

# Frederick County Public Schools

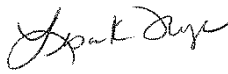
... to ensure all students an excellent education

Executive Director of Finance

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**DATE:** August 31, 2016

**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 2015-16**

Attached are the year-end financial reports for fiscal year 2015-16. 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 2016 school operating fund is \$458,985, which is 0.31% of the \$148,733,931 total school operating fund budget.

The operational highlights of the fiscal (and school year) 2015-2016

- Implementation of instructional coaching model to collaborate with teachers through targeted professional development and instructional strategies that directly benefit students
- Implementation of Summer School Academy, an in-between years instructional program for academically at-risk elementary and middle school students
- Fall 2015 enrollment was 13,066 compared to an expected 13,166
- Expansion of 1:1 technology initiative for all middle and some elementary and high school students

Summary budget statistics

1. The original (beginning) budget for the school operating fund for FY 2016 was \$148,028,927.
2. Budget adjustments of \$705,004 resulted in the current budget balance of \$148,733,931 and included the following:
  - a. encumbrance or undelivered commitments of \$581,267
  - b. carry-forward restricted grant receipts of \$123,737 from FY 2015

Summary financial statistics

1. Actual FY 2016 revenues in the school operating fund were \$147,310,865.
2. Actual FY 2016 expenses and encumbrances totaled \$146,640,246.
3. Obligations for restricted programs in the amount of \$211,634 are a part of the year-end surplus and are reserved for appropriation to FY 2017.
4. An unobligated amount of \$458,985 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	\$14,266,303	\$14,338,077	\$ 71,774
Budgetary expense surplus – schools and departments	\$19,429,829	\$19,050,004	\$ 379,825 <i>\$45,573 schools \$334,252 depts.</i>
All other variances			\$ 7,386
<b>Unobligated Surplus for FY 2016</b>			<b>\$ 458,985</b>

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

## School Operating Fund – Continued

### 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 allocates those funds with discretion aligned to 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.

### Summary of Revenues and Expenditures

Unrestricted revenues exceeded expenditures by \$795,035 [line 11]. The variance for each revenue source and expenditure category is described in the following text. This amount is offset by \$124,416 in restricted program variances [line 14] resulting in the total operating fund surplus of \$670,619 [line 15], which is then reduced by \$211,634 in carryforward obligations. The final result is \$458,985 in un-obligated surplus for FY 2016.

#### **Unrestricted Revenues:**        \$141,844,316 [line 6]

##### Local Sources [line 1]

- \$902,888 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 \$31,205 and eRate reimbursing funds.

##### Commonwealth [line 2]

- \$68,152,369 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 \$279,148.
- SOQ funding was less than budgeted by \$344,063 due to lower than projected enrollment.
- Sales tax funding was more than budgeted by \$71,774 due to greater sales tax collections received by the Commonwealth than was planned by the Virginia Department of Taxation.
- Medicaid revenues were greater than budgeted by \$119,961.
- All other state funding received was less than budgeted by \$126,820 – again primarily due to less than expected enrollment.

##### Federal Government [line 3]

- \$7,987 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]

- \$72,781,072 were received from the County's General Fund – 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.

## **School Operating Fund – Continued**

### **Unrestricted Expenditures: \$141,049,281 [line 10]**

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

- \$105,846,588 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 \$53,305 is attributable to expenditure savings throughout the schools and instructional departments.

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

- \$7,377,806 were expended for costs associated with division technology - instructional, administrative, and operational categories. Savings in vehicle fuel and employee compensation due to personnel turnover provided some funding to expand the school division's 1:1 student technology device initiative to additional grade levels.

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

- \$27,824,887 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 \$584,160 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 - 14]**

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 \$5,466,549 for FY 2016, and program expenditures totaled \$5,590,965. The resulting negative balance of \$124,416 represents an amount of additional local funding toward those specific program budgets.

### **FY 2016 Un-obligated Surplus (Revenues in Excess of Expenditures) \$458,985 [lines 15-17]**

The total surplus for FY 2016 of \$670,619 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 \$211,634, and include: 1) \$128,763 for SOL Algebra Readiness, 2) \$49,228 for the Apple Federal Credit Union mentor teacher program, 3) \$31,156 for property repairs, and 4) \$2,487 for the VA Star program and website advertising. A separate appropriation request will be submitted for these amounts to be approved by the Board of Supervisors. The unobligated surplus for FY 2016 is \$458,985.

Frederick County Public Schools

School Operating Fund

Year Ended June 30, 2016

	[a] 2014-15 Actual*	[b] 2015-16 Original Budget	[c] 2015-16 Adjusted Budget	[d] 2015-16 Actual*	[e] Variance from Adj. Budget
<b>SUMMARY</b>					
Revenue from Local/Other Sources	\$ 1,197,652	\$ 1,056,305	\$ 1,087,324	\$ 988,752	\$ (98,573)
Revenue from the Commonwealth	\$ 68,475,796	\$ 70,040,965	\$ 69,825,620	\$ 69,264,017	\$ (561,603)
Revenue from the Federal Government	\$ 4,520,254	\$ 4,855,589	\$ 5,039,915	\$ 4,277,024	\$ (762,891)
Revenue from Local Governing Body	67,132,443	72,076,068	72,781,072	72,781,072	0
<b>[A] TOTAL REVENUES</b>	<b>\$ 141,326,145</b>	<b>\$ 148,028,927</b>	<b>\$ 148,733,931</b>	<b>\$ 147,310,865</b>	<b>\$ (1,423,066)</b>
Instruction	\$ 100,814,363	\$ 106,692,797	\$ 105,899,893	\$ 105,846,588	\$ 53,305
Instruction - Restricted Programs	5,741,021	7,072,373	7,014,141	5,590,965	1,423,175
Technology - Instructional & Administrative	7,052,237	5,871,207	7,410,851	7,377,806	33,045
Support Services	27,280,040	28,392,550	28,409,047	27,824,887	584,160
<b>[B] TOTAL EXPENDITURES</b>	<b>\$ 140,887,661</b>	<b>\$ 148,028,927</b>	<b>\$ 148,733,931</b>	<b>\$ 146,640,246</b>	<b>\$ 2,093,685</b>
* Actual fiscal year expenditures includes encumbrances					
<b>[C] REVENUE OVER EXPENDITURES</b>	<b>\$ 438,484</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 670,619</b>	
<b>[D] Obligated Funds-Special Programs</b>	<b>\$ 123,737</b>			<b>\$ 211,634</b>	
<b>[E] LOCAL FUNDS UNOBLIGATED AT JUNE 30</b>	<b>\$ 314,747</b>			<b>\$ 458,985</b>	
<b>[F] Percentage Surplus of Total Budget</b>	<b>0.22%</b>			<b>0.31%</b>	

