



# Frederick County Public Schools

... to ensure all students an excellent education

Executive Director of Finance

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

**FROM:** Lisa K. Frye, Executive Director of Finance *Lisa K. Frye*

**DATE:** September 3, 2013

**SUBJECT:** **Financial Reports for Fiscal Year 2012-13**

Attached are the year-end financial reports for fiscal year 2012-13. As of the date of this report, the financials are un-audited. Included are the statements of operations for all funds managed by the school system. This report summarizes the key activities within each fund.

## Table of Contents

<u>Fund</u>	<u>Report</u>
School Operating Fund	Page 3
School Nutrition Fund	Page 8
School Textbook Fund	Page 10
School Capital Projects Fund	Page 12
School Construction Funds	Page 14
School Debt Service Fund	Page 16
School Health Insurance Reserve Fund	Page 18
Northwestern Regional Educational Programs Funds	Page 20
Consolidated Services Fund	Page 22
Special Grants Fund	Page 24
Fiduciary Funds	Page 26

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 2013 school operating fund is \$800,883, which is 0.60% of the \$134,322,636 total operating fund budget.

Key factors generating the school operating fund surplus:

	Budget	Actual	Variance
Enrollment (Standards of Quality funding)	\$ 47,568,674	\$ 47,236,103	(\$ 332,571)
Wage and benefit savings due to vacancy savings and turnover	\$ 107,934,222	\$ 107,653,744	\$ 280,478
Energy/utility savings	\$ 2,762,388	\$ 2,393,565	\$ 368,823
Budget savings – schools and departments	\$ 14,786,309	\$ 14,326,482	\$ 459,827 <i>\$58,340 schools \$401,487 depts.</i>
Special education regional program funding	\$ 1,138,593	\$1,267,683	\$ 129,090
All other unobligated variances			<u>(\$ 104,764)</u>
<b>Remaining Unobligated Surplus for FY 2013</b>			<b>\$ 800,883</b>

The original (beginning) budget for the school operating fund for FY 2013 was \$131,906,999. Adjustments of \$2,415,637 were approved and resulted in the current budget balance of \$134,322,636. The adjustments included carryforward operating, encumbrance, and grant receipts from FY2012.

FY 2013 revenues in the school operating fund were \$133,055,460 and expenses totaled \$132,157,566. Special obligations in the amount of \$97,012 for certain restricted programs are reserved for re-appropriation to FY 2014, resulting in a FY2013 unobligated surplus of \$800,883.

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

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### 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 \$937,080 [line 11]. The variance for each revenue source and expenditure category is described in the following text. This amount is offset by the \$39,186 deficit in the restricted program section [line 14] resulting in the total operating fund surplus of \$897,895.

**Revenues:**     \$126,905,349 [line 6]

#### Local Sources [line 1]

- \$993,522 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 \$29,126.

#### Commonwealth [line 2]

- \$64,692,202 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 \$191,332.
- SOQ funding was less than budgeted by \$332,571 due to lower than projected enrollment for the school year.
- Other state revenues were greater than budgeted by \$141,239, including positive variances in special education regional program funds of \$129,090, greater sales tax receipts by \$10,125, and other miscellaneous variances of a positive \$2,024.

#### Federal Government [line 3]

- \$4,358 in federal program revenues were received and are primarily restricted; however, a small roads grant is provided each year to assist the operating budget.

#### Local Government [lines 4-5]

- \$61,215,266 was received from the County's General Fund, including prior year funding rolled over into the current year to satisfy carryforward encumbrance obligations and a transfer from the Debt Service Fund for specified FY2013 obligations, and the current year commitment by the local governing body for the School Operating Fund.

**Expenditures:**     \$125,968,269 [line 10]

#### Instruction [line 7]

- \$94,475,031 was expended for instructional purposes and include 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 \$201,978 is attributable to expenditure savings throughout the schools and instructional departments.

#### Instructional and Administrative Technology [line 8]

- \$5,461,085 was expended for costs associated with division technology, whether for instructional, administrative, or operational categories. The \$58,660 positive variance is the net of all personnel and operational expenditures.

## **School Operating Fund – Continued**

### Support Services [line 9]

- \$26,032,153 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 \$811,345 positive variance is the net of all personnel and operational expenditures, including the \$368,823 in energy savings.
- Administration, Attendance and Health - Costs associated with the health services as well as the executive, finance, public information, human resources, and other administrative departments.
  - Savings of \$143,267 were realized in all types of expenditures. The largest variances occurred due to personnel turnover and lower than expected legal fees and contracted services.
- Transportation - Costs associated with transporting students and maintaining school buses.
  - A \$19,803 positive variance due to a savings in vehicle fuel.
- Operations and Maintenance - Costs associated with maintaining the division's facilities.
  - Utility expenses comprise a significant portion of this function. A \$603,538 positive variance was realized in the maintenance function and a \$44,736 positive variance was realized in the facility planning category. While savings were realized throughout all types of expenditures, a notable variance occurred in electricity and heating expenses due to installed lighting projects, conservation efforts and weather conditions.

### Local support of restricted programs [line14]

- \$39,186 is the excess local portion for restricted programs.

### **FY 2013 Unrestricted Surplus (Revenues in Excess of Expenditures) [Line 17]      \$800,883**

Obligations against the surplus funds of \$897,895 include: 1) a \$40,744 for the FY 2014 mentor teacher program, 2) \$37,073 for SOL Algebra Readiness, 3) \$974 for the EpiPens program, 4) \$4,000 for vocational equipment (lift project), 5) \$3,538 for the I3 program, and 6) \$10,682 for carryforward insurance recovery on vehicles. A separate appropriation request will be submitted for these amounts to be approved by the Board of Supervisors.

