.54	35,891.44	5,722.10
Recycling Revenue	75,089.00	55,218.99	19,870.01
Sheriff Restitution	-	150.60	(150.60)
Fire&Rescue Merchandise (Resale)	193.18	128.75	64.43
Container Fees Bowman Library	823.21	709.20	114.01
Restitution Victim Witness	7,401.63	2,823.57	4,578.06
Reimb.of Expenses Gen.District Court	22,904.56	18,947.12	3,957.44
Reimb.Public Works Salaries	41,682.00	20,465.20	21,216.80
Reimb. Of Expenses J&D Court	-	4,822.55	(4,822.55)
Winchester EDC	54,000.00	54,000.00	-
Reimb.Task Force	37,020.77	38,678.99	(1,658.22)
C&P Jail	(60.00)	-	(60.00)
EDC/Recovered Costs	480.00	119.95	360.05
Sign Deposits Planning	(150.00)	150.00	(300.00)
Reimbursement Elections	4,043.36	4,631.59	(588.23)
Westminister Canterbury Lieu of Tax	12,260.55	12,260.55	-
Reimbursement Street Signs	2,471.89	324.00	2,147.89
Grounds Maintenance Frederick Co. Schools	104,677.61	145,362.94	(40,685.33)
Comcast PEG Grant	46,288.40	30,468.40	15,820.00
Proffer-Other	345,000.00	5,220.50	339,779.50
Fire School Programs	14,280.00	20,265.62	(5,985.62)
Proffer Sovereign Village	18,293.65	10,976.19	7,317.46
Proffer Lynnehaven	16,891.55	37,161.41	(20,269.86)
Proffer Redbud Run	103,264.00	90,356.00	12,908.00
Clerks Reimbursement to County	8,407.26	8,106.16	301.10
Village at Harvest Ridge	7,695.00	-	7,695.00
Proffer Snowden Bridge	313,056.96	71,396.52	241,660.44
Proffer Meadows Edge Racey Tract	50,360.00	-	50,360.00
Sheriff Reimbursement	44,745.14	17,856.33	26,888.81
Westbury Commons Proffer	1,000.00	-	1,000.00
Total	1,578,129.96	882,361.14	695,768.82

*1

*1 \$330,000 Transportation Proffer from BPG Properties for Rt.11 Corridor

(6) Commonwealth Revenue	2/28/2013	2/29/2012	
	FY13	FY12	Increase/Decrease
Motor Vehicle Carriers Tax	34,612.37	30,284.33	4,328.04
Mobile Home Titling Tax	52,974.07	66,544.33	(13,570.26)
State PP/Reimbursement	6,526,528.18	6,526,528.18	-
Recordation Taxes	235,589.00	210,941.70	24,647.30
Shared Expenses Comm.Atty.	257,488.84	269,354.76	(11,865.92)
Shared Expenses Sheriff	1,339,897.71	1,365,126.26	(25,228.55)
Shared Expenses Comm.of Rev.	116,484.91	99,179.43	17,305.48
Shared Expenses Treasurer	87,556.22	87,513.57	42.65
Shared Expenses Clerk	235,898.26	234,104.52	1,793.74
Public Assistance Grants	2,096,449.80	2,443,203.95	(346,754.15) *1
Litter Control Grant	17,573.00	12,177.00	5,396.00
Dept. of Transportation Safety Grant	-	1,174.64	(1,174.64)
Emergency Services Fire Program	209,360.00	191,433.00	17,927.00
Emergency Services Special Grants	-	88,693.23	(88,693.23)
Recycling Grant	5,489.94	-	5,489.94
DMV Grant Funding	18,907.66	27,845.04	(8,937.38)
DCJS & Sheriff State Grants	44,314.79	43,369.61	945.18
JJC Grant Juvenile Justice	96,269.00	92,697.00	3,572.00
Rent/Lease Payments	162,116.73	210,150.08	(48,033.35)
Spay/Neuter Assistance-State	2,183.76	1,710.49	473.27
VDEM Grant Sheriff	223,500.00	-	223,500.00
Wireless 911 Grant	36,904.67	30,211.30	6,693.37
State Forfeited Asset Funds	26,446.14	26,805.66	(359.52)
VA Dept of Health Biosolids	-	7,692.27	(7,692.27)
Victim Witness-Commonwealth Office	50,111.00	50,111.50	(0.50)
Social Services VOCA Grant	3,325.00	4,132.50	(807.50)
F/R OEMS Reimb.	5,102.00	2,142.00	2,960.00
Total	11,885,083.05	12,123,126.35	(238,043.30)

*1 Reduction in revenue as the daycare assistance program payments are processed electronically by the state.