**Unrestricted Revenues**

[1] Revenue from Local Sources	\$ 1,043,468	\$ 937,493	\$ 934,093	\$ 902,888	\$ (31,205)
[2] Revenue from Commonwealth	\$ 67,454,879	\$ 68,355,993	\$ 68,431,517	\$ 68,152,369	\$ (279,148)
a Standards of Quality (SOQ)	49,264,059	49,307,236	49,307,236	48,963,173	(344,063)
b Sales Tax	13,944,103	14,266,303	14,266,303	14,338,077	71,774
c Incentive Accounts	518,000	1,132,574	1,132,574	1,128,556	(4,018)
d Categorical	79,725	81,320	81,320	101,927	20,607
Homebound	79,725	81,320	81,320	101,927	20,607
e Lottery-Funded Programs	3,410,221	3,476,060	3,504,417	3,361,009	(143,409)
f Miscellaneous State	238,770	92,500	139,666	259,627	119,961
[3] Revenue from Federal Government	\$ 5,458	\$ 5,000	\$ 9,334	\$ 7,987	\$ (1,347)
a Miscellaneous	5,458	5,000	9,334	7,987	(1,347)
[4] Transfers/ CarryOver/ Prior Year Encumbrances	\$ 1,784,703	\$ -	\$ 705,004	\$ 705,004	\$ -
[5] Local Funds -Board of Supervisors	\$ 65,347,740	\$ 72,076,068	\$ 72,076,068	\$ 72,076,068	\$ -
[6] Total Unrestricted Revenues	\$ 135,636,248	\$ 141,374,554	\$ 142,156,016	\$ 141,844,316	\$ (311,700)

**Unrestricted Expenditures**

[7] Instruction	\$ 100,814,363	\$ 106,692,797	\$ 105,899,893	\$ 105,846,588	\$ 53,305
a Regular education	75,767,962	80,593,759	79,927,857	79,906,077	21,780
b Special education	15,891,719	16,604,460	16,460,271	16,449,211	11,059
c Vocational education	6,953,883	7,245,825	7,285,755	7,284,751	1,005
d Gifted education	811,686	845,081	846,505	840,579	5,926
e Other education	1,349,064	1,362,157	1,337,991	1,328,522	9,469
f Summer School	23,135	23,750	23,750	20,534	3,216
g Adult education	16,914	17,764	17,764	16,914	850
[8] Instructional & Administrative Technology	\$ 7,052,237	\$ 5,871,207	\$ 7,410,851	\$ 7,377,806	\$ 33,045
a Instructional technology	2,308,228	1,015,978	1,793,254	1,791,348	1,906
b Instructional support technology	2,802,456	3,096,787	3,208,650	3,201,994	6,656
c Administrative support technology	1,941,553	1,758,441	2,408,946	2,384,464	24,482
[9] Support Services	\$ 27,280,040	\$ 28,392,550	\$ 28,409,047	\$ 27,824,887	\$ 584,160
a Administration, Attendance & Health	5,886,193	6,387,423	6,386,250	6,316,279	69,971
b Pupil Transportation Services	8,061,763	8,638,755	8,249,665	8,122,430	127,236
c Operation and Maintenance	12,684,115	12,692,221	13,094,499	12,722,190	372,309
d Facilities	157,101	204,412	203,021	188,376	14,645
e Fund Transfers	490,869	469,739	475,612	475,612	-
[10] Unrestricted Expenditures	\$ 135,146,640	\$ 140,956,554	\$ 141,719,791	\$ 141,049,281	\$ 670,510
[11] Unrestricted Revenue Over/(Under) Expense	\$ 489,607			\$ 795,035	

