

FISCAL YEAR

2024

JULY 1, 2023-JUNE 30, 2024

POPULAR ANNUAL FINANCIAL REPORT



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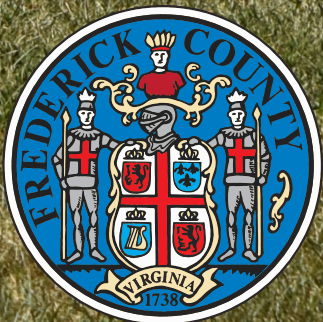
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We are pleased to share with you the Frederick County Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2024.



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.

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 2024 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, 2023

Christopher P. Morill

Executive Director/CEO

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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.

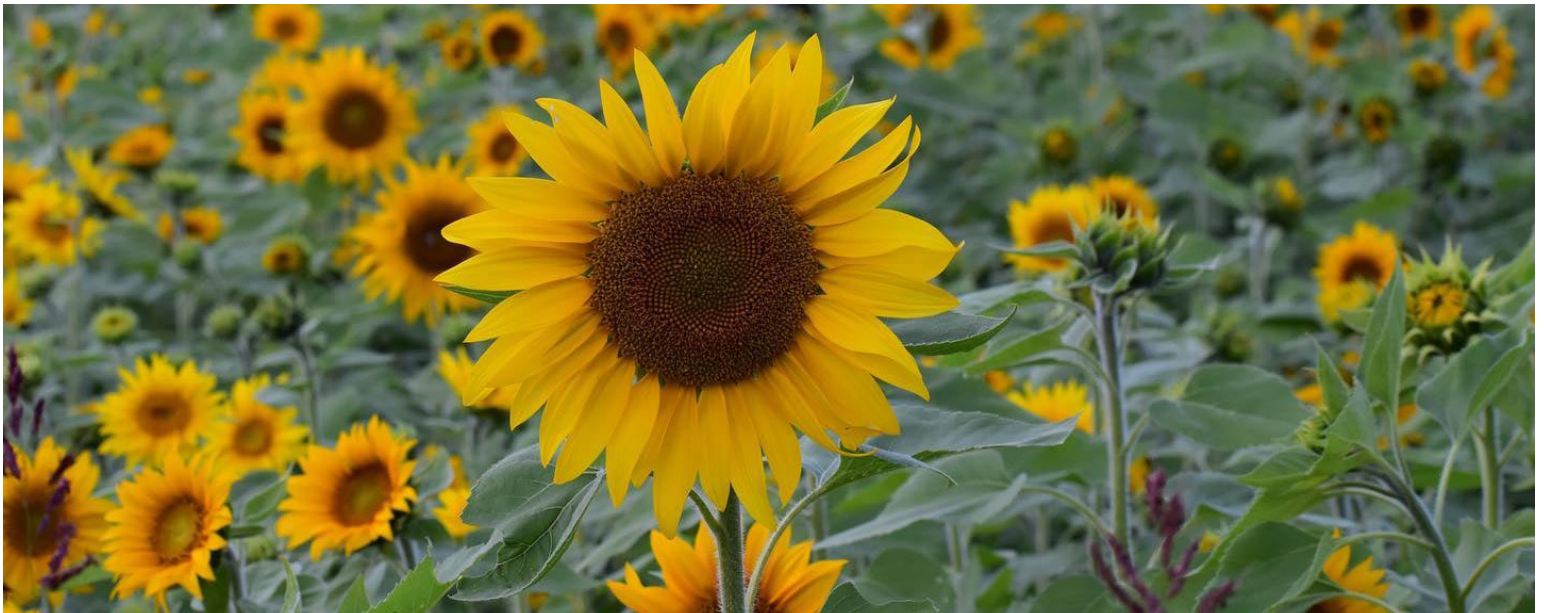
The Valley is bound by two rivers, the Potomac River to the north and the James River to the south. Its county administrator form of government was established in 1971. In the southeastern portion of the county, there are two incorporated towns, Stephens City and Middletown. Frederick County is the 22nd largest locality in Virginia by population, is home to the 19th largest school division in Virginia, and 30.3% of residents hold bachelors degrees or higher.