County of Frederick
General Fund
February 28, 2013

(7) Federal Revenue	FY13	FY12	Increase/Decrease
Federal Forfeited Assets	182.80	16,872.76	(16,689.96)
Housing Illegal Aliens	24,595.00	23,988.00	607.00
Federal Grants Sheriff	140,707.33	75,362.25	65,345.08
Total	165,485.13	116,223.01	49,262.12

(8) Expenditures

The VRS increase and overtime pay calculations effective 7/1/12 impact the \$2,138,686.89 increase of FY13 expenditures. **General Administration** was significantly affected by the timing of the FY13 \$880,502.00 local match to Comprehensive Services. **Public Safety** was impacted by the \$349,491.00 increase in the County local share for the Jail. **Health and Welfare** decreased \$264,770.92 as the State Division of Social Services processes the daycare assistance programs payments electronically (this payment change was effective February 2012). Transfers increased \$3,551,319.82 in total. See chart below:

(9) Transfers Increased \$3,551,319.82	FY13	FY12	Increase/Decrease
School Operating	32,274,604.34	28,747,083.14	3,527,521.20
Debt Service School	7,313,075.50	7,313,075.50	-
Shaweeland	597.36	-	597.36
Debt Service County	1,404,483.91	1,489,528.56	(85,044.65)
School Special Grants	0.00	41,499.19	(41,499.19)
NRADC	972.98	-	972.98
Operational Transfers	624,032.51	475,260.39	148,772.12
Total	41,617,766.60	38,066,446.78	3,551,319.82

*1

*2

*1 Includes \$1,128,002.00 Re-appropriation and the \$2,223,000.00 10/10/12 Resolution

*2 Worker's compensation refunds, and one-time employer payments

County of Frederick
 FUND 11 NORTHWESTERN REGIONAL ADULT DETENTION CENTER
 February 28, 2013

ASSETS	FY2013 <u>2/28/2013</u>	FY2012 <u>2/29/2012</u>	Increase <u>(Decrease)</u>
Cash	4,658,951.04	4,747,776.73	(88,825.69)
Accounts Receivable Other	0.00	233.35	(233.35)
GL controls(est.rev/est.exp)	<u>(1,390,561.07)</u>	<u>(685,931.50)</u>	<u>(704,629.57)</u>
TOTAL ASSETS	<u>3,268,389.97</u>	<u>4,062,078.58</u>	<u>(793,688.61)</u>
LIABILITIES			
Accrued Operating Reserve Costs	<u>2,004,040.97</u>	<u>1,871,308.00</u>	<u>132,732.97</u>
TOTAL LIABILITIES	<u>2,004,040.97</u>	<u>1,871,308.00</u>	<u>132,732.97</u>
EQUITY			
Fund Balance Reserved			
Encumbrances Undesignated	106,800.00	3,840.00	102,960.00
Fund Balance	<u>1,157,549.00</u>	<u>2,186,930.58</u>	<u>(1,029,381.58) *1</u>
TOTAL EQUITY	<u>1,264,349.00</u>	<u>2,190,770.58</u>	<u>(926,421.58)</u>
TOTAL LIABILITY & EQUITY	<u>3,268,389.97</u>	<u>4,062,078.58</u>	<u>(793,688.61)</u>

NOTES:

***1 Fund balance was impacted by expenditures in excess of revenue and the \$221,000.00 share for the new Jail telephone system and \$261,183.00 for the bonus and career development.**

Current Unrecorded Accounts Receivable-	<u>FY2013</u>
Prisoner Billing:	31,406.30
Compensation Board Reimbursement 2/13	<u>439,364.40</u>
Total	470,770.70

County of Frederick
 Comparative Statement of Revenues, Expenditures
 and Changes in Fund Balance
 2/28/2013

