



Frederick County Public Schools

Finance Department

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DATE: September 17, 2019

TO: School Board Finance Committee Members

THROUGH: David T. Sovine, Ed.D., Superintendent of Schools

FROM: Patty Camery, Executive Director of Finance

SUBJECT: **Financial Reports for Fiscal Year 2018-19**

Attached are the year-end financial reports for fiscal year 2018-19. 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 2019 school operating fund is \$1,040,663, which is 0.61% of the \$169,458,459 total school operating fund budget.

The operational highlights of the fiscal (and school year) 2018-2019

- Provided a division average 2.5 percent salary increase for all staff
- Enhanced certain support salaries that were significantly behind the local job market
- Piloted an elementary alternative education program
- Focused on student mental health and equity training
- Updated the division strategic plan with the support of staff, parents, and community leaders
- Purchased 6 replacement/additional school buses
- Served 13,645 students compared to a projected 13,705 student enrollment

Summary budget statistics

1. The original (beginning) budget for the school operating fund for FY 2019 was \$168,455,680.
2. Budget adjustments of \$1,002,779 resulted in the current budget balance of \$169,458,459 and included the following:
 - a. encumbrance or undelivered commitments of \$542,862
 - b. carry-forward restricted grant receipts of \$316,538 from FY 2018
 - c. carry-forward surplus funds of \$186,879 from FY 2018 for a school bus and security equipment
 - d. less a transfer of \$43,500 to the School Debt Service Fund

Summary financial statistics

1. Actual FY 2019 revenues in the school operating fund were \$168,011,779.
2. Actual FY 2019 expenses and encumbrances totaled \$166,623,259.
3. Obligations for restricted programs in the amount of \$347,857 are a part of the year-end surplus and are reserved for appropriation to FY 2020.
4. An unobligated amount of \$1,040,663 remained at year-end.

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

	Budget	Actual	Variance
State Sales Tax revenue	\$ 14,988,971	\$ 15,205,440	\$ 216,469
Budgetary savings in payroll expenditures	\$137,309,286	\$136,954,441	\$ 354,845
Budgetary savings in schools and departmental expenditures	\$ 30,138,167	\$ 29,668,818	\$ 469,349
Unobligated Surplus for FY 2019			\$ 1,040,663

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 (county) 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 could 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 \$1,442,802 [line 11]. The variance for each revenue source and expenditure category is described in the following text. This amount is offset by \$54,282 in restricted program variances [line 14] resulting in the total operating fund surplus of \$1,388,520 [line 15], which is reduced by \$347,857 [line 16] in carry-forward obligations. The final result is \$1,040,663 [line 17] in unobligated surplus for FY 2019.

Unrestricted Revenues: \$161,425,144 [line 6]

Local Sources [line 1]

- \$779,488 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, rental charges for the use of school division facilities, and eRate reimbursement funds. Funds received from these sources were more than projected by \$53,997 due to facilities rent and tuition.

Commonwealth [line 2]

- \$77,265,025 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 \$160,136.
- Sales tax funding was more than budgeted by \$216,469 due to better than projected sales tax collections.
- All other state funding received was less than budgeted by \$56,333 due to enrollment changes in specific groups such as career technical education and special services Medicaid eligibility.

Federal Government [line 3]

- \$3,178 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]

- \$83,377,453 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: \$159,982,342 [line 10]

Instruction [line 7]

- \$119,105,240 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-one percent of all expenditures are in this category. The positive variance of \$373,393 is attributable to expenditure savings in personnel, school budgets and instructional departments.

Instructional and Administrative Technology [line 8]

- \$7,766,605 were expended for costs associated with division technology - instructional, administrative, and operational categories. Five percent of all expenditures are in this category. Savings in employee compensation in other categories provided a transfer of additional funds to address technology equipment replacements. The residual positive variance of \$102,708 is attributable to expenditure savings in personnel.

Support Services [line 9]

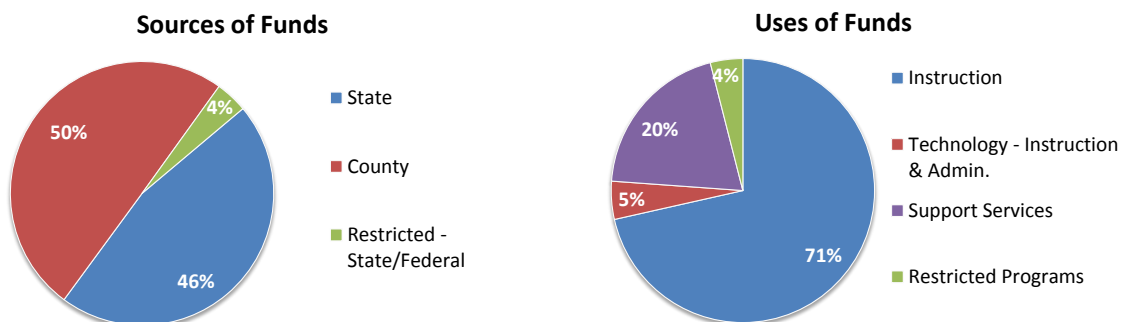
- \$33,110,496 were expended for costs associated with supporting the operations of the school division, including administration, services related to students’ attendance and health, transporting students, and maintaining facilities. Twenty percent of all expenditures are in this category. Savings in employee compensation in other categories provided a transfer of additional funds to address facilities maintenance. The residual \$261,631 positive variance is due to personnel, vehicle 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 \$6,586,636 for FY 2019, and program expenditures totaled \$6,640,917. The resulting negative balance of \$54,282 represents an amount of additional local funds toward those specific program budgets.

FY 2019 Operating Surplus (Revenues in Excess of Expenditures) \$1,388,520 [lines 15-17]

The total operating surplus for FY 2019 of \$1,388,520 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 \$347,857, and include: 1) \$166,441.17 for SOL Algebra Readiness, 2) \$85,306.62 for the Apple Federal Credit Union mentor teacher program, 3) \$21,506.82 for eRate, 4) \$13,341.90 for Project Graduation, 5) \$40,212.98 for Chain of Checks mental health support, 6) \$19,176.63 for Virginia Tiered Systems of Support and 7) \$1,870.94 for the VA Star program. A separate appropriation request will be submitted for these amounts to be approved by the Board of Supervisors. The unobligated surplus for FY 2019 is \$1,040,663.



