

Frederick County Public Schools

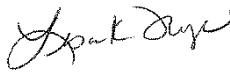
... to ensure all students an excellent education

Executive Director of Finance

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DATE: September 2, 2014

TO: School Board Members
David T. Sovine, Ed.D., Superintendent of Schools

FROM: Lisa K. Frye, Executive Director of Finance 

SUBJECT: **Financial Reports for Fiscal Year 2013-14**

Attached are the year-end financial reports for fiscal year 2013-14. As of the date of this report, the financials are unaudited. Included are the statements of operations for all funds managed by the school system. This report summarizes the key activities within each fund.

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Please refer to the respective financial statement as you proceed through the text.

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School Operating Fund

The unobligated surplus for the fiscal year 2014 school operating fund is \$542,594, which is 0.40% of the \$134,315,947 total operating fund budget.

Key factors contributing to the school operating fund surplus are shown in the chart below.

	Budget	Actual	Variance
State Sales Tax Funding	\$ 13,747,701	\$ 13,300,059	(\$ 447,642)
Wage and benefit savings due to vacancy savings and turnover	\$ 108,866,115	\$ 108,371,594	\$ 494,521
Energy/utility savings	\$ 3,763,996	\$ 3,583,265	\$ 180,732
Budget savings – schools and departments	\$ 13,801,167	\$ 13,460,974	\$ 340,193 <i>\$59,787 schools \$280,406 depts.</i>
All other unobligated variances			<u>(\$ 25,210)</u>
Remaining Unobligated Surplus for FY 2014			\$ 542,594

The original (beginning) budget for the school operating fund for FY 2014 was \$134,000,043. Adjustments of \$315,904 were approved and resulted in the current budget balance of \$134,315,947. The adjustments included encumbrance and carryforward grant receipts from FY 2013.

FY 2014 revenues in the school operating fund were \$133,122,067, and expenses totaled \$132,470,535. Obligations in the amount of \$108,939 for certain restricted programs are reserved for reappropriation to FY 2015, resulting in a FY 2014 unobligated surplus of \$542,594.

The remaining portion of this section explains the financial activity and resulting variances.

Understanding the Operating Fund Variances

The financial statement for the School Operating Fund is presented in a format reflecting two components of financial activity: unrestricted and restricted programs. The majority of the school division's programs and operations are funded by state and local funds in the unrestricted component. While the school division must maintain minimum standards of quality with a mandated local match in most cases, the local school board deploys those funds with discretion and in line with its planning goals. Therefore, the expenditures in this component are referred to as unrestricted.

The restricted program section shows the financial activity of grant funds received by the school division for specific use on designated programs within the division. The budget and related financial activity align with the grant award amounts and spending period, creating budget to actual variances which tend to be misunderstood as local surpluses or deficits. For this reason, the format shown is designed to assist the reader with the distinction between the two.

School Operating Fund – Continued

Unrestricted Revenues and Expenditures

Unrestricted revenues exceeded expenditures by \$671,117 [line 11]. The variance for each revenue source and expenditure category is described in the following text. This amount is offset by the \$19,584 deficit in the restricted program section [line 14] resulting in the total operating fund surplus of \$651,533 [line 15].

Unrestricted Revenues: \$127,650,155 [line 6]

Local Sources [line 1]

- \$939,671 in miscellaneous local revenue was received, including fees and charges to students and the public, as well as billings to other agencies, gifts and donations, rebates and refunds, and rental charges for the use of school division facilities. Funds received from these sources were less than projected by \$83,120, of which about half is due to the non-payment of lease obligations by a tenant.

Commonwealth [line 2]

- \$65,661,997 in state revenues were received including Standards of Quality (SOQ) funding, sales tax receipts, incentive funding, categorical funding, lottery funds, and some miscellaneous funds were less than budgeted by \$393,043.
- SOQ funding was less than budgeted by \$28,864 due to lower than projected enrollment for the school year.
- Sales tax funding was less than budgeted by \$447,642 due to lower sales tax collections received by the Commonwealth than was planned by the Virginia Department of Taxation.
- Other state revenues were greater than budgeted by \$83,463.

Federal Government [line 3]

- \$5,262 in unrestricted, federal program revenues were received. A small amount of funding is provided each year based on the amount of federal land in the county.

Local Government [lines 4-5]

- \$61,043,225 was received from the County's General Fund, including prior year funding rolled over into the current year to satisfy carry-forward encumbrance obligations and the current year commitment by the local governing body for the School Operating Fund.

Unrestricted Expenditures: \$126,979,038 [line 10]

Instruction [line 7]

- \$95,040,226 was expended for instructional purposes and includes costs incurred for classroom instruction, student support services, library and media services, instructional support services, and school administrative offices in the areas of regular education, special education, vocational education, gifted education, and the other categories of instruction. Seventy-five percent of all expenditures are in this category. The positive variance of \$418,471 is attributable to expenditure savings throughout the schools and instructional departments.

Instructional and Administrative Technology [line 8]

- \$5,601,832 was expended for costs associated with division technology, whether for instructional, administrative, or operational categories. The \$11,764 positive variance is the net of all personnel and operational expenditures.

School Operating Fund – Continued

Support Services [line 9]

- \$26,336,980 was expended for costs associated with supporting the operations of the school division, including administration, services related to students' attendance and health, transporting students, and maintaining facilities. The \$572,751 positive variance is the net of all personnel and operational expenditures, including \$180,732 in energy savings.
- Administration, Attendance and Health – The costs associated with the health services as well as the executive, finance, public information, human resources, and other administrative departments resulted in a savings of \$191,925 in all types of expenditures. The largest variances occurred due to personnel turnover and lower than expected legal fees, contracted services, and supplies.
- Transportation – The costs associated with transporting students and maintaining school buses resulted in a \$20,031 positive variance due to a savings in contracted services.
- Operations and Maintenance – The costs associated with maintaining the division's facilities resulted in a \$355,340 positive variance in the maintenance function, and a \$9,744 positive variance was realized in the facility planning category. While savings were realized throughout all types of expenditures, notable variances occurred in contracted facility activities and electricity expenses due to installed lighting projects and conservation efforts. Utility expenses comprise a significant portion of this function.

Restricted program revenues and expenditures are shown in lines 12 and 13. In some programs, local dollars are either required or provided. Expenditures exceeded revenues by \$19,584. [line 14]

FY 2014 Unrestricted Surplus (Revenues in Excess of Expenditures) \$542,594 [lines 15-17]

The total surplus for FY2014 of \$651,533 is reduced by the amount of revenue received for a special purpose, but has not yet been encumbered. These funds are considered obligations against the surplus funds, total \$108,939, and include: 1) \$471 for the VA Star program, 2) \$71,653 for SOL Algebra Readiness, 3) \$30,000 for the Apple Federal Credit Union mentor teacher program, and 4) \$6,814 for the E-Rate program. A separate appropriation request will be submitted for these amounts to be approved by the Board of Supervisors. The unobligated surplus for FY2014 is \$542,594.

