

Board of Supervisors
 Paul V. Milde, III, Chairman
 Meg Bohmke, Vice Chairman
 Jack R. Cavalier
 Wendy E. Maurer
 Laura A. Sellers
 Gary F. Snellings
 Robert "Bob" Thomas, Jr.
 Thomas C. Foley
 County Administrator

Finance, Audit & Budget Committee Meeting Agenda

June 20, 2017 - 1:30 PM
 Conference Room A/B/C - Second Floor

Committee Members: Chairman Wendy Maurer, Jack Cavalier, and Bob Thomas

Agenda Item		
1.	1. Update on recent Moody's Quantico tour and visit 2. Cash Reconciliation Summary Report 3. Budget in Brief 4. Jeff Rouse Center Operation report	Maria Perrotte, Chief Financial Officer
2.	Monthly Report	Shannon Wagner, Human Resources Director
3.	Moncure Elementary Rebuild and NSHS Immersion Lab	Supervisor Sellers

FAB06202017





To: Finance, Audit and Budget Committee
From: Maria Perrotte, Chief Financial Officer
Subject: Monthly Update
Date: June 12, 2017
CC: Thomas C. Foley, County Administrator

Department Activity

General Obligation bonds were successfully sold on May 24th. There was steep competition for the bonds, which sold at a True Interest Cost of 2.51%.

On Friday, June 9th, staff hosted analysts from Moody's on a tour of Quantico. We were escorted through the base by the Quantico Visitor Coordinator who narrated the trip. We were then joined by General Christmas for a sandwich buffet lunch at the Marine Corp Museum. The analysts seemed impressed by what they were shown.

As previously mentioned, Budget staff has been working on a new document, a Budget in Brief, that is designed to provide easily digested information about the budget for the Community. The effort has been coordinated with school staff, who provided their budget information for inclusion. We are putting finishing touches on it and expect to have a draft document ready to share at the FAB meeting.

Reports

Attached please find the monthly cash reconciliation report. I would be happy to answer any questions you may have.

Stafford County
Cash Reconciliation Summary Report
As of April 30, 2017

Treasurer balance	\$	220,066,086.56
Finance balance from H.T.E. and Munis		<u>210,509,651.20</u>
Difference	\$	(9,556,435.36)

Reconciling items:

School and County payroll 5/1	14,343,525.85	clears in May
School Nutrition	9,001,561.11	
Specific account vs fund differences, SNAP, OPEB	(5,588,083.58)	
School ICMA July to April	(426,176.87)	
County ICMA Feb/March	(14,940.23)	
School VRS	(3,913,963.91)	
School Anthem Medical and Dental wires	(4,124,014.80)	
School Pcard	(179,757.67)	
Interest earned not in Munis fund 60	54,462.89	
Wires not in Munis/H.T.E.	(491,684.95)	
School deposits needing reclassification	234,072.17	
County VRS in H.T.E April, banked in May	661,574.87	clears in May
Miscellaneous items less than \$ 500	(139.52)	
Total reconciling items	9,556,435.36	

Unreconciled difference (0.00)

Eastern Sports Management (ESM) has provided to the County financial statements for the first full year of operation, and the first quarter report for the second year of operation per the terms of the management contract for the Jeff Rouse Swim and Sports Center. A representative from ESM will attend the meeting to brief the FAB on the attached financial reports.

Jeff Rouse Swim & Sport Center Profit & Loss

May 17, 2016 through May 16, 2017

May 17, '16 - May 16, 17

Ordinary Income/Expense

Income

41000 · Membership	1,470,473.62
42000 · Leagues	9,374.42
43000 · Fitness	109,646.31
44000 · Youth Programming	124,762.46
45000 · Rentals	372,927.60
46000 · Tournaments & Special Events	5,881.50
46500 · Sponsorships & Advertising	38,500.00
47000 · Aquatics	88,283.50
48000 · Concessions	109,551.58
49000 · Other	4,654.83

Total Income 2,334,055.82

Cost of Goods Sold

50000 · Cost of Goods Sold - General	162,765.12
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Total COGS 162,765.12