	[a] 2014-15 Actual*	[b] 2015-16 Original Budget	[c] 2015-16 Adjusted Budget	[d] 2015-16 Actual*	[e] Variance from Adj. Budget
<b>Restricted Programs</b>					
<b>Revenue from Local/Other Sources</b>					
a	\$ 154,184	\$ 118,812	\$ 153,231	\$ 85,864	\$ (67,368)
a	eRate Program	90,768	93,812	26,911	(65,480)
b	Emergency Planning Grant - Generator	7,661	-	-	-
c	Bridges to Success-Apple Federal CU	30,000	25,000	30,000	-
d	NOAA Grant	25,756	-	30,841	(1,888)
<b>Revenue from Commonwealth</b>					
a	\$ 1,020,917	\$ 1,684,972	\$ 1,394,103	\$ 1,111,649	\$ (282,455)
a	Remedial Summer School	-	106,484	62,848	(50)
b	Regional Juvenile Detention Center	512,374	545,671	545,671	(2,743)
c	Special Education - In-Jail	84,020	90,000	90,000	(2,347)
d	Early Reading Intervention	242,843	242,843	242,843	(6,122)
e	SOL Algebra Readiness	117,263	117,263	119,200	-
f	Other Special State Programs	64,417	32,711	67,036	(4,687)
g	Excess Appropriation	-	550,000	266,505	(266,505)
<b>Revenue from Federal Government</b>					
a	\$ 4,514,796	\$ 4,850,589	\$ 5,030,581	\$ 4,269,037	\$ (761,544)
a	Title I, Part A	1,470,700	1,703,071	1,716,189	(403,103)
b	Title I, Part D	68,478	65,467	82,852	(1,590)
c	Title II, Part A Improve Teacher Quality	331,187	267,006	342,137	(116,133)
d	Title III, Part A LEP	68,118	64,274	74,719	(3,903)
e	Title VI-B IDEA Regular	2,356,903	2,454,793	2,566,749	(179,213)
f	Title VI-B IDEA Preschool	41,184	41,184	41,184	42
g	Perkins Vocational	158,727	154,794	148,846	262
h	Other Miscellaneous Grants	19,500	-	-	-
i	Excess Appropriation	-	100,000	57,906	(57,906)
[12] Total Restricted Revenues	\$ 5,689,897	\$ 6,654,373	\$ 6,577,915	\$ 5,466,549	\$ (1,111,367)
<b>Restricted Program Expenditures</b>					
a	85,826	93,812	97,332	27,015	70,317
a	eRate Program	93,812	97,332	27,015	70,317
b	Bridges to Success - Apple Federal CU	15,813	25,000	30,000	19,228
c	Title II, Part B NOAA Grant	23,010	-	30,841	1,235
d	Emergency Generator Grant	965	-	-	-
e	Remedial Summer School	-	228,168	160,712	(130)
f	Regional Juvenile Detention Center	506,244	545,671	545,671	9,275
g	Special Education - In-Jail	84,020	90,000	90,000	2,347
h	Early Reading Intervention	271,220	287,807	246,807	5,289
i	SOL Algebra Readiness	169,552	186,695	278,574	128,763
j	Other Special State Programs	96,297	65,696	99,231	9,780
k	Title I, Part A	1,470,700	1,703,071	1,716,189	403,103
l	Title I, Part D	106,781	105,586	115,340	1,997
m	Title II, Part A Improve Teacher Quality	331,187	267,006	342,137	116,133
n	Title III LEP	68,118	64,274	74,719	3,903
o	Title VI-B	2,356,903	2,454,793	2,566,749	179,213
p	Perkins Vocational	154,386	154,794	148,846	1,727
q	Excess Appropriation	-	800,000	470,993	470,993
[13] Total Restricted Expenditures	\$ 5,741,021	\$ 7,072,373	\$ 7,014,141	\$ 5,590,965	\$ 1,423,175
[14] Restricted Revenue Over/(Under) Expense	\$ (51,124)			\$ (124,416)	
[15] All Revenue Over/(Under) Expense	\$ 438,484			\$ 670,619	
[16] Obligated Funds-Special Programs	123,737			211,634	
[17] LOCAL FUNDS UNRESTRICTED AND UNOBLIGATED AT JUNE 30	\$ 314,747			\$ 458,985	

## **School Nutrition Fund**

The food service operation completed the FY 2016 with revenues in excess of expenditures of \$383,335, which increases the fund balance to \$1,942,843. Of this fund balance, \$272,504 is the value of inventory at year-end and is categorized as non-spendable. The School Nutrition Services Program served meals over 178 days, two days less than the budget due to inclement weather.

Even though the fund continues to realize a profit, revenue was less than expected due to a decline in the number of students buying meals and two less serving days. On average, 50 percent of the student membership participated in the food service program. Expenditures were significantly less than expected for the associated number of meals served. Equipment expenses were also less than planned.

1,166,682 lunches and 298,771 breakfasts were served throughout the 2015-2016 school year, which were 85,032 less meals than budgeted. The lunch prices for a full meal were \$2.50 for elementary, \$2.75 for middle, and \$2.75 regular lunch/\$2.85 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 14.29 meals per labor hour – 8,460 equivalent meals daily. As of June 2016, 34.6% of students were eligible for free or reduced-priced meals.

### **Revenue Variances:**

Compared to budget, revenues were \$234,907 less than expected. The variance is the result of two main components: lunch sales and federal meal reimbursement through the National School Lunch Program.

- Lunch sales for full-priced meals were \$190,280 lower than expected. This variance is attributed to two fewer serving days and less than expected number of students participating who pay full price for meals.
- Federal subsidies were \$45,797 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. \$1,502,573 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 \$259,937 less than planned. Productivity gains were realized and overtime and substitute costs were less than anticipated.
- Food and supply costs were \$200,160 less than planned. The average food cost per meal was \$1.23 for FY 2016, which was six cents less than budgeted.
- Contracted services, utilities, travel, and other miscellaneous expenses ended the year with a positive variance of \$8,439.
- Capital outlay represents the purchase of new or replacement equipment which realized a positive variance of \$149,706.



Frederick County Public Schools  
**School Nutrition Fund**  
Year Ended June 30, 2016