Frederick County Public Schools
School Operating Fund
 Year Ended June 30, 2019

	[a] 2017-18 Actual*	[b] 2018-19 Original Budget	[c] 2018-19 Adjusted Budget	[d] 2018-19 Actual*	[e] Variance from Adj. Budget
SUMMARY					
Revenue from Local/Other Sources	\$ 997,325	\$ 987,326	\$ 952,895	\$ 912,682	\$ (40,213)
Revenue from the Commonwealth	74,566,843	79,523,124	79,090,857	78,496,837	(594,020)
Revenue from the Federal Government	5,335,895	5,570,556	6,036,254	5,224,808	(811,446)
Revenue from Local Governing Body	80,205,632	82,374,674	83,377,453	83,377,453	-
[A] TOTAL REVENUES	\$ 161,105,696	\$ 168,455,680	\$ 169,457,459	\$ 168,011,779	\$ (1,445,680)
Instruction	\$ 113,413,334	\$ 120,762,381	\$ 119,478,634	\$ 119,105,240	\$ 373,393
Instruction - Restricted Programs	6,838,313	7,765,573	8,738,384	6,640,917	2,097,467
Technology - Instructional & Administrative	6,994,153	7,296,497	7,869,313	7,766,605	102,708
Support Services	33,356,478	32,631,229	33,372,127	33,110,496	261,631
[B] TOTAL EXPENDITURES	\$ 160,602,279	\$ 168,455,680	\$ 169,458,459	\$ 166,623,259	\$ 2,835,200
* Actual fiscal year expenditures includes encumbrances					
[C] REVENUE OVER EXPENDITURES	\$ 503,416	\$ -	\$ (1,000)	\$ 1,388,520	
[D] Obligated Funds-Special Programs	\$ 316,538			\$ 347,857	
[E] LOCAL FUNDS UNOBLIGATED AT JUNE 30	\$ 186,879			\$ 1,040,663	
[F] Percentage Surplus of Total Budget	0.11%			0.61%	

Unrestricted Revenues

[1] Revenue from Local Sources	\$ 838,858	\$ 725,491	\$ 725,491	\$ 779,488	\$ 53,997
[2] Revenue from Commonwealth	\$ 73,315,350	\$ 77,859,517	\$ 77,104,888	\$ 77,265,025	\$ 160,136
a Standards of Quality (SOQ)	52,479,635	55,870,945	54,757,562	54,757,562	-
b Sales Tax	13,884,503	14,988,971	14,988,971	15,205,440	216,469
c Incentive Accounts	884,753	518,000	518,000	518,000	-
d Categorical	106,412	106,787	100,971	100,971	-
e Lottery-Funded Programs	5,779,458	6,162,314	6,521,884	6,510,435	(11,449)
f Miscellaneous State	180,588	212,500	217,500	172,617	(44,883)
[3] Revenue from Federal Government	\$ 3,375	\$ 5,000	\$ 5,000	\$ 3,178	\$ (1,822)
[4] Transfers/ CarryOver/ Prior Year Encumbrances	\$ 2,932,002	\$ -	\$ 1,046,279	\$ 1,046,279	-
[5] Local Funds -Board of Supervisors	\$ 77,273,630	\$ 82,374,674	\$ 82,331,174	\$ 82,331,174	\$ -
[6] Total Unrestricted Revenues	\$ 154,363,215	\$ 160,964,682	\$ 161,212,832	\$ 161,425,144	\$ 212,311

Unrestricted Expenditures

[7] Instruction	\$ 113,413,334	\$ 120,762,381	\$ 119,478,634	\$ 119,105,240	\$ 373,393
a Regular Education	84,145,199	88,549,126	88,145,404	\$ 88,141,527	3,877
b Special Education	19,054,919	21,045,973	20,602,112	\$ 20,405,380	196,732
c Vocational Education	7,670,075	8,024,135	8,109,127	\$ 8,003,950	105,177
d Gifted Education	930,485	993,000	997,731	\$ 945,748	51,983
e Other Education	1,431,969	1,422,965	1,432,147	\$ 1,417,025	15,122
f Summer School	163,729	171,550	174,944	\$ 174,443	502
g Adult Education	16,958	16,914	17,168	\$ 17,168	-
h Contingency Reserve	-	538,718	-	\$ -	-
[8] Instructional & Administrative Technology	\$ 6,994,153	\$ 7,296,497	\$ 7,869,313	\$ 7,766,605	\$ 102,708
a Instructional Technology	1,130,811	1,608,272	1,752,435	\$ 1,746,327	6,108
b Instructional Support Technology	3,577,066	3,763,324	3,777,887	\$ 3,716,543	61,344
c Administrative Support Technology	2,286,276	1,924,901	2,338,991	\$ 2,303,735	35,256
[9] Support Services	\$ 33,356,478	\$ 32,631,229	\$ 33,372,127	\$ 33,110,496	\$ 261,631
a Administration, Attendance & Health	6,908,987	7,580,713	7,472,919	\$ 7,334,434	138,486
b Pupil Transportation Services	9,884,838	9,398,898	9,759,147	\$ 9,747,058	12,090
c Operation and Maintenance	15,188,746	14,739,146	15,218,859	\$ 15,118,110	100,749
d Facilities	783,874	369,174	365,492	\$ 355,185	10,307
e Fund Transfers	590,034	543,298	555,709	\$ 555,709	-
[10] Unrestricted Expenditures	\$ 153,763,966	\$ 160,690,107	\$ 160,720,074	\$ 159,982,342	\$ 737,733
[11] Unrestricted Revenue Over/(Under) Expense	\$ 599,249			\$ 1,442,802	

Numbers may not add correctly due to rounding.