PER CAPITA INCOME
2024 ESTIMATE
INCLUDES CITY OF WINCHESTER
\$68,000

UNEMPLOYMENT
2024 ESTIMATE
FREDERICK COUNTY 2.6%
VIRGINIA 3.0%
UNITED STATES 3.6%

POPULATION
2024 ESTIMATE
96,500

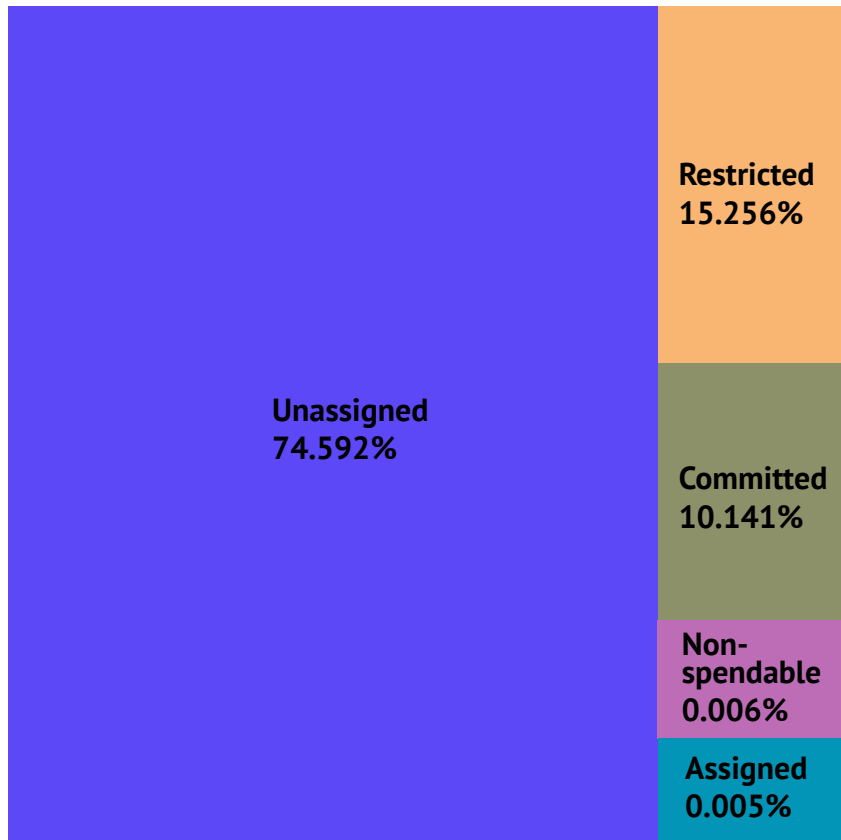
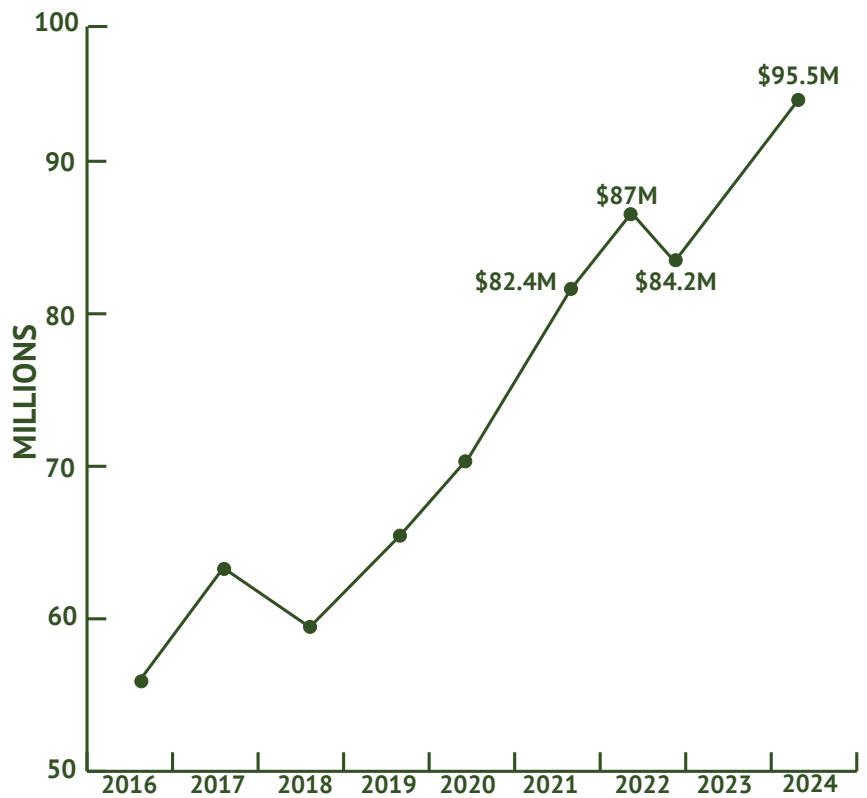


Frederick County is located in the northernmost tip of the Shenandoah Valley at the top of Virginia.