	[a]	[b]	[c]	[d]	[e]
	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Adjusted</u> <u>Budget</u> <u>2015-16</u>	<u>Actual</u> <u>2015-2016</u>	<u>Variance</u> <u>from</u> <u>Adj Budget</u>
[1] <b>Beginning Balance July 1</b>	\$ 1,202,601	\$ 1,368,808	\$ 1,502,573	\$ 1,559,508	\$ 56,935
<b>Revenues:</b>					
[2] Interest on Bank Deposits	\$ 2,484	\$ 2,902	\$ 2,484	\$ 4,085	\$ 1,601
[3] Type A Lunches	1,485,516	1,507,227	1,725,880	1,535,600	(190,280)
[4] Breakfast Program	89,964	102,006	116,201	120,476	4,275
[5] All Other Sales and Adults	572,743	588,632	611,835	586,691	(25,144)
[6] Other Receipts	92,356	69,146	59,396	78,444	19,048
[7] State School Food Payments	91,725	86,549	89,184	89,227	43
[8] Federal Meals Reimbursement	2,275,371	2,328,330	2,514,855	2,469,058	(45,797)
[9] Transfers From School Operating	-	24,064	4,526	5,873	1,347
[10] <b>Total Revenues</b>	\$ 4,610,158	\$ 4,708,855	\$ 5,124,361	\$ 4,889,454	\$ (234,907)
Total Revenues and Beginning Balance	5,812,759	6,077,663	6,626,934	6,448,962	
<b>Expenditures:</b>					
[11] Salaries	\$ 1,742,933	\$ 1,745,169	\$ 1,937,283	\$ 1,759,359	\$ 177,924
[12] Fringe Benefits	607,530	644,130	691,778	609,765	82,013
[13] Contractual Services	47,626	62,199	67,957	61,946	6,011
[14] Utilities, Travel and Misc	47,286	52,010	54,033	51,605	2,428
[15] Food and Supplies	1,965,778	1,945,885	2,194,962	1,994,802	200,160
[16] Capital Outlay	32,797	68,763	178,348	28,642	149,706
[17] Appropriation Fund Bal. - Prior Year	-	-	1,502,573	-	1,502,573
[18] <b>Total Expenditures</b>	\$ 4,443,951	\$ 4,518,155	\$ 6,626,934	\$ 4,506,119	\$ 2,120,815
[19] <b>Revenue Over / (Under) Expenditures</b>	\$ 166,207	\$ 190,700	\$ -	\$ 383,335	
[20] <b>Balance June 30</b>	<u>\$ 1,368,808</u>	<u>\$ 1,559,508</u>	<u>\$ -</u>	<u>\$ 1,942,843</u>	
[21] Balance Nonspendable - Inventory	\$ 210,365	\$ 238,947		\$ 272,504	
[22] Committed - reserve for encumbrance	\$ 25,481	\$ -		\$ -	
[23] Assigned fund balance	\$ 1,132,962	\$ 1,320,561		\$ 1,670,339	

## **School Textbook Fund**

The textbook fund finished the year with an increase of \$637,333 resulting in a fund balance to \$1,714,833. 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 \$1,077,501. Revenues plus the beginning fund balance provide for the total available funds of \$2,340,825. For FY 2016, state funds of \$788,171 plus \$469,739 in local matching funds, and miscellaneous receipts for interest and fees totaled \$1,263,324 in revenue.

Textbook purchases were made for replacements of worn textbooks, new music textbooks for grades kindergarten through 5, new math textbooks for high school grades, and new science textbooks for high school grades. Total expenditures on textbooks and related activities equaled \$625,991 for the year – less than planned due to savings on music and science textbooks, shipping costs, consumables and stable enrollment. 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, 2016

	[a] 2013-14 Actual	[b] 2014-15 Actual	[c] 2015-16 Budget	[d] 2015-16 Actual	[e] Variance
[1] <b>Balance July 1</b>	\$ 1,155,102	\$ 1,421,028	\$ 625,965	\$ 1,077,501	\$ 451,536
<b>Revenues:</b>					
[2] Interest on Bank Deposits	\$ 2,803	\$ 2,620	\$ 5,000	\$ 3,882	\$ (1,118)
[3] Sale of Textbooks/ Lost Fees	2,588	2,144	5,000	1,115	(3,885)
[4] Sale of Used Books		359	1,500	417	(1,083)
[5] State Reimbursements	745,103	787,033	793,340	788,171	(5,169)
[6] Transfers From Other Funds	421,529	476,198	469,739	469,739	0
[7] <b>Total Revenues</b>	\$ 1,172,023	\$ 1,268,354	\$ 1,274,579	\$ 1,263,324	\$ (11,255)
<b>Expenditures:</b>					
[8] Salaries	\$ 17,813	\$ 16,076	\$ 30,775	\$ 17,088	\$ 13,686
[9] Fringe Benefits	6,534	4,017	4,258	4,204	54
[10] Contractual Services	-	2,195	-	-	-
[11] Payments to Publishers	881,749	1,589,593	1,099,050	604,699	494,351
[12] Planned Carryforward to Next Year	-	-	766,461	-	766,461
[13] <b>Total Expenditures</b>	\$ 906,097	\$ 1,611,881	\$ 1,900,544	\$ 625,991	\$ 1,274,553
[14] <b>Revenues Over / (Under) Expenditures</b>	\$ 265,926	\$ (343,527)	\$ (625,965)	\$ 637,333	\$ 1,263,298
[15] <b>Balance June 30</b>	<u>\$ 1,421,028</u>	<u>\$ 1,077,501</u>	<u>\$ -</u>	<u>\$ 1,714,833</u>	
[16] Committed - reserve for encumbrance	\$ 5,557	\$ -		\$ -	
[17] Assigned fund balance	\$ 1,415,471	\$ 1,077,501		\$ 1,714,833	

## **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.

The beginning fund balance of \$647,957 was used to complete maintenance projects after July 1, 2015. New funding of \$4,314,747 was provided by the county for the following capital needs: fire alarm replacement at James Wood High School, division-wide building automation management systems upgrade, roof replacement at Sherando High School, HVAC upgrade at school board administration building, fire pump upgrade at Bass-Hoover Elementary School, chiller replacement at Armel Elementary School, and eight school bus replacements.

As of June 30, 2016, these projects were in various stages of planning, completion, or payment. The balance will be carried forward into FY 2017.

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, 2016

	[a]	[b]	[c]	[d]	[e]
	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Budget</b>	<b>2015-16 Actual</b>	<b>Variance from Adjusted Budget</b>
[1] <b>Balance July 1</b>	\$ 148,628	\$ 858,814	\$ 500,000	\$ 647,957	\$ 147,957
<b>Revenues:</b>					
[2] Other Receipts					
[3] Local Funds - Frederick County	\$ 800,883	\$ 542,594	\$ 4,314,747	\$ 4,314,747	\$ -
[4] Transfers from Other Funds	1,045,748	-	-	-	-
[5] Transfers- Encumbrances from prior year	-	-	166,292	-	(166,292)
<b>Total Revenues</b>	<b>\$ 1,846,631</b>	<b>\$ 542,594</b>	<b>\$ 4,481,039</b>	<b>\$ 4,314,747</b>	<b>\$ (166,292)</b>
<b>Expenditures:</b>					
[6] Capital Outlay	\$ 1,136,445	\$ 753,451	\$ 4,981,039	\$ 863,222	\$ 4,117,816
[7] <b>Total Expenditures</b>	<b>\$ 1,136,445</b>	<b>\$ 753,451</b>	<b>\$ 4,981,039</b>	<b>\$ 863,222</b>	<b>\$ 4,117,816</b>
[8] <b>Fund Balance June 30</b>	<b>\$ 858,814</b>	<b>\$ 647,957</b>	<b>\$ -</b>	<b>\$ 4,099,481</b>	
[9] Committed - reserve for encumbrance	\$ 79,205	\$ 166,292		\$ 1,332,857	
[10] Assigned fund balance	\$ 779,609	\$ 481,665		\$ 2,766,624	

## Construction Fund

The active construction projects for FY 2016 were:

- construction of replacement for FCMS;
- continued design of the fourth high school;
- and design of the twelfth elementary school and Armel addition.