Year Ended June 30, 2019

	[a] 2017-18 Actual*	[b] 2018-19 Original Budget	[c] 2018-19 Adjusted Budget	[d] 2018-19 Actual*	[e] Variance from Adj. Budget
Restricted Programs					
Revenue from Local/Other Sources	\$ 158,467	\$ 261,835	\$ 227,403	\$ 133,194	\$ (94,210)
a eRate Program	23,554	25,000	23,554	23,554	-
b Bridges to Success-Apple Federal CU	50,000	50,000	50,000	45,000	(5,000)
c NOAA Grant	38,325	43,000	54,603	53,615	(988)
d Claude Moore Foundation	-	-	18,500	10,024	(8,476)
e Chain of Checks-Mental Health	46,588	-	-	-	-
f VA Star	-	-	-	1,000	1,000
g Excess Appropriation	-	143,835	80,746	-	(80,746)
Revenue from Commonwealth	\$ 1,251,494	\$ 1,663,607	\$ 1,985,969	\$ 1,231,812	\$ (754,157)
a Regional Juvenile Detention Center	584,992	590,000	602,095	601,524	(571)
b Special Education - In-Jail	95,350	100,000	100,000	98,598	(1,402)
c Early Reading Intervention	204,431	200,604	219,411	219,411	-
d SOL Algebra Readiness	119,946	118,648	116,435	116,435	-
e Other Special State Programs	246,774	104,355	205,566	195,844	(9,722)
f Excess Appropriation	-	550,000	742,461	-	(742,461)
Revenue from Federal Government	\$ 5,332,520	\$ 5,565,556	\$ 6,031,254	\$ 5,221,630	\$ (809,625)
a Title I, Part A	1,601,437	1,452,642	1,494,926	1,397,605	(97,321)
b Title I, Part D	43,333	85,738	107,536	63,448	(44,088)
c Title II, Part A Improve Teacher Quality	242,586	423,463	458,947	241,092	(217,855)
d Title III, Part A LEP	47,161	63,576	138,096	91,763	(46,334)
e Title IV, Part A	-	-	140,623	81,519	(59,104)
f Title VI-B IDEA Regular	2,489,130	2,600,088	2,765,287	2,461,888	(303,398)
g Title VI-B IDEA Preschool	44,593	44,593	44,593	46,964	2,371
h Perkins Vocational	148,637	145,456	163,907	163,987	80
i Virginia Preschool Initiative Plus	715,643	650,000	717,331	673,364	(43,967)
i Other Miscellaneous Grants	-	-	-	-	-
j Excess Appropriation	-	100,000	7	-	(7)
[12] Total Restricted Revenues	\$ 6,742,481	\$ 7,490,998	\$ 8,244,627	\$ 6,586,636	\$ (1,657,991)
Restricted Program Expenditures					
a eRate Program	35,995	25,000	30,492	8,985	21,507
b Bridges to Success - Apple Federal CU	31,447	30,000	86,473	46,166	40,307
c NOAA Grant	39,295	43,000	54,603	53,615	988
d Claude Moore Foundation	-	-	18,500	10,024	8,476
e Chain of Checks-Mental Health	-	-	46,588	6,375	40,213
f VA Star	-	-	3,076	1,205	1,871
g Regional Juvenile Detention Center	577,375	590,000	602,095	593,664	8,432
h Special Education - In-Jail	95,350	100,000	100,000	98,598	1,402
i Early Reading Intervention	287,096	328,751	359,572	299,106	60,466
j SOL Algebra Readiness	176,626	194,441	356,619	190,178	166,441
k Other Special State Programs	330,199	133,418	220,499	185,208	35,291
l Title I, Part A	1,603,453	1,452,642	1,494,926	1,397,605	97,321
m Title I, Part D	41,317	85,738	107,536	63,448	44,088
n Title II, Part A Improve Teacher Quality	242,586	423,463	458,947	241,092	217,855
o Title III LEP	47,161	63,576	138,096	91,763	46,334
p Title IV, Part A	-	-	140,623	81,519	59,104
q Title VI-B	2,489,524	2,600,088	2,765,287	2,461,888	303,398
r Perkins Vocational	148,637	145,456	163,907	163,907	-
s Virginia Preschool Initiative Plus	692,251	650,000	717,331	646,572	70,759
t Excess Appropriation	-	900,000	873,215	-	873,215
[13] Total Restricted Expenditures	\$ 6,838,313	\$ 7,765,573	\$ 8,738,384	\$ 6,640,917	\$ 2,097,467
[14] Restricted Revenue Over/(Under) Expense	\$ (95,832)			\$ (54,282)	
[15] All Revenue Over/(Under) Expense	\$ 503,416			\$ 1,388,520	
[16] Obligated Funds-Special Programs	316,538			347,857	
[17] LOCAL FUNDS UNRESTRICTED AND UNOBLIGATED AT JUNE 30	\$ 186,879			\$ 1,040,663	

Numbers may not add correctly due to rounding.

School Nutrition Fund

The school nutrition operation completed the FY 2019 with expenditures in excess of revenues of \$855,610, decreasing the ending fund balance. Fund balance was used for one-time capital expenditures to improve the cafeteria serving line at Sherando High School.

On average, 46 percent of the student membership participated in the food service program - 1,110,616 lunches and 390,984 breakfasts were served throughout the 2018-19 school year. Lunch prices for a full-priced meal were \$2.60 for elementary, \$2.85 for middle, and \$2.85 regular lunch/\$2.95 pizza lunch for high school students. Other items were sold on an à la carte basis. As of June 2019, 34.7% of student membership was eligible for free or reduced-priced meals. A transfer \$19,411 from the School Operating Fund paid for uncollectible student meal charges.

Operational expenditures were less than expected for the associated number of meals served. The school nutrition operation produced an average of 14.65 meals per labor hour – 8,700 equivalent meals daily.

Revenue Variances:

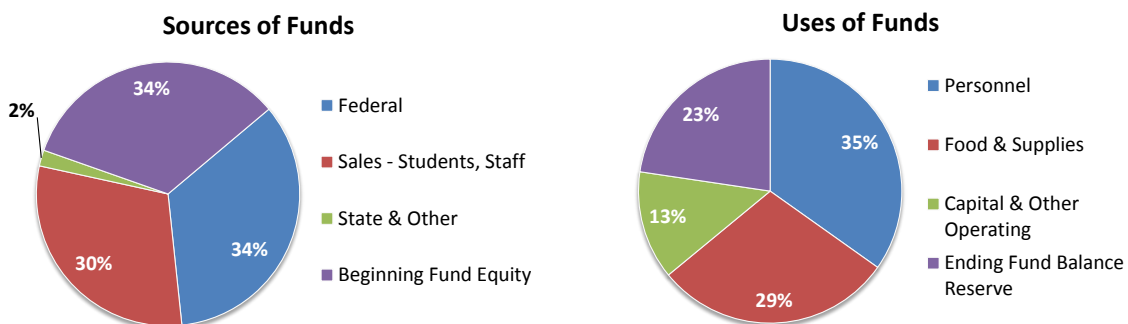
Compared to budget, revenues were \$85,540 less than expected. Full-priced lunch sales and federal meals reimbursement were less than expected due to six less serving days related to inclement weather.

Expenditure Variances:

Compared to budget, expenditures were less than expected. \$1,640,965 of the total expenditure variance represents excess appropriation of prior year fund balance. The excess appropriation is carried forward to use if needed. The other operational variances are the result of the following:

- Labor cost was \$219,432 less than planned. Productivity gains were realized and overtime and substitute costs were less than anticipated.
- Food and supply costs were \$41,942 less than planned primarily due to six less serving days. The average food cost per meal was \$1.41 for FY 2019, less than projected but more than \$1.23 in the prior year.
- Contracted services, utilities, travel, and other miscellaneous expenses ended the year with a positive variance of \$3,572.

The fund ended the fiscal year with \$1,784,819 in fund balance. Of this amount, \$279,516 is the inventory value at fiscal year-end and is non-spendable. The fund balance is within best practice amounts, averaging three months of operating expenses. Fund balance is carried-forward to the next fiscal year for school nutrition operations.