Gross Profit 2,171,290.70

Expense

60000 · Administrative Expenses	109,534.01
61000 · Facility Expenses	147,046.11
62000 · Insurance Expense	41,455.80
63000 · Interest Expense	69,969.17
64000 · Marketing	25,563.61
65000 · Salaries and Wages	1,140,313.22
66000 · Taxes	35,853.92
67000 · Utilities	296,237.13
68000 · Eastern Sports Management	154,387.60

Total Expense 2,020,360.57

Net Ordinary Income 150,930.13

Other Income/Expense

Other Expense

71000 · Pre Opening Expenses	23,374.57
72000 · Soft Costs	4,309.29

Total Other Expense 27,683.86

Net Other Income -27,683.86

Net Income 123,246.27

**ESM EMBREY MILL, LLC
D/B/A JEFF ROUSE SWIM & SPORT CENTER**

FINANCIAL STATEMENTS

MARCH 31, 2017



ASSURANCE, TAX & ADVISORY SERVICES

ESM EMBREY MILL, LLC
d/b/a JEFF ROUSE SWIM & SPORT CENTER

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT’S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Member’s Equity (Deficit)	3
Statement of Income	4
Statement of Cash Flows	5



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
ESM Embrey Mill, LLC
d/b/a Jeff Rouse Swim & Sport Center
Fredericksburg, Virginia 22408

Management is responsible for the accompanying financial statements of ESM Embrey Mill, LLC d/b/a Jeff Rouse Swim & Sport Center (the Company), which comprise the balance sheet as of March 31, 2017, and the related statements of member's equity (deficit), income, and cash flows for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures as required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters

Accounting principles generally accepted in the United States of America require that start-up costs be expensed. Management has informed us that the Company has capitalized its start-up costs and is amortizing them over 15 years using the straight line method. If accounting principles generally accepted in the United States of America had been followed, the net income would have increased by \$7,800 and member's equity would have decreased by \$437,463.

PBMares, LLP

Fredericksburg, Virginia
May 24, 2017

FINANCIAL STATEMENTS

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

BALANCE SHEET

March 31, 2017

See Independent Accountant's Compilation Report

ASSETS	
Current Assets	
Cash	\$ 49,075
	<u>49,075</u>
Fixed Assets	
Property and equipment	687,388
Less accumulated depreciation	147,952
	<u>539,436</u>
Other Assets	
Loan costs	34,357
Start up costs	465,973
	<u>500,330</u>
Less accumulated amortization	34,791
	<u>465,539</u>
	<u><u>\$ 1,054,050</u></u>
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	
Current Liabilities	
Accounts payable and accrued expenses	\$ 85,031
Current portion of long-term debt	64,683
	<u>149,714</u>
Long-Term Debt, net of current portion	<u>979,426</u>
Total liabilities	<u>1,129,140</u>
Member's Equity (Deficit)	<u>(75,090)</u>
	<u><u>\$ 1,054,050</u></u>

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

STATEMENT OF MEMBER'S EQUITY (DEFICIT)

Three Months Ended March 31, 2017

See Independent Accountant's Compilation Report

Balance, January 1, 2017	\$ (85,231)
Net income	<u>10,141</u>
Balance, March 31, 2017	<u><u>\$ (75,090)</u></u>

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

STATEMENT OF INCOME

Three Months Ended March 31, 2017

See Independent Accountant's Compilation Report

Revenues	\$	660,417
Cost of Goods Sold		46,727
Gross profit		<u>613,690</u>
Operating Expenses		
Administration		27,112
Facility		49,805
Marketing		1,001
Salaries and wages		313,655
Utilities		76,112
Management fees		51,823
Depreciation and amortization		67,730
		<u>587,238</u>
Operating income		26,452
Financial Expense		
Interest expense		<u>(16,311)</u>
Net income	\$	<u><u>10,141</u></u>