FUND 11 NORTHWESTERN REGIONAL ADULT DETENTION CENTER

REVENUES:	<u>Appropriated</u>	FY2013 2/28/2013 <u>Actual</u>	FY2012 2/29/2012 <u>Actual</u>	YTD Actual <u>Variance</u>
Interest	-	4,748.72	8,886.53	(4,137.81)
Supervision Fees	55,399.00	28,127.50		28,127.50
Drug Testing Fees	5,506.00	3,192.46		3,192.46
Work Release Fees	499,800.00	230,803.76	233,607.09	(2,803.33)
Federal Bureau Of Prisons	0.00	165.00	725.00	(560.00)
Local Contributions	5,273,767.00	3,839,041.00	3,871,615.50	(32,574.50)
Miscellaneous	12,446.00	30,292.08	33,492.69	(3,200.61)
Phone Commissions	126,000.00	58,793.95	61,328.57	(2,534.62)
Food & Staff Reimb. Juv.Det.Ctr v.Det.Ctr.	96,000.00	59,259.41	47,686.51	11,572.90
Elec.Monitoring Part.Fees	83,767.00	33,535.04	32,974.58	560.46
Employee Meal Supplements	500.00	0.00	220.00	(220.00)
Share of Jail Cost Commonwealth	975,355.00	515,569.00	513,327.77	2,241.23
Medical & Health Reimb.	51,237.00	34,015.84	32,640.44	1,375.40
Shared Expenses CFW Jail	5,003,495.00	3,017,558.33	3,033,682.47	(16,124.14)
State Grants	242,915.00	139,178.00	141,993.00	(2,815.00)
Local Offender Probation	238,888.00	125,568.00		125,568.00
DOC Contract Beds	0.00	13,292.00	15,796.00	(2,504.00)
Bond Proceeds	0.00	0.00	3,248.01	(3,248.01)
Transfer from General Fd,	4,199,498.00	3,150,596.48	2,800,132.50	350,463.98
TOTAL REVENUES	16,864,573.00	11,283,736.57	10,831,356.66	452,379.91
EXPENDITURES:	18,361,934.07	11,322,262.20	10,669,315.24	652,946.96
Excess(Deficiency)of revenues over expenditures		(38,525.63)	162,041.42	(200,567.05)
FUND BALANCE PER GENERAL LEDGER		<u>1,196,074.63</u>	<u>2,024,889.16</u>	<u>(828,814.53)</u>
Fund Balance Adjusted To Reflect Income Statement @2/28/13		1,157,549.00	2,186,930.58	(1,029,381.58)

County of Frederick
Fund 12 Landfill
February 28,2013

ASSETS	FY2013 <u>2/28/13</u>	FY2012 <u>2/29/12</u>	Increase (Decrease)
Cash	28,985,052.91	29,394,245.90	(409,192.99) *1
Receivables:			
Accounts Receivable			
Fees	503,118.40	502,160.12	958.28 *2
Accounts Receivable Other	104.00	200.00	(96.00)
Allow.Uncollectible Fees	(84,000.00)	(84,000.00)	0.00
Fixed Assets	42,516,271.35	39,719,334.39	2,796,936.96
Accumulated Depreciation	(21,543,603.09)	(19,781,833.70)	(1,761,769.39)
GL controls(est.rev/est.exp)	<u>(4,460,738.90)</u>	<u>(4,094,325.15)</u>	<u>(366,413.75)</u>
TOTAL ASSETS	<u>45,916,204.67</u>	<u>45,655,781.56</u>	<u>260,423.11</u>
LIABILITIES			
Accounts Payable	-	-	
Accrued VAC.Pay and Comp TimePay	134,423.76	122,588.76	11,835.00
Accrued Remediation Costs	11,653,036.50	11,545,003.93	108,032.57 *3
Retainage Payable	47,620.17	359,969.95	(312,349.78)
Deferred Revenue Misc.Charges	<u>104.00</u>	<u>200.00</u>	<u>(96.00)</u>
TOTAL LIABILITIES	<u>11,835,184.43</u>	<u>12,027,762.64</u>	<u>(192,578.21)</u>
EQUITY			
Fund Balance			
Reserved:			
Encumbrances	140,973.27	766,144.85	(625,171.58) *4
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>24,081,604.97</u>	<u>23,003,432.07</u>	<u>1,078,172.90</u> *5
TOTAL EQUITY	<u>34,081,020.24</u>	<u>33,628,018.92</u>	<u>453,001.32</u>
TOTAL LIABILITY AND EQUITY	<u>45,916,204.67</u>	<u>45,655,781.56</u>	<u>260,423.11</u>

NOTES:

*1 The decrease in cash was impacted by prior year increases in expenditures disbursed in the current year

*2 Receivables at 2/28/13 increased \$958.28. Landfill charges for 2/13 were \$333,590.23 compared to \$363,223.82 at 2/12 for a decrease of \$29,633.59. The delinquent fees at 2/13 were \$167,050.76 compared to \$136,538.03 at 2/12 for an increase of \$30,512.73.