Frederick County Public Schools
School Nutrition Fund
Year Ended June 30, 2019

	[a] <u>Actual 2016-17</u>	[b] <u>Actual 2017-18</u>	[c] <u>Adjusted Budget 2018-19</u>	[d] <u>Actual 2018-19</u>	[e] <u>Variance from Adj Budget</u>
[1] Beginning Balance July 1	\$ 1,942,843	\$ 2,414,992	\$ 2,675,981	\$ 2,640,430	\$ (35,551)
Revenues:					
[2] Interest on Bank Deposits	\$ 9,587	\$ 27,981	\$ 9,587	\$ 27,552	\$ 17,965
[3] Type A Lunches	1,532,909	1,417,057	1,578,658	1,483,929	(94,729)
[4] Breakfast Program	143,709	162,408	183,057	187,790	4,733
[5] All Other Sales and Adults	619,088	624,554	639,701	634,469	(5,232)
[6] Other Receipts	69,785	71,515	71,315	65,684	(5,632)
[7] State School Food Payments	96,634	103,208	93,857	107,190	13,333
[8] Federal Meals Reimbursement	2,568,918	2,655,172	2,741,337	2,712,947	(28,390)
[9] Transfers From School Operating	1,606	19,522	7,000	19,411	12,411
[10] Total Revenues	\$ 5,042,236	\$ 5,081,416	\$ 5,324,512	\$ 5,238,972	\$ (85,540)
Total Revenues and Beginning Balance	6,985,079	7,496,408	8,000,493	7,879,402	
Expenditures:					
[11] Salaries	\$ 1,801,735	\$ 1,786,343	\$ 2,114,620	\$ 1,951,786	\$ 162,834
[12] Fringe Benefits	691,313	746,098	847,562	790,966	56,597
[13] Contractual Services	65,936	90,247	78,784	78,712	73
[14] Utilities, Travel and Misc	51,567	69,336	78,819	75,320	3,499
[15] Food and Supplies	1,944,949	1,977,860	2,345,435	2,303,493	41,942
[16] Capital Outlay	14,587	186,095	894,307	894,307	-
[17] Planned Carryforward to Next Year	-	-	1,640,965	-	1,640,965
[18] Total Expenditures	\$ 4,570,087	\$ 4,855,978	\$ 8,000,493	\$ 6,094,582	\$ 1,905,911
[19] Revenue Over / (Under) Expenditures	\$ 472,149	\$ 225,438	\$ -	\$ (855,610)	
[20] Ending Balance June 30	<u>\$ 2,414,992</u>	<u>\$ 2,640,430</u>	<u>\$ -</u>	<u>\$ 1,784,819</u>	
[21] Balance Nonspendable, Inventory	\$ 235,775	\$ 232,432		\$ 279,516	
[22] Balance Committed	\$ 2,179,217	\$ 2,407,998		\$ 1,505,303	

Numbers may not add correctly due to rounding.

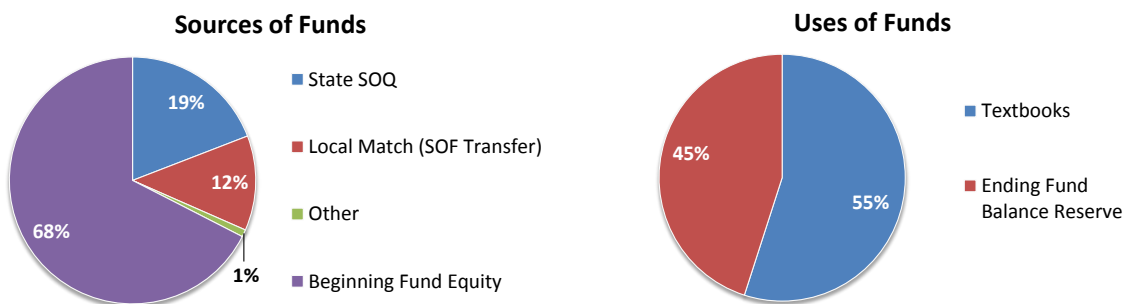
School Textbook Fund

The textbook fund completed the year with expenditures in excess of revenues of \$979,398, resulting in an ending fund balance to \$1,932,045. The primary source of revenue for this fund comes from the Standards of Quality funding provided by the state. The state funds require a local match equal to the composite index percentage and are provided through a transfer from the School Operating Fund.

Beginning fund balance for the School Textbook Fund was \$2,911,443. Revenues plus the beginning fund balance provide for the total available funds of \$4,314,318. For FY 2019, state funds of \$825,960 plus \$536,298 in local matching funds, and \$40,617 in miscellaneous receipts for interest and fees totaled \$1,402,875 in revenue.

Textbook purchases were made for replacements of worn textbooks, math textbooks for elementary, middle, and high school levels, elementary school social studies, and iReady software licenses. Total expenditures on textbooks and related activities equaled \$2,382,272 for the year and were significantly less than expected. A small portion of the expense total is for a part-time position to maintain 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 committed to the next fiscal year to support required textbook adoptions.



Frederick County Public Schools
School Textbook Fund
Year Ended June 30, 2019

	[a] 2016-17 Actual	[b] 2017-18 Actual	[c] 2018-19 Budget	[d] 2018-19 Actual	[e] Variance
[1] Beginning Balance July 1	\$ 1,714,833	\$ 2,686,747	\$ 2,873,709	\$ 2,911,443	\$ 37,734
Revenues:					
[2] Interest on Bank Deposits	\$ 12,196	\$ 32,635	\$ 5,000	\$ 39,065	\$ 34,065
[3] Sale of Textbooks/ Lost Fees	7,768	1,971	6,500	1,552	(4,948)
[4] State Reimbursements	884,353	895,167	839,530	825,960	(13,570)
[5] Transfers From Other Funds	558,345	570,512	536,298	536,298	-
[6] Total Revenues	\$ 1,462,662	\$ 1,500,286	\$ 1,387,328	\$ 1,402,875	\$ 15,547
Expenditures:					
[7] Salaries	\$ 17,471	\$ 17,971	\$ 19,185	\$ 19,183	\$ 2
[8] Fringe Benefits	4,405	4,855	5,053	5,057	(3)
[9] Contractual Services	-	-	-	-	-
[10] Payments to Publishers	468,872	1,252,764	2,532,539	2,358,033	174,506
[11] Planned Carryforward to Next Year	-	-	1,704,260	-	1,704,260
[12] Total Expenditures	\$ 490,748	\$ 1,275,589	\$ 4,261,037	\$ 2,382,272	\$ 1,878,765
[13] Revenues Over / (Under) Expenditures	\$ 971,914	\$ 224,696	\$ (2,873,709)	\$ (979,398)	\$ 1,894,311
[14] Ending Balance June 30	<u>\$ 2,686,747</u>	<u>\$ 2,911,443</u>	<u>\$ -</u>	<u>\$ 1,932,045</u>	
[15] Balance Committed	\$ 2,686,747	\$ 2,911,443		\$ 1,932,045	

School Capital Projects Fund

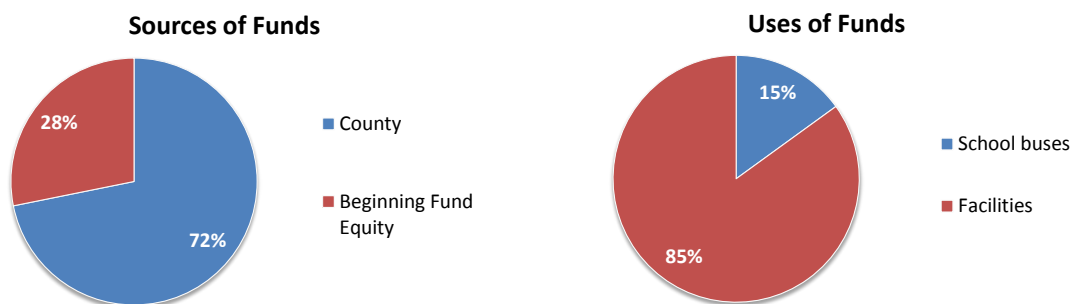
The school capital projects fund is a separate fund intended for the purchase of capital items that are not provided for in the annual school operating fund. This fund typically receives revenue from the local governing body through direct appropriation or through the transfer of funds from prior year remaining balances in the school operating fund.