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

STATEMENT OF CASH FLOWS

Three Months Ended March 31, 2017

See Independent Accountant's Compilation Report

Cash Flows from Operating Activities	
Net income	\$ 10,141
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	58,230
Amortization	9,500
Increase (decrease) in:	
Accounts payable and accrued expenses	20,347
Net cash provided by operating activities	<u>98,218</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	<u>(9,672)</u>
Net cash used in investing activities	<u>(9,672)</u>
Cash Flows from Financing Activities	
Payments of long-term debt	<u>(65,365)</u>
Net cash used in financing activities	<u>(65,365)</u>
Increase in cash	23,181
Cash and Cash Equivalents:	
Beginning	<u>25,894</u>
Ending	<u>\$ 49,075</u>

**ESM EMBREY MILL, LLC
D/B/A JEFF ROUSE SWIM & SPORT CENTER**

FINANCIAL STATEMENTS

DECEMBER 31, 2016



ASSURANCE, TAX & ADVISORY SERVICES

ESM EMBREY MILL, LLC
d/b/a JEFF ROUSE SWIM & SPORT CENTER

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT’S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Member’s Equity (Deficit)	3
Statement of Income	4
Statement of Cash Flows	5



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
ESM Embrey Mill, LLC
d/b/a Jeff Rouse Swim & Sport Center
Fredericksburg, Virginia 22408

Management is responsible for the accompanying financial statements of ESM Embry Mill, LLC d/b/a Jeff Rouse Swim & Sport Center (the Company), which comprise the balance sheet as of December 31, 2016, and the related statements of member's equity (deficit), income, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures as required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters

Accounting principles generally accepted in the United States of America require that start-up costs be expensed. Management has informed us that the Company has capitalized its start-up costs and is amortizing them over 15 years using the straight line method. If accounting principles generally accepted in the United States of America had been followed, the net loss would have increased by \$445,263 and member's equity would have decreased by \$445,263.

PBMares, LLP

Fredericksburg, Virginia
May 10, 2017

FINANCIAL STATEMENTS

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

BALANCE SHEET

December 31, 2016

See Independent Accountant's Compilation Report

ASSETS	
Current Assets	
Cash	\$ 25,894
	<u>25,894</u>
Fixed Assets	
Property and equipment	677,715
Less accumulated depreciation	89,722
	<u>587,993</u>
Other Assets	
Loan costs	34,357
Start up costs	465,973
	<u>500,330</u>
Less accumulated amortization	25,291
	<u>475,039</u>
	<u><u>\$ 1,088,926</u></u>
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	
Current Liabilities	
Accounts payable and accrued expenses	\$ 64,683
Current portion of long-term debt	212,991
	<u>277,674</u>
Long-Term Debt, net of current portion	<u>896,483</u>
Total liabilities	<u>1,174,157</u>
Member's Equity (Deficit)	(85,231)
	<u><u>\$ 1,088,926</u></u>

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

STATEMENT OF MEMBER'S EQUITY (DEFICIT)

Year Ended December 31, 2016

See Independent Accountant's Compilation Report

Balance, January 1, 2016	\$	33,050
Capital contributions		13,000
Net loss		<u>(131,281)</u>
Balance, December 31, 2016	\$	<u><u>(85,231)</u></u>

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

STATEMENT OF INCOME

Year Ended December 31, 2016

See Independent Accountant's Compilation Report

Revenues	\$ 1,397,364
Cost of Goods Sold	114,055
Gross profit	<u>1,283,309</u>
Operating Expenses	
Administration	74,682
Facility	91,291
Insurance	34,171
Marketing	19,481
Salaries and wages	692,949
Taxes	35,854
Utilities	212,550
Management fees	89,388
Depreciation and amortization	115,013
	<u>1,365,379</u>
Operating loss	(82,070)
Financial Expense	
Interest expense	<u>(49,211)</u>
Net loss	<u><u>\$ (131,281)</u></u>

ESM EMBREY MILL, LLC d/b/a JEFF ROUSE SWIM & SPORT CENTER

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

See Independent Accountant's Compilation Report

Cash Flows from Operating Activities	
Net loss	\$ (131,281)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	89,722
Amortization	25,291
Increase (decrease) in:	
Accounts payable and accrued expenses	11,074
Net cash used in operating activities	<u>(5,194)</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	(350,387)
Loan costs	(34,357)
Start up costs	(338,402)
Net cash used in investing activities	<u>(723,146)</u>
Cash Flows from Financing Activities	
Member contributions	13,000
Proceeds from long-term debt	831,000
Payments of long-term debt	(133,840)
Net cash provided by financing activities	<u>710,160</u>
Decrease in cash	(18,180)
Cash and Cash Equivalents:	
Beginning	<u>44,074</u>
Ending	<u>\$ 25,894</u>

