

# Frederick County Public Schools

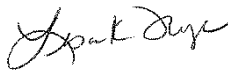
... to ensure all students an excellent education

Executive Director of Finance

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**DATE:** August 25, 2015

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

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

**SUBJECT:** **Financial Reports for Fiscal Year 2014-15**

Attached are the year-end financial reports for fiscal year 2014-15. 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 2015 school operating fund is \$314,747, which is 0.22% of the \$142,289,182 total school operating fund budget.

The operational highlights of the fiscal (and school year) 2014-2015

- Implementation of a full-day, instructional program for kindergartners instead of a half-day program
- Fall enrollment was 13,066
- Roll-out and expansion of 1:1 technology initiative for all middle and some elementary school students

Summary budget statistics

1. The original (beginning) budget for the school operating fund for FY 2015 was \$140,504,479.
2. Budget adjustments of \$1,784,703 resulted in the current budget balance of \$142,289,182. Notable adjustments included:
  - a. a one-time transfer from the Debt Service Fund of \$1,566,316 to support a mid-year salary initiative
  - b. encumbrance and carry-forward grant receipts of \$218,387 from FY 2014

Summary financial statistics

1. Actual FY 2015 revenues in the school operating fund were \$141,326,145.
2. Actual FY 2015 expenses totaled \$140,887,661.
3. Obligations for restricted programs in the amount of \$123,737 are a part of the year-end surplus and are reserved for appropriation to FY 2016.
4. An unobligated amount of \$314,747 remained at year-end. [Line E]

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

	Budget	Actual	Variance
State sales tax	\$13,808,529	\$13,944,103	\$ 135,574
Budget savings – schools and departments	\$19,049,155	\$18,890,295	\$ 158,859 <i>\$ 28,958 schools \$129,901 depts.</i>
All other unobligated variances			<u>\$ 20,314</u>
<b>Unobligated Surplus for FY 2015</b>			<b>\$ 314,747</b>

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 activity of grant funds received for specific use on designated programs. 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.

**Unrestricted Revenues and Expenditures**

Unrestricted revenues exceeded expenditures by \$489,607 [line 11]. The variance for each revenue source and expenditure category is described in the following text. This amount is offset by the \$51,124 deficit in the restricted program section [line 14] resulting in the total operating fund surplus of \$438,484 [line 15].

**Unrestricted Revenues:        \$135,636,248 [line 6]**

**Local Sources [line 1]**

- \$1,043,468 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 more than projected by \$76,008 and include the sale of equipment, insurance adjustments, and miscellaneous donations.

**Commonwealth [line 2]**

- \$67,454,879 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 more than budgeted by \$120,202.
- SOQ funding was less than budgeted by \$114,208 due to lower than projected enrollment.
- Sales tax funding was more than budgeted by \$135,574 due to greater sales tax collections received by the Commonwealth than was planned by the Virginia Department of Taxation.
- The state’s share of special education regional tuition funding was more than budgeted by \$64,609 due to enrollment in the program.
- Other state revenues were greater than budgeted by \$34,227.

**Federal Government [line 3]**

- \$5,458 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. There is no notable variance in this section.

**Local Government and Transfers [lines 4-5]**

- \$67,132,443 were received from the County’s General Fund and the School Capital Projects Fund, \$65,347,740 and \$1,784,703 respectively, and all of which are considered local government dollars. This total includes the prior year encumbrance and grant obligations, as well as the current year funding support from the local governing body and a transfer of available funds in the School Capital Projects Fund.

## **School Operating Fund – Continued**

### **Unrestricted Expenditures: \$135,146,640 [line 10]**

#### **Instruction [line 7]**

- \$100,814,363 were 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 \$14,995 is attributable to expenditure savings throughout the schools and instructional departments.

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

- \$7,052,237 were expended for costs associated with division technology, whether for instructional, administrative, or operational categories. Savings in vehicle fuel and employee compensation due to turnover provided some of the funding to expand the school division's 1:1 student technology device initiative to additional grade levels.

#### **Support Services [line 9]**

- \$27,280,040 were 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 \$143,424 positive variance is the net of personnel and operational expenditures. The majority of this positive variance is due to residual fuel and utility savings.

### **Restricted program revenues and expenditures [lines 12 and 13]**

In some programs, local dollars are required. Expenditures exceeded revenues by \$51,124. [line 14]

### **FY 2015 Unrestricted Surplus (Revenues in Excess of Expenditures) \$314,747 [lines 15-17]**

The total surplus for FY 2015 of \$438,484 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 \$123,737, and include: 1) \$88,795 for SOL Algebra Readiness, 2) \$30,000 for the Apple Federal Credit Union mentor teacher program, and 3) \$4,942 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 FY 2015 is \$314,747.

### **Supplementary Information Regarding Restricted Programs [line 18]**

Restricted Programs provide funding for specific initiatives. The majority of these revenues are based upon certain student populations or capabilities. Restricted program funding is associated with 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 \$5,689,897 for FY 2015, and program expenditures totaled \$5,741,021. The resulting negative balance of \$51,124 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, 2015