FY 2024 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 increased \$11.3 million from FY23 to FY24 primarily due to the transfer for transportation funding being taken from the capital reserve and not from the general fund as it was in the prior year.



TOTAL FUND BALANCE \$95.5M

Non-spendable	\$5,794
Restricted	\$14,573,358
Committed	\$9,686,632
Assigned	\$4,980
Unassigned	\$71,252,538

NOTE

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 2024, \$15.4 million of the \$71.2 million was reserved for future capital needs.

FY 2024 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 2024

Beginning Net Position	\$ 104,127,858
Total Revenues	+ 266,636,244
Total Expenses	- 238,202,896
Ending Net Position	\$ 132,561,206

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.

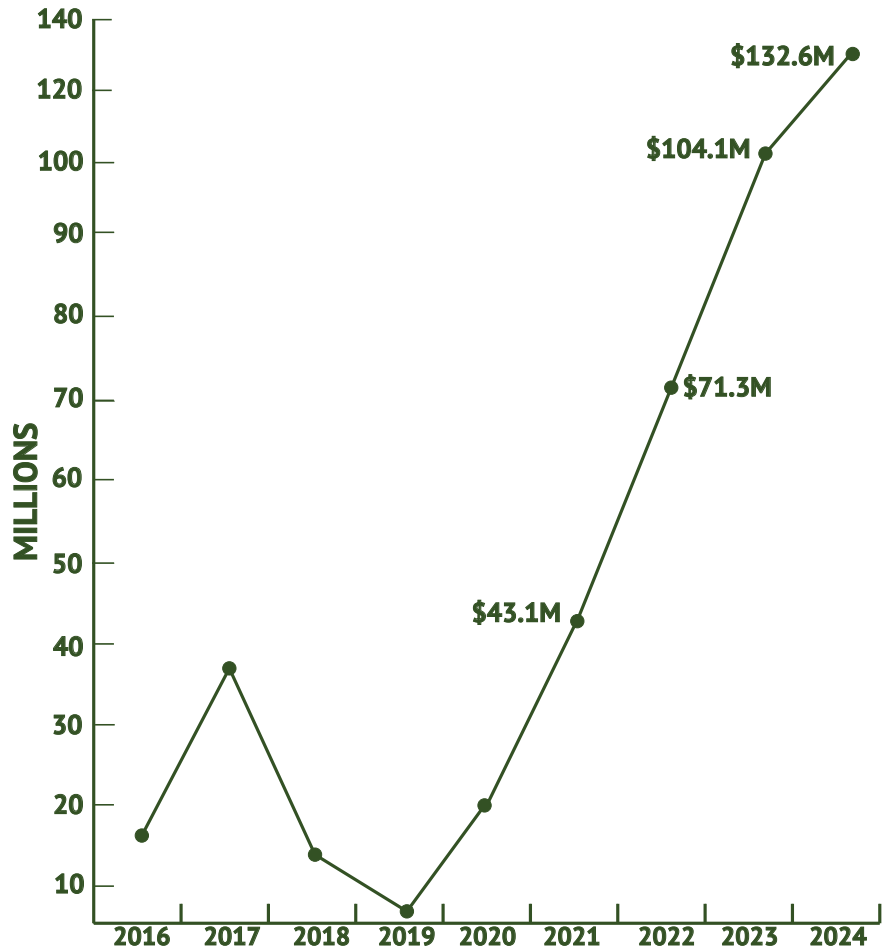
The \$14.7 million increase for 2020 is partially due to a real estate reassessment, CARES Act Funding, and reduced expenses as a result of a spending freeze due to COVID-19.

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.

The \$32.8 million increase for 2023 is due to a combination of revenues exceeding budget projections, growth in personal property and real estate of \$5 million, a \$5.2 million increase in interest received due to rising interest rates, and a \$5 million grant for the airport project.

The \$28 million increase for 2024 is due to revenues exceeding expenses.



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)

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.