The beginning fund balance of \$1,397,186 and a transfer of \$3,564,000 from Frederick County Government was used to purchase 5 school buses and the following maintenance projects.

- Apple Pie Ridge Elementary School heating pump replacement
- Bass-Hoover Elementary School fire alarm replacement
- Dowell J. Howard roof replacement
- Frederick County Middle and Gainesboro Elementary School traffic improvements
- James Wood High School athletic building roof replacement
- James Wood High School cooling tower and HVAC replacements
- Sherando High School softball field improvements
- Sherando High School tennis court renovations
- Phase 2 safety and security measures at various schools

As of June 30, 2019, these projects were in various stages of planning, completion, or payment. The balance of \$1,889,268 will be carried forward into FY 2020.

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 operating fund norm, yet too small in scope for the construction fund.



Frederick County Public Schools
School Capital Projects Fund
Year Ended June 30, 2019

	[a]	[b]	[c]	[d]	[e]
	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Actual	Variance from Adjusted Budget
[1] Beginning Balance July 1	\$ 4,099,481	\$ 1,220,062	\$ 2,003,150	\$ 1,397,186	\$ (605,964)
Revenues:					
[2] Other Receipts					
[3] Local Funds - Frederick County	\$ -	\$ 3,088,287	\$ 3,564,000	\$ 3,564,000	\$ -
[4] Transfers from Other Funds	-	-	-	-	-
Total Revenues	\$ -	\$ 3,088,287	\$ 3,564,000	\$ 3,564,000	\$ -
Expenditures:					
[6] Capital Outlay	\$ 2,879,419	\$ 2,911,163	\$ 5,567,150	\$ 3,071,919	\$ 2,495,232
[7] Total Expenditures	\$ 2,879,419	\$ 2,911,163	\$ 5,567,150	\$ 3,071,919	\$ 2,495,232
[8] Ending Balance June 30	\$ 1,220,062	\$ 1,397,186	\$ -	\$ 1,889,268	
[9] Balance Reserve for Encumbrances	\$ 734,367	\$ 1,003,150		\$ 589,268	
[10] Balance Committed	\$ 485,695	\$ 394,036		\$ 1,300,000	

Numbers may not add correctly due to rounding.

Construction Fund

The active construction projects for FY 2019 were construction of Jordan Springs Elementary School and replacement Robert E. Aylor Middle School.

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 continue the project.

Jordan Springs Elementary School:

Beginning project amount	\$ 28,500,000.00
Expenditures through June 30, 2019	\$(9,060,785.10)
O/S Encumbrances @ June 30, 2019	<u>\$(15,772,651.80)</u>
Remaining project balance	<u>\$ 3,666,563.10</u>

Cash received – bond proceeds	\$ 23,575,000.00
Cash received – premium proceeds	\$ 2,083,667.95
Cash received – interest earnings	\$ 352,589.71
Cash received – other sources	\$ 1,512,950.88
Cash transferred from other projects	\$ 59,754.05
Cash disbursed for project	\$(8,437,467.72)
Accounts Payable @ June 30, 2019	<u>\$(623,317.38)</u>
Cash/A/P balance @June 30, 2019	<u>\$ 18,523,177.49</u>

Fourth High School:

Beginning project amount	\$ 6,000,000.00
Expenditures through June 30, 2019	\$(5,321,786.45)
O/S Encumbrances @ June 30, 2019	<u>\$(236,000.00)</u>
Remaining project balance	<u>\$ 442,213.55</u>

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	\$(5,321,786.45)
Accounts Payable @ June 30, 2019	<u>\$(0.00)</u>
Cash/A/P balance @June 30, 2019	<u>\$ 357,213.27</u>

Replacement Robert E. Aylor Middle School:

Beginning project amount	\$ 45,500,000.00
Expenditures through June 30, 2019	\$(2,124,244.39)
O/S Encumbrances @ June 30, 2019	<u>\$(4,693,854.89)</u>
Remaining project balance	<u>\$ 38,681,900.72</u>

Cash received – bond proceeds	\$ 7,820,000.00
Cash received – premium proceeds	\$ 785,978.15
Cash received – interest earnings	\$ 63,280.80
Cash received – other sources	\$ 0.00
Cash transferred from other projects	\$ 0.00
Cash disbursed for project	\$(1,825,637.94)
Accounts Payable @ June 30, 2019	<u>\$(298,606.45)</u>
Cash/A/P balance @June 30, 2019	<u>\$ 6,545,014.56</u>

Armel Addition:

Beginning project amount	\$ 500,000.00
Expenditures through June 30, 2019	\$(471,563.00)
O/S Encumbrances @ June 30, 2019	<u>\$(7,770.00)</u>
Remaining project balance	<u>\$ 20,667.00</u>

Cash received – bond proceeds	\$ 0.00
Cash received – premium proceeds	\$ 0.00
Cash received – interest earnings	\$ 0.00
Cash received from other projects	\$ 500,000.00
Cash disbursed for project	\$(471,563.00)
Accounts Payable @ June 30, 2019	<u>\$(0.00)</u>
Cash/ A/P balance as of June 30, 2019	<u>\$ 28,437.00</u>