### **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 \$6,150,111 for FY 2013, and program expenditures totaled \$6,189,297. The resulting negative balance of \$39,186 represents a small amount of 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, 2013

	[a] 2011-12 Actual*	[b] 2012-13 Original Budget	[c] 2012-13 Adjusted Budget	[d] 2012-13 Actual*	[e] Variance from Adj. Budget
<b>SUMMARY</b>					
[A] TOTAL REVENUES	\$ 126,935,659	\$ 131,906,999	\$ 134,322,636	\$ 133,055,460	\$ (1,267,176)
[B] TOTAL EXPENDITURES	\$ 125,118,707	\$ 131,906,999	\$ 134,322,636	\$ 132,157,566	\$ 2,165,070
[C] REVENUE OVER EXPENDITURES	<b>\$ 1,816,952</b>	\$ -	\$ -	<b>\$ 897,895</b>	<b>\$ 897,895</b>
[D] Obligated Funds-Special Programs	25,000			14,682	
[E] Obligated Funds-Required Carryforward	663,949			82,330	
[F] LOCAL FUNDS UNOBLIGATED AT JUNE 30	<b>\$ 1,128,003</b>			<b>\$ 800,883</b>	
[G] Percentage Surplus of Total Budget	0.88%			0.60%	

\* Actual fiscal year expenditures includes encumbrances

**Unrestricted Revenues**

[1] Revenue from Local Sources	\$ 1,000,681	\$ 1,173,070	\$ 1,022,648	\$ 993,522	\$ (29,126)
[2] Revenue from Commonwealth	\$ 59,716,602	\$ 64,695,380	\$ 64,883,534	\$ 64,692,202	\$ (191,332)
a Standards of Quality (SOQ)	43,120,821	47,476,528	47,568,674	47,236,103	(332,571)
b Sales Tax	12,649,914	13,092,868	13,092,868	13,102,993	10,125
c Incentive Accounts	1,553,661	1,121,305	1,029,159	1,121,305	92,146
d Categorical	95,177	110,592	110,592	72,893	(37,699)
e Lottery-Funded Programs	1,984,552	2,734,087	2,872,681	3,016,402	143,721
f Miscellaneous State	312,477	160,000	209,561	142,506	(67,054)
[3] Revenue from Federal Government	\$ 2,760,815	\$ 5,262	\$ 5,262	\$ 4,358	\$ (904)
a Regular Grants	4,510	5,262	5,262	4,358	(904)
b ARRA State Stabilization/Education Jobs Fund/Other	2,756,306	-	-	-	-
[4] Transfers/ CarryOver/ Prior Year Encumbrances	\$ 139,765	\$ 1,369,433	\$ 1,562,070	\$ 1,593,804	\$ 31,734
[5] Local Funds -Board of Supervisors	\$ 56,637,668	\$ 57,398,462	\$ 59,621,462	\$ 59,621,462	\$ -
[6] Total Unrestricted Revenues	<b>\$ 120,255,531</b>	<b>\$ 124,641,607</b>	<b>\$ 127,094,977</b>	<b>\$ 126,905,349</b>	<b>\$ (189,628)</b>

**Unrestricted Expenditures**

[7] Instruction	\$ 88,015,027	\$ 93,020,620	\$ 94,677,008	\$ 94,475,031	\$ 201,978
a Regular education	66,809,771	69,837,900	71,007,194	70,866,669	140,525
b Special education	13,159,739	14,851,643	15,130,913	14,883,422	247,492
c Vocational education	6,016,392	6,218,514	6,387,733	6,496,101	(108,368)
d Gifted education	692,589	725,751	741,473	725,409	16,065
e Other education	1,301,672	1,336,132	1,359,673	1,343,165	16,509
f Summer School	2,697	5,000	5,000	19,264	(14,264)
g Adult education	32,167	45,680	45,022	141,002	(95,980)
h Non-regular school day	-	-	-	-	-
[8] Instructional & Administrative Technology	\$ 5,431,849	\$ 5,209,858	\$ 5,519,745	\$ 5,461,085	\$ 58,660
a Instructional technology	1,426,077	660,701	819,845	823,536	(3,691)
b Instructional support technology	2,433,427	3,176,908	3,181,718	3,159,027	22,691
c Administrative technology	1,572,345	1,372,250	1,518,181	1,478,522	39,659
[9] Support Services	\$ 24,977,736	\$ 26,352,437	\$ 26,843,498	\$ 26,032,153	\$ 811,345
a Administration, Attendance & Health	5,239,700	5,661,380	5,813,342	5,670,074	143,267
b Pupil Transportation Services	7,792,408	7,970,607	8,065,671	8,045,868	19,803
c Operation and Maintenance	11,337,865	12,049,427	12,276,418	11,672,880	603,538
d Facilities	406,399	249,322	185,632	140,896	44,736
e Fund Transfers	201,364	421,700	502,436	502,436	-
[10] Unrestricted Expenditures	<b>\$ 118,424,612</b>	<b>\$ 124,582,915</b>	<b>\$ 127,040,251</b>	<b>\$ 125,968,269</b>	<b>\$ 1,071,983</b>
[11] Unrestricted Revenue Over/(Under) Expense	<b>\$ 1,830,919</b>			<b>\$ 937,080</b>	

**Restricted Programs**

[12] Total Restricted Revenues	\$ 6,680,128	\$ 7,265,392	\$ 7,227,659	\$ 6,150,111	\$ (1,077,548)
[13] Total Restricted Expenditures	\$ 6,694,095	\$ 7,324,084	\$ 7,282,384	\$ 6,189,297	\$ 1,093,087
[14] Restricted Revenue Over/(Under) Expense	<b>\$ (13,967)</b>			<b>\$ (39,186)</b>	
[15] Obligated Funds-Special Programs	25,000			14,682	
[16] Obligated Funds-Required Carryforward for FY14	663,949			82,330	
[17] LOCAL FUNDS UNRESTRICTED AND UNOBLIGATED	<b>\$ 1,128,003</b>			<b>\$ 800,883</b>	

**Supplementary Information Regarding Restricted Programs**

<b>Restricted Programs</b>		<b>2012-2013</b>	<b>2012-2013</b>	<b>2012-2013</b>
		<b>Revenue</b>	<b>Expenditures</b>	<b>Variance</b>
a	eRate Program	67,900	76,540	(8,640)
b	Regional Juvenile Detention Center	424,886	421,154	3,732
c	Special Education - In-Jail	77,593	77,593	-
d	Early Reading Intervention	206,783	241,004	(34,221)
e	SOL Algebra Readiness	108,896	133,103	(24,207)
f	Other Special State Programs	41,773	71,998	(30,225)
g	Bridges to Success - Apple Federal Credit Union	30,000	14,256	15,744
h	Title I, Part A	1,832,388	1,832,388	-
i	Title I, Part D	92,527	105,707	(13,179)
j	Title I, School Choice	97,415	97,415	-
k	Title II, Part A Improve Teacher Quality	266,646	265,315	1,331
l	Title II, Ed Tech	199	199	-
m	Title III LEP	51,549	51,549	-
n	Title VI-B	2,681,700	2,636,284	45,416
o	Perkins Vocational	150,356	148,831	1,525
p	Miscellaneous Federal	19,500	15,962	3,538
[18]	<b>Total Restricted Programs</b>	<b>\$ 6,150,111</b>	<b>\$ 6,189,297</b>	<b>\$ (39,186)</b>