Restricted Programs [line 18]

Restricted Programs provide funding for specific programs or initiatives. The majority of the restricted revenues are based upon certain student populations or capabilities. Restricted program funding is associated with specific spending criteria as well as reporting criteria. The vast majority of restricted revenues come from the federal government, but a few are from state or miscellaneous sources. Restricted program revenues totaled \$5,471,912 for FY 2014, and program expenditures totaled \$5,491,496. The resulting negative balance of \$19,584 represents a small amount of additional local funding toward those specific program budgets.

- The restricted programs include: eRate telecommunications, state mandates in the area of educational services to special needs students, and federally-funded programs including such grants as Titles I, II, III, IV, VI-B, and vocational education. The fiscal year for the federal grants extends beyond the local June 30 fiscal year, and any remaining grant balances for active grants are eligible for expenditure in the next fiscal year. The variance is the remaining appropriation associated with the grant award amount and does not contribute to or reduce the remaining unobligated surplus.

Frederick County Public Schools
School Operating Fund
 Year Ended June 30, 2014

	[a] 2012-13 Actual*	[b] 2013-14 Original Budget	[c] 2013-14 Adjusted Budget	[d] 2013-14 Actual*	[e] Variance from Adj. Budget
SUMMARY					
Revenue from Local/Other Sources	\$ 1,091,422	\$ 1,305,211	\$ 1,308,022	\$ 1,105,550	\$ (202,472)
Revenue from the Commonwealth	\$ 65,552,134	\$ 67,262,558	\$ 67,047,571	\$ 66,525,232	\$ (522,339)
Revenue from the Federal Government	\$ 5,196,638	\$ 4,704,953	\$ 4,917,129	\$ 4,448,061	\$ (469,068)
Revenue from Local Governing Body	\$ 61,215,266	\$ 60,727,321	\$ 61,043,225	\$ 61,043,225	\$ -
[A] TOTAL REVENUES	\$ 133,055,460	\$ 134,000,043	\$ 134,315,947	\$ 133,122,067	\$ (1,193,879)
Instruction	\$ 94,475,031	\$ 95,327,983	\$ 95,458,697	\$ 95,040,226	\$ 418,471
Instruction - Restricted Programs	6,189,297	6,306,244	6,333,923	5,491,496	842,426
Technology - Instructional & Administrative	5,461,085	5,310,431	5,613,596	5,601,832	11,764
Support Services	26,032,153	27,055,385	26,909,731	26,336,980	572,751
[B] TOTAL EXPENDITURES	\$ 132,157,566	\$ 134,000,043	\$ 134,315,947	\$ 132,470,535	\$ 1,845,412
* Actual fiscal year expenditures includes encumbrances					
[C] REVENUE OVER EXPENDITURES	\$ 897,895	\$ -	\$ -	\$ 651,533	\$ 651,533
[D] Obligated Funds-Special Programs	\$ 97,012			\$ 108,939	
[E] LOCAL FUNDS UNOBLIGATED AT JUNE 30	\$ 800,883			\$ 542,594	
[F] Percentage Surplus of Total Budget	0.60%			0.40%	

Unrestricted Revenues

[1] Revenue from Local Sources	\$ 993,522	\$ 1,111,054	\$ 1,022,790	\$ 939,671	\$ (83,120)
[2] Revenue from Commonwealth	\$ 64,692,202	\$ 65,956,728	\$ 66,055,040	\$ 65,661,997	\$ (393,043)
a Standards of Quality (SOQ)	47,236,103	47,055,938	47,055,938	47,027,074	(28,864)
b Sales Tax	13,102,993	13,747,701	13,747,701	13,300,059	(447,642)
c Incentive Accounts	1,121,305	1,992,249	1,992,249	1,987,927	(4,322)
d Categorical	72,893	86,655	86,655	79,971	(6,684)
e Lottery-Funded Programs	3,016,402	2,976,685	2,976,685	3,021,344	44,659
f Miscellaneous State	142,506	97,500	195,812	245,622	49,809
[3] Revenue from Federal Government	\$ 4,358	\$ 5,002	\$ 5,002	\$ 5,262	\$ 260
[4] Transfers/ CarryOver/ Prior Year Encumbrances	\$ 1,593,804	\$ -	\$ 315,904	\$ 315,904	\$ -
[5] Local Funds -Board of Supervisors	\$ 59,621,462	\$ 60,727,321	\$ 60,727,321	\$ 60,727,321	\$ -
[6] Total Unrestricted Revenues	\$ 126,905,349	\$ 127,800,105	\$ 128,126,057	\$ 127,650,155	\$ (475,903)

Unrestricted Expenditures

[7] Instruction	\$ 94,475,031	\$ 95,327,983	\$ 95,458,697	\$ 95,040,226	\$ 418,471
a Regular education	70,866,669	70,924,579	71,142,672	71,187,086	(44,414)
b Special education	14,883,422	15,420,790	15,244,634	15,023,196	221,438
c Vocational education	6,496,101	6,720,724	6,820,632	6,629,442	191,190
d Gifted education	725,409	775,229	777,666	769,927	7,739
e Other education	1,343,165	1,348,648	1,398,825	1,361,989	36,836
f Summer School	19,264	23,750	23,750	18,068	5,682
g Adult education	141,002	114,265	50,518	34,278	16,240
h Non-regular school day	-	-	-	16,240	(16,240)
[8] Instructional & Administrative Technology	\$ 5,461,085	\$ 5,310,431	\$ 5,613,596	\$ 5,601,832	\$ 11,764
a Instructional technology	823,536	1,204,701	1,197,759	1,196,662	1,096
b Instructional support technology	3,159,027	2,554,967	2,681,686	2,694,015	(12,329)
c Administrative technology	1,478,522	1,550,764	1,734,151	1,711,154	22,997
[9] Support Services	\$ 26,032,153	\$ 27,055,385	\$ 26,909,731	\$ 26,336,980	\$ 572,751
a Administration, Attendance & Health	5,670,074	5,869,055	5,840,249	5,648,324	191,925
b Pupil Transportation Services	8,045,868	8,247,089	8,295,572	8,275,541	20,031
c Operation and Maintenance	11,672,880	12,317,322	12,168,123	11,812,783	355,340
d Facilities	140,896	200,411	184,280	174,535	9,744
e Fund Transfers	502,436	421,508	421,508	425,797	(4,289)
[10] Unrestricted Expenditures	\$ 125,968,269	\$ 127,693,799	\$ 127,982,024	\$ 126,979,038	\$ 1,002,985
[11] Unrestricted Revenue Over/(Under) Expense	\$ 937,080			\$ 671,117	

Restricted Programs

[12] Total Restricted Revenues	\$ 6,150,111	\$ 6,199,938	\$ 6,189,889	\$ 5,471,912	\$ (717,977)
[13] Total Restricted Expenditures	\$ 6,189,297	\$ 6,306,244	\$ 6,333,923	\$ 5,491,496	\$ 842,426
[14] Restricted Revenue Over/(Under) Expense	\$ (39,186)			\$ (19,584)	
[15] All Revenue Over/(Under) Expense	\$ 897,895			\$ 651,533	
[16] Obligated Funds-Special Programs	97,012			108,939	
[17] LOCAL FUNDS UNRESTRICTED AND UNOBLIGATED AT JUNE 30	\$ 800,883			\$ 542,594	