	[a] 2013-14 Actual*	[b] 2014-15 Original Budget	[c] 2014-15 Adjusted Budget	[d] 2014-15 Actual*	[e] Variance from Adj. Budget
<b>SUMMARY</b>					
Revenue from Local/Other Sources	\$ 1,105,550	\$ 1,130,160	\$ 1,238,402	\$ 1,171,896	\$ (66,506)
Revenue from the Commonwealth	\$ 66,525,232	\$ 69,070,812	\$ 68,675,763	\$ 68,475,796	\$ (199,967)
Revenue from the Federal Government	\$ 4,448,061	\$ 4,955,767	\$ 5,242,574	\$ 4,546,010	\$ (696,564)
Revenue from Local Governing Body	\$ 61,043,225	\$ 65,347,740	\$ 67,132,443	\$ 67,132,443	\$ -
<b>[A] TOTAL REVENUES</b>	<b>\$ 133,122,067</b>	<b>\$ 140,504,479</b>	<b>\$ 142,289,182</b>	<b>\$ 141,326,145</b>	<b>\$ (963,037)</b>
Instruction	\$ 95,025,262	\$ 101,060,889	\$ 100,829,358	\$ 100,814,363	\$ 14,995
Instruction - Restricted Programs	5,506,461	6,972,977	6,981,567	5,741,021	1,240,546
Technology - Instructional & Administrative	5,601,832	5,516,224	7,054,793	7,052,237	2,556
Support Services	26,336,980	26,954,389	27,423,465	27,280,040	143,424
<b>[B] TOTAL EXPENDITURES</b>	<b>\$ 132,470,535</b>	<b>\$ 140,504,479</b>	<b>\$ 142,289,182</b>	<b>\$ 140,887,661</b>	<b>\$ 1,401,521</b>
* Actual fiscal year expenditures includes encumbrances					
<b>[C] REVENUE OVER EXPENDITURES</b>	<b>\$ 651,533</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 438,484</b>	<b>\$ 438,484</b>
<b>[D] Obligated Funds-Special Programs</b>	<b>\$ 108,939</b>			<b>\$ 123,737</b>	
<b>[E] LOCAL FUNDS UNOBLIGATED AT JUNE 30</b>	<b>\$ 542,594</b>			<b>\$ 314,747</b>	
<b>[F] Percentage Surplus of Total Budget</b>	<b>0.40%</b>			<b>0.22%</b>	
<b>Unrestricted Revenues</b>					
[1] Revenue from Local Sources	\$ 939,671	\$ 844,493	\$ 967,460	\$ 1,043,468	\$ 76,008
[2] Revenue from Commonwealth	\$ 65,611,371	\$ 67,346,838	\$ 67,334,677	\$ 67,454,879	\$ 120,202
a Standards of Quality (SOQ)	47,027,074	49,473,679	49,378,267	49,264,059	(114,208)
b Sales Tax	13,300,059	13,759,908	13,808,529	13,944,103	135,574
c Incentive Accounts	1,987,927	518,000	518,000	518,000	-
d Categorical	79,971	89,837	81,178	79,725	(1,453)
e Lottery-Funded Programs	3,021,344	3,407,914	3,401,299	3,410,221	8,922
f Miscellaneous State	194,996	97,500	147,404	238,770	91,367
[3] Revenue from Federal Government	\$ 5,262	\$ 5,000	\$ 6,295	\$ 5,458	\$ (837)
a Miscellaneous	5,262	5,000	6,295	5,458	(837)
[4] Transfers/ CarryOver/ Prior Year Encumbrances	\$ 315,904	\$ -	\$ 1,784,703	\$ 1,784,703	\$ -
[5] Local Funds -Board of Supervisors	\$ 60,727,321	\$ 65,347,740	\$ 65,347,740	\$ 65,347,740	\$ -
[6] Total Unrestricted Revenues	\$ 127,599,529	\$ 133,544,071	\$ 135,440,875	\$ 135,636,248	\$ 195,372
<b>Unrestricted Expenditures</b>					
[7] Instruction	\$ 95,025,262	\$ 101,060,889	\$ 100,829,358	\$ 100,814,363	\$ 14,995
a Regular education	71,172,122	74,890,038	75,770,618	75,767,962	2,656
b Special education	15,023,196	16,021,237	15,896,039	15,891,719	4,320
c Vocational education	6,629,442	6,838,251	6,953,876	6,953,883	(8)
d Gifted education	769,927	800,126	814,280	811,686	2,594
e Other education	1,361,989	1,379,391	1,353,031	1,349,064	3,967
f Summer School	18,068	23,750	23,750	23,135	615
g Adult education	34,278	54,461	17,764	16,914	850
h Non-regular school day	16,240	-	-	-	-
i Contingency reserve	-	1,053,635	-	-	-
[8] Instructional & Administrative Technology	\$ 5,601,832	\$ 5,516,224	\$ 7,054,793	\$ 7,052,237	\$ 2,556
a Instructional technology	1,196,662	958,701	2,307,083	2,308,228	(1,145)
b Instructional support technology	2,694,015	2,900,192	2,803,201	2,802,456	744
c Administrative support technology	1,711,154	1,657,330	1,944,510	1,941,553	2,957
[9] Support Services	\$ 26,336,980	\$ 26,954,389	\$ 27,423,465	\$ 27,280,040	\$ 143,424
a Administration, Attendance & Health	5,648,324	5,997,189	5,909,852	5,886,193	23,660
b Pupil Transportation Services	8,275,541	8,209,240	8,101,828	8,061,763	40,065
c Operation and Maintenance	11,812,783	12,069,480	12,729,955	12,684,115	45,839
d Facilities	174,535	202,312	190,961	157,101	33,860
e Fund Transfers	425,797	476,169	490,869	490,869	-
[10] Unrestricted Expenditures	\$ 126,964,074	\$ 133,531,502	\$ 135,307,615	\$ 135,146,640	\$ 160,975
[11] Unrestricted Revenue Over/(Under) Expense	\$ 635,455			\$ 489,607	
<b>Restricted Programs</b>					
[12] Total Restricted Revenues	\$ 5,522,538	\$ 6,960,408	\$ 6,848,307	\$ 5,689,897	\$ (1,158,409)
[13] Total Restricted Expenditures	\$ 5,506,461	\$ 6,972,977	\$ 6,981,567	\$ 5,741,021	\$ 1,240,546
[14] Restricted Revenue Over/(Under) Expense	\$ 16,078			\$ (51,124)	
[15] All Revenue Over/(Under) Expense	\$ 651,532			\$ 438,484	
[16] Obligated Funds-Special Programs	108,939			123,737	
[17] LOCAL FUNDS UNRESTRICTED AND UNOBLIGATED AT JUNE 30	\$ 542,594			\$ 314,747	