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, 2016	\$(42,914,261.58)
O/S Encumbrances @ June 30, 2016	<u>\$( 5,363,352.78)</u>
Remaining project balance	<b><u>\$ 1,222,385.64</u></b>

Cash received – bond proceeds	\$ 46,840,723.67
Cash received – premium proceeds	\$ 4,598,400.95
Cash received – interest earnings	\$ 80,620.92
Cash received – easement proceeds	\$ 120,000.00
Cash transferred to other projects	\$( 2,108,015.62)
Cash disbursed for project	\$(38,958,795.69)
Accounts Payable @ June 30, 2016	<u>\$( 3,955,465.89)</u>
Cash/A/P balance @June 30, 2016	<u>\$ 6,617,468.34</u>

### **Fourth High School:**

Beginning project amount	\$ 6,000,000.00
Expenditures through June 30, 2016	\$(5,286,590.98)
O/S Encumbrances @ June 30, 2016	<u>\$( 271,195.47)</u>
Remaining project balance	<b><u>\$ 442,213.55</u></b>

Cash received – bond proceeds	\$ 2,734,850.00
Cash received – premium proceeds	\$ 209,216.97
Cash received – interest earnings	\$ 4,733.58
Cash transferred-undesignated fund	\$ 2,500,000.00
Cash received from other projects	\$ 230,199.17
Cash disbursed for project	\$(5,220,935.98)
Accounts Payable @ June 30, 2016	<u>\$( 65,655.00)</u>
Cash/A/P balance @June 30, 2016	<u>\$ 392,408.74</u>

### **12<sup>th</sup> Elementary School:**

Beginning project amount	\$ 1,500,000.00
Expenditures through June 30, 2016	\$( 242,094.50)
O/S Encumbrances @ June 30, 2016	<u>\$( 1,113,818.30)</u>
Remaining project balance	<b><u>\$ 144,087.20</u></b>

Cash received – bond proceeds	\$ .00
Cash received – premium proceeds	\$ .00
Cash received – interest earnings	\$ .00
Cash received – other sources	\$ 1,500,000.00
Cash disbursed for project	\$( 180,663.00)
Accounts Payable @ June 30, 2016	<u>\$( 61,431.50)</u>
Cash/A/P balance @June 30, 2016	<u>\$ 1,257,905.50</u>

### **Armel Additions:**

Beginning project amount	\$ 500,000.00
Expenditures through June 30, 2016	\$( 147,053.00)
O/S Encumbrances @ June 30, 2016	<u>\$( 327,220.00)</u>
Remaining project balance	<b><u>\$ 25,727.00</u></b>

Cash received – bond proceeds	\$ .00
Cash received – premium proceeds	\$ .00
Cash received – interest earnings	\$ .00
Cash received from other projects	\$ 500,000.00
Cash disbursed for project	\$( 75,500.00)
Accounts Payable @ June 30, 2016	<u>\$( 71,553.00)</u>
Cash/ A/P balance as of June 30, 2016	<u>\$ 352,947.00</u>

Frederick County Public Schools  
**Construction Funds**  
Year Ended June 30, 2016

	[a] <u>Project Budget</u>	[b] <u>Prior Years' Receipts</u>	[c] <u>2015-2016 Actual Receipts</u>	[d] <u>Cummulative Project Receipts</u>		
[1] Balance July 1			\$ 8,777,475			
<b>Revenues:</b>						
[2] Interest Income	\$ -	\$ 46,103	\$ 39,093	\$ 85,196		
[3] Proceeds from Bond Sale	54,300,000	22,940,574	26,635,000	49,575,574		
[4] Other Receipts	3,200,000	2,033,619	5,516,183	7,549,801		
[5] Miscellaneous	-	-	-	-		
[6] <b>Total Revenues</b>	\$ 57,500,000	\$ 25,020,296	\$ 32,190,276	\$ 57,210,571		
	[a]	[b]	[c]	[d]	[e]	[f]
	<u>Project Budget</u>	<u>Prior Years' Expenditures</u>	<u>2015-2016 Actual</u>	<u>Cummulative Project Expenditures</u>	<u>Outstanding Encumbrances</u>	<u>Remaining Project Balance</u>
<b>Expenditures:</b>						
[7] Replacement FCMS	\$ 49,500,000	\$ 12,264,430	\$ 30,649,832	\$ 42,914,262	\$ 5,363,353	\$ 1,222,386
[8] Armel Elementary Additions	500,000	-	147,053	147,053.00	327,220	25,727
[9] Twelfth Elementary School	1,500,000	-	242,095	242,095	1,113,818	144,087
[10] Fourth High School - land & design	6,000,000	3,978,391	1,308,200	5,286,591	271,195	442,214
[11] <b>Total Expenditures</b>	\$ 57,500,000	\$ 16,242,821	\$ 32,347,179	\$ 48,590,000	\$ 7,075,587	\$ 1,834,414
[12] Balance June 30				<u>\$ 8,620,572</u>		

## Debt Service Fund

The year-end balance in the debt service fund is \$113,879. 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 \$76,264 in refinancing credits from VPSA and \$277,270 from the federal government as an interest rebate subsidy for the Qualified School Construction Bonds (QSCB) program. Additionally, \$14,626,151 was received from the county. These revenues plus the beginning fund balance was used for the principal, interest, and administrative expenses for the 35 active debt issues.