Supplementary Information Regarding Restricted Programs

Restricted Programs		2013-2014	2013-2014	2013-2014
		Revenue	Expenditures	Variance
a	eRate Program	\$ 74,124	\$ 67,310	\$ 6,814
b	Regional Juvenile Detention Center	375,023	373,057	1,965
c	Special Education - In-Jail	79,323	79,323	-
d	Early Reading Intervention	272,299	270,264	2,035
e	SOL Algebra Readiness	111,138	139,100	(27,962)
f	Other Special State Programs	25,452	88,001	(62,549)
g	Bridges to Success - Apple Federal Credit Union	30,000	11,579	18,421
h	Title I, Part A	1,299,576	1,299,576	-
i	Title I, Part D	89,645	89,645	-
j	Title I, School Choice	4,100	4,100	-
k	Title II, Part A Improve Teacher Quality	282,767	282,467	300
l	Title II, Ed Tech	-	-	-
m	Title II, Part D	3,100	-	3,100
n	Title III LEP	50,387	50,387	-
o	Title VI-B	2,493,573	2,493,573	-
p	Title VI-B Preschool	41,161	-	41,161
q	Perkins Vocational	155,542	148,592	6,950
r	Miscellaneous Federal	22,947	26,486	(3,538)
s	Emergency Generator Grant	61,755	68,036	(6,281)
[18]	Total Restricted Programs	\$ 5,471,912	\$ 5,491,496	\$ (19,584)

RECAPITULATION:

Year Ended June 30, 2014

	[a]	[b]	[c]	[d]	[e]
	2012-13	2013-14	2013-14	2013-14	Variance
	Actual*	Original	Adjusted	Actual*	from
		Budget	Budget		Adj. Budget
[19] TOTAL REVENUES	\$ 133,055,460	\$ 134,000,043	\$ 134,315,947	\$ 133,122,067	\$ (1,193,879)
[20] TOTAL EXPENDITURES	\$ 132,157,566	\$ 134,000,043	\$ 134,315,947	\$ 132,470,535	\$ 1,845,412
[21] REVENUE OVER EXPENDITURES	\$ 897,895	\$ -	\$ -	\$ 651,533	\$ 651,533
[22] Obligated Funds-Special Programs	97,012			108,939	
[23] LOCAL FUNDS UNOBLIGATED AT JUNE 30	\$ 800,883			\$ 542,594	
[24] Percentage Surplus of Total Budget	0.60%			0.40%	

* Actual fiscal year expenditures includes encumbrances

School Nutrition Fund

The food service operation finished the FY 2014 with revenues in excess of expenditures of \$140,726, which increases the fund balance to \$1,343,327. Of this fund balance, \$210,365 is the value of inventory at year end and is categorized as non-spendable. The School Nutrition Services Program served meals over 172 days, eight days less than the budget due to inclement weather.

Even though the fund realized a profit in FY 2014, revenue was less than expected due to a decline in the number of students buying meals and eight less serving days. Expenditures were significantly less than expected for the associated number of meals served. Two expense categories were targeted for increased operational efficiency. First, a focused effort was placed on standardized menu planning and the use of prepackaged items. Second, staff productivity rates were enhanced by adjusting to service levels.

1,183,655 lunches and 251,665 breakfasts were served throughout the 2013-2014 school year, which were 151,357 less meals than budgeted. The lunch prices for a full meal were \$2.30 for elementary, \$2.55 for middle, and \$2.55 regular lunch/\$2.65 pizza lunch for high school students. Other items were sold on an à la carte basis. The division food service operation produced an average of 14.46 meals per labor hour – 8,733 equivalent meals daily.

Revenue Variances:

Compared to budget, revenues were \$398,829 less than expected. The variance is the net result of two main components: meal sales (including breakfast and lunch) and federal meal reimbursement through the National School Lunch Program.

- Lunch and breakfast sales for full-priced meals were \$266,430 lower than expected. This variance is attributed to eight fewer serving days and the less than expected number of students participating who pay full price for meals. À la carte/other sales were lower than expected by \$21,546.
- Federal and state subsidies were \$150,288 less than planned. This decrease in revenue reflects fewer serving days and changes in student meal participation patterns. Free and reduced eligibility decreased from 35.1% in June 2013 to 34.6% in June 2014.

Expenditure Variances:

Compared to budget, expenditures were \$1,655,495 less than expected. The variance is the result of the following:

- Labor cost was \$239,731 less than planned. About 11,263 less labor hours (or 63 per serving day) were worked due to increased productivity and realigning labor hours to the number of meals served.
- Food and supply costs were \$696,914 less than planned. Management efforts were made to reduce the cost of the average meal resulting in an average food cost per meal of \$1.21 for FY 2014. This was a \$0.30 decreased cost per meal compared to the budget.
- Contracted services, utilities, travel, and other miscellaneous expenses ended the year with a positive variance of \$25,699.
- Capital outlay represents the purchase of new or replacement equipment. The negative variance of \$13,278 was due to the purchase of a steamer at Sherando High School.
- \$706,429 represents appropriation of prior year fund balance. The excess appropriation is carried forward to be used if needed.

Frederick County Public Schools
School Nutrition Fund
Year Ended June 30, 2014

	[a]	[b]	[c]	[d]	[e]
	<u>Actual</u>	<u>Actual</u>	<u>Adjusted</u>	<u>Actual</u>	<u>Variance</u>
	<u>2011-2012</u>	<u>2012-2013</u>	<u>Budget</u>	<u>2013-2014</u>	<u>from</u>
			<u>2013-2014</u>		<u>Adj Budget</u>
[1] Beginning Balance July 1*	\$ 1,548,297	\$ 1,510,004	\$ 1,115,940	\$ 1,202,601	\$ 86,661
Revenues:					
[2] Interest on Bank Deposits	\$ 4,103	\$ 3,125	\$ 3,448	\$ 2,484	\$ (964)
[3] Type A Lunches	1,790,515	1,569,601	1,732,657	1,485,516	(247,141)
[4] Breakfast Program	116,940	96,170	109,253	89,964	(19,289)
[5] All Other Sales and Adults	578,179	515,618	594,289	572,743	(21,546)
[6] Other Receipts	57,589	84,970	51,956	92,356	40,400
[7] State School Food Payments	94,601	99,079	101,463	91,725	(9,738)
[8] Federal Meals Reimbursement	2,165,867	2,283,597	2,415,921	2,275,371	(140,550)
[9] Transfers From School Operating	-	-	-	-	-
[10] Total Revenues	\$ 4,807,794	\$ 4,652,160	\$ 5,008,987	\$ 4,610,158	\$ (398,829)
Expenditures:					
[11] Salaries	\$ 1,777,889	\$ 1,836,709	\$ 1,926,270	\$ 1,742,933	\$ 183,337
[12] Fringe Benefits	579,372	624,847	663,925	607,530	56,395
[13] Contractual Services	44,950	48,632	66,493	47,626	18,867
[14] Utilities, Travel and Misc	49,525	50,580	54,118	47,286	6,832
[15] Food and Supplies	2,368,367	2,366,980	2,662,692	1,965,778	696,914
[16] Capital Outlay	25,982	31,816	45,000	58,278	(13,278)
[17] Appropriation Fund Bal. - Prior Year	-	-	706,429	-	706,429
[18] Total Expenditures	\$ 4,846,087	\$ 4,959,563	\$ 6,124,927	\$ 4,469,432	\$ 1,655,495
[19] Revenue Over / (Under) Expenditures	\$ (38,293)	\$ (307,404)	\$ -	\$ 140,726	
[20] Balance June 30	<u>\$ 1,510,004</u>	<u>\$ 1,202,601</u>	<u>\$ -</u>	<u>\$ 1,343,327</u>	

* Beginning and ending balances include inventory valuation.