**Supplementary Information Regarding Restricted Programs**

<b>Restricted Programs</b>		<b>2014-2015</b>	<b>2014-2015</b>	<b>2014-2015</b>
		<b>Revenue</b>	<b>Expenditures</b>	<b>Variance</b>
a	eRate Program	\$ 90,768	\$ 85,826	\$ 4,942
b	Regional Juvenile Detention Center	512,374	506,244	6,129
c	Special Education - In-Jail	84,020	84,020	0
d	Early Reading Intervention	242,843	271,220	(28,377)
e	SOL Algebra Readiness	117,263	169,552	(52,289)
f	Other Special State Programs	64,417	96,297	(31,879)
g	Bridges to Success - Apple Federal Credit Union	30,000	15,813	14,187
h	Title I, Part A	1,470,700	1,470,700	0
i	Title I, Part D	68,478	103,774	(35,296)
j	Title II, Part A Improve Teacher Quality	331,187	331,187	0
k	Title III LEP	68,118	68,118	0
l	Title VI-B	2,356,903	2,356,903	0
m	Title VI-B Preschool	41,184	-	41,184
n	Perkins Vocational	158,727	154,386	4,341
o	Miscellaneous Federal	19,500	3,007	16,493
p	Emergency Generator Grant	7,661	965	6,696
q	NOAA Grant	25,756	23,010	2,745
<b>[18]</b>	<b>Total Restricted Programs</b>	<b>\$ 5,689,897</b>	<b>\$ 5,741,021</b>	<b>\$ (51,124)</b>

**RECAPITULATION:**

Year Ended June 30, 2015

	[a]	[b]	[c]	[d]	[e]
	<b>2013-14</b>	<b>2014-15</b>	<b>2014-15</b>	<b>2014-15</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>
<b>[19] TOTAL REVENUES</b>	\$ 133,122,067	\$ 140,504,479	\$ 142,289,182	\$ 141,326,145	\$ (963,037)
<b>[20] TOTAL EXPENDITURES</b>	\$ 132,470,535	\$ 140,504,479	\$ 142,289,182	\$ 140,887,661	\$ 1,401,521
<b>[21] REVENUE OVER EXPENDITURES</b>	<b>\$ 651,533</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 438,484</b>	<b>\$ 438,484</b>
<b>[22] Obligated Funds-Special Programs</b>	108,939			123,737	
<b>[23] LOCAL FUNDS UNOBLIGATED AT JUNE 30</b>	<b>\$ 542,594</b>			<b>\$ 314,747</b>	
<b>[24] Percentage Surplus of Total Budget</b>	0.40%			0.22%	

\* Actual fiscal year expenditures includes encumbrances

## School Nutrition Fund

The food service operation completed the FY 2015 with revenues in excess of expenditures of \$190,700, which increases the fund balance to \$1,559,508. Of this fund balance, \$238,947 is the value of inventory at year-end and is categorized as non-spendable. The School Nutrition Services Program served meals over 174 days, six days less than the budget due to inclement weather.

Even though the fund realized a profit in FY 2015, revenue was less than expected due to a decline in the number of students buying meals and six less serving days. Expenditures were significantly less than expected for the associated number of meals served. Operational efficiencies continue to be realized on food and labor costs. Standardized menu planning provides savings in the average food cost per meal. Further, staff productivity ratios are analyzed and labor hours are adjusted up or down based on the number of meals to serve.

1,168,508 lunches and 266,286 breakfasts were served throughout the 2014-2015 school year, which were 92,953 less meals than budgeted. The lunch prices for a full meal were \$2.40 for elementary, \$2.65 for middle, and \$2.65 regular lunch/\$2.75 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 14.52 meals per labor hour – 8,595 equivalent meals daily. As of June 2015, 34.8% of students were eligible for free or reduced-priced meals.

### Revenue Variances:

Compared to budget, revenues were \$283,241 less than expected. The variance is the 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 \$176,296 lower than expected. This variance is attributed to six fewer serving days and the less than expected number of students participating who pay full price for meals. À la carte/other sales were greater than expected by \$59,458.
- Federal and state subsidies were \$169,585 less than planned. This decrease in revenue reflects fewer serving days and changes in student meal participation patterns.

### Expenditure Variances:

Compared to budget, expenditures were less than expected. \$1,233,680 of the total expenditure variance represents appropriation of prior year fund balance. The excess appropriation is carried forward to be used if needed. The other operational variances are the result of the following:

- Labor cost was \$180,767 less than planned. Productivity gains were realized and overtime and substitute costs were less than anticipated.
- Food and supply costs were \$298,099 less than planned. The average food cost per meal was \$1.20 for FY 2015, which was 11 cents less than budgeted.
- Contracted services, utilities, travel, and other miscellaneous expenses ended the year with a positive variance of \$1,156.
- Capital outlay represents the purchase of new or replacement equipment. The negative variance of \$6,082 was due to an oven replacement at Indian Hollow Elementary School and a dishwasher at Middletown Elementary School.



Frederick County Public Schools  
**School Nutrition Fund**  
Year Ended June 30, 2015

	[a]	[b]	[c]	[d]	[e]
	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Adjusted</u> <u>Budget</u> <u>2014-15</u>	<u>Actual</u> <u>2014-2015</u>	<u>Variance</u> <u>from</u> <u>Adj Budget</u>
[1] <b>Beginning Balance July 1</b>	\$ 1,510,004	\$ 1,202,601	\$ 1,233,680	\$ 1,368,808	\$ 135,128
<b>Revenues:</b>					
[2] Interest on Bank Deposits	\$ 3,125	\$ 2,484	\$ 3,125	\$ 2,902	\$ (223)
[3] Type A Lunches	1,569,601	1,485,516	1,661,816	1,507,227	(154,589)
[4] Breakfast Program	96,170	89,964	123,713	102,006	(21,707)
[5] All Other Sales and Adults	515,618	572,743	529,174	588,632	59,458
[6] Other Receipts	84,970	92,356	65,740	69,146	3,406
[7] State School Food Payments	99,079	91,725	94,933	86,549	(8,384)
[8] Federal Meals Reimbursement	2,283,597	2,275,371	2,489,531	2,328,330	(161,201)
[9] Transfers From School Operating	-	-	24,064	24,064	0
[10] <b>Total Revenues</b>	\$ 4,652,160	\$ 4,610,158	\$ 4,992,096	\$ 4,708,855	\$ (283,241)
<b>Expenditures:</b>					
[11] Salaries	\$ 1,836,709	\$ 1,742,933	\$ 1,914,863	\$ 1,745,169	\$ 169,694
[12] Fringe Benefits	624,847	607,530	655,203	644,130	11,072
[13] Contractual Services	48,632	47,626	61,750	62,199	(449)
[14] Utilities, Travel and Misc	50,580	47,286	53,615	52,010	1,605
[15] Food and Supplies	2,366,980	1,965,778	2,243,984	1,945,885	298,099
[16] Capital Outlay	31,816	58,278	62,681	68,763	(6,082)
[17] Appropriation Fund Bal. - Prior Year	-	-	1,233,680	-	1,233,680
[18] <b>Total Expenditures</b>	\$ 4,959,563	\$ 4,469,432	\$ 6,225,776	\$ 4,518,155	\$ 1,707,621
[19] <b>Revenue Over / (Under) Expenditures</b>	\$ (307,404)	\$ 140,726	\$ -	\$ 190,700	
[20] <b>Balance June 30</b>	<u>\$ 1,202,601</u>	<u>\$ 1,343,327</u>	<u>\$ -</u>	<u>\$ 1,559,508</u>	
[21] Balance Nonspendable - Inventory	\$ 193,785	\$ 210,365		\$ 238,947	
[22] Unreserved fund balance	\$ 1,008,815	\$ 1,132,962		\$ 1,320,561	

