

FISCAL YEAR

2025

JULY 1, 2024-JUNE 30, 2025

POPULAR ANNUAL FINANCIAL REPORT



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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, 2025. This report is intended to help residents understand how county resources were managed during the year.

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 2025 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, 2024

Christopher P. Morrell

Executive Director/CEO



OUR COMMUNITY

At the tip of the Northern Shenandoah Valley, Frederick County 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 20th largest locality in Virginia by population and is home to the 18th largest school division in Virginia with enrollment of 14,421; 30.7% of residents hold bachelors degrees or higher.

POPULATION

2025 ESTIMATE

100,000

PER CAPITA INCOME

2025 ESTIMATE

INCLUDES CITY OF WINCHESTER

\$65,119*

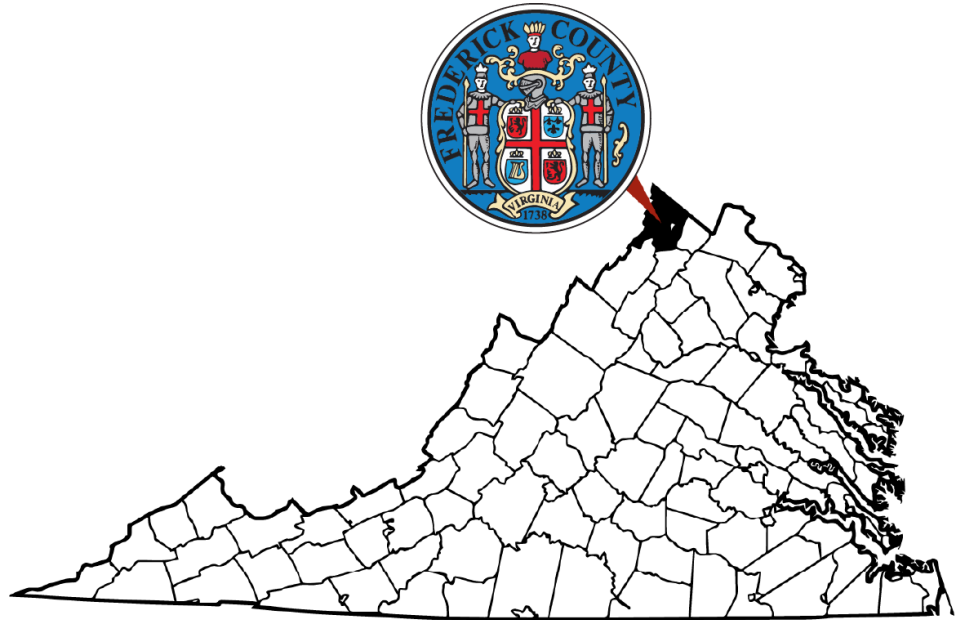
UNEMPLOYMENT

2025 ESTIMATE

FREDERICK COUNTY 3.4%

VIRGINIA 3.5%

UNITED STATES 4.1%



**Due to the 2025 federal government shutdown, the Bureau of Economic Analysis had not updated numbers at the time of publication.*

FY2025 FINANCIAL HIGHLIGHTS

- Frederick County ended fiscal year 2025 in a stable financial position, continuing to provide core services while managing resources responsibly.
- County revenues were sufficient to support service delivery, with property taxes remaining the primary funding source.
- Actual spending was below the final amended budget, largely due to staff vacancies, project timing, and unspent contingencies.
- The County continued to invest in schools, public safety, and capital infrastructure to support community needs and growth.
- Reserves remained within Board-established policy guidelines, providing flexibility to address future needs and economic uncertainty.