**RECAPITULATION:**

Year Ended June 30, 2013

	[a]	[b]	[c]	[d]	[e]
	<b>2011-12</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2012-13</b>	<b>Variance</b>
	<b>Actual*</b>	<b>Original</b>	<b>Adjusted</b>	<b>Actual*</b>	<b>from</b>
		<b>Budget</b>	<b>Budget</b>		<b>Adj. Budget</b>
Revenue from Local/Other Sources	1,066,324	1,272,320	1,130,690	1,091,422	(39,268)
Revenue from the Commonwealth	60,463,979	65,944,595	66,028,267	65,552,134	(476,133)
Revenue from the Federal Government	8,627,923	5,922,189	5,980,146	5,196,638	(783,508)
Revenue from Local Governing Body	56,777,433	58,767,895	61,183,532	61,215,266	31,734
[19] <b>TOTAL REVENUES</b>	<b>\$ 126,935,659</b>	<b>\$ 131,906,999</b>	<b>\$ 134,322,636</b>	<b>\$ 133,055,460</b>	<b>\$ (1,267,176)</b>
Instruction	88,015,027	93,020,620	94,677,008	94,475,031	201,978
Instruction - Restricted Programs	6,694,095	7,324,084	7,282,384	6,189,297	1,093,087
Technology - Instructional & Administrative	5,431,849	5,209,858	5,519,745	5,461,085	58,660
Support Services	24,977,736	26,352,437	26,843,498	26,032,153	811,345
[20] <b>TOTAL EXPENDITURES</b>	<b>\$ 125,118,707</b>	<b>\$ 131,906,999</b>	<b>\$ 134,322,636</b>	<b>\$ 132,157,566</b>	<b>\$ 2,165,070</b>
[21] <b>REVENUE OVER EXPENDITURES</b>	<b>\$ 1,816,952</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 897,895</b>	<b>\$ 897,895</b>
[22] Obligated Funds-Special Programs	25,000			14,682	
[23] Obligated Funds-Required Carryforward	663,949			82,330	
[24] <b>LOCAL FUNDS UNOBLIGATED AT JUNE 30</b>	<b>\$ 1,128,003</b>			<b>\$ 800,883</b>	
[25] Percentage Surplus of Total Budget	0.88%			0.60%	

\* Actual fiscal year expenditures includes encumbrances

## **School Nutrition Fund**

The food service operation finished the year with expenditures in excess of revenues of \$307,404, which decreases the fund balance to \$1,202,601. Revenue was less than expected due to a decline in the number of students buying meals and expenditures were greater than expected for the associated number of meals served.

1,259,431 lunches and 269,024 breakfasts were served throughout the 2012-2013 school year, which was 208,443 less meals than budgeted. The lunch prices for a full meal were \$2.20 for elementary, \$2.45 for middle, and \$2.45 regular lunch/\$2.55 pizza lunch for high school students. Other items were sold on an a la carte basis. The division food service operation produced an average of 13.91 meals per labor hour – 8,865 equivalent meals daily. The fund balance includes inventory valuation of \$193,785.

### **Revenue Variances:**

Compared to budget, revenues were \$464,584 less than expected. The variance is the net result of three main components: interest revenue, meal sales (including breakfast and lunch), and federal meal reimbursement through the National School Lunch Program.

- Interest earnings were \$2,324 less than expected.
- Lunch and breakfast sales for full-priced meals were \$400,146 lower than expected. This variance is attributed to the number of students who pay full price for meals, which was less than expected. A la carte/other sales were lower than expected by \$154,440. This variance may have been the result of encouraging students to purchase full meals and reducing the sale of individual products such as ice cream.
- Federal and state subsidies were \$31,095 greater than planned. This shift in revenue also reflects changes in student population and meal participation patterns. Free and reduced eligibility increased from 33.3% in June 2012 to 35.1% in June 2013.

### **Expenditure Variances:**

Operating expenditures, exclusive of the budgeted use of prior year carry-forward, were \$157,181 less than expected. Per meal labor and food costs increased significantly over the prior year and contributed to the operating loss. 2012-2013 was the first year of compliance with the Child Nutrition Act. The new meal patterns and ingredient requirements created challenges in staff training and in the ability of food vendors to accommodate the demand in different food products.

While salaries and benefits were \$107,750 less than expected primarily due to savings in personnel costs, there were not enough savings realized to keep the per meal labor cost at budget. 50% of the food service operation is labor cost.

Food and other operational supply expenditures were greater than budgeted by \$24,821. This increased cost reflects a higher average food cost per meal offset by the savings associated with serving fewer meals than planned. The average food cost per meal was \$1.40 compared to a budgeted \$1.23 – a 14% variance. Utility, travel, contracted services, and capital outlay expenses were \$74,251 less than planned.