\* Actual expenditures include year-end encumbrances

## **School Textbook Fund**

The textbook fund finished the year with a decrease of \$343,527 resulting in a fund balance to \$1,077,501. 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 \$1,421,028. Revenues plus the beginning fund balance total available funds of \$2,689,382. For FY 2015, state funds of \$787,033 plus \$476,198 in local matching funds, and miscellaneous receipts for interest and fees totaled \$1,268,354 in revenue.

Textbook purchases were made for replacements of worn textbooks, new science textbooks for grades kindergarten through 5, new world language textbooks for grades 6 through 12, and multiple subject textbooks for the full-day kindergarten program. Total expenditures and obligations on textbooks and related activities equaled \$1,611,881 for the year – less than planned due to savings on shipping costs, consumables 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. Textbook fund balance is assigned to the next fiscal year to support required textbook adoptions.

Frederick County Public Schools  
**School Textbook Fund**  
Year Ended June 30, 2015

	[a] 2012-13 Actual*	[b] 2013-14 Actual*	[c] 2014-15 Budget	[d] 2014-15 Actual*	[e] Variance
[1] <b>Balance July 1</b>	\$ 1,411,930	\$ 1,155,102	\$ 1,311,850	\$ 1,421,028	\$ 109,178
<b>Revenues:</b>					
[2] Interest on Bank Deposits	\$ 2,372	\$ 2,803	\$ 5,000	\$ 2,620	\$ (2,380)
[3] Sale of Textbooks/ Lost Fees	2,310	2,588	5,000	2,144	(2,856)
[4] Sale of Used Books			1,500	359	(1,141)
[5] State Reimbursements	745,564	745,103	788,385	787,033	(1,352)
[6] Transfers From Other Funds	421,717	421,529	466,955	476,198	9,243
[7] <b>Total Revenues</b>	\$ 1,171,964	\$ 1,172,023	\$ 1,266,840	\$ 1,268,354	\$ 1,514
<b>Expenditures:</b>					
[8] Salaries	\$ 20,377	\$ 17,813	\$ 22,794	\$ 16,076	\$ 6,718
[9] Fringe Benefits	7,165	6,534	8,233	4,017	4,216
[10] Contractual Services	-	-	2,195	2,195	-
[11] Payments to Publishers	1,401,250	887,306	2,545,467	1,589,593	955,874
[12] Planned Carryforward to Next Year	-	-	-	-	-
[13] <b>Total Expenditures</b>	\$ 1,428,792	\$ 911,653	\$ 2,578,690	\$ 1,611,881	\$ 966,808
[14] <b>Revenues Over / (Under) Expenditures</b>	\$ (256,829)	\$ 260,370	\$(1,311,850)	\$ (343,527)	\$ 968,322
[15] <b>Balance June 30</b>	<u>\$ 1,155,102</u>	<u>\$ 1,415,471</u>	<u>\$ -</u>	<u>\$ 1,077,501</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.

\$779,609 in fund balance plus \$79,205 in outstanding encumbrances was carried forward from FY 2014 to provide the FY 2015 beginning fund balance. The beginning fund balance plus a transfer of \$542,594 from the operating fund provided \$1,401,408 of FY 2015 available funds to spend. During FY 2015, expenditures and encumbrances totaled \$919,743 for various major maintenance projects; including cafeteria floor replacement at Apple Pie Ridge Elementary School, roof replacement at Sherando High School, division-wide crisis management software, and remaining equipment purchases for full-day kindergarten.

The resulting balance of \$481,665 will be carried forward into FY 2016.

Some of the items listed above should be supported by a sufficient funding level 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, 2015

	[a]	[b]	[c]	[d]	[e]
	<b>2012-13 Actual*</b>	<b>2013-14 Actual*</b>	<b>2014-15 Budget</b>	<b>2014-15 Actual*</b>	<b>Variance from Adjusted Budget</b>
[1] <b>Balance July 1</b>	\$ 442,256	\$ 148,628	\$ 779,609	\$ 858,814	\$ 79,205
<b>Revenues:</b>					
[2] Other Receipts					
[3] Local Funds - Frederick County	\$ 1,128,002	\$ 800,883	\$ 542,594	\$ 542,594	\$ -
[4] Transfers from Other Funds	267,115	1,045,748	-	-	-
[5] Transfers- Encumbrances from prior year	-	-	79,205	-	(79,205)
<b>Total Revenues</b>	<b>\$ 1,395,117</b>	<b>\$ 1,846,631</b>	<b>\$ 621,799</b>	<b>\$ 542,594</b>	<b>\$ (79,205)</b>
<b>Expenditures:</b>					
[6] Capital Outlay	\$ 1,816,416	\$ 1,215,650	\$ 1,401,408	\$ 919,743	\$ 481,665
[7] <b>Total Expenditures</b>	<b>\$ 1,816,416</b>	<b>\$ 1,215,650</b>	<b>\$ 1,401,408</b>	<b>\$ 919,743</b>	<b>\$ 481,665</b>
[8] <b>Fund Balance June 30</b>	<b>\$ 20,957</b>	<b>\$ 779,609</b>	<b>\$ -</b>	<b>\$ 481,665</b>	

\* Actual fiscal year amounts include encumbrances.