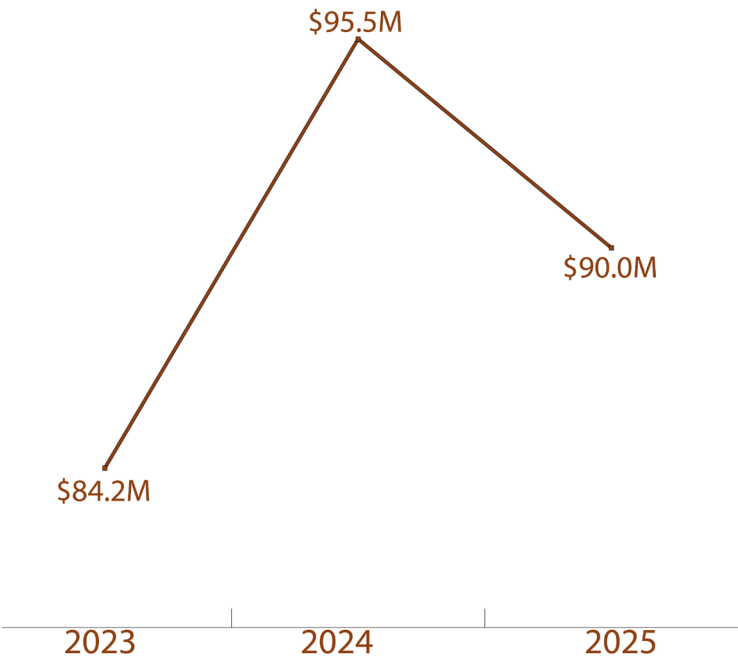
Frederick County is located in the northernmost tip of the Shenandoah Valley at the top of Virginia.

FY 2025 GENERAL FUND: TOTAL FUND BALANCE

Fund balance reflects the portion of past revenues that remains available after paying for services and making planned transfers for capital needs. It helps the County operate smoothly, respond to unexpected events, and plan for future needs without disrupting services.

The County’s fund balance decreased during fiscal year 2025 primarily because the County used savings that had been set aside in prior years to pay for planned projects and obligations. These included capital improvements, school-related costs, and debt payments.

Although revenues were sufficient to cover normal operating costs—and actual spending was below the amended budget—the County intentionally used previously accumulated funds to support one-time needs and long-term investments. This decrease reflects planned financial decisions and project timing, not financial stress or a decline in the County’s ability to generate revenue.



TOTAL FY25 FUND BALANCE \$90.0M



FUND BALANCE CATEGORIES — WHAT DO THEY MEAN?

Nonspendable is not available to spend because it is tied up in items like supplies or long-term receivables. It cannot be used to pay for services.

Restricted must be used for specific purposes required by law or outside agreements, such as grants or debt payments. The County cannot redirect this money for other uses.

Committed are funds have been formally set aside by the Board of Supervisors for specific purposes, such as capital projects or future needs. Changing their use requires formal Board action.

Assigned are intended for specific purposes but are not formally restricted or committed. They reflect planned uses of resources in future years.

Unassigned is the most flexible portion of fund balance. It is available to support daily operations, respond to emergencies, or manage unexpected financial challenges.

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NOTE

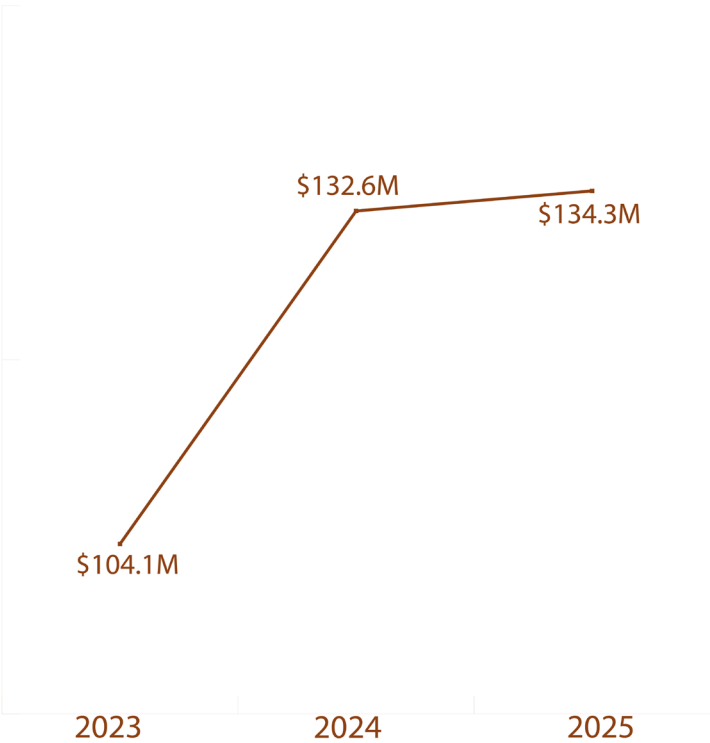
Each year, amounts above the County’s operating reserve target are intentionally set aside to help pay for future capital needs. For FY 2025, \$2.2 million of the \$66.6 million was reserved.