Frederick County Public Schools  
**School Nutrition Fund**  
Year Ended June 30, 2013

	[a]	[b]	[c]	[d]	[e]
	<u>Actual</u>	<u>Actual</u>	<u>Adjusted</u>	<u>Actual</u>	<u>Variance</u>
	<u>2010-2011</u>	<u>2011-2012</u>	<u>Budget</u>	<u>2012-2013</u>	<u>from</u>
			<u>2012-2013</u>		<u>Adj Budget</u>
[1] <b>Beginning Balance July 1*</b>	\$ 1,291,722	\$ 1,548,297	\$ 1,658,107	\$ 1,510,004	
<b>Revenues:</b>					
[2] Interest on Bank Deposits	\$ 6,385	\$ 4,103	\$ 5,449	\$ 3,125	\$ (2,324)
[3] Type A Lunches	1,812,967	1,790,515	1,943,297	1,569,601	\$ (373,696)
[4] Breakfast Program	106,772	116,940	122,620	96,170	\$ (26,450)
[5] All Other Sales and Adults	650,833	578,179	670,058	515,618	\$ (154,440)
[6] Other Receipts	61,841	57,589	53,806	84,970	\$ 31,164
[7] State School Food Payments	91,058	94,601	99,148	99,079	\$ (69)
[8] Federal Meals Reimbursement	2,038,064	2,165,867	2,222,366	2,283,597	\$ 61,231
[9] Transfers From School Operating	-	-	-	-	\$ -
[10] <b>Total Revenues</b>	\$ 4,767,920	\$ 4,807,794	\$ 5,116,744	\$ 4,652,160	\$ (464,584)
<b>Expenditures:</b>					
[11] Salaries	\$ 1,730,667	\$ 1,777,889	\$ 1,913,497	\$ 1,836,709	\$ 76,788
[12] Fringe Benefits	539,510	579,372	655,809	624,847	30,962
[13] Contractual Services	71,998	44,950	73,627	48,632	24,995
[14] Utilities, Travel and Misc	53,516	49,525	56,893	50,580	6,313
[15] Food and Supplies	2,090,051	2,368,367	2,342,159	2,366,980	(24,821)
[16] Capital Outlay/Use of Carryforward	25,604	25,982	74,759	31,816	42,943
[17] <b>Total Expenditures</b>	\$ 4,511,345	\$ 4,846,087	\$ 5,116,744	\$ 4,959,563	\$ 157,181
[18] <b>Income Over Expenditures</b>	256,575	(38,293)	-	(307,404)	
[19] <b>Balance June 30</b>	<u>\$ 1,548,297</u>	<u>\$ 1,510,004</u>	<u>\$ 1,658,107</u>	<u>\$ 1,202,601</u>	

\* Beginning and ending balances include inventory valuation.

## **School Textbook Fund**

The textbook fund finished the year with a decrease of \$256,829, bringing the fund balance to \$1,155,102. 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.

For FY 2013, state funds of \$745,564 plus \$421,717 in local matching funds, and miscellaneous receipts for interest and fees totaled \$1,171,964 in revenue for the School Textbook Fund. Textbook purchases were made for replacements of worn textbooks, new reading and language arts textbooks for grades kindergarten through 5, new science textbooks for grades 6 through 12, and teacher's editions. Total expenditures on textbooks and related expenditures equaled \$1,428,792 for the year – less than planned due to savings on shipping costs. A small portion of the expense total is for a clerical position attributable to maintaining the textbook inventory.

The textbook fund balance is accumulated over time and is used to support the year-to-year disbursements driven by textbook adoption requirements.

Frederick County Public Schools  
**School Textbook Fund**  
Year Ended June 30, 2013

	[a] <b>2010-11 Actual</b>	[b] <b>2011-12 Actual*</b>	[c] <b>2012-13 Budget</b>	[d] <b>2012-13 Actual</b>	[e] <b>Variance</b>
[1] <b>Balance July 1</b>	\$ 2,259,056	\$ 1,704,857	\$ 1,110,138	\$ 1,411,930	\$ 301,793
<b>Revenues:</b>					
[2] Interest on Bank Deposits	7,963	4,827	20,000	2,372	(17,628)
[3] Sale of Textbooks/ Lost Fees	2,471	5,391	6,500	2,310	(4,190)
[4] Misc Revenue	-	-	-	-	-
[5] State Reimbursements	421,251	324,073	749,365	745,564	(3,801)
[6] Transfers From Other Funds	<u>\$ 261,786</u>	<u>\$ 201,391</u>	<u>\$ 421,850</u>	<u>\$ 421,717</u>	<u>(133)</u>
[7] <b>Total Revenues</b>	\$ 693,471	\$ 535,682	\$ 1,197,715	\$ 1,171,964	\$ (25,751)
<b>Expenditures:</b>					
[8] Salaries	\$ 18,848	\$ 19,035	\$ 19,783	\$ 20,377	(594)
[9] Fringe Benefits	\$ 5,912	\$ 6,428	\$ 7,146	\$ 7,165	(19)
[10] Contractual Services	\$ -	\$ -	\$ -	\$ -	-
[11] Payments to Publishers	\$ 1,222,910	\$ 815,723	\$ 1,598,604	\$ 1,401,250	197,353
[12] Planned Carryforward to Next Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,320</u>	<u>\$ -</u>	<u>682,320</u>
[13] <b>Total Expenditures</b>	\$ 1,247,670	\$ 841,185	\$ 2,307,853	\$ 1,428,792	\$ 879,060
[14] <b>Revenues Over (Under) Expenditures</b>	<u>\$ (554,199)</u>	<u>\$ (305,503)</u>	<u>\$ -</u>	<u>\$ (256,829)</u>	
[15] <b>Balance June 30</b>	<u><u>\$ 1,704,857</u></u>	<u><u>\$ 1,399,354</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,155,102</u></u>	

\* Actual fiscal year expenditures includes 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 2013, funds were transferred from the school debt service fund to support the planned initiatives for school capital projects. With the downturn of the economy in 2008, this fund has been used to address high priority items that were removed from the school operating fund.

\$442,256 was carried forward from FY 2012 and \$1,395,117 was available from the operating and debt service funds for a total of \$1,837,373. During FY 2013, expenditures and encumbrances totaled \$1,816,416 for various, major maintenance projects; including upgrades to fueling equipment, school bus replacement purchases, energy performance improvements at Frederick County and Robert E. Aylor middle schools, information technology department renovations at the School Board Office, James Wood Middle School parking lot improvements, Millbrook High School track repairs, and information technology equipment.

The resulting balance of \$20,957 will be carried forward into FY 2014.