## Construction Fund

The active construction projects for FY 2015 were:

- construction of replacement for FCMS;
- continued design of the fourth high school;
- final project costs for the new transportation facility; and
- final expenditures for the elementary classroom project.

A project-to-date summary is shown below and is provided in a different format on the financial statement. The amounts shown in bold represent active project balances at year-end, which will be automatically re-appropriated in the next fiscal year to provide for the seamless continuation of the project.

### **Replacement FCMS:**

Beginning project amount	\$ 49,500,000.00
Expenditures through June 30, 2015	\$(12,264,429.98)
O/S Encumbrances @ June 30, 2015	<u>\$(32,957,834.33)</u>
Remaining project balance	<b><u>\$ 4,277,735.69</u></b>

Cash received – bond proceeds	\$ 20,394,731.44
Cash received – premium proceeds	\$ 2,093,210.65
Cash received – interest earnings	\$ 41,441.75
Cash received – easement proceeds	\$ 120,000.00
Cash transferred to other sources	\$( 2,199,765.29)
Cash disbursed for project	\$(10,037,592.88)
Accounts Payable @ June 30, 2015	<u>\$( 2,226,837.10)</u>
Cash/A/P balance @June 30, 2015	<b><u>\$ 8,185,188.57</u></b>

### **Fourth High School:**

Beginning project amount	\$ 4,800,000.00
Expenditures through June 30, 2015	\$(3,978,391.48)
O/S Encumbrances @ June 30, 2015	<u>\$( 541,501.72)</u>
Remaining project balance	<b><u>\$ 280,106.80</u></b>

Cash received – bond proceeds	\$ 2,734,850.00
Cash received – premium proceeds	\$ 209,216.97
Cash received – interest earnings	\$ 4,661.19
Cash transferred-undesignated fund	\$ 1,300,000.00
Cash received from other projects	\$ 230,199.17
Cash disbursed for project	\$(3,791,156.56)
Accounts Payable @ June 30, 2015	<u>\$( 187,234.92)</u>
Cash/A/P balance @June 30, 2015	<b><u>\$ 500,535.85</u></b>

### **Transportation Facility:**

Beginning project amount	\$ 17,200,171.00
Expenditures through June 30, 2015	\$(17,200,171.00)
O/S Encumbrances @ June 30, 2015	<u>\$( 0.00)</u>
Remaining project balance	<b><u>\$ 0.00</u></b>

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	\$(17,182,223.73)
Accounts Payable @ June 30, 2015	<u>\$ 0.00</u>
Cash/A/P balance @June 30, 2015	<b><u>\$ 0.00</u></b>

### **Elementary Additions:**

Beginning project amount	\$ 6,100,000.00
Expenditures through June 30, 2015	\$(6,008,704.73)
O/S Encumbrances @ June 30, 2015	<u>\$( 0.00)</u>
Remaining project balance	<b><u>\$ 91,295.27</u></b>

Cash received – bond proceeds	\$ 5,635,755.00
Cash received – premium proceeds	\$ 452,140.19
Cash received – interest earnings	\$ 4,646.36
Cash received from other projects	\$ 7,912.85
Cash disbursed for project	\$(6,008,704.73)
Accounts Payable @ June 30, 2015	<u>\$( 0.00)</u>
Cash/ A/P balance as of June 30, 2015	<b><u>\$ 91,749.67</u></b>

Frederick County Public Schools  
**Construction Funds**  
Year Ended June 30, 2015

	[a] <u>Project Budget</u>	[b] <u>Prior Years' Receipts</u>	[c] <u>2014-2015 Actual Receipts</u>	[d] <u>Cummulative Project Receipts</u>		
[1] Balance July 1			\$ 5,518,235			
<b>Revenues:</b>						
[2] Interest Income	\$ -	\$ 85,276	\$ 19,136	\$ 104,412		
[3] Proceeds from Bond Sale	77,600,171	31,233,541	13,375,000	44,608,541		
[4] Other Receipts	-	1,877,621	1,628,563	3,506,184		
[5] Miscellaneous	-	-	-	-		
[6] <b>Total Revenues</b>	\$ 77,600,171	\$ 33,196,439	\$ 15,022,698	\$ 48,219,137		
	[a]	[b]	[c]	[d]	[e]	[f]
	<u>Project Budget</u>	<u>Prior Years' Expenditures</u>	<u>2014-2015 Actual</u>	<u>Cummulative Project Expenditures</u>	<u>Outstanding Encumbrances</u>	<u>Remaining Project Balance</u>
<b>Expenditures:</b>						
[7] New Transportation Facility	\$ 17,200,171	\$ 17,195,171	\$ 5,000	\$ 17,200,171	\$ -	\$ -
[8] Replacement FCMS	49,500,000	2,272,196	9,992,234	12,264,430	32,957,834	4,277,736
[9] Elementary School Additions	6,100,000	5,801,761	206,944	6,008,705	-	91,295
[10] Fourth High School - land & design	4,800,000	2,419,111	1,559,280	3,978,391	541,502	280,107
[11] <b>Total Expenditures</b>	\$ 77,600,171	\$ 27,688,239	\$ 11,763,458	\$ 39,451,697	\$ 33,499,336	\$ 4,649,138
[12] Balance June 30			<u>\$ 8,777,475</u>			

## Debt Service Fund

The year-end balance in the debt service fund is \$287,524. 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 \$275,783 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 and administrative expenses. \$1,566,316 in excess monies in the debt service fund were transferred out (described in more detail in the next paragraph). Additionally, some existing debt was refinanced, which reduced interest payments owed, and thus created an interest expense savings generating the fund balance of \$287,524.