School Textbook Fund

The textbook fund finished the year with an increase of \$260,370, bringing the fund balance to \$1,415,471. The primary source of revenue for this fund comes from the Standards of Quality funding provided by the Commonwealth. The state funds require a local match equal to the composite index percentage.

Beginning fund balance for the School Textbook Fund was \$1,155,102. Revenues plus the beginning fund balance total available funds of \$2,327,125. For FY 2014, state funds of \$745,103 plus \$421,529 in local matching funds, and miscellaneous receipts for interest and fees totaled \$1,172,023 in revenue.

Textbook purchases were made for replacements of worn textbooks, new language arts textbooks for grades kindergarten through 5, and new advanced placement world history for two high schools. Total expenditures on textbooks and related expenditures equaled \$911,653 for the year – less than planned due to savings on shipping costs and flat enrollment growth. A small portion of the expense total is for a clerical position attributable to maintaining the textbook inventory.

The textbook fund balance increases and decreases over time as it supports the year-to-year disbursements driven by the timing of required textbook adoptions.

Frederick County Public Schools
School Textbook Fund
 Year Ended June 30, 2014

	[a] 2011-12 Actual*	[b] 2012-13 Actual*	[c] 2013-14 Budget	[d] 2013-14 Actual*	[e] Variance
[1] Balance July 1	\$ 1,704,857	\$ 1,411,930	\$ 976,250	\$ 1,155,102	\$ 178,852
Revenues:					
[2] Interest on Bank Deposits	\$ 4,827	\$ 2,372	\$ 5,000	\$ 2,803	\$ (2,197)
[3] Sale of Textbooks/ Lost Fees	5,391	2,310	6,500	2,588	(3,912)
[4] Misc Revenue	-	-	-	-	-
[5] State Reimbursements	324,073	745,564	749,021	745,103	(3,918)
[6] Transfers From Other Funds	201,391	421,717	421,658	421,529	(129)
[7] Total Revenues	\$ 535,682	\$ 1,171,964	\$ 1,182,179	\$ 1,172,023	\$ (10,156)
Expenditures:					
[8] Salaries	\$ 19,035	\$ 20,377	\$ 22,010	\$ 17,813	\$ 4,197
[9] Fringe Benefits	6,428	7,165	7,410	6,534	876
[10] Contractual Services	-	-	-	-	-
[11] Payments to Publishers	815,723	1,401,250	1,023,291	887,306	135,985
[12] Planned Carryforward to Next Year	-	-	1,105,718	-	1,105,718
[13] Total Expenditures	\$ 841,185	\$ 1,428,792	\$ 2,158,429	\$ 911,653	\$ 1,246,776
[14] Revenues Over / (Under) Expenditures	\$ (305,503)	\$ (256,829)	\$ (976,250)	\$ 260,370	\$ 1,236,620
[15] Balance June 30	<u>\$ 1,399,354</u>	<u>\$ 1,155,102</u>	<u>\$ -</u>	<u>\$ 1,415,471</u>	

* Actual fiscal year expenditures include encumbrances

School Capital Projects Fund

The school capital projects fund is a separate fund intended for the purchase of capital items that are not provided for in the annual school operating fund. This fund typically receives revenue from the local governing body through direct appropriation or through the transfer of funds from prior year remaining balances in the school operating fund. Additionally, in FY 2014, funds were transferred from the school debt service fund to support high priority school capital projects.

\$20,957 in fund balance plus \$127,671 in outstanding encumbrances was carried forward from FY 2013 to provide the FY 2014 beginning fund balance. The beginning fund balance plus a transfer of \$1,846,631 from the operating and debt service funds provided \$1,955,259 of FY 2014 available funds to spend. During FY 2014, expenditures and encumbrances totaled \$1,215,650 for various major maintenance projects; including chiller replacement at Robert E. Aylor Middle School, security enhancements at multiple schools, track resurfacing at Millbrook High School, information technology hardware upgrades, school bus replacement purchases, divisionwide crisis management software, and equipment purchases for full-day kindergarten.

The resulting balance of \$779,609 will be carried forward into FY 2015.

Items listed above should be budgeted in the operating fund because they are part of the larger scope of the annual operating responsibilities of the school division. Restoration of such funding in the operating budget will allow for this fund to return to the practice of using it for special projects outside the norm of the operating fund, yet also not large enough for the construction fund.

Frederick County Public Schools
School Capital Projects Fund
 Year Ended June 30, 2014

	[a]	[b]	[c]	[d]	[e]
	2011-12 Actual*	2012-13 Actual*	2013-14 Budget	2013-14 Actual*	Variance from Adjusted Budget
[1] Balance July 1	\$ 303,528	\$ 442,256	\$ 100,000	\$ 148,628	\$ 48,628
Revenues:					
[2] Other Receipts					
[3] Local Funds - Frederick County	\$ 297,116	\$ 1,128,002	\$ 800,883	\$ 800,883	\$ -
[4] Transfers from Other Funds	985,123	267,115	1,082,640	1,045,748	(36,892)
[5] Transfers- Encumbrances from prior year	-	-	127,671	-	(127,671)
					0
Total Revenues	\$ 1,282,239	\$ 1,395,117	\$ 2,011,194	\$ 1,846,631	(164,563)
Expenditures:					
[6] Capital Outlay	\$ 1,491,532	\$ 1,816,416	\$ 2,111,194	\$ 1,215,650	\$ 895,544
[7] Total Expenditures	\$ 1,491,532	\$ 1,816,416	\$ 2,111,194	\$ 1,215,650	\$ 895,544
[8] Fund Balance June 30	\$ 94,235	\$ 20,957	\$ -	\$ 779,609	

* Actual fiscal year amounts include encumbrances.

Construction Fund

The active construction projects for FY 2014 were:

- final construction and opening of the new transportation facility;
- final construction of Amherst Street/Fox Drive traffic light and JWMS parking lot improvement;
- land acquisition and design services for the fourth high school and replacement for FCMS;
- construction of additional rooms for full-day kindergarten at Bass-Hoover, Stonewall, Evendale, and Redbud Run Elementary Schools, and
- completion of the renovation of JWHS walls and façade.

A summary of each project's financial activity is shown below and is provided in a different format on the financial statement.