Funding for many of the types of 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, 2013

	[a]	[b]	[c]	[d]	[e]
	<b>2010-11 Actual*</b>	<b>2011-12 Actual*</b>	<b>2012-13 Budget</b>	<b>2012-13 Actual*</b>	<b>Variance from Adjusted Budget</b>
[1] <b>Balance July 1</b>	\$ -	\$ 303,528	\$ 100,000	\$ 442,256	
<b>Revenues:</b>					
[2] Other Receipts			-		-
[3] Local Funds - Frederick County		297,116	1,128,002	1,128,002	-
[4] Transfers from Other Funds	1,693,595	985,123	267,115	267,115	-
[5] Transfers- Encumbrances from prior year			348,021		(348,021)
<b>Total Revenues</b>	\$ 1,693,595	\$ 1,282,239	\$ 1,743,138	\$ 1,395,117	\$ (348,021)
<b>Expenditures:</b>					
[6] Capital Outlay	1,661,075	1,491,532	1,653,247	1,816,416	(163,169)
[7] <b>Total Expenditures</b>	\$ 1,661,075	\$ 1,491,532	\$ 1,653,247	\$ 1,816,416	\$ (163,169)
[8] <b>Fund Balance June 30</b>	\$ 32,520	\$ 94,235		\$ 20,957	

\* Actual fiscal year amounts include encumbrances.

## Construction Funds

The active construction projects for FY 2013 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 4<sup>th</sup> high school and replacement for FCMS,
- additional rooms in preparation 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, 2013	\$(16,717,789.67)
O/S Encumbrances @ June 30, 2013	\$( 482,381.35)
Remaining project balance	<u>\$ 4,828.98</u>

Cash received – bond proceeds	\$ 15,843,205.00
Cash received – premium proceeds	\$ 943,735.42
Cash received – interest earnings	\$ 53,339.96
Cash received – other sources	\$ 395,776.51
Cash disbursed for project	\$(16,574,860.92)
Accounts Payable @ June 30, 2013	\$( 142,928.75)
Cash/A/P balance @June 30, 2013	<u>\$ 518,267.22</u>

### Replacement FCMS:

Beginning project amount	\$ 4,000,000.00
Expenditures through June 30, 2013	\$( 825,257.83)
O/S Encumbrances @ June 30, 2013	\$(1,343,356.00)
Remaining project balance	<u>\$ 1,831,386.17</u>

Cash received – bond proceeds	\$ 3,799,555.00
Cash received – premium proceeds	\$ 209,210.76
Cash received – interest earnings	\$ 23,412.89
Cash received – easement proceeds	\$ 120,000.00
Cash transferred to other sources	\$(2,253,080.57)
Cash disbursed for project	\$( 777,280.83)
Accounts Payable @ June 30, 2013	\$( 47,977.00)
Cash/A/P balance @June 30, 2013	<u>\$ 1,073,840.25</u>

### Fourth High School:

Beginning project amount	\$ 4,800,000.00
Expenditures through June 30, 2013	\$( 92,320.00)
O/S Encumbrances @ June 30, 2013	\$(2,266,125.00)
Remaining project balance	<u>\$ 2,441,555.00</u>

Cash received – bond proceeds	\$ 1,286,150.00
Cash received – premium proceed	\$ 105,857.26
Cash received – interest earnings	\$ 1,851.11
Cash transferred-undesignated funds	\$ 1,300,000.00
Cash received from other projects	\$ 230,199.17
Cash disbursed for project	\$( 62,320.00)
Accounts Payable @ June 30, 2013	\$( 30,000.00)
Cash/A/P balance @June 30, 2013	<u>\$ 2,831,737.54</u>

### JWMS Parking Lot:

Beginning project amount	\$ 600,000.00
Expenditures through June 30, 2013	\$( 588,877.05)
O/S Encumbrances @ June 30, 2013	\$( 8,350.00)
Remaining project balance	<u>\$ 2,772.95</u>

Cash received – proffers proceeds	\$ 600,000.00
Cash disbursed for project	\$( 588,877.05)
Accounts Payable @ June 30, 2013	\$ 0.00
Cash/ A/P balance as of June 30, 2013	<u>\$ 11,122.95</u>

### James Wood High School:

Beginning project amount	\$ 1,500,000.00
Expenditures through June 30, 2013	\$(1,341,909.05)
O/S Encumbrances @ June 30, 2013	\$( 9,252.00)
Remaining project balance	<u>\$ 148,838.95</u>

Cash received – bond proceeds	\$ 1,286,150.00
Cash received – premium proceeds	\$ 105,857.26
Cash received – interest earnings	\$ 399.80
Cash disbursed for project	\$(1,336,980.05)
Accounts Payable @ June 30, 2013	\$( 4,929.00)
Cash/ A/P balance as of June 30, 2013	<u>\$ 50,498.01</u>

### Elementary Additions:

Beginning project amount	\$ 6,100,000.00
Expenditures through June 30, 2013	\$(1,339,239.48)
O/S Encumbrances @ June 30, 2013	\$(4,499,564.92)
Remaining project balance	<u>\$ 261,195.60</u>

Cash received – bond proceeds	\$ 931,350.00
Cash received – premium proceed	\$ 76,655.26
Cash received – interest earnings	\$ 1,291.98
Cash disbursed for project	\$( 310,992.45)
Accounts Payable @ June 30, 2013	\$(1,028,247.03)
Cash/ A/P balance as of June 30, 2013	<u>\$( 329,942.24)</u>

Frederick County Public Schools  
**Construction Funds**  
Year Ended June 30, 2013

	[a] <u>Project Budget</u>	[b] <u>Prior Years' Receipts</u>	[c] <u>2012-2013 Actual Receipts</u>	[d] <u>Cummulative Project Receipts</u>
[1] Balance July 1			\$ 9,720,770	
<b>Revenues:</b>				
[2] Interest Income		\$ 27,132	\$ 14,473	\$ 41,605
[3] Proceeds from Bond Sale	\$ 34,205,000	\$ 16,388,106	\$ 4,435,000	\$ 20,823,106
[4] Other Receipts		\$ 811,180	\$ 485,025	\$ 1,296,205
[5] Transfers from Other Projects/Funds		\$ 2,900,000	\$ -	\$ 2,900,000
[6] <b>Total Revenues</b>	\$ 34,205,000	\$ 20,126,418	\$ 4,934,498	\$ 25,060,916