The original budget for the debt service fund (approved in the spring of 2014) reflected a transfer of \$1,566,316 to the school capital projects fund to help with major maintenance, security and safety project purchases. In July 2014, in an unprecedented collaboration between the school board and governing body to issue a comparable salary increase, the FY 2015 budget was adjusted to redirect the aforementioned excess funds to the school operating fund instead of the school capital projects fund.

As of June 30, 2015, there were 34 active debt issues. The total principal and interest payments, along with the management fees for the debt issues, totaled \$13,970,830.

A summary of the outstanding indebtedness is shown below.

Outstanding debt at June 30, 2014	\$ 103,937,277
New debt incurred during FY 2015	\$ 13,375,000 *
Principal payments on existing debt during FY 2015	<u>(\$ 9,236,871)</u>
Outstanding debt at June 30, 2015	<u>\$ 108,075,406</u>

*\* During FY 2015, FCPS participated in the fall 2014 Virginia Public School Authority (VPSA) bond sales for \$13,375,000. This borrowing was used to fund the construction of the replacement Frederick County Middle School.*



Frederick County Public Schools  
**Debt Service Fund**  
Year Ended June 30, 2015

	[a]	[b]	[c]	[d]	[e]
	<u>2012-13 Actual</u>	<u>2013-14 Actual</u>	<u>2014-15 Adjusted Budget</u>	<u>2014-15 Actual</u>	<u>Variance from Adjusted Budget</u>
[1] <b>Balance July 1</b>	\$ 21,049	\$ 20,158	\$ 857,000	\$ 922,736	\$ 65,736
<b>Revenues:</b>					
[2] Federal - QSCB	\$ 284,559	\$ 276,080	\$ 271,500	\$ 275,783	\$ 4,283
[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>	\$ 14,910,710	\$ 14,902,231	\$ 14,897,651	\$ 14,901,934	\$ 4,283
<b>Expenditures:</b>					
[6] Principal Payments	\$ 9,056,755	\$ 8,978,905	\$ 9,236,871	\$ 9,236,871	\$ -
[7] Interest Payments	4,869,297	3,961,150	4,926,464	4,718,909	207,555
[8] Miscellaneous	12,950	13,850	25,000	15,050	9,950
[9] <b>Total Expenditures</b>	\$ 13,939,002	\$ 12,953,905	\$ 14,188,335	\$ 13,970,830	\$ 217,505
[10] Transfers to Other Funds	\$ 972,599	\$ 1,045,748	\$ 1,566,316	\$ 1,566,316	
[11] <b>Balance June 30</b>	<u>\$ 20,158</u>	<u>\$ 922,736</u>	<u>\$ -</u>	<u>\$ 287,524</u>	

## **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 1,766 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, affordable care act and other expenses for FY 2015 were \$16,092,508, above the expected level of \$16,040,001. The insurance reserve fund year-end balance increased by \$17,115 to an ending balance of \$3,639,783. The fund balance equates to just under 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 2016. 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, 2015

	[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>2012-2013</u>	<u>2013-2014</u>	<u>Activity</u>	<u>Claim</u>	<u>2014-15</u>	<u>Activity</u>	<u>Claim</u>	
			<u>2014-15</u>	<u>Liability</u>		<u>2015-16</u>	<u>Liability</u>	
				<u>2014-15</u>			<u>2015-16</u>	
[1] <b>Balance July 1</b>	\$ 2,340,363	\$ 2,312,491	\$ 3,622,668	\$ 3,622,668	\$ 3,622,668	\$ 3,639,783	\$ 3,639,783	[1]
<b>Revenues:</b>								
[2] Interest on Bank Deposits	\$ 9,281	\$ 11,775	\$ 10,979	\$ 10,979	\$ 12,026	\$ 11,500	\$ 11,500	[2]
[3] Health Insurance Premiums	14,765,127	15,616,995	16,103,513	16,103,513	16,094,732	16,290,766	16,290,766	[3]
[4] Donations/Grants/Other		9,254			2,865			[4]
[5] <b>Total Revenues</b>	\$ 14,774,408	\$ 15,638,024	\$ 16,114,492	\$ 16,114,492	\$ 16,109,623	\$ 16,302,266	\$ 16,302,266	[5]
<b>Expenditures:</b>								
[6] Contracted Activities	\$ 12,221	\$ 6,456	\$ 50,000	\$ 50,000	\$ 294,921	\$ 100,000	\$ 100,000	[6]
[7] Taxes & Fees					\$ 3,061			[7]
[8] Supplies		5,218			3,327			[8]
[9] Health Care Claims	13,927,856	13,430,301	15,030,642	17,226,336	14,788,283	15,653,405	18,001,416	[9]
[10] Dental Claims	862,203	885,873	959,359	959,359	1,002,916	1,000,000	1,000,000	[10]
[11] <b>Total Expenditures</b>	\$ 14,802,280	\$ 14,327,847	\$ 16,040,001	\$ 18,235,695	\$ 16,092,508	\$ 16,753,405	\$ 19,101,416	[11]
[12] <b>Revenues Over (Under) Expenditures</b>	\$ (27,872)	\$ 1,310,177	\$ 74,491	\$ (2,121,203)	\$ 17,115	\$ (451,139)	\$ (2,799,150)	[12]
[13] <b>Balance June 30</b>	\$ 2,312,491	\$ 3,622,668	\$ 3,697,159	\$ 1,501,465	\$ 3,639,783	\$ 3,188,644	\$ 840,633	[13]

## **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. About 240 students are served by this program.

Total revenues were \$4,505,455 and were \$219,063 less than budgeted. This amount represents a reduction in the localities' contributions due to the distribution of the FY 2014 surplus of \$220,262, as well as positive variances in interest earnings and tuition payments of \$1,199. Expenditure savings of \$586,375 were realized throughout the year. The residual surplus is \$218,442, which will be credited back to the localities in FY 2016. The residual surplus was generated from personnel vacancy savings, reduced contracted service costs for speech therapy and hearing impaired interpreting. Program savings were also realized in instructional supplies and travel costs.