*3 Accrued remediation increased \$108,032.57, and includes \$104,871.00 for post closure costs and \$3,161.57 interest.

*4 Encumbrances decreased \$625,171.58. The encumbrance balance at 2/28/13 was \$140,973.27 and includes \$33,902.17 for partial capping MSW, \$99,500.00 for a hydroseeder and spray options, and \$7,571.10 for silica gel.

*5 Total fund balance increased \$1,078,172.90. The beginning fund balance was \$25,906,408.20 that includes adjusting entries, budget controls for FY13(\$2,836,732.00), (\$1,055,000.00) carry forwards of unused FY12 funds for several projects, \$1,335,682.35 for FY12 audit adjustments that include depreciation, equipment and capital projects, and the year to date revenue less expenditures \$731,246.42.

County of Frederick
 Comparative Statement of Revenue, Expenditures
 and Changes in Fund Balance
 February 28, 2013

FUND 12 LANDFILL REVENUES		FY13 2/28/13	FY12 2/29/12	YTD Actual
	<u>Appropriated</u>	<u>Actual</u>	<u>Actual</u>	<u>Variance</u>
Interest Charge	0.00	3,693.21	4,580.60	(887.39)
Interest on Bank Deposits	40,000.00	31,615.67	36,189.14	(4,573.47)
Salvage and Surplus	0.00	79,159.70	112,842.40	(33,682.70)
Sanitary Landfill Fees	4,565,400.00	2,822,233.25	2,824,317.00	(2,083.75)
Charges to County	0.00	213,419.63	214,269.21	(849.58)
Charges to Winchester	0.00	62,847.12	59,009.76	3,837.36
Tire Recycling	70,000.00	67,453.32	93,528.24	(26,074.92)
Reg. Recycling Electronics	40,000.00	30,307.00	30,215.00	92.00
Miscellaneous	0.00	4,478.00	288.00	4,190.00
Wheel Recycling	120,000.00	8,637.50	100.00	8,537.50
Charges for RTOP	0.00	0.00	0.00	0.00
Renewable Energy Credits	0.00	0.00	0.00	0.00
Landfill Gas To Electricity	554,048.00	326,378.87	359,668.95	(33,290.08)
Waste Oil Recycling		11,688.89	0.00	11,688.89
State Reimbursement Tire Operation	0.00	6,120.00	11,408.00	(5,288.00)
TOTAL REVENUES	5,389,448.00	3,668,032.16	3,746,416.30	(78,384.14)
Operating Expenditures	5,195,180.00	2,099,902.75	1,862,366.75	237,536.00
Capital Expenditures	4,795,980.17	836,882.99	2,280,396.95	(1,443,513.96)
TOTAL Expenditures	9,991,160.17	2,936,785.74	4,142,763.70	(1,205,977.96)
Excess(deficiency)of revenue over expenditures		731,246.42	(396,347.40)	1,127,593.82
Fund Balance Per General Ledger		<u>23,350,358.55</u>	<u>23,399,779.47</u>	(49,420.92)
FUND BALANCE ADJUSTED		24,081,604.97	23,003,432.07	1,078,172.90

County of Frederick, VA
Report on Unreserved Fund Balance
March 14, 2013

Unreserved Fund Balance, Beginning of Year, July 1, 2012	29,782,513
Prior Year Funding & Carryforward Amounts	
C/F Bowman Library Parking Lot	(54,257)
Remove EDC C/F	687
C/F Fire Company Capital	(152,794)
C/F Painting (Maintenance)	(37,385)
C/F CMS Project	(36,041)
C/F Stephens City Proffer	(43,779)
C/F DARE	(2,282)
C/F Forfeited Assets	(52,525)
C/F Schools	(1,153,002)
FY12 Star Fort fees	4,262
FY12 Encumbrances	515,543
	(1,011,573)
Other Funding / Adjustments	
Carmeuse Incentive	(550,000)
Feb 2010 Snow	(58,328)
GAP Pay	(46,383)
Asst Comm Attorney position	(60,146)
Airport Capital	(24,156)
Gainesboro Conv Site	(287,500)
AS400 Lease	(21,018)
Sheriff's Dept physicals	(3,880)
Phase II Sheriff's Dept laptop project	(280,593)
Resolution	(3,900,000)
Return VJCCCA funds	(5,839)
Sheriff computer forensics	(48,875)
Sheriff overtime	(100,000)
Phone system	(517,400)
Round Hill station design	(452,347)
June 2013 primary	(33,385)
	(6,389,850)
Fund Balance, March 14, 2013	22,381,090