Memorandum Human Resources

To: Finance, Audit and Budget Committee

From: Shannon Wagner
Director of Human Resources

Subject: Human Resources Update

Date: June 20, 2017

CC: Thomas Foley

Professional Development Update

Employees are our most valuable resource and it is critical that we continue to invest in them and provide them with opportunities to increase skills and competencies. For this reason the County offers a variety of professional development and skills development opportunities throughout the year.

In the last two years, one of our popular training programs is onsite, hands-on training for Microsoft Office products and other software that employees may use on a regular basis. The 2017 computer training series is being rolled out and includes classes on Excel, Word, Outlook, and PowerPoint highlighting a variety of advanced functions and features.

Six employees graduated from our spring Advanced Management training series and the Leadership Institute is wrapping up the first half of the two-year program with a class on June 21 on Managing Change.

Programming for opportunities in the fall will begin toward the end of the summer.

Reinvigorating Orientation/Onboarding Process

The orientation group will be exploring and brainstorming options for updating and enhancing the orientation and onboarding process later this summer. As one of the first impressions that a new employee will have of the organization, we want to make sure we offer a beneficial and engaging process.



From: [Laura Sellers](#)
To: [Wendy Maurer](#); [Paul Milde](#)
Cc: [Thomas C. Foley](#); [Mike T. Smith](#); [Fred J. Presley](#); [Rysheda M. McClendon](#); [Jeff A. Harvey](#); [Maria J. Perrotte](#); [Jack Cavalier](#); [Wendy A. Mallow](#)
Subject: FAB Agenda
Date: Tuesday, June 13, 2017 1:01:18 PM

Happy Primary Day!

I have included the three supervisors most directly impacted by these two issues on this email. I have asked to add two items to the FAB agenda on Tuesday.

1. Moncure Elementary Rebuild
2. NSHS Immersion Lab

You may or may not know that the Moncure rebuild came back \$2.5M over budget. They have plans to cut \$1.5M from the project leaving a gap of \$1M. Scott Horan has identified \$323K in proffer funds from Aquia Town Center to go towards the project. When asked why he didn't advocate for more he said that it was his understanding that proffers had to be spent in the attendance zone. Attendance zones are fluid. Adding 400 elementary school seats will directly benefit Hampton Oaks and potentially Park Ridge, which could then impact the capacity at Anthony Burns and Winding Creek (the two with the most capacity needs). There is about \$949K in proffer dollars available from several current projects in North Stafford projects (including Embrey Mill, West Gate and Shelton Woods). I would advocate that using the money to complete the Moncure rebuild will benefit North Stafford attendance zones as a whole and is an appropriate use of the proffer dollars. This would leave approximately \$51K for the schools to find funding for OR, if we were inclined, \$1.551 M for us to find a way to fund.

The second item is NSHS Immersion Lab. I would like to ask the board to consider using Library Proffer dollars to complete the immersion lab portion of the NSHS renovation. The total cost is \$120K. There is \$196K currently in the account and Embrey Mill has agreed to pay not only the \$35K they have to pay but an additional \$35K (ahead of the proffered requirement) to help complete this immersion lab. We have already started conversations between the schools and CRRL about partnering to allow the Immersion Lab to be open to more community groups (during off hours at NSHS), which would add a completely new program to both the CRRL system and the school library system. NSHS is ready to provide an overview of what the space could bring to the entire North Stafford community and has stated that they would welcome a partnership with the CRRL. The details of the partnership have not been worked out but I would like to bring this to board for discussion before we get too far into the weeds with either organization.

If these cannot make the FAB agenda, then I would ask the Chairman to please add them to

the regular agenda for discussion.

Thank you,

Laura

Laura A. Sellers

Supervisor, Garrisonville District

(540) 226-6338