	[a] <u>Project Budget</u>	[b] <u>Prior Years' Expenditures</u>	[c] <u>2012-2013 Actual</u>	[d] <u>Cummulative Project Expenditures</u>	[e] <u>Outstanding Encumbrances</u>	[f] <u>Remaining Project Balance</u>
<b>Expenditures:</b>						
[7] New Transportation Facility	\$ 17,205,000	\$ 10,169,472	\$ 6,548,317	\$ 16,717,790	\$ 482,381	\$ 4,829
[8] JWMS Parking Lot	\$ 600,000	\$ 94,330	\$ 494,547	\$ 588,877	\$ 8,350	\$ 2,773
[9] JWHS Wall Renovations	\$ 1,500,000	\$ 141,847	\$ 1,200,062	\$ 1,341,909	\$ 9,252	\$ 148,839
[10] Replacement FCMS- land & design	\$ 4,000,000	\$ -	\$ 825,258	\$ 825,258	\$ 1,343,356	\$ 1,831,386
[11] Elementary School Additions	\$ 6,100,000	\$ -	\$ 1,339,239	\$ 1,339,239	\$ 4,499,565	\$ 261,196
[12] Fourth High School - land & design	\$ 4,800,000	\$ -	\$ 92,320	\$ 92,320	\$ 2,266,125	\$ 2,441,555
[13] <b>Total Expenditures</b>	\$ 34,205,000	\$ 10,405,649	\$ 10,499,744	\$ 20,905,393	\$ 8,609,029	\$ 4,690,578
[14] Balance June 30			<u>\$ 4,155,525</u>			

**Debt Service Fund**

The year-end balance in the debt service fund is \$20,158. The fund balance will be used to offset the local share of debt service in the next fiscal year.

During the fiscal year, FCPS received \$284,559 from the federal government as an interest rebate subsidy for the Qualified School Construction Bonds (QSCB) program and \$14,626,151 from the County for debt service obligations, administrative expenses, and a transfer to the school capital project fund. The federal subsidy was less than expected due to an 8.7% sequestration reduction; however savings were realized on the administrative expenses producing the fund balance of \$20,158.

As of June 30, 2013, there were 33 active debt issues. The total principal and interest payments, along with the management fees for the debt issues, totaled \$13,939,002.

A summary of the outstanding indebtedness is shown below.

Outstanding debt at June 30, 2012	\$ 108,122,937
New debt incurred during FY 2013	\$ 4,435,000 *
Principal payments on existing debt during FY 2013	<u>(\$ 9,056,755)</u>
Outstanding debt at June 30, 2013	<u>\$ 103,501,182</u>

*\* During FY 2013, FCPS participated in the fall 2012 Virginia Public School Authority (VPSA) bond sale for \$4,435,000, which will be used to fund the construction of elementary school additions at Bass-Hoover, Evendale, Redbud Run, and Stonewall elementary schools, as well as land acquisition and architectural/engineering services for the fourth high school and replacement Frederick County Middle School.*



Frederick County Public Schools  
**Debt Service Fund**  
 Year Ended June 30, 2013

	[a]	[b]	[c]	[d]	[e]
	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Adjusted Budget</b>	<b>2012-13 Actual</b>	<b>Variance from Adjusted Budget</b>
[1] <b>Balance July 1</b>	\$ 250,520	\$ 80,400	\$ -	\$ 21,049	\$ 21,049
<b>Revenues:</b>					
[2] Federal - QSCB	-	137,181	297,500	284,559	(12,941)
[3] Local Funds - Frederick County	14,626,151	14,626,151	14,626,151	14,626,151	-
[4] Transfers from Other Funds					
[5] <b>Total Revenues</b>	\$ 14,626,151	\$ 14,763,332	\$ 14,923,651	\$ 14,910,710	\$ (12,941)
<b>Expenditures:</b>					
[6] Principal Payments	9,388,482	8,874,628	9,056,755	9,056,755	-
[7] Interest Payments	3,699,544	4,948,631	4,869,297	4,869,297	0
[8] Miscellaneous	14,650	14,300	25,000	12,950	12,050
[9] <b>Total Expenditures</b>	\$ 13,102,676	\$ 13,837,559	\$ 13,951,052	\$ 13,939,002	\$ 12,050
[10] Transfers to Other Funds	1,693,595	985,123	972,599	972,599	
[11] <b>Balance June 30</b>	\$ 80,400	\$ 21,049	\$ -	\$ 20,158	

## **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 1,759 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 2013 were \$14,802,280, below the expected level of \$15,682,256. The insurance reserve fund year-end balance decreased by \$27,872 to an ending balance of \$2,312,491. The fund balance equates to just about two months of claims activity.

Columns [f] and [g] provide a range of activity projected for FY 2014. 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, 2013

	[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>2010-11</u>	<u>2011-2012</u>	<u>Activity</u>	<u>Claim</u>	<u>2012-2013</u>	<u>Activity</u>	<u>Claim</u>	
			<u>2012-13</u>	<u>Liability</u>		<u>2013-14</u>	<u>Liability</u>	
				<u>2012-13</u>			<u>2013-14</u>	
[1] <b>Balance July 1</b>	\$ 2,472,496	\$ 2,504,322	\$ 2,340,363	\$ 2,340,363	\$ 2,340,363	\$ 2,312,491	\$ 2,312,491	[1]
<b>Revenues:</b>								
[2] Interest on Bank Deposits	20,744	13,240	-	-	9,281	-	-	[2]
[3] Health Insurance Premiums	13,028,981	14,208,262	15,280,085	15,280,085	14,765,127	16,393,139	16,393,139	[3]
[4] <b>Total Revenues</b>	\$ 13,049,726	\$ 14,221,502	\$ 15,280,085	\$ 15,280,085	\$ 14,774,408	\$ 16,393,139	\$ 16,393,139	[4]
<b>Expenditures:</b>								
[5] Contracted Activities	39,113	23,195	50,000	50,000	12,221	50,000	50,000	[5]
[6] Health Care Claims	12,056,581	13,469,031	14,632,256	16,077,247	13,927,856	15,310,501	17,207,058	[6]
[7] Dental Claims	922,207	893,235	1,000,000	1,000,000	862,203	956,052	956,052	[7]
[8] <b>Total Expenditures</b>	\$ 13,017,900	\$ 14,385,461	\$ 15,682,256	\$ 17,127,247	\$ 14,802,280	\$ 16,316,553	\$ 18,213,110	[8]
[9] <b>Revenues Over (Under) Expenditures</b>	31,826	(163,959)	(402,171)	(1,847,162)	(27,872)	76,586	(1,819,971)	[9]
[10] <b>Balance June 30</b>	\$ 2,504,322	\$ 2,340,363	\$ 1,938,192	\$ 493,201	\$ 2,312,491	\$ 2,389,077	\$ 492,520	[10]

## **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 \$4,180,758 and were \$214,668 less than budgeted. This amount represents a reduction in the localities' contributions due to the distribution of the FY 2012 surplus of \$218,333, as well as positive variances in interest earnings of \$1,467 and tuition payments of \$2,198. Expenditure savings of \$270,874 were realized throughout the year. The residual surplus is \$54,495, which will be credited back to the localities in FY 2014. The residual surplus was generated from reduced contracted service costs for occupational, physical, and speech therapy and autism services.