The FY 2016 principal, interest, and debt management fee payments totaled \$15,153,330. The end of year fund balance is \$113,879 and will be used toward the FY 2017 debt obligations.

A summary of the outstanding indebtedness is shown below.

Outstanding debt at June 30, 2015	\$ 108,075,406
New debt incurred during FY 2016	\$ 26,635,000 *
Principal payments on existing debt during FY 2016	<u>(\$ 10,119,992)</u>
Outstanding debt at June 30, 2016	<u>\$ 124,590,414</u>

*\* During FY 2016, FCPS participated in the fall 2015 and spring 2016 Virginia Public School Authority (VPSA) bond sales for \$18,535,000 and \$8,100,000 respectively. These borrowings were used to fund the construction of the replacement Frederick County Middle School.*



Frederick County Public Schools  
**Debt Service Fund**  
Year Ended June 30, 2016

	[a]	[b]	[c]	[d]	[e]
	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Adjusted Budget</b>	<b>2015-16 Actual</b>	<b>Variance from Adjusted Budget</b>
[1] <b>Balance July 1</b>	\$ 20,158	\$ 922,736	\$ 273,291	\$ 287,524	\$ 14,233
<b>Revenues:</b>					
[2] State VPSA Credits	\$ -	\$ -	\$ 61,261	\$ 76,264	\$ 15,003
[3] Federal - QSCB	276,080	275,783	275,782	277,270	1,488
[4] Local Funds - Frederick County	14,626,151	14,626,151	14,626,151	14,626,151	-
[5] Transfers from Other Funds					
[6] <b>Total Revenues</b>	\$ 14,902,231	\$ 14,901,934	\$ 14,963,194	\$ 14,979,685	\$ 16,491
<b>Expenditures:</b>					
[7] Principal Payments	\$ 8,978,905	\$ 9,236,871	\$ 10,119,992	\$ 10,119,992	\$ -
[8] Interest Payments	3,961,150	4,718,909	5,017,439	5,017,438	0
[9] Miscellaneous	13,850	15,050	99,054	15,900	83,154
[10] <b>Total Expenditures</b>	\$ 12,953,905	\$ 13,970,830	\$ 15,236,485	\$ 15,153,330	\$ 83,155
[11] Transfers to Other Funds	\$ 1,045,748	\$ 1,566,316	\$ -	\$ -	
[12] <b>Balance June 30</b>	<u>\$ 922,736</u>	<u>\$ 287,524</u>	<u>\$ -</u>	<u>\$ 113,879</u>	
[13] Committed - reserve for encumbrance	\$ -	\$ -		\$ -	
[14] Assigned fund balance	\$ 922,736	\$ 287,524		\$ 113,879	

## **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 1,780 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 2016 were \$18,123,265, significantly above the expected level of \$16,753,405. The insurance reserve fund year-end balance decreased by \$1,760,920 to an ending balance of \$1,878,863. The fund balance equates to just under one and a half 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 2017. Due to claims activity significantly exceeding the expected level in the FY 2016, the coverage plans offered were adjusted. A choice between two plans known as KeyCare 25 and health savings account (HSA) plan will be available to employees. Overall, the fund needs to support about \$18.9 million in expected claims for the FY 2017. It is important to maintain a fund balance sufficient to support claims which exceed the expected level.

Frederick County Public Schools  
**Insurance Reserve Fund**  
Year Ended June 30, 2016

	[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>2013-2014</u>	<u>2014-15</u>	<u>Activity</u>	<u>Claim</u>	<u>2015-16</u>	<u>Activity</u>	<u>Claim</u>	
			<u>2015-16</u>	<u>Liability</u>		<u>2016-17</u>	<u>Liability</u>	
				<u>2015-16</u>			<u>2016-17</u>	
[1] <b>Balance July 1</b>	\$ 2,312,491	\$ 3,622,668	\$ 3,639,783	\$ 3,639,783	\$ 3,639,783	\$ 1,878,863	\$ 1,878,863	[1]
<b>Revenues:</b>								
[2] Interest on Bank Deposits	\$ 11,775	\$ 12,026	\$ 11,500	\$ 11,500	\$ 15,395	\$ 11,500	\$ 11,500	[2]
[3] Health Insurance Premiums	15,616,995	16,094,732	16,290,766	16,290,766	16,345,445	18,844,116	18,884,116	[3]
[4] Donations/Grants/Other	9,254	2,865			1,505			[4]
[5] <b>Total Revenues</b>	\$ 15,638,024	\$ 16,109,623	\$ 16,302,266	\$ 16,302,266	\$ 16,362,345	\$ 18,855,616	\$ 18,895,616	[5]
<b>Expenditures:</b>								
[6] Contracted Activities	\$ 6,456	\$ 294,921	\$ 100,000	\$ 100,000	\$ 251,263	\$ 174,000	\$ 174,000	[6]
[7] Taxes & Fees		3,061			6,194			[7]
[8] Supplies	5,218	3,327			4,471			[8]
[9] Health Care Claims	13,430,301	14,788,283	15,653,405	18,001,416	16,763,280	17,681,616	20,333,858	[9]
[10] Dental Claims	885,873	1,002,916	1,000,000	1,000,000	1,098,057	1,000,000	1,000,000	[10]
[11] <b>Total Expenditures</b>	\$ 14,327,847	\$ 16,092,508	\$ 16,753,405	\$ 19,101,416	\$ 18,123,265	\$ 18,855,616	\$ 21,507,858	[11]
[12] <b>Revenues Over (Under) Expenditures</b>	\$ 1,310,177	\$ 17,115	\$ (451,139)	\$ (2,799,150)	\$ (1,760,920)	\$ -	\$ (2,612,242)	[12]
[13] <b>Balance June 30</b>	\$ 3,622,668	\$ 3,639,783	\$ 3,188,644	\$ 840,633	\$ 1,878,863	\$ 1,878,863	\$ (733,379)	[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 250 students are served by this program.