Frederick County Public Schools
Construction Funds
Year Ended June 30, 2019

	[a] <u>Project Budget</u>	[b] <u>Prior Years' Receipts</u>	[c] <u>2018-2019 Actual Receipts</u>	[d] <u>Cummulative Project Receipts</u>		
[1] Beginning Balance July 1			\$ 6,877,312			
Revenues:						
[2] Interest Income	\$ -	\$ 28,413	\$ 397,568	\$ 425,981		
[3] Proceeds from Bond Sale	77,000,000	9,054,850	25,075,000	34,129,850		
[4] Other Receipts	3,500,000	5,427,514	2,448,876	7,876,390		
[5] Miscellaneous	-	-	-	-		
[6] Total Revenues	\$ 80,500,000	\$ 14,510,777	\$ 27,921,444	\$ 42,432,221		
	[a]	[b]	[c]	[d]	[e]	[f]
	<u>Project Budget</u>	<u>Prior Years' Expenditures</u>	<u>2018-2019 Actual</u>	<u>Cummulative Project Expenditures</u>	<u>Outstanding Encumbrances</u>	<u>Remaining Project Balance</u>
Expenditures:						
[7] Jordan Springs Elementary School	\$ 28,500,000	\$ 1,840,116	\$ 7,220,669	\$ 9,060,785	\$ 15,772,652	\$ 3,666,563
[8] Armel Elementary Additions	500,000	471,563	-	471,563	7,770	20,667
[9] Replacement Robert E Aylor Middle School	45,500,000	-	2,124,244	2,124,244	4,693,855	38,681,901
[10] Fourth High School - Land & Design	6,000,000	5,321,786	-	5,321,786	236,000	442,214
[11] Total Expenditures	\$ 80,500,000	\$ 7,633,465	\$ 9,344,914	\$ 16,978,379	\$ 20,710,277	\$ 42,811,344
[12] Ending Balance June 30				<u>\$ 25,453,842</u>		

Debt Service Fund

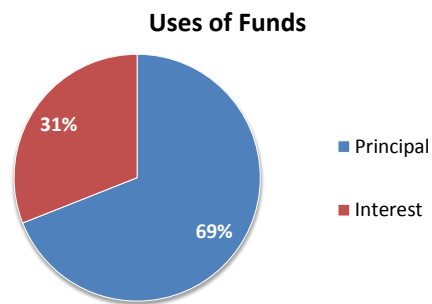
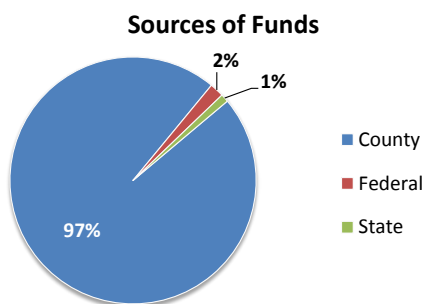
The Debt Service Fund accounts for principal and interest payments on general obligation bonds sold through the Virginia Public School Authority to finance major school construction projects.

During the fiscal year, FCPS received \$157,162 in refinancing credits from VPSA and \$279,055 from the federal government as an interest rebate subsidy for the Qualified School Construction Bonds (QSCB) program. Additionally, \$14,579,320 was received from the county. These revenues plus the beginning fund balance were used for the principal, interest, and administrative expenses for the 31 active debt issues covering 10 construction projects amortized over 20 years.

The FY 2019 principal, interest, and debt management fee payments totaled \$15,004,463. The end of year fund balance is \$31,896 and will be used toward the FY 2020 debt obligations.

A summary of the outstanding indebtedness is shown below.

Outstanding debt at June 30, 2018	\$109,262,535
New debt incurred during FY 2019	\$ 25,075,000
Principal payments on existing debt during FY 2019	<u>\$(10,341,220)</u>
Outstanding debt at June 30, 2019	<u>\$123,996,315</u>



Frederick County Public Schools
Debt Service Fund
Year Ended June 30, 2019

	[a]	[b]	[c]	[d]	[e]
	2016-17 Actual	2017-18 Actual	2018-19 Adjusted Budget	2018-19 Actual	Variance from Adjusted Budget
[1] Beginning Balance July 1	\$ 113,879	\$ 30,470	\$ 11,923	\$ 20,823	\$ 8,900
Revenues:					
[2] State VPSA Credits	\$ 94,742	\$ 127,343	\$ 142,880	\$ 157,162	\$ -
[3] Federal - QSCB	276,973	277,865	275,782	279,055	3,273
[4] Local Funds - Frederick County	15,972,475	15,972,475	14,579,320	14,579,320	-
[5] Transfers from Other Funds	-	-	-	-	-
[6] Total Revenues	\$ 16,344,190	\$ 16,377,683	\$ 14,997,982	\$ 15,015,537	\$ 17,555
Expenditures:					
[7] Principal Payments	\$ 10,863,296	\$ 10,784,583	\$ 10,341,220	\$ 10,341,220	\$ -
[8] Interest Payments	5,547,953	4,969,168	4,643,685	4,643,493	192
[9] Miscellaneous	16,350	16,100	25,000	19,750	5,250
[10] Total Expenditures	\$ 16,427,599	\$ 15,769,851	\$ 15,009,905	\$ 15,004,463	\$ 5,442
[11] Transfers to Other Funds	\$ -	\$ 617,478	\$ -	\$ -	
[12] Ending Balance June 30	\$ 30,470	\$ 20,823	\$ -	\$ 31,896	
[13] Balance Assigned	\$ 30,470	\$ 20,823		\$ 31,896	

Insurance Reserve Fund

The insurance reserve fund accounts for 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 just over 1,800 FCPS employees and retirees plus their dependents. The program includes two medical plan options, one vision, and one dental plan—all provided by Anthem. The two medical plan options are known as KeyCare 25 and the Health Savings Account (HSA).

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 2019 were \$16,918,505, below the expected level of \$21,145,400. The insurance reserve fund year-end balance increased by \$4,416,122 to an ending balance of \$6,892,674. The fund balance equates to almost four months of projected claims activity. As a best practice, the amount of ending fund balance level is three months of projected claims activity. The fund balance is assigned to support future health claims.

Columns [f] and [g] provide a range of activity projected for FY 2020. Overall, the fund needs to support about \$21.0 million in expected claims for the FY 2020. It is important to maintain a fund balance sufficient to support claims that exceed expectations.