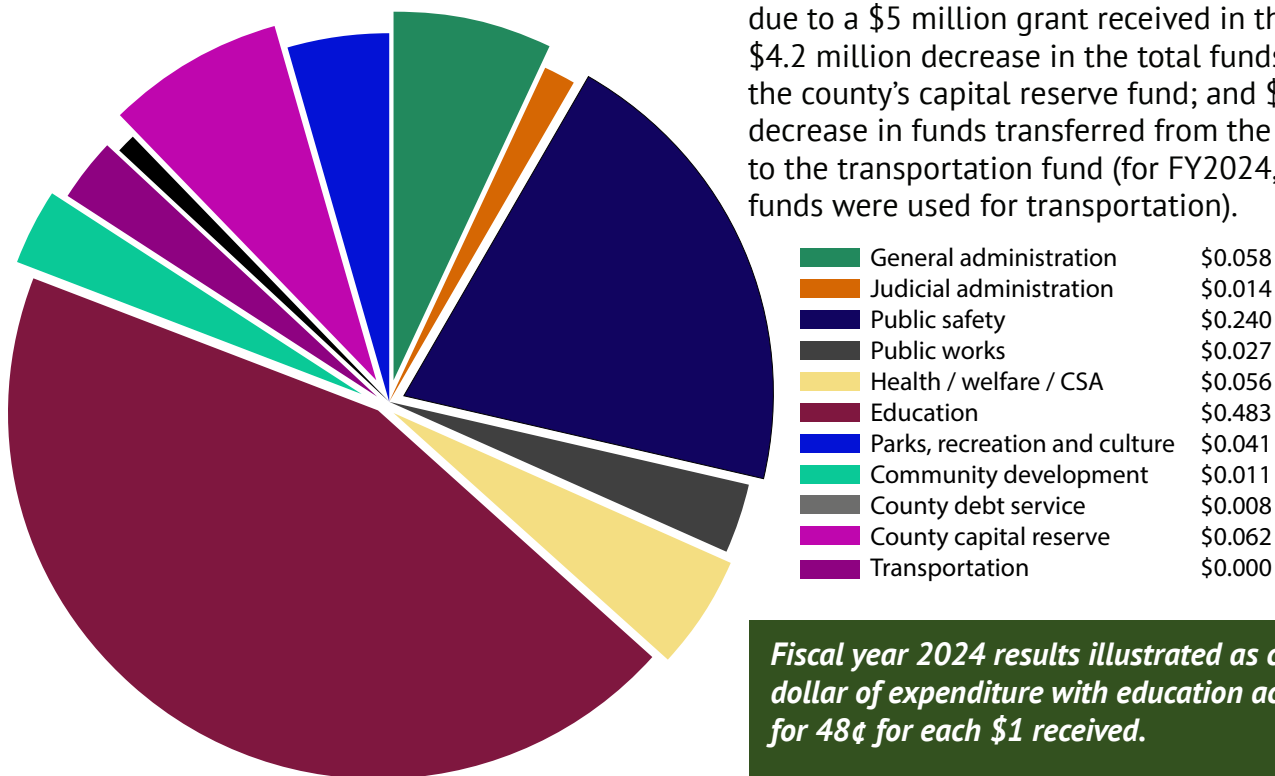
Expenditures	FY2024	FY2023	FY2022
General administration	\$14,397,601	\$18,342,368	\$14,914,702
Judicial administration	3,562,446	3,425,513	3,336,375
Public safety	59,454,175	51,238,595	48,119,651
Public works	6,742,895	7,276,084	5,817,279
Health / welfare / CSA	13,983,749	13,120,155	12,493,543
Local community college	-	55,000	81,308
Public school system	101,568,606	94,339,615	92,283,620
Public school debt service	18,076,918	17,209,035	18,076,916
Parks, recreation and culture	10,073,190	8,358,657	6,907,012
Community development	2,673,918	7,428,023	2,286,017
County debt service	1,920,507	1,925,904	2,217,732
County capital reserve	15,434,981	19,586,622	24,695,712
Transportation	-	10,886,901	

TOTAL EXPENDITURES \$247,888,986 \$253,192,472 \$231,229,867

* Transfers Out, as reported in the ACFR are shown here as expenditures in the appropriate category.