The NREP textbook fund concluded the year with a fund balance of \$38,493. 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, 2015

	[a]	[b]	[c]	[d]	[e]
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Actual*	Variance from Adj. Budget
<b>OPERATING FUND</b>					
<b>Balance at July 1</b>	\$ 218,333	\$ 54,495	\$ 369,132	\$ 220,262	\$ (148,871)
<b>REVENUES:</b>					
[1] Interest	\$ 1,467	\$ 1,494	\$ -	\$ 1,196	\$ 1,196
[2] Tuition	9,598	7,560	7,400	7,403	3
[3] Revenue from Commonwealth	26,000	26,000	40,078	40,078	0
[4] Revenue from Federal Government	-	-	-	-	-
[5] Local Funds -- Frederick County, Winchester City, and Clarke County	-	-	-	-	-
	<u>4,143,693</u>	<u>4,421,400</u>	<u>4,677,040</u>	<u>4,456,778</u>	<u>(220,262)</u>
[6] <b>TOTAL REVENUES</b>	\$ 4,180,758	\$ 4,456,455	\$ 4,724,518	\$ 4,505,455	\$ (219,063)
<b>EXPENDITURES:</b>					
[7] Instruction	\$ 3,556,788	\$ 3,493,474	\$ 4,210,566	\$ 3,662,691	\$ 547,876
[8] Administration, Attendance & Health	176,353	177,625	184,563	183,113	1,450
[9] Pupil Transportation Services	-	-	-	-	-
[10] Operations and Maintenance	538,429	544,694	621,921	584,921	37,000
[11] Food Services	-	-	-	-	-
[12] Fund Transfers/Contingency	23,952	25,000	25,000	25,000	0
[13] Technology	49,073	49,895	51,599	51,550	49
	<u>4,344,596</u>	<u>4,290,687</u>	<u>5,093,650</u>	<u>4,507,275</u>	<u>586,375</u>
[14] <b>TOTAL EXPENDITURES</b>	\$ 4,344,596	\$ 4,290,687	\$ 5,093,650	\$ 4,507,275	\$ 586,375
[15] <b>Balance at June 30</b>	<u>\$ 54,495</u>	<u>\$ 220,262</u>	<u>\$ -</u>	<u>\$ 218,442</u>	

\* Actual fiscal year expenditures include outstanding encumbrances at year end.

**TEXTBOOK FUND**

<b>Balance at July 1</b>	\$ 20,283	\$ 25	\$ 10,000	\$ 13,409	\$ 3,409
<b>REVENUES:</b>					
[1] Interest	\$ 24	\$ 48	\$ -	\$ 85	\$ 85
[2] Transfers from NREP Operating Fund	23,952	25,000	25,000	25,000	-
[3] <b>TOTAL REVENUES</b>	<u>\$ 23,976</u>	<u>\$ 25,048</u>	<u>\$ 25,000</u>	<u>\$ 25,085</u>	<u>\$ 85</u>
<b>EXPENDITURES:</b>					
[4] Payments for textbooks	\$ 44,234	\$ 11,664	\$ 35,000	\$ -	\$ 35,000
[5] <b>TOTAL EXPENDITURES</b>	<u>\$ 44,234</u>	<u>\$ 11,664</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>
<b>Balance at June 30</b>	<u>\$ 25</u>	<u>\$ 13,409</u>	<u>\$ -</u>	<u>\$ 38,493</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 2015 was the third year of accounting for the vehicle services within this enterprise fund.

The transportation facility is located on Route 522 south and is equipped for fleet maintenance and fueling services to support the school division. Services are also provided to some 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.

FY 2015 revenues totaled \$2,892,935 and expenses totaled \$2,838,116. The excess of revenues over expenditures is \$54,819 and contributes to the fund balance. The surplus was primarily due to savings realized in utilities.

Frederick County Public Schools  
**Consolidated Services Fund**  
Year Ended June 30, 2015

	[a] <u>2012-13 Actual</u>	[b] <u>2013-2014 Actual</u>	[c] <u>2014-15 Adjusted Budget</u>	[d] <u>2014-15 Actual</u>	[e] <u>Variance from Adj. Budget</u>
<b>Balance July 1</b>	\$ 232,220	\$ 232,220	\$ -	\$ 305,151	
[1] <b>Revenue:</b>					
[2] Building Services					
Billings to Regional Library Board	\$ 210	\$ 5,435	\$ 4,900	\$ 7,294	\$ 2,394
Billings to County Government	9,590	3,053	10,100	4,988	(5,112)
Sub-total Building Services	<u>\$ 9,800</u>	<u>\$ 8,488</u>	<u>\$ 15,000</u>	<u>\$ 12,282</u>	<u>\$ (2,718)</u>
[3] Vehicle Services					
Billings to FCPS	\$ 2,459,703	\$ 2,714,744	\$2,858,678	\$ 2,391,844	\$ (466,833)
Billings to Outside Agencies	101,746	243,544	226,322	481,239	254,916
Other Receipts	57,209	-	-	7,570	7,570
Sub-total Vehicle Services	<u>\$ 2,618,658</u>	<u>\$ 2,958,288</u>	<u>\$3,085,000</u>	<u>\$ 2,880,653</u>	<u>\$ (204,347)</u>
[4] Transfers from School Operating Fund	\$ 54,132	\$ 4,289	\$ -	\$ -	\$ -
[5] Prior Year Encumbrances	\$ -	\$ -	\$ 19,750	\$ -	\$ (19,750)
[6] <b>Total Receipts</b>	\$ 2,682,590	\$ 2,971,065	\$3,119,750	\$ 2,892,935	\$ (226,815)
[7] <b>Expenditures:</b>					
[8] Building Services					
County Administration Building	\$ 4,237	\$ 1,152	\$ 4,200	\$ 2,685	\$ 1,515
Bowman Regional Library	210	5,435	8,400	7,294	1,106
Other Agencies	5,352	2,084	2,400	2,303	97
Sub-total Building Services	<u>\$ 9,799</u>	<u>\$ 8,671</u>	<u>\$ 15,000</u>	<u>\$ 12,282</u>	<u>\$ 2,718</u>
[9] Vehicle Services					
Salaries	\$ 610,009	\$ 638,096	\$ 672,214	\$ 657,723	\$ 14,492
Fringe Benefits	218,163	229,546	234,373	224,703	9,670
Purchased Services	67,187	46,044	16,098	15,049	1,048
Other Charges	80,103	104,054	182,534	63,549	118,986
Materials and Supplies	1,697,330	1,870,615	1,999,531	1,864,810	134,721
Capital Outlay	-	1,107	-	-	-
Sub-total Vehicle Services	<u>\$ 2,672,791</u>	<u>\$ 2,889,462</u>	<u>\$3,104,750</u>	<u>\$ 2,825,834</u>	<u>\$ 278,916</u>
[10] <b>Total Expenditures</b>	\$ 2,682,590	\$ 2,898,133	\$3,119,750	\$ 2,838,116	\$ 281,634
[11] <b>Revenues Over/ (Under) Expenditures</b>	\$ -	<u>\$ 72,932</u>		<u>\$ 54,819</u>	
[12] <b>Balance June 30</b>	<u>\$ 232,220</u>	<u>\$ 305,151</u>		<u>\$ 359,970</u>	
[13] Balance Nonspendable - Inventory	\$ 232,220	\$ 305,151		\$ 256,860	
[14] Unreserved fund balance	\$ -	\$ -		\$ 103,110	