FY 2025 GOVERNMENTAL ACTIVITIES: NET POSITION

Net position shows the County’s overall financial health. It compares everything the County owns, such as buildings and equipment, to everything it owes, including long-term debt. This measure helps residents understand whether the County is financially stable over the long run.

The County’s net position increased during fiscal year 2025 because overall revenues slightly exceeded expenses at the government-wide level. This means the County generated enough revenue to cover the full cost of services provided during the year, including long-term items such as depreciation and debt-related costs.

The increase was also supported by continued investment in County facilities and services, particularly in areas such as schools and public infrastructure. While some one-time federal funding ended during the year, stable local tax revenues helped offset those reductions. Overall, the change in net position reflects steady financial management and long-term stability, rather than short-term budget fluctuations.



NET POSITION VS. FUND BALANCE

WHAT’S THE DIFFERENCE?

Net position reflects the County’s long-term financial health by looking at its full financial picture, including major assets and long-term obligations.

Fund balance reflects what remains available after paying for services and making planned transfers for capital needs. It shows the County’s ability to operate smoothly, respond to unexpected events, and plan for future needs without disrupting services.

In simple terms:

Net position focuses on long-term financial health, while fund balance focuses on financial flexibility.



GENERAL FUND

What Is the General Fund?

The General Fund is the County's main operating fund. It pays for the everyday services residents rely on, including public safety, schools, parks and recreation, social services, and general government operations. Most local tax dollars flow through the General Fund to support these services.

Where the Money Comes From (General Fund Revenues)

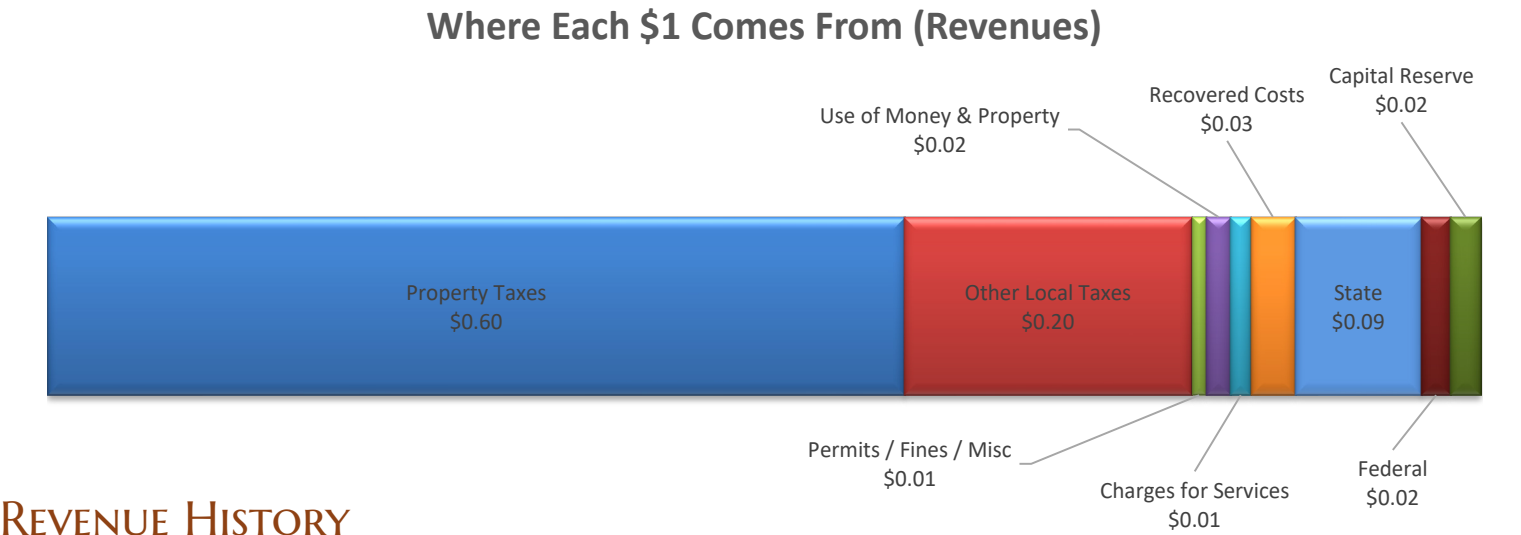
General Fund revenues are the primary sources of funding that support County services. These revenues come mainly from local taxes, along with fees and funding from the state and federal government. In fiscal year 2025, property taxes were the County's largest revenue source, accounting for approximately 60% of General Fund revenues. Other important sources included sales and meals taxes, licenses and fees, and intergovernmental funding.