Total revenues were \$4,709,785 and were \$221,941 less than budgeted. This amount represents a reduction in the localities' contributions due to the distribution of the FY 2015 surplus of \$218,442, as well as negative variances in interest earnings, tuition payments, and state grant funds of \$3,499. Expenditure savings of \$623,254 were realized throughout the year. The residual surplus is \$292,243, which will be credited back to the localities in FY 2017. The residual surplus was generated from vacancy and turnover savings in personnel and reduced contracted costs for autism specialization services.

The NREP textbook fund concluded the year with a fund balance of \$62,689. 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, 2016

	[a]	[b]	[c]	[d]	[e]
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Actual	Variance from Adj. Budget
<b>OPERATING FUND</b>					
<b>Balance at July 1</b>	\$ 54,495	\$ 220,262	\$ 327,512	\$ 218,442	\$ (109,070)
<b>REVENUES:</b>					
[1] Interest	\$ 1,494	\$ 1,196	\$ -	\$ 1,615	\$ 1,615
[2] Tuition	7,560	7,403	7,400	4,646	(2,754)
[3] Revenue from Commonwealth	26,000	40,078	39,818	37,458	(2,360)
[4] Revenue from Federal Government	-	-	-	-	-
[5] Local Funds -- Frederick County, Winchester City, and Clarke County	-	-	-	-	-
	<u>4,421,400</u>	<u>4,456,778</u>	<u>4,884,508</u>	<u>4,666,066</u>	<u>(218,442)</u>
[6] <b>TOTAL REVENUES</b>	\$ 4,456,455	\$ 4,505,455	\$ 4,931,726	\$ 4,709,785	\$ (221,941)
<b>EXPENDITURES:</b>					
[7] Instruction	\$ 3,493,474	\$ 3,662,691	\$ 4,047,066	\$ 3,791,549	\$ 255,518
[8] Administration, Attendance & Health	177,625	183,113	187,040	186,934	106
[9] Pupil Transportation Services	-	-	-	-	-
[10] Operations and Maintenance	544,694	584,921	620,657	580,897	39,760
[11] Food Services	-	-	-	-	-
[12] Fund Transfers/Contingency	25,000	25,000	352,512	25,000	327,512
[13] Technology	49,895	51,550	51,963	51,604	359
[14] <b>TOTAL EXPENDITURES</b>	\$ 4,290,687	\$ 4,507,275	\$ 5,259,238	\$ 4,635,984	\$ 623,254
[15] <b>Balance at June 30</b>	<u>\$ 220,262</u>	<u>\$ 218,442</u>	<u>\$ -</u>	<u>\$ 292,243</u>	
[16] Committed - reserve for encumbrance	\$ -	\$ -		\$ -	
[17] Assigned fund balance	\$ 220,262	\$ 218,442		\$ 292,243	
<b>TEXTBOOK FUND</b>					
<b>Balance at July 1</b>	\$ 25	\$ 13,409	\$ 15,000	\$ 38,493	\$ 23,493
<b>REVENUES:</b>					
[1] Interest	\$ 48	\$ 85	\$ -	\$ 163	\$ 163
[2] Transfers from NREP Operating Fund	25,000	25,000	25,000	25,000	-
[3] <b>TOTAL REVENUES</b>	<u>\$ 25,048</u>	<u>\$ 25,085</u>	<u>\$ 25,000</u>	<u>\$ 25,163</u>	<u>\$ 163</u>
<b>EXPENDITURES:</b>					
[4] Payments for textbooks	\$ 11,664	\$ -	\$ 40,000	\$ 967	\$ 39,033
[5] <b>TOTAL EXPENDITURES</b>	<u>\$ 11,664</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 967</u>	<u>\$ 39,033</u>
<b>Balance at June 30</b>	<u>\$ 13,409</u>	<u>\$ 38,493</u>	<u>\$ -</u>	<u>\$ 62,689</u>	
[6] Committed - reserve for encumbrance	\$ -	\$ -		\$ -	
[7] Assigned fund balance	\$ 13,409	\$ 38,493		\$ 62,689	

## **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.

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 2016 revenues totaled \$2,553,758 and expenses totaled \$2,549,416. The excess of revenues over expenditures is \$4,342 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, 2016