## **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.

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 \$3,403 includes respective balances of \$3,314 for Chain of Checks and \$89 for the low-income program, both of which are expected to be expended in FY 2016.



Frederick County Public Schools  
**Special Grants Fund**  
Year Ended June 30, 2015

	[a]	[b]	[c]	[d]
	<b>2012-13 Actual</b>	<b>2013-14 Actual</b>	<b>2014-15 Adjusted Budget</b>	<b>2014-15 Actual</b>
<b>Balance July 1</b>	\$ 20,898	\$ 31,113	\$ 12,471	\$ 12,471
<b>REVENUES:</b>				
[1] Donations and Grants	\$ 27,072	\$ 510	\$ -	\$ -
Fees from Business & Industry	\$ 4,134	\$ -	\$ -	\$ -
Tuition Payments from Localities	155,489	-	-	-
Revenue from the Commonwealth	93,903	-	-	-
Revenue from the Federal Government	-	-	-	-
[2] Sub-total Regional Adult Ed. Revenues	<u>\$ 253,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
[3] Federal Grant - Teaching American History	<u>\$ 429,029</u>	<u>\$ 34,040</u>	<u>\$ -</u>	<u>\$ -</u>
[4] <b>TOTAL REVENUES</b>	<u>\$ 709,626</u>	<u>\$ 34,550</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
[5] Chain of Checks	\$ 2,881	\$ 7,813	\$ 12,307	\$ 8,994
[6] At Risk/Low Income	-	346	164	75
[7] Teacher of the Year	-	4,072	-	-
[8] Regional Adult Education	268,133	6,290	-	-
[9] Teaching American History	428,397	34,671	-	-
[10] <b>TOTAL EXPENDITURES</b>	<u>\$ 699,411</u>	<u>\$ 53,192</u>	<u>\$ 12,471</u>	<u>\$ 9,069</u>
[11] <b>Balance June 30</b>	<u><u>\$ 31,113</u></u>	<u><u>\$ 12,471</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,403</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, 2015, is comprised of the following:

	<b>Private-Purpose Endowment Balance</b>	<b>Private-Purpose Income Fund Balance</b>
Armstrong Foundation Scholarship	\$ 227,862	\$(1,922)
Della Stine Scholarship	\$ 13,464	\$ 48
Axalta Scholarship	N/A	\$ 500
Bright Futures Program	N/A	\$ 8,097
Teacher of the Year	N/A	\$ 3,125
<b>Total</b>	<b>\$ 241,326</b>	<b>\$ 9,848</b>

### 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.
- 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

- The Armstrong Foundation, Della Stine, and Axalta Scholarship Funds are used for the restricted purpose of providing scholarships to students at the three Frederick County high schools. The two endowed funds are used to support the respective annual scholarship when interest income is insufficient.
- Bright Futures is a non-profit organization that helps schools connect student needs with resources that already exist in the community. Resources can be in the form of donations of money, supplies, or time.
- The Teacher of the Year award is presented each year during convocation. The recipient receives a plaque, a ring featuring the school division's logo, a Chromebook, and a spending account to be used for instructional materials, supplies, or travel.

Frederick County Public Schools  
**Fiduciary Funds**  
Year Ended June 30, 2015

	[a]	[b]	[c]	[d]
	<b>FY13-14 Private-Purpose Endowment</b>	<b>FY13-14 Private-Purpose Income</b>	<b>FY14-15 Private-Purpose Endowment</b>	<b>FY14-15 Private-Purpose Income</b>
[1] <b>Balance July 1</b>	\$ 252,113	\$ 27	\$ 263,240	\$ 13,524
<b>REVENUES:</b>				
[2] Interest on Bank Accounts	\$ -	\$ 584	\$ -	\$ 613
[3] Interest on Investments	1,878	-	-	-
[4] Donations and Grants	13,464	20,005	-	16,117
[5] Transfers from Other Funds	-	4,000	-	-
[6] Investment Earnings	-	-	-	-
[7] <b>TOTAL REVENUES</b>	\$ 15,343	\$ 24,589	\$ -	\$ 16,730
<b>EXPENDITURES:</b>				
[8] Scholarship Payments	\$ -	\$ 8,500	\$ -	\$ 14,000
[9] Other Expenses	216	-	12,533	-
[10] Other Operating Supplies	-	2,571	-	1,521
[11] Instructional Supplies	-	-	-	2,747
[12] Technology Hardware	-	-	-	2,128
[13] Transfers to Other Funds	4,000	21	9,381	12
[14] <b>TOTAL EXPENDITURES</b>	\$ 4,216	\$ 11,092	\$ 21,914	\$ 20,407
[15] <b>Balance June 30</b>	<u>\$ 263,240</u>	<u>\$ 13,524</u>	<u>\$ 241,326</u>	<u>\$ 9,848</u>