Frederick County Public Schools
Insurance Reserve Fund
Year Ended June 30, 2019

	[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>2016-17</u>	<u>2017-18</u>	<u>Activity</u>	<u>Claim</u>	<u>2018-19</u>	<u>Activity</u>	<u>Claim</u>	
			<u>2018-19</u>	<u>Liability</u>		<u>2019-20</u>	<u>Liability</u>	
				<u>2018-19</u>			<u>2019-20</u>	
[1] Beginning Balance July 1	\$ 1,878,863	\$ 2,517,960	\$ 2,476,552	\$ 2,476,552	\$ 2,476,552	\$ 6,892,674	\$ 6,892,674	[1]
Revenues:								
[2] Interest on Bank Deposits	\$ 26,949	\$ 74,451	\$ 50,000	\$ 50,000	\$ 153,500	\$ 50,000	\$ 50,000	[2]
[3] Health Insurance Premiums	17,931,992	19,314,034	21,095,400	21,095,400	21,181,107	21,850,000	21,850,000	[3]
[4] Donations/Grants/Other	1,735	1,664			20			[4]
[5] Total Revenues	\$ 17,960,676	\$ 19,390,149	\$ 21,145,400	\$ 21,145,400	\$ 21,334,627	\$ 21,900,000	\$ 21,900,000	[5]
Expenditures:								
[6] Contracted Activities	\$ 198,603	\$ 77,301	\$ 90,000	\$ 90,000	\$ 77,953	\$ 90,000	\$ 90,000	[6]
[7] Taxes & Fees	6,964	7,255	-	-	13,576			[7]
[8] Supplies	2,203	5,474	-	-	(100)			[8]
[9] Health Care Claims	16,022,741	18,222,080	19,925,400	22,914,210	15,787,404	19,629,394	24,536,743	[9]
[10] Dental Claims	1,091,069	1,119,448	1,130,000	1,130,000	1,039,672	1,250,000	1,250,000	[10]
[11] Total Expenditures	\$ 17,321,578	\$ 19,431,557	\$ 21,145,400	\$ 24,134,210	\$ 16,918,505	\$ 20,969,394	\$ 25,876,743	[11]
[12] Revenues Over/(Under) Expenditures	\$ 639,098	\$ (41,408)	\$ -	\$ (2,988,810)	\$ 4,416,122	\$ 930,606	\$ (3,976,743)	[12]
[13] Ending Balance June 30	\$ 2,517,960	\$ 2,476,552	\$ 2,476,552	\$ (512,258)	\$ 6,892,674	\$ 7,823,280	\$ 2,915,932	[13]

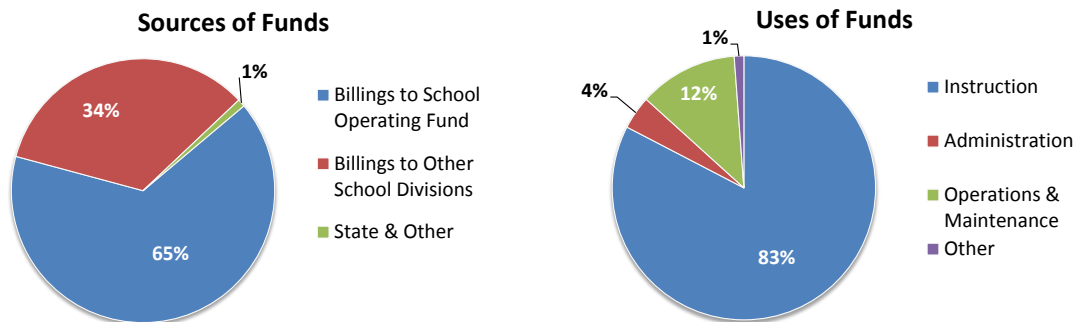
Numbers may not add correctly due to rounding.

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; 66 percent are FCPS students.

Total revenues were \$4,851,167 and were \$407,992 less than budgeted. This amount represents a reduction in the localities' contributions due to the distribution of the FY 2018 surplus of \$453,144, as well as positive variances in interest earnings, tuition payments, and revenue from other localities of \$45,152. Expenditure savings of \$354,233 were realized throughout the year. The residual surplus is \$166,885, which will be credited back to the localities in FY 2020. The residual surplus was generated from vacancy and turnover savings in personnel and instructional contracted services.

The NREP textbook fund concluded the year with a fund balance of \$40,255. 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, 2019

	[a] 2016-17 Actual	[b] 2017-18 Actual	[c] 2018-19 Adjusted Budget	[d] 2018-19 Actual	[e] Variance from Adj. Budget
OPERATING FUND					
Beginning Balance at July 1	\$ 292,243	\$ 315,243	\$ 232,500	\$ 453,144	\$ 220,644
REVENUES:					
[1] Interest	\$ 4,054	\$ 11,010	\$ -	\$ 13,832	\$ 13,832
[2] Tuition	3,110	7,967	-	5,640	5,640
[3] Revenue from Commonwealth	39,444	39,444	26,000	26,000	-
[4] Revenue from Other Localities	-	-	-	25,680	25,680
[5] Local Funds -- Frederick County, Winchester City, and Clarke County	-	-	-	-	-
	<u>4,721,101</u>	<u>4,849,322</u>	<u>5,233,159</u>	<u>4,780,015</u>	<u>(453,144)</u>
[6] TOTAL REVENUES	\$ 4,767,709	\$ 4,907,743	\$ 5,259,159	\$ 4,851,167	\$ (407,992)
EXPENDITURES:					
[7] Instruction	\$ 3,884,791	\$ 3,891,592	\$ 4,321,251	\$ 4,244,065	\$ 77,186
[8] Administration, Attendance & Health	196,475	202,805	210,395	210,356	39
[9] Pupil Transportation Services	2,917	5,858	4,966	4,795	171
[10] Operations and Maintenance	607,360	615,054	666,878	622,542	44,336
[11] Food Services	-	-	-	-	-
[12] Fund Transfers/Contingency	0	-	232,500	-	232,500
[13] Technology	53,166	54,532	55,670	55,669	1
	<u>4,744,708</u>	<u>4,769,842</u>	<u>5,491,659</u>	<u>5,137,426</u>	<u>354,233</u>
[14] TOTAL EXPENDITURES	\$ 4,744,708	\$ 4,769,842	\$ 5,491,659	\$ 5,137,426	\$ 354,233
[15] Ending Balance at June 30	<u>\$ 315,243</u>	<u>\$ 453,144</u>	<u>\$ -</u>	<u>\$ 166,885</u>	
[16] Balance Committed	\$ 315,243	\$ 453,144		\$ 166,885	
TEXTBOOK FUND					
Balance at July 1	\$ 62,689	\$ 63,010	\$ 65,000	\$ 49,524	\$ (15,476)
REVENUES:					
[1] Interest	\$ 321	\$ 665	\$ -	\$ 758	\$ 758
[2] Transfers from NREP Operating Fund	0	-	-	-	-
[3] TOTAL REVENUES	<u>\$ 321</u>	<u>\$ 665</u>	<u>\$ -</u>	<u>\$ 758</u>	<u>\$ 758</u>
EXPENDITURES:					
[4] Payments for Textbooks	\$ -	\$ -	\$ 65,000	\$ 10,027	\$ 54,973
[5] Payments for Technology Devices	-	14,151	-	-	-
[5] TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 14,151</u>	<u>\$ 65,000</u>	<u>\$ 10,027</u>	<u>\$ 54,973</u>
Balance at June 30	<u>\$ 63,010</u>	<u>\$ 49,524</u>	<u>\$ -</u>	<u>\$ 40,255</u>	
[6] Balance Committed	\$ 63,010	\$ 49,524		\$ 40,255	

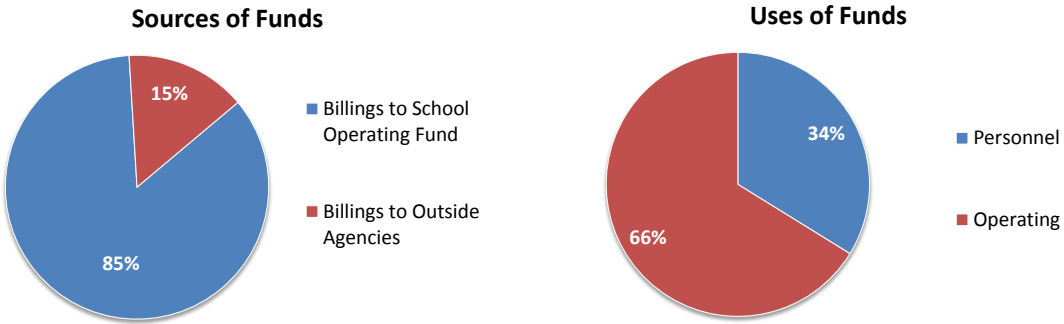
Numbers may not add correctly due to rounding.