The NREP textbook fund concluded the year with a fund balance of \$25. The fund balance is accumulated over time and is used to support the year-to-year disbursements driven by textbook adoption requirements.

Frederick County Public Schools  
**Northwestern Regional Educational Programs (NREP) Funds**  
 Year Ended June 30, 2013

	[a]	[b]	[c]	[d]	[e]
	2010-11 Actual	2011-12 Actual	2012-13 Adjusted Budget	2012-13 Actual	Variance from Adj. Budget
<b>OPERATING FUND</b>					
<b>Balance at July 1</b>	\$ 483,259	\$ 294,363	\$ 220,044	\$ 218,333	\$ (1,711)
<b>REVENUES:</b>					
[1] Interest	\$ 3,940	\$ 2,171	\$ -	\$ 1,467	\$ 1,467
[2] Tuition	9,780	12,025	\$ 7,400	9,598	\$ 2,198
[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	3,647,213	3,901,535	4,362,026	4,143,693	\$ (218,333)
<b>[6] TOTAL REVENUES</b>	\$ 3,686,933	\$ 3,941,731	\$ 4,395,426	\$ 4,180,758	\$ (214,668)
<b>EXPENDITURES:</b>					
[7] Instruction	\$ 3,137,341	\$ 3,289,457	\$ 3,824,551	\$ 3,556,788	\$ 267,762
[8] Administration, Attendance & Health	156,539	164,191	170,657	176,353	(5,696)
[9] Pupil Transportation Services	-	-	-	-	-
[10] Operations and Maintenance	525,516	505,231	542,976	538,429	4,547
[11] Food Services	-	-	-	-	-
[12] Fund Transfers/Contingency	10,000	10,000	23,952	23,952	-
[13] Technology	46,432	48,883	53,334	49,073	4,260
<b>[14] TOTAL EXPENDITURES</b>	\$ 3,875,829	\$ 4,017,761	\$ 4,615,470	\$ 4,344,596	\$ 270,874
<b>[15] Balance at June 30</b>	<u>\$ 294,363</u>	<u>\$ 218,333</u>	<u>\$ -</u>	<u>\$ 54,495</u>	
* Actual fiscal year expenditures include outstanding encumbrances at year end.					
<b>TEXTBOOK FUND</b>					
<b>Balance at July 1</b>	\$ 45,044	\$ 36,062	\$ 26,048	\$ 20,283	\$ (5,765)
<b>REVENUES:</b>					
[1] Interest	181	130	0	24	24
[2] Transfers from NREP Operating Fund	10,000	10,000	23,952	23,952	0
<b>[3] TOTAL REVENUES</b>	\$ 10,181	\$ 10,130	\$ 23,952	\$ 23,976	\$ 24
<b>EXPENDITURES:</b>					
[4] Payments for textbooks	19,163	25,908	50,000	44,234	5,766
<b>[5] TOTAL EXPENDITURES</b>	\$ 19,163	\$ 25,908	\$ 50,000	\$ 44,234	\$ 5,766
<b>Balance at June 30</b>	<u>\$ 36,062</u>	<u>\$ 20,283</u>	<u>\$ -</u>	<u>\$ 25</u>	

## **Consolidated Services Fund**

The consolidated service 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 2013 was the first year of accounting for the vehicle services within this enterprise fund.

The new transportation facility opened December 2012. The new facility is located on Route 522 south, is equipped for fleet maintenance services, and is currently providing those services to the division's bus and vehicle fleet. 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.) certification in their respective fields. Services are billed to the user departments of the school division on a cost recovery basis. The charges are comprised of full recovery of all direct and indirect expenses associated with the services provided. The facility is also equipped for efficient fueling services to users.

Building services for FY 2013 in the amount of \$9,799 were provided to the County and Regional Library. Vehicle maintenance and fueling services in the amount of \$2,618,659 were provided to the school division and outside agencies.

Frederick County Public Schools  
**Consolidated Services Fund**  
Year Ended June 30, 2013

	[a]	[b]	[c]	[d]	[e]
	2010-11	2011-12	2012-13	2012-13	Variance
	Actual	Actual	Adjusted	Actual	from
			Budget		Adj. Budget
<b>Balance July 1</b>	\$ 748	\$ -	\$ -	\$ -	\$ -
[1] <b>Revenue:</b>					
[2] Building Services					
Billings to Regional Library Board	3,262	7,178	-	210	210
Billings to County Government	7,043	7,614	-	9,590	9,590
Sub-total Building Services	10,305	14,792	-	9,799	9,799
[3] Vehicle Services					
Billings to FCPS	-	-	2,637,053	2,459,704	(177,349)
Billings to Outside Agencies	-	-	-	101,746	101,746
Other Receipts	-	-	62,947	57,209	(5,738)
Sub-total Vehicle Services	-	-	2,700,000	2,618,659	(81,341)
[4] Transfers from School Operating Fund	-	-	-	54,132	54,132
[5] <b>Total Receipts</b>	\$ 10,305	\$ 14,792	\$ 2,700,000	\$ 2,682,591	\$ (17,409)
[6] <b>Expenditures:</b>					
[7] Building Services					
County Administration Building	6,519	7,075	-	4,238	(4,238)
Bowman Regional Library	3,262	7,178	-	210	(210)
Other Agencies	1,272	539	-	5,352	(5,352)
Sub-total Building Services	11,053	14,792	-	9,799	(9,799)
[8] Vehicle Services					
Salaries	-	-	627,391	610,008	17,383
Fringe Benefits	-	-	224,161	218,163	5,998
Purchased Services	-	-	68,067	67,187	880
Other Charges	-	-	106,583	80,103	26,479
Materials and Supplies	-	-	1,673,799	1,697,330	(23,531)
Capital Outlay	-	-	-	-	-
Sub-total Vehicle Services	-	-	2,700,000	2,672,791	27,209
[9] <b>Total Expenditures</b>	\$ 11,053	\$ 14,792	\$ 2,700,000	\$ 2,682,590	\$ 17,410
[10] <b>Revenues Over (Under) Expenditures</b>	(748)	-	-	0	(0)
[11] Adjustment - Beginning Inventory				201,032	201,032
[12] Adjustment - Yearend Inventory Valuation				31,188	31,188
[13] <b>Revenues Over (Under) Expenditures</b>	(748)	-	-	232,220	232,219
[14] <b>Balance June 30</b>	\$ 0	\$ -	\$ -	\$ 232,220	\$ 232,220