Why Revenues Increased

General Fund revenues increased compared to the prior year primarily due to growth in local tax collections. The largest contributor was higher real estate tax revenue, driven largely by the County's biennial reassessment, which updated property values to reflect market conditions. Personal property tax revenues also increased as the number of vehicles in the County grew. In addition, sales and meals tax collections rose due to population growth, continued economic activity, and higher prices for goods and services.

While some state and federal funding declined as one-time pandemic-related programs ended, stronger local tax revenues more than offset those reductions.

FY 2025 TOTAL REVENUE \$267.5M



REVENUE HISTORY

Revenues	FY2025	FY2024	FY2023
Property taxes	\$159,353,143	\$151,310,811	\$149,311,202
Other local taxes	53,421,066	51,501,508	50,475,138
Permits, fees and licenses	2,485,674	3,683,536	3,368,665
Fines and forfeitures	335,356	257,225	204,131
Use of money and property	4,535,780	6,309,597	3,834,860
Charges for services	3,971,676	3,787,846	3,404,515
Miscellaneous	613,088	1,154,808	821,881
Recovered costs	8,282,655	5,357,660	6,460,109
Commonwealth of VA	23,573,780	23,325,290	27,731,756
Federal Government	5,220,955	5,362,365	4,764,991
County Capital Reserve	5,672,056	7,168,241	-
Total Revenues	\$267,465,229	\$259,218,887	\$250,377,248

* Transfers In, as reported in the ACFR are shown here as revenues in the appropriate category.

GENERAL FUND

How the Money Was Used (General Fund Expenditures)

General Fund expenditures reflect the cost of providing County services during the year. Spending supports day-to-day operations as well as funding provided to public schools and other community priorities.

In fiscal year 2025, actual General Fund spending was lower than the final amended budget, reflecting prudent financial management rather than reductions in services.

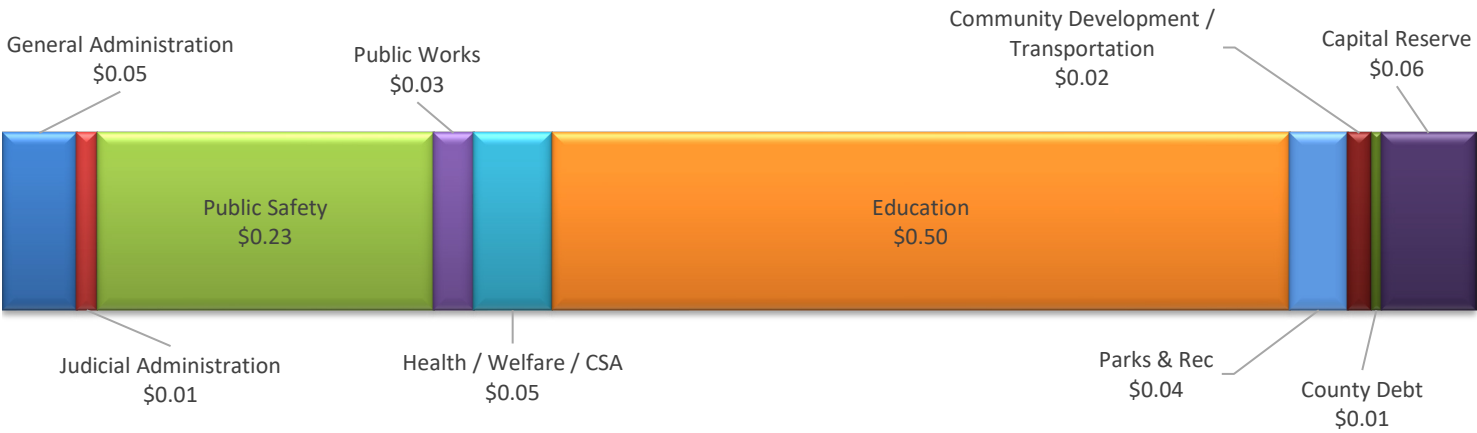
Why Spending was Below Budget

- Staff vacancies and delayed hiring reduced personnel costs in several departments.
- The timing of projects and purchases resulted in some costs being carried forward into the next fiscal year
- Portions of contingency and one-time appropriations were not needed.