Transportation Facility:

Beginning project amount	\$ 17,205,000.00
Expenditures through June 30, 2014	\$(17,195,171.00)
O/S Encumbrances @ June 30, 2014	\$(5,000.00)
Remaining project balance	<u>\$ 4,829.00</u>

Cash received – bond proceeds	\$ 15,843,205.00
Cash received – premium proceeds	\$ 925,788.15
Cash received – interest earnings	\$ 53,662.20
Cash received – other sources	\$ 359,568.38
Cash disbursed for project	\$(17,177,223.73)
Accounts Payable @ June 30, 2014	\$ 0.00
Cash/A/P balance @June 30, 2014	<u>\$ 5,000.00</u>

Replacement FCMS:

Beginning project amount	\$ 49,500,000.00
Expenditures through June 30, 2014	\$(2,272,196.06)
O/S Encumbrances @ June 30, 2014	\$(998,939.18)
Remaining project balance	<u>\$46,228,864.76</u>

Cash received – bond proceeds	\$ 7,042,355.00
Cash received – premium proceeds	\$ 442,024.42
Cash received – interest earnings	\$ 24,606.36
Cash received – easement proceeds	\$ 120,000.00
Cash transferred to other sources	\$(2,199,765.29)
Cash disbursed for project	\$(1,990,396.83)
Accounts Payable @ June 30, 2014	<u>\$(281,799.23)</u>
Cash/A/P balance @June 30, 2014	<u>\$ 3,157,024.43</u>

Fourth High School:

Beginning project amount	\$ 4,800,000.00
Expenditures through June 30, 2014	\$(2,419,111.20)
O/S Encumbrances @ June 30, 2014	<u>\$(2,065,257.00)</u>
Remaining project balance	<u>\$ 315,631.80</u>

Cash received – bond proceeds	\$ 2,734,850.00
Cash received – premium proceed	\$ 209,216.97
Cash received – interest earnings	\$ 2,813.37
Cash transferred-undesignated fund	\$ 1,300,000.00
Cash received from other projects	\$ 230,199.17
Cash disbursed for project	\$(2,397,686.20)
Accounts Payable @ June 30, 2014	<u>\$(21,425.00)</u>
Cash/A/P balance @June 30, 2014	<u>\$ 2,057,968.31</u>

JWMS Parking Lot:

Beginning project amount	\$ 600,000.00
Expenditures through June 30, 2014	\$(597,227.05)
O/S Encumbrances @ June 30, 2014	<u>\$(0.00)</u>
Remaining project balance	<u>\$ 2,772.95</u>

Cash received – proffers proceeds	\$ 600,000.00
Cash transferred to other sources	\$(2,772.95)
Cash disbursed for project	\$(597,227.05)
Accounts Payable @ June 30, 2014	<u>\$ 0.00</u>
Cash/ A/P balance as of June 30, 2014	<u>\$ 0.00</u>

James Wood High School:

Beginning project amount	\$ 1,500,000.00
Expenditures through June 30, 2014	\$(1,370,160.01)
O/S Encumbrances @ June 30, 2014	<u>\$ 0.00</u>
Remaining project balance	<u>\$ 129,839.99</u>

Cash received – bond proceeds	\$ 1,286,150.00
Cash received – premium proceeds	\$ 105,857.26
Cash received – interest earnings	\$ 399.80
Cash transferred to other sources	\$(22,247.05)
Cash disbursed for project	\$(1,370,160.01)
Accounts Payable @ June 30, 2014	<u>\$(0.00)</u>
Cash/ A/P balance as of June 30, 2014	<u>\$ 0.00</u>

Elementary Additions:

Beginning project amount	\$ 6,100,000.00
Expenditures through June 30, 2014	\$(5,801,760.73)
O/S Encumbrances @ June 30, 2014	<u>\$(0.00)</u>
Remaining project balance	<u>\$ 298,239.27</u>

Cash received – bond proceeds	\$ 5,635,755.00
Cash received – premium proceed	\$ 452,140.19
Cash received – interest earnings	\$ 4,193.95
Cash received from other projects	\$ 7,912.85
Cash disbursed for project	\$(5,599,188.34)
Accounts Payable @ June 30, 2014	<u>\$(202,572.39)</u>
Cash/ A/P balance as of June 30, 2014	<u>\$ 298,241.26</u>

Frederick County Public Schools
Construction Funds
 Year Ended June 30, 2014

	[a] <u>Project Budget</u>	[b] <u>Prior Years' Receipts</u>	[c] <u>2013-2014 Actual Receipts</u>	[d] <u>Cummulative Project Receipts</u>
[1] Balance July 1			\$ 4,155,525	
Revenues:				
[2] Interest Income	\$ -	\$ 41,605	\$ 5,380	\$ 46,985
[3] Proceeds from Bond Sale	34,205,000	20,823,106	9,415,000	30,238,106
[4] Other Receipts	-	1,296,205	692,563	1,988,768
[5] Transfers from Other Projects/Funds	-	2,900,000	-	2,900,000
[6] Total Revenues	\$ 34,205,000	\$ 25,060,916	\$ 10,112,943	\$ 35,173,859

	[a] <u>Project Budget</u>	[b] <u>Prior Years' Expenditures</u>	[c] <u>2013-2014 Actual</u>	[d] <u>Cummulative Project Expenditures</u>	[e] <u>Outstanding Encumbrances</u>	[f] <u>Remaining Project Balance</u>
Expenditures:						
[7] New Transportation Facility	\$ 17,205,000	\$ 16,717,790	\$ 477,381	\$ 17,195,171	\$ 5,000	\$ 4,829
[8] JWMS Parking Lot	600,000	588,877	8,350	597,227	-	2,773
[9] JWHS Wall Renovations	1,500,000	1,341,909	28,251	1,370,160	-	129,840
[10] Replacement FCMS	49,500,000	825,258	1,446,938	2,272,196	998,939	46,228,865
[11] Elementary School Additions	6,100,000	1,339,239	4,462,521	5,801,761	-	298,239
[12] Fourth High School - land & design	4,800,000	92,320	2,326,791	2,419,111	2,065,257	315,632
[13] Total Expenditures	\$ 79,705,000	\$ 20,905,393	\$ 8,750,233	\$ 29,655,626	\$ 3,069,196	\$ 46,980,178
[14] Balance June 30			<u>\$ 5,518,235</u>			

;

Debt Service Fund

The year-end balance in the debt service fund is \$922,736. The fund balance is carried forward to offset the local share of debt service in the next fiscal year.

During the fiscal year, FCPS received \$276,080 from the federal government as an interest rebate subsidy for the Qualified School Construction Bonds (QSCB) program and \$13,580,403 from the county for debt service obligations and administrative expenses. A transfer of \$1,045,748 representing excess monies in the debt service fund were transferred to the school capital projects fund to help with major maintenance project purchases. Debt was refinanced reducing interest payments owed; therefore, interest expense savings were realized which helped contribute to the fund balance of \$922,736.

As of June 30, 2014, there were 33 active debt issues. The total principal and interest payments, along with the management fees for the debt issues, totaled \$12,953,905.

A summary of the outstanding indebtedness is shown below.