## **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.

In FY 2013, four special grants/donations were transacted in this fund – the Chain of Checks Donation, the Regional Adult Education Program, the federal grant entitled Building Bridges: Teaching American History, and miscellaneous donations for the Teacher of the Year Program.

In FY 2013, FCPS was the recipient of \$23,000 from the Chain of Checks donation program. Donated funds are restricted for supporting eligible homeless students' fees for school-sponsored activities (i.e. yearbooks, prom tickets, homecoming, school pictures, cap and gown, athletic fees, etc.). Further, \$4,702 is available for the Teacher of the Year Program. An ending balance of \$24,191 is available for these programs in the FY 2014.

FCPS was fiscal agent to the Regional Adult Education Program. The localities of Frederick, Clarke, Shenandoah, and Warren counties and Winchester City participate in the regional program. Revenue for three months of the program was \$253,525 from state, federal, and locality billings as well as fees charged to local industries obtaining the service. The program was transferred to Lord Fairfax Community College during the FY 2013. A remaining balance of \$6,290 for the Regional Literacy Coordinating Committee is carried-forward into FY 2014 for reimbursement to the participating locality.

The Building Bridges: Teaching American History (TAH) grant is a three year grant for just under \$1 million. Expenditures for the third year totaled \$428,397 and are reimbursed by the federal government. The grant will expire at the close of the 2013 calendar year. Remaining funds of \$632 are carried forward into the FY 2014.



Frederick County Public Schools  
**Special Grants Fund**  
Year Ended June 30, 2013

	[a] 2011-12 Actual	[b] 2012-13 Adjusted Budget	[c] 2012-13 Actual	[d] Variance from Adj. Budget
<b>Balance July 1</b>	\$41,500		\$ 20,898	\$ 20,898
<b>REVENUES:</b>				
[1] Donations and Grants		-	27,072	27,072
Fees from Business & Industry	44,178	3,997	4,134	137
Tuition Payments from Localities	121,781	145,338	155,489	10,150
Revenue from the Commonwealth	243,672	93,903	93,903	-
Revenue from the Federal Government	259,643	-	-	-
[2] Sub-total Regional Adult Ed. Revenues	\$ 669,274	\$ 243,238	\$ 253,525	\$ 10,288
[3] Federal Grant - Teaching American History	\$304,006	\$472,324	\$429,029	(\$43,295)
[4] <b>TOTAL REVENUES</b>	\$ 973,280	\$ 715,562	\$ 709,626	\$ (5,935)
<b>EXPENDITURES:</b>				
[5] Chain of Checks Donation	\$0	\$0	\$2,881	(2,881)
Regional Adult Education Program				
Personnel	613,234	236,306	261,233	(24,926)
Operating	76,641	6,931	6,900	31
Capital Outlay	-	-	-	-
[6] Sub-total Reg. Adult Ed. Expenditures	\$ 689,876	\$ 243,238	\$ 268,133	\$ (24,895)
Teaching American History Grant (TAH)				
Personnel	80,733	70,496	69,425	1,071
Operating	223,273	401,828	358,973	42,856
Capital Outlay	-	-	-	-
[7] Sub-total TAH Expenditures	\$ 304,006	\$ 472,324	\$ 428,397	\$ 43,927
[8] <b>TOTAL EXPENDITURES</b>	\$ 993,882	\$ 715,562	\$ 699,411	\$ 16,151
[9] <b>Balance June 30</b>	<u>\$ 20,898</u>	<u>\$ -</u>	<u>\$ 31,113</u>	

## **Fiduciary Funds**

Two other funds maintained by the school division include 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 interest postings, disbursements, and fund transfers. Fund balances are brought forward each year into the next fiscal period.

The endowment fund balance at June 30, 2013 is comprised of the following:

	<b>Private-Purpose Endowment Balance</b>	<b>Private-Purpose Income Fund Balance</b>
Armstrong Foundation	\$ 228,279	\$ 0
Olin Larrick	\$ 1,920	\$ 4
Laura Bates	\$ 12,533	\$ 23
Harriet S. Sides	\$ 9,381	\$ 0
<b>Total</b>	<b>\$ 252,113</b>	<b>\$ 27</b>

### 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 through a private donor. When the trust was developed, textbooks were not free to all students, and the donor's intent was for the investment earnings to be used to purchase textbooks for indigent students of Frederick County Public Schools. Since all students are provided with textbooks at no cost, the earnings are transferred to the textbook fund to assist with the purchase of textbooks available for all students.

Frederick County Public Schools  
**Fiduciary Funds**  
 Year Ended June 30, 2013

	[a]	[b]
	<u>Private-Purpose Endowment</u>	<u>Private-Purpose Income</u>
<b>Balance July 1</b>	\$ 241,968	\$ -
<b>REVENUES:</b>		
Contributions		
Appreciation on Investments	\$ 13,467	
Investment Earnings		\$ 7,044
<b>TOTAL REVENUES</b>	\$ 13,467	\$ 7,044
<b>EXPENDITURES:</b>		
Trust Fund Activity	\$ 3,321	\$ 7,000
Transfers to Other Funds		\$ 17
<b>TOTAL EXPENDITURES</b>	\$ 3,321	\$ 7,017
<b>Balance June 30</b>	<u>\$ 252,113</u>	<u>\$ 27</u>