	[a] <u>2013-2014</u> <u>Actual</u>	[b] <u>2014-15</u> <u>Actual</u>	[c] <u>2015-16</u> <u>Adjusted</u> <u>Budget</u>	[d] <u>2015-16</u> <u>Actual</u>	[e] <u>Variance</u> <u>from</u> <u>Adj. Budget</u>
<b>Balance July 1</b>	\$ 232,220	\$ -	\$ -	\$ 359,970	
[1] <b>Revenue:</b>					
[2] Building Services					
Billings to Regional Library Board	\$ 5,435	\$ 7,294	\$ 4,900	\$ 5,109	\$ 209
Billings to County Government	3,053	4,988	10,100	2,789	(7,311)
Sub-total Building Services	<u>\$ 8,488</u>	<u>\$ 12,282</u>	<u>\$ 15,000</u>	<u>\$ 7,898</u>	<u>\$ (7,102)</u>
[3] Vehicle Services					
Billings to FCPS	\$ 2,714,744	\$ 2,391,844	\$2,643,872	\$ 2,148,181	\$ (495,691)
Billings to Outside Agencies	243,544	481,239	941,128	397,678	(543,450)
Other Receipts	-	7,570	-	-	0
Sub-total Vehicle Services	<u>\$ 2,958,288</u>	<u>\$ 2,880,653</u>	<u>\$3,585,000</u>	<u>\$ 2,545,859</u>	<u>\$(1,039,141)</u>
[4] Transfers from School Operating Fund	\$ 4,289	\$ -	\$ -	\$ -	\$ -
[5] Prior Year Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
[6] <b>Total Receipts</b>	\$ 2,971,065	\$ 2,892,935	\$3,600,000	\$ 2,553,758	\$(1,046,243)
[7] <b>Expenditures:</b>					
[8] Building Services					
County Administration Building	\$ 1,152	\$ 2,685	\$ 5,000	\$ 2,060	\$ 2,940
Bowman Regional Library	5,435	7,294	7,500	5,109	2,391
Other Agencies	2,084	2,303	2,500	729	1,771
Sub-total Building Services	<u>\$ 8,671</u>	<u>\$ 12,282</u>	<u>\$ 15,000</u>	<u>\$ 7,898</u>	<u>\$ 7,102</u>
[9] Vehicle Services					
Salaries	\$ 638,096	\$ 657,723	\$ 718,349	\$ 698,968	\$ 19,381
Fringe Benefits	229,546	224,703	239,538	221,380	18,158
Purchased Services	46,044	15,049	322,686	21,866	300,820
Other Charges	104,054	63,549	123,050	52,343	70,707
Materials and Supplies	1,870,615	1,864,810	2,181,377	1,546,960	634,417
Capital Outlay	1,107	-	-	-	-
Sub-total Vehicle Services	<u>\$ 2,889,462</u>	<u>\$ 2,825,834</u>	<u>\$3,585,000</u>	<u>\$ 2,541,517</u>	<u>\$ 1,043,483</u>
[10] <b>Total Expenditures</b>	<u>\$ 2,898,133</u>	<u>\$ 2,838,116</u>	<u>\$3,600,000</u>	<u>\$ 2,549,415</u>	<u>\$ 1,050,585</u>
[11] <b>Revenues Over/ (Under) Expenditures</b>	<u>\$ 72,932</u>	<u>\$ 54,819</u>		<u>\$ 4,342</u>	
[12] <b>Balance June 30</b>	<u>\$ 305,151</u>	<u>\$ 54,819</u>		<u>\$ 364,312</u>	
[13] Balance Nonspendable - Inventory	\$ 305,151	\$ 256,860		\$ 278,961	
[14] Unreserved fund balance	\$ -	\$ 103,110		\$ 85,351	

## **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.

FY 2016 active grants and programs include the Chain of Checks and a miscellaneous donation for the benefit of low-income students.



Frederick County Public Schools  
**Special Grants Fund**  
Year Ended June 30, 2016

	[a]	[d]	[c]	[d]
	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Adjusted Budget</b>	<b>2015-16 Actual</b>
<b>Balance July 1</b>	\$ 31,113	\$ 12,471	\$ 3,403	\$ 3,403
<b>REVENUES:</b>				
[1] Donations and Grants	\$ 510	\$ -	\$ -	\$ -
Fees from Business & Industry	\$ -	\$ -	\$ -	\$ -
Tuition Payments from Localities	-	-	-	-
Revenue from the Commonwealth	-	-	-	-
Revenue from the Federal Government	-	-	-	-
[2] Sub-total Regional Adult Ed. Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
[3] Federal Grant - Teaching American History	<u>\$ 34,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
[4] <b>TOTAL REVENUES</b>	<u>\$ 34,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
[5] Chain of Checks	\$ 7,813	\$ 8,994	\$ 12,307	\$ 3,313
[6] At Risk/Low Income	346	75	164	89
[7] Teacher of the Year	4,072			
[8] Regional Adult Education	6,290	-	-	-
[9] Teaching American History	34,671	-	-	-
[10] <b>TOTAL EXPENDITURES</b>	<u>\$ 53,192</u>	<u>\$ 9,069</u>	<u>\$ 12,471</u>	<u>\$ 3,403</u>
[11] <b>Balance June 30</b>	<u><u>\$ 12,471</u></u>	<u><u>\$ 3,403</u></u>	<u><u>\$ (9,069)</u></u>	<u><u>\$ -</u></u>

## Private Purpose 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, 2016, is comprised of the following:

	<b>Private-Purpose Endowment Balance</b>	<b>Private-Purpose Income Fund Balance</b>
Armstrong Foundation Scholarship	\$224,861	\$ 788
Della Stine Scholarship	\$ 13,464	\$ 92
Axalta Scholarship	N/A	\$ 0
Clyde & Alfretta M. Logan Scholarship	N/A	\$ 22,500
Bright Futures Program	N/A	\$ 10,199
Teacher of the Year	N/A	\$ 2,954
<b>Total</b>	<b>\$ 238,325</b>	<b>\$ 36,533</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, Axalta, and Clyde and Alfretta M. Logan 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  
**Private Purpose Funds**  
Year Ended June 30, 2016

	[a]	[b]	[c]	[d]
	<u>FY14-15 Private-Purpose Endowment</u>	<u>FY14-15 Private-Purpose Income</u>	<u>FY15-16 Private-Purpose Endowment</u>	<u>FY15-16 Private-Purpose Income</u>
[1] <b>Balance July 1</b>	\$ 263,240	\$ 13,524	\$ 241,326	\$ 9,848
<b>REVENUES:</b>				
[2] Interest on Bank Accounts	\$ -	\$ 613	\$ -	\$ 755
[3] Interest on Investments	-	-	-	-
[4] Donations and Grants	-	16,117	-	57,259
[5] Transfers from Other Funds	-	-	-	3,000
[6] Investment Earnings	-	-	-	-
[7] <b>TOTAL REVENUES</b>	\$ -	\$ 16,730	\$ -	\$ 61,014
<b>EXPENDITURES:</b>				
[8] Scholarship Payments	\$ -	\$ 14,000	\$ -	\$ 9,500
[9] Other Expenses	12,533	-	-	3,556
[10] Other Operating Supplies	-	1,521	-	16,274
[11] Instructional Supplies	-	2,747	-	4,999
[12] Technology Hardware	-	2,128	-	-
[13] Transfers to Other Funds	9,381	12	3,000	-
[14] <b>TOTAL EXPENDITURES</b>	\$ 21,914	\$ 20,407	\$ 3,000	\$ 34,329
[15] <b>Balance June 30</b>	<u>\$ 241,326</u>	<u>\$ 9,848</u>	<u>\$ 238,326</u>	<u>\$ 36,533</u>