Outstanding debt at June 30, 2013	\$ 103,501,182
New debt incurred during FY 2014	\$ 9,415,000 *
Principal payments on existing debt during FY 2014	<u>(\$ 8,978,905)</u>
Outstanding debt at June 30, 2014	<u>\$ 103,937,277</u>

** During FY 2014, FCPS participated in the fall 2013 and spring 2014 Virginia Public School Authority (VPSA) bond sales for \$5,025,000 and \$4,390,000 respectively. These borrowings were used to fund the construction of elementary school additions at Bass-Hoover, Evendale, Redbud Run, and Stonewall elementary schools, as well as the architectural design of the replacement Frederick County Middle School and the fourth high school.*

Frederick County Public Schools
Debt Service Fund
Year Ended June 30, 2014

	[a]	[b]	[c]	[d]	[e]
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Actual	Variance from Adjusted Budget
[1] Balance July 1	\$ 80,400	\$ 21,049	\$ -	\$ 20,158	\$ 20,158
Revenues:					
[2] Federal - QSCB	\$ 137,181	\$ 284,559	\$ 297,500	\$ 276,080	\$ (21,420)
[3] Local Funds - Frederick County	14,626,151	14,626,151	14,657,201	14,626,151	(31,050)
[4] Transfers from Other Funds					
[5] Total Revenues	\$ 14,763,332	\$ 14,910,710	\$ 14,954,701	\$ 14,902,231	\$ (52,470)
Expenditures:					
[6] Principal Payments	\$ 8,874,628	\$ 9,056,755	\$ 8,978,905	\$ 8,978,905	\$ -
[7] Interest Payments	4,948,631	4,869,297	4,868,156	3,961,150	907,006
[8] Miscellaneous	14,300	12,950	25,000	13,850	11,150
[9] Total Expenditures	\$ 13,837,559	\$ 13,939,002	\$ 13,872,061	\$ 12,953,905	\$ 918,156
[10] Transfers to Other Funds	\$ 985,123	\$ 972,599	\$ 1,082,640	\$ 1,045,748	
[11] Balance June 30	\$ 21,049	\$ 20,158	\$ -	\$ 922,736	

Insurance Reserve Fund

The insurance reserve fund accounts for the premiums received and health claims paid for participating employees. The fund balance is generated from medical and dental premiums paid by the school system and employees exceeding insurance carrier payments for those claims. Likewise, the fund balance could decrease for claims exceeding premiums paid. A range for projected claims expense and health care utilization is prepared by the insurance carrier. Premiums are set within the projected range.

The health insurance program provided coverage for about 1,751 FCPS employees and retirees plus their dependents. The program includes three medical plan options, one vision, and one dental plan—all provided by Anthem. The three medical plan options are known as KeyCare 300, KeyCare 30, and the Health Savings Account (HSA) plan.

Column [e] shows the current year activity compared to expected and maximum levels shown in columns [c] and [d]. Medical and dental claims and other expenses for FY 2014 were \$14,327,847, below the expected level of \$16,316,553. The insurance reserve fund year-end balance increased by \$1,310,177 to an ending balance of \$3,622,668. The fund balance equates to just about three months of claims activity. The fund balance is assigned to support future health claims.

Columns [f] and [g] provide a range of activity projected for FY 2015. It is important to maintain a fund balance sufficient to support claims which may reach maximum liability.

Frederick County Public Schools
Insurance Reserve Fund
Year Ended June 30, 2014

	[a]	[b]	[c]	[d]	[e]	[f]	[g]	
	<u>Actual</u>	<u>Actual</u>	<u>Expected</u>	<u>Maximum</u>	<u>Actual</u>	<u>Expected</u>	<u>Maximum</u>	
	<u>2011-2012</u>	<u>2012-2013</u>	<u>Activity</u>	<u>Claim</u>	<u>2013-2014</u>	<u>Activity</u>	<u>Claim</u>	
			<u>2013-14</u>	<u>Liability</u>		<u>2014-15</u>	<u>Liability</u>	
				<u>2013-14</u>			<u>2014-15</u>	
[1] Balance July 1	\$ 2,504,322	\$ 2,340,363	\$ 2,312,491	\$ 2,312,491	\$ 2,312,491	\$ 3,622,668	\$ 3,622,668	[1]
Revenues:								
[2] Interest on Bank Deposits	\$ 13,240	\$ 9,281	\$ -	\$ -	\$ 11,775	\$ 10,979	\$ 10,979	[2]
[3] Health Insurance Premiums	14,208,262	14,765,127	16,393,139	16,393,139	15,616,995	16,103,513	16,103,513	[3]
[4] Donations/Grants/Other			-	-	9,254			[4]
[5] Total Revenues	\$ 14,221,502	\$ 14,774,408	\$ 16,393,139	\$ 16,393,139	\$ 15,638,024	\$ 16,114,492	\$ 16,114,492	[5]
Expenditures:								
[6] Contracted Activities	\$ 23,195	\$ 12,221	\$ 50,000	\$ 50,000	\$ 6,456	\$ 50,000	\$ 50,000	[6]
[7] Supplies			-	-	5,218	-	-	[7]
[8] Health Care Claims	13,469,031	13,927,856	15,310,501	17,207,058	13,430,301	15,030,642	17,226,336	[8]
[9] Dental Claims	893,235	862,203	956,052	956,052	885,873	959,359	959,359	[9]
[10] Total Expenditures	\$ 14,385,461	\$ 14,802,280	\$ 16,316,553	\$ 18,213,110	\$ 14,327,847	\$ 16,040,001	\$ 18,235,695	[10]
[11] Revenues Over (Under) Expenditures	\$ (163,959)	\$ (27,872)	\$ 76,586	\$ (1,819,971)	\$ 1,310,177	\$ 74,491	\$ (2,121,203)	[11]
[12] Balance June 30	\$ 2,340,363	\$ 2,312,491	\$ 2,389,077	\$ 492,520	\$ 3,622,668	\$ 3,697,159	\$ 1,501,465	[12]

Northwestern Regional Educational Programs (NREP) Funds

Frederick County Public Schools is the fiscal agent for the NREP program. The school divisions of Winchester City and Frederick and Clarke Counties fund the program along with some federal and state dollars. The NREP program provides intense services to multiple disabled students, emotionally disabled students, autistic students, hearing impaired students, deaf/blind students, and preschoolers with various disabilities. The program also provides outreach services to daycares and homes, as well as occupational, physical, and speech therapy services.

Total revenues were \$4,456,455 and were \$52,840 less than budgeted. This amount represents a reduction in the localities' contributions due to the distribution of the FY 2013 surplus of \$54,495, as well as positive variances in interest earnings of \$1,494 and tuition payments of \$160. Expenditure savings of \$529,175 were realized throughout the year. The residual surplus is \$220,262, which will be credited back in part or in whole to the localities in FY 2015. The residual surplus was generated from personnel vacancy savings and reduced contracted services costs for occupational, physical, and speech therapies, autism, and safety and security services.

The NREP textbook fund concluded the year with a fund balance of \$13,409. The fund balance is accumulated over time and is assigned to future disbursements driven by textbook adoption requirements.