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, 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 2019 revenues totaled \$3,064,599 and expenses totaled \$3,017,458. Revenues are over expenditures by \$47,141 which is added to fund balance.



Frederick County Public Schools
Consolidated Services Fund
Year Ended June 30, 2019

	[a] <u>2016-17 Actual</u>	[b] <u>2017-18 Actual</u>	[c] <u>2018-19 Adjusted Budget</u>	[d] <u>2018-19 Actual</u>	[e] <u>Variance from Adj. Budget</u>
Beginning Balance July 1	\$ 364,312	\$ 333,598	\$ 437,915	\$ 379,182	\$ (58,732)
[1] Revenue:					
[2] Building Services					
Billings to Regional Library Board	\$ 3,569	\$ 6,618	\$ 9,000	\$ 7,518	\$ (1,482)
Billings to County Government	569	2,470	6,000	613	(5,387)
Sub-total Building Services	<u>\$ 4,138</u>	<u>\$ 9,088</u>	<u>\$ 15,000</u>	<u>\$ 8,130</u>	<u>\$ (6,870)</u>
[3] Vehicle Services					
Billings to FCPS	\$ 2,154,526	\$ 2,453,672	\$ 2,620,943	\$ 2,609,433	\$ (11,511)
Billings to Outside Agencies	372,247	445,717	525,384	446,278	(79,106)
Other Receipts	818	1,510	758	758	0
Sub-total Vehicle Services	<u>\$ 2,527,591</u>	<u>\$ 2,900,898</u>	<u>\$ 3,147,085</u>	<u>\$ 3,056,469</u>	<u>\$ (90,617)</u>
[4] Transfers from School Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ -
[5] Prior Year Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
[6] Total Receipts	<u>\$ 2,531,730</u>	<u>\$ 2,909,987</u>	<u>\$ 3,162,085</u>	<u>\$ 3,064,599</u>	<u>\$ (97,487)</u>
Total Receipts and Beginning Balance	\$ 2,896,042	\$ 3,243,585	\$ 3,600,000	\$ 3,443,781	
[7] Expenditures:					
[8] Building Services					
County Administration Building	\$ 569	\$ 2,470	\$ 6,000	\$ 613	\$ 5,387
Bowman Regional Library	3,569	6,618	9,000	7,518	1,482
Sub-total Building Services	<u>\$ 4,138</u>	<u>\$ 9,088</u>	<u>\$ 15,000</u>	<u>\$ 8,130</u>	<u>\$ 6,870</u>
[9] Vehicle Services					
Salaries	\$ 683,754	\$ 737,965	\$ 852,558	\$ 770,090	\$ 82,468
Fringe Benefits	216,170	234,299	286,747	249,953	36,794
Purchased Services	42,268	33,614	370,807	36,274	334,533
Other Charges	61,347	87,833	71,600	82,487	(10,887)
Materials and Supplies	1,548,205	1,754,803	2,003,288	1,870,524	132,764
Capital Outlay	6,562	6,800	-	-	-
Sub-total Vehicle Services	<u>\$ 2,558,306</u>	<u>\$ 2,855,314</u>	<u>\$ 3,585,000</u>	<u>\$ 3,009,327</u>	<u>\$ 575,673</u>
[10] Total Expenditures	<u>\$ 2,562,444</u>	<u>\$ 2,864,403</u>	<u>\$ 3,600,000</u>	<u>\$ 3,017,458</u>	<u>\$ 582,542</u>
[11] Revenues Over/ (Under) Expenditures	<u>\$ (30,714)</u>	<u>\$ 45,584</u>		<u>\$ 47,141</u>	
[12] Ending Balance June 30	<u><u>\$ 333,598</u></u>	<u><u>\$ 379,182</u></u>		<u><u>\$ 426,323</u></u>	
[13] Balance Nonspendable, Inventory	\$ 308,500	\$ 367,788		\$ 413,912	
[14] Balance Unreserved	\$ 25,098	\$ 11,394		\$ 12,411	

Numbers may not add correctly due to rounding.

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, 2019, is comprised of the following:

	Private-Purpose Endowment Balance	Private-Purpose Income Fund Balance
Armstrong Foundation Scholarship	\$224,861	\$ 10,265
Della Stine Scholarship	\$ 13,465	\$ 888
Clyde & Alfretta M. Logan Scholarship	N/A	\$ 30,000
Bright Futures Program	N/A	\$163,040
Teacher of the Year	N/A	\$ 2,150
FCPS101	N/A	\$ 279
Total	\$238,326	\$206,622

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. Donated resources can be in the form 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, 2019

	[a]	[b]	[c]	[d]
	<u>FY17-18 Private-Purpose Endowment</u>	<u>FY17-18 Private-Purpose Income</u>	<u>FY18-19 Private-Purpose Endowment</u>	<u>FY18-19 Private-Purpose Income</u>
[1] Beginning Balance July 1	\$ 238,326	\$ 78,231	\$ 238,326	\$ 139,752
REVENUES:				
[2] Interest on Bank Accounts	\$ -	\$ 4,349	\$ -	\$ 7,385
[3] Interest on Investments				
[4] Donations and Grants		96,952		118,282
[5] Transfers from Other Funds				
[6] Investment Earnings				
[7] TOTAL REVENUES	\$ -	\$ 101,301	\$ -	\$ 125,667
EXPENDITURES:				
[8] Personnel	\$ -	\$ 54	\$ -	\$ 10,617
[9] Scholarship Payments	-	14,000	-	15,500
[10] Other Expenses	-	70	-	5,306
[11] Other Operating Supplies	-	20,659	-	26,810
[12] Instructional Supplies	-	4,998	-	563
[13] Technology Hardware	-	-	-	-
[14] Transfers to Other Funds	-	-	-	-
[15] TOTAL EXPENDITURES	\$ -	\$ 39,781	\$ -	\$ 58,797
[16] Ending Balance June 30	<u>\$ 238,326</u>	<u>\$ 139,752</u>	<u>\$ 238,326</u>	<u>\$ 206,622</u>

Numbers may not add correctly due to rounding.