TOTAL EXPENDITURES \$247.9M

Total expenditures decreased from the prior year due to a combination of various increases and decreases including the following: \$8.2 million increase for public safety that includes 25 new sheriff’s vehicles, equipment for a new fire station, 8 new firefighters, 4 new sheriff’s deputies, and 1 new dispatcher; \$7.2 million increase for public schools that includes the county’s portion of 18 new positions, a minimum 5% salary increase for all employees, and 13 school buses; \$3.9 million decrease for general administration attributed to the personal property tax refunds issued to citizens in the prior year; \$4.8 decrease for community development due to a \$5 million grant received in the prior year; \$4.2 million decrease in the total funds transferred to the county’s capital reserve fund; and \$10.9 million decrease in funds transferred from the general fund to the transportation fund (for FY2024, capital reserve funds were used for transportation).



Fiscal year 2024 results illustrated as cents per dollar of expenditure with education accounting for 48¢ for each \$1 received.

BY THE NUMBERS

2024 vs 2015

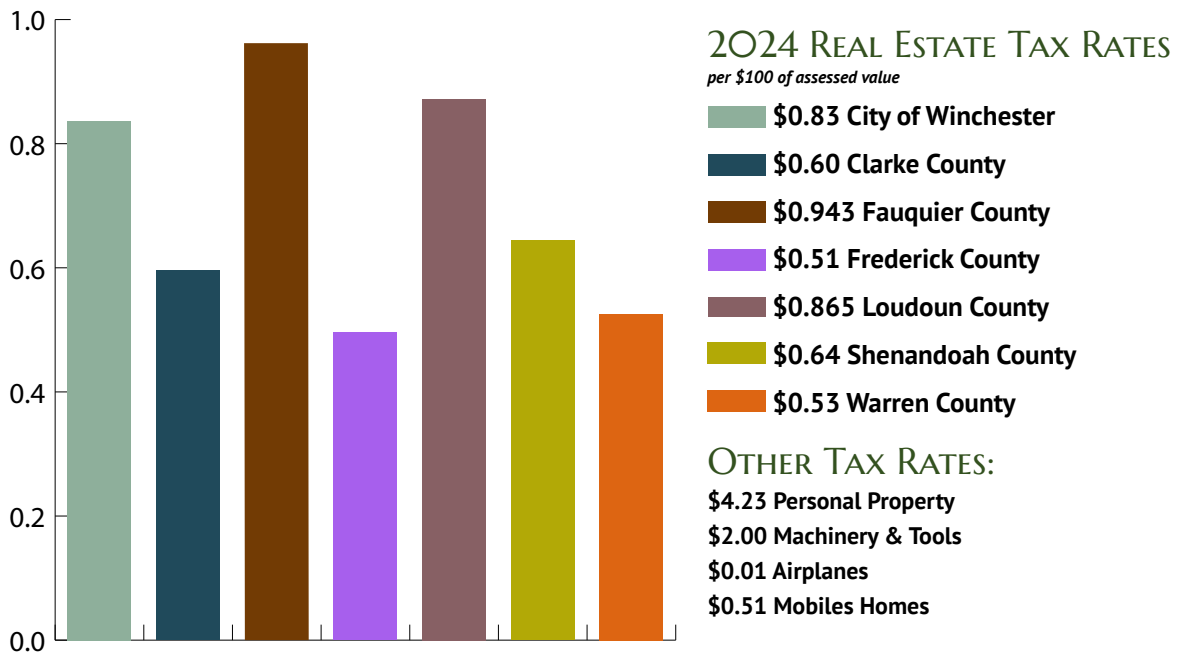
TAXABLE PROPERTY VALUES

REAL ESTATE \$15.4B
2015 \$8.1B

PERSONAL PROPERTY \$1.7B
2015 \$1.1B

MACHINERY & TOOLS \$483.7M
2015 \$315.6M

MOBILE HOMES \$47.8M
2015 \$41.6M



FAST FACTS

Animal Shelter

Dogs cats adopted/reclaimed: 904

Building Inspections

Inspections performed: 23,764

Building/zoning related permits issued: 8,255

Parks & Recreation

Youth Sports participants: 5,293

basicREC average daily attendance: 800

Special Events/Excursions: 23

Public Safety

Fire and Medical incidents: 13,342

Law enforcement calls for service: 88,242

911 calls for service - Fire/EMS: 14,124

911 calls for service - Sheriff: 97,049

Top Ten Employers

Amazon Fulfillment Services Inc.

Frederick County School Board

Navy Federal Credit Union

Trex Company Inc & Subsid

U.S. Department of Homeland Defense

WalMart

H.P. Hood, Inc.

The Home Depot

County of Frederick

Kraft Heinz Company