Frederick County Public Schools
Northwestern Regional Educational Programs (NREP) Funds
 Year Ended June 30, 2014

	[a]	[b]	[c]	[d]	[e]
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Actual	Variance from Adj. Budget
OPERATING FUND					
Balance at July 1	\$ 294,363	\$ 218,333	\$ 310,567	\$ 54,495	\$ (256,072)
REVENUES:					
[1] Interest	\$ 2,171	\$ 1,467	\$ -	\$ 1,494	\$ 1,494
[2] Tuition	12,025	9,598	7,400	7,560	160
[3] Revenue from Commonwealth	26,000	26,000	26,000	26,000	-
[4] Revenue from Federal Government	-	-	-	-	-
[5] Local Funds -- Frederick County, Winchester City, and Clarke County	-	-	-	-	-
	<u>3,901,535</u>	<u>4,143,693</u>	<u>4,475,895</u>	<u>4,421,400</u>	<u>(54,495)</u>
[6] TOTAL REVENUES	\$ 3,941,731	\$ 4,180,758	\$ 4,509,295	\$ 4,456,455	\$ (52,840)
EXPENDITURES:					
[7] Instruction	\$ 3,289,457	\$ 3,556,788	\$ 3,955,359	\$ 3,493,474	\$ 461,885
[8] Administration, Attendance & Health	164,191	176,353	179,387	177,625	1,763
[9] Pupil Transportation Services	-	-	-	-	-
[10] Operations and Maintenance	505,231	538,429	610,220	544,694	65,525
[11] Food Services	-	-	-	-	-
[12] Fund Transfers/Contingency	10,000	23,952	25,000	25,000	-
[13] Technology	48,883	49,073	49,896	49,895	1
	<u>4,017,761</u>	<u>4,344,596</u>	<u>4,819,862</u>	<u>4,290,687</u>	<u>529,175</u>
[14] TOTAL EXPENDITURES	\$ 4,017,761	\$ 4,344,596	\$ 4,819,862	\$ 4,290,687	\$ 529,175
[15] Balance at June 30	<u>\$ 218,333</u>	<u>\$ 54,495</u>	<u>\$ -</u>	<u>\$ 220,262</u>	
* Actual fiscal year expenditures include outstanding encumbrances at year end.					
TEXTBOOK FUND					
Balance at July 1	\$ 36,062	\$ 20,283	\$ -	\$ 25	\$ 25
REVENUES:					
[1] Interest	\$ 130	\$ 24	\$ -	\$ 48	\$ 48
[2] Transfers from NREP Operating Fund	10,000	23,952	50,000	25,000	(25,000)
	<u>10,130</u>	<u>23,976</u>	<u>50,000</u>	<u>25,048</u>	<u>(24,952)</u>
[3] TOTAL REVENUES	\$ 10,130	\$ 23,976	\$ 50,000	\$ 25,048	\$ (24,952)
EXPENDITURES:					
[4] Payments for textbooks	\$ 25,908	\$ 44,234	\$ 50,000	\$ 11,664	\$ 38,336
	<u>25,908</u>	<u>44,234</u>	<u>50,000</u>	<u>11,664</u>	<u>38,336</u>
[5] TOTAL EXPENDITURES	\$ 25,908	\$ 44,234	\$ 50,000	\$ 11,664	\$ 38,336
Balance at June 30	<u>\$ 20,283</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 13,409</u>	

Consolidated Services Fund

The consolidated services fund accounts for the transaction activity associated with building services provided to county buildings and the Handley Regional Library, as well as vehicle services provided to the school division and outside agencies. FY 2014 was the second year of accounting for the vehicle services within this enterprise fund.

The new transportation facility opened December 2012. The facility is located on Route 522 south, is equipped for fleet maintenance services, and is currently providing those services to the school division, county offices and departments, and volunteer fire and rescue stations. The facility operations include vehicle repairs, tire changing, washing and fueling, and inspections. The facility is staffed by heavy-duty and light-duty mechanics. Most of the service mechanics hold Automotive Service Excellence (ASE) certifications in their respective fields. Fleet services are billed to user agencies on a cost recovery basis. The charges are comprised of full recovery of all direct and indirect expenses associated with the service provided. The facility is also equipped for efficient fueling services to users.

FY 2014 revenue and transfers were \$2,971,065 and expenses totaled \$2,898,133. The positive variance of \$72,932 was primarily due to savings realized in utilities.

Frederick County Public Schools
Consolidated Services Fund
Year Ended June 30, 2014

	[a]	[b]	[c]	[d]	[e]
	<u>2011-12 Actual</u>	<u>2012-13 Actual</u>	<u>2013-14 Adjusted Budget</u>	<u>2013-2014 Actual</u>	<u>Variance from Adj. Budget</u>
Balance July 1	\$ -	-	-	\$ 232,220	
[1] Revenue:					
[2] Building Services					
Billings to Regional Library Board	\$ 7,178	\$ 210	\$ 7,200	\$ 5,435	\$ (1,765)
Billings to County Government	7,614	9,590	7,800	3,053	(4,747)
Sub-total Building Services	<u>\$ 14,792</u>	<u>\$ 9,800</u>	<u>\$ 15,000</u>	<u>\$ 8,488</u>	<u>\$ (6,512)</u>
[3] Vehicle Services					
Billings to FCPS	\$ -	\$2,459,703	\$2,860,113	\$ 2,714,744	\$ (145,369)
Billings to Outside Agencies	-	101,746	224,887	243,544	18,657
Other Receipts	-	57,209	-	-	-
Sub-total Vehicle Services	<u>\$ -</u>	<u>\$2,618,658</u>	<u>\$3,085,000</u>	<u>\$ 2,958,288</u>	<u>\$ (126,712)</u>
[4] Transfers from School Operating Fund	<u>\$ -</u>	<u>\$ 54,132</u>	<u>\$ -</u>	<u>\$ 4,289</u>	<u>\$ 4,289</u>
[5] Total Receipts	<u>\$ 14,792</u>	<u>\$2,682,590</u>	<u>\$3,100,000</u>	<u>\$ 2,971,065</u>	<u>\$ (128,935)</u>
[6] Expenditures:					
[7] Building Services					
County Administration Building	\$ 7,075	\$ 4,237	\$ 7,700	\$ 1,152	\$ 6,548
Bowman Regional Library	7,178	210	7,200	5,435	1,765
Other Agencies	539	5,352	100	2,084	(1,984)
Sub-total Building Services	<u>\$ 14,792</u>	<u>\$ 9,799</u>	<u>\$ 15,000</u>	<u>\$ 8,671</u>	<u>\$ 6,329</u>
[8] Vehicle Services					
Salaries	\$ -	\$ 610,009	\$ 650,251	\$ 638,096	\$ 12,155
Fringe Benefits	-	218,163	230,904	229,546	1,358
Purchased Services	-	67,187	11,687	46,044	(34,357)
Other Charges	-	80,103	182,534	104,054	78,480
Materials and Supplies	-	1,697,330	2,009,624	1,870,615	139,009
Capital Outlay	-	-	-	1,107	(1,107)
Sub-total Vehicle Services	<u>\$ -</u>	<u>\$2,672,791</u>	<u>\$3,085,000</u>	<u>\$ 2,889,462</u>	<u>\$ 195,538</u>
[9] Total Expenditures	<u>\$ 14,792</u>	<u>\$2,682,590</u>	<u>\$3,100,000</u>	<u>\$ 2,898,133</u>	<u>\$ 201,867</u>
[10] Revenues Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,932</u>	
[11] Beginning Inventory	<u>\$ -</u>	<u>\$ 201,032</u>		<u>\$ 232,220</u>	
[12] Adjustment - Yearend Inventory Valuation	<u>-</u>	<u>31,188</u>		<u>72,932</u>	
[13] Ending Inventory	<u>\$ -</u>	<u>\$ 232,220</u>		<u>\$ 305,152</u>	
[14] Balance June 30	<u><u>\$ -</u></u>	<u><u>\$ 232,220</u></u>		<u><u>\$ 305,152</u></u>	