Although spending increased in certain areas compared to the prior year, overall expenditures remained below budget, helping preserve financial flexibility while maintaining service levels.

FY 2025 TOTAL EXPENDITURES \$273M

Where Each \$1 Goes (Expenditures)



EXPENDITURES HISTORY

Expenditures	FY2025	FY2024	FY2023
General administration	\$15,126,831	\$14,397,601	\$18,342,368
Judicial administration	3,828,547	3,562,446	3,425,513
Public safety	62,163,289	59,454,175	51,238,595
Public works	7,502,689	6,742,895	7,276,084
Health / welfare / CSA	14,477,553	13,983,749	13,120,155
Local community college	68,750	-	55,000
Public school system	117,601,391	101,568,606	94,339,615
Public school debt service	18,076,918	18,076,918	17,209,035
Parks, recreation and culture	10,577,136	10,073,190	8,358,657
Community development	3,806,819	2,673,918	7,428,023
County debt service	1,916,838	1,920,507	1,925,904
County capital reserve	17,387,604	15,434,981	19,586,622
Transportation	464,788	-	10,886,901
Total Expenditures	\$272,999,153	\$247,888,986	\$253,192,472

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

BY THE NUMBERS: TAXABLE PROPERTY VALUES

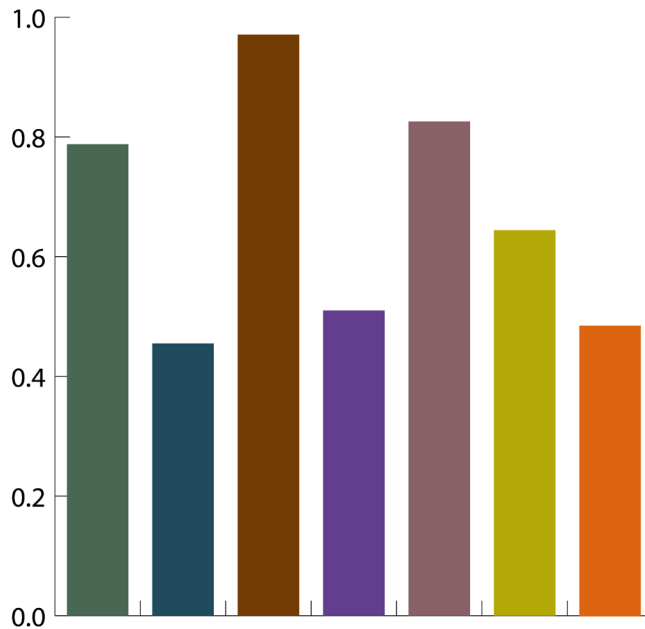
2025 vs 2016

REAL ESTATE \$19.9B
2016 \$8.5B

PERSONAL PROPERTY \$1.7B
2016 \$1.1B

MACHINERY & TOOLS \$504.6M
2016 \$336.7M

MOBILE HOMES \$47.9M
2016 \$41.4M



2025 REAL ESTATE TAX RATES

per \$100 of assessed value

\$0.795 City of Winchester

\$0.451 Clarke County

\$0.967 Fauquier County

\$0.48 Frederick County

\$0.805 Loudoun County

\$0.64 Shenandoah County

\$0.479 Warren County

OTHER TAX RATES:

\$4.23 Personal Property

\$2.00 Machinery & Tools

\$0.01 Airplanes

\$0.48 Mobiles Homes

FAST FACTS

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
The Home Depot
H.P. Hood, Inc.
County of Frederick
Kraft Heinz Company

Public Safety

Fire and Medical incidents: 14,433
Law enforcement calls for service: 87,014
911 calls for service - Fire/EMS: 15,156
911 calls for service - Sheriff: 85,339

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

Animal Shelter

Dogs cats adopted/reclaimed: 870