Special Grants Fund

The special grants fund is a fiduciary fund which accounts for the transaction activity associated with the special grants or programs for which Frederick County Public Schools is the fiscal agent. These grants may be multi-year or multi-jurisdictional grants and fall outside of the typical K-12 programs for FCPS.

In FY 2014, this fund recorded activity associated with the conclusion of two grants and programs. The Teaching American History Grant and Regional Adult Education Program were finalized during the fiscal year and have no residual funds included in the June 30, 2014, fund balance.

Active grants and programs include the Chain of Checks and a miscellaneous donation for the benefit of low-income students. The year-end fund balance of \$12,471 includes respective balances of \$12,307 for Chain of Checks and \$164 for the low-income program, both of which are expected to be expended in FY 2015.

Frederick County Public Schools
Special Grants Fund
Year Ended June 30, 2014

	[a]	[b]	[c]	[d]
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Actual
Balance July 1	\$ 41,500	\$ 20,898	\$ 31,113	\$ 31,113
REVENUES:				
[1] Donations and Grants	\$ -	\$ 27,072	\$ 510	\$ 510
Fees from Business & Industry	\$ 44,178	\$ 4,134	\$ -	\$ -
Tuition Payments from Localities	121,781	155,489	-	-
Revenue from the Commonwealth	243,672	93,903	-	-
Revenue from the Federal Government	259,643	-	-	-
[2] Sub-total Regional Adult Ed. Revenues	<u>\$ 669,274</u>	<u>\$ 253,525</u>	<u>\$ -</u>	<u>\$ -</u>
[3] Federal Grant - Teaching American History	<u>\$ 304,006</u>	<u>\$ 429,029</u>	<u>\$ 37,582</u>	<u>\$ 34,040</u>
[4] TOTAL REVENUES	<u>\$ 973,280</u>	<u>\$ 709,626</u>	<u>\$ 38,092</u>	<u>\$ 34,550</u>
EXPENDITURES:				
[5] Chain of Checks	\$ -	\$ 2,881	\$ 20,120	\$ 7,813
[6] At Risk/Low Income	-	-	510	346
[7] Teacher of the Year	-	-	4,072	4,072
[8] Regional Adult Education	689,876	268,133	6,290	6,290
[9] Teaching American History	304,006	428,397	37,704	34,671
[10] TOTAL EXPENDITURES	<u>\$ 993,882</u>	<u>\$ 699,411</u>	<u>\$ 68,695</u>	<u>\$ 53,192</u>
[11] Balance June 30	<u><u>\$ 20,898</u></u>	<u><u>\$ 31,113</u></u>	<u><u>\$ 510</u></u>	<u><u>\$ 12,471</u></u>

Fiduciary Funds

The school division maintains a private-purpose endowment fund and a private-purpose income fund. The endowment fund activity includes contributions and management expenses associated with the principal or corpus. The income fund activity includes miscellaneous restricted donations, interest postings, disbursements, and fund transfers. Fund balances are brought forward each year into the next fiscal period.

The fund balance at June 30, 2014, is comprised of the following:

	Private-Purpose Endowment Balance	Private-Purpose Income Fund Balance
Armstrong Foundation	\$ 226,159	\$3,516
Olin Larrick	\$ 1,703	\$ 7
Laura Bates	\$ 12,533	\$ 52
Harriet S. Sides	\$ 9,381	\$ 0
Della Stine	\$ 13,464	\$ 15
Clyde & Alfretta Logan Scholarship	N/A	\$7,500
Bright Futures Program	N/A	\$ 8,434
Teacher of the Year	N/A	\$ 1,500
Total	\$ 263,240	\$21,024

Private-Purpose Endowment Funds

- Armstrong Foundation Scholarship Fund—This fund accounts for funds provided by the Armstrong Foundation. Earnings are used to provide scholarships to deserving students of the Frederick County, Virginia schools.
- Olin Larrick Trust Fund—This fund accounts for funds provided through a private donor. Earnings on fund assets may be used to provide a scholarship to a deserving student of the Frederick County, Virginia schools.
- Laura Bates Trust Fund—This fund accounts for funds provided by a private donor. Investment earnings on fund assets may be used to construct a nondenominational chapel at Middletown School.
- Harriet S. Sides Trust Fund—This fund accounts for funds provided by a private donor. The trust was developed to use the investment earnings to purchase textbooks. The earnings are transferred to the textbook fund yearly.
- Della Stine Scholarship—This fund accounts for funds provided by a private donor. Earnings on fund assets may be used to provide a scholarship to a deserving student who attended Dowell J. Howard Learning Center.

Private-Purpose Income Fund

- These funds are used for the restricted purpose as prescribed by the donor.

Frederick County Public Schools
Fiduciary Funds
Year Ended June 30, 2014

	[a]	[b]	[c]	[d]
	<u>FY12-13 Private-Purpose Endowment</u>	<u>FY12-13 Private-Purpose Income</u>	<u>FY13-14 Private-Purpose Endowment</u>	<u>FY13-14 Private-Purpose Income</u>
[1] Balance July 1	\$ 241,968	\$ -	\$ 252,113	\$ 27
REVENUES:				
[2] Interest on Bank Accounts	\$ 13,467	\$ 7,044	\$ -	\$ 584
[3] Interest on Investments	-	-	1,878	-
[4] Donations and Grants	-	-	13,464	20,005
[5] Transfers from Other Funds	-	-	-	4,000
[6] Investment Earnings	-	-	-	-
[7] TOTAL REVENUES	\$ 13,467	\$ 7,044	\$ 15,343	\$ 24,589
EXPENDITURES:				
[8] Scholarship Payments	\$ -	\$ 7,000	\$ -	\$ 8,500
[9] Other Expenses	3,321	-	216	-
[10] Other Operating Supplies	-	-	-	2,571
[11] Transfers to Other Funds	-	17	4,000	21
[12] TOTAL EXPENDITURES	\$ 3,321	\$ 7,017	\$ 4,216	\$ 11,092
[13] Balance June 30	<u>\$ 252,113</u>	<u>\$ 27</u>	<u>\$ 263,240</u>	<u>\$ 13,524</u>