

**COUNTY OF FAUQUIER, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 1996**



**COUNTY OF FAUQUIER, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 1996**



THE UNIVERSITY OF CHICAGO  
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**COUNTY OF FAUQUIER, VIRGINIA**

**BOARD OF SUPERVISORS**

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James G. Brumfield, Vice-Chairman  
Wilbur W. Burton  
James R. Green, Jr.  
Larry W. Weeks  
G. Robert Lee, County Administrator

**COUNTY SCHOOL BOARD**

John Williams, Chairman  
Mary Charles Ashby, Vice-Chairman  
Alice Jane Childs  
Paul Ascioffa  
Ernie Gray  
Shirley C. Frazier, Clerk

**COUNTY SOCIAL SERVICES BOARD**

Larry Parks, Chairman  
James K. Shirley, Vice-Chairman  
Taliaferro Copper  
Pauline Upshur  
Joseph E. Coleman, Jr.

**OTHER OFFICIALS**

Judge of the Circuit Court .....	William Shore Robertson
Clerk of the Circuit Court .....	William D. Harris
Judge of the General District Court .....	Charles B. Foley
Judge of Juvenile & Domestic Relations District Court .....	H. Dudley Payne
Commonwealth's Attorney .....	Jonathan Lynn
Commissioner of the Revenue .....	Ross D'Urso
Treasurer .....	Beth Ledgerton
Sheriff .....	Joseph Higgs, Jr.
Superintendent of Schools .....	Dr. Anthony J. Lease
Director of Department of Social Services .....	Janis K. Selbo
Director of Finance.....	John H. Tuohy, CPA



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SECRET

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MEMORANDUM

TO : [Illegible]

FROM : [Illegible]

SUBJECT : [Illegible]

[Illegible text]

**ROBINSON, FARMER, COX ASSOCIATES**

*A PROFESSIONAL CORPORATION*

**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITORS' REPORT**

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**THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF FAUQUIER  
WARRENTON, VIRGINIA**

We have audited the accompanying general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments; and the Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the general purpose financial statements referred to above do not include a general fixed assets account group which should be included to conform with generally accepted accounting principles.

In our opinion, except that the omission of the general fixed asset account group described above results in an incomplete presentation, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Fauquier, Virginia, as of June 30, 1996, and the results of operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion the combining and individual fund and account group financial statements referred to above present fairly, in all material respects the financial position of each of the individual funds and account groups of the County of Fauquier, Virginia, as of June 30, 1996 and the results of its operations of such funds and cash flows of individual proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining financial statements. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the County of Fauquier, Virginia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose and combining financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated November 8, 1996 on our consideration of the County of Fauquier's internal control structure and a report dated November 8, 1996 on its compliance with laws and regulations.

*Blanca, James, Cox Associates*

Charlottesville, Virginia

November 8, 1996

Account	Balance	Debit	Credit	Balance
1000	1000.00			1000.00
1001	2000.00			2000.00
1002	3000.00			3000.00
1003	4000.00			4000.00
1004	5000.00			5000.00
1005	6000.00			6000.00
1006	7000.00			7000.00
1007	8000.00			8000.00
1008	9000.00			9000.00
1009	10000.00			10000.00
1010	11000.00			11000.00
1011	12000.00			12000.00
1012	13000.00			13000.00
1013	14000.00			14000.00
1014	15000.00			15000.00
1015	16000.00			16000.00
1016	17000.00			17000.00
1017	18000.00			18000.00
1018	19000.00			19000.00
1019	20000.00			20000.00
1020	21000.00			21000.00
1021	22000.00			22000.00
1022	23000.00			23000.00
1023	24000.00			24000.00
1024	25000.00			25000.00
1025	26000.00			26000.00
1026	27000.00			27000.00
1027	28000.00			28000.00
1028	29000.00			29000.00
1029	30000.00			30000.00
1030	31000.00			31000.00
1031	32000.00			32000.00
1032	33000.00			33000.00
1033	34000.00			34000.00
1034	35000.00			35000.00
1035	36000.00			36000.00
1036	37000.00			37000.00
1037	38000.00			38000.00
1038	39000.00			39000.00
1039	40000.00			40000.00
1040	41000.00			41000.00
1041	42000.00			42000.00
1042	43000.00			43000.00
1043	44000.00			44000.00
1044	45000.00			45000.00
1045	46000.00			46000.00
1046	47000.00			47000.00
1047	48000.00			48000.00
1048	49000.00			49000.00
1049	50000.00			50000.00
1050	51000.00			51000.00
1051	52000.00			52000.00
1052	53000.00			53000.00
1053	54000.00			54000.00
1054	55000.00			55000.00
1055	56000.00			56000.00
1056	57000.00			57000.00
1057	58000.00			58000.00
1058	59000.00			59000.00
1059	60000.00			60000.00
1060	61000.00			61000.00
1061	62000.00			62000.00
1062	63000.00			63000.00
1063	64000.00			64000.00
1064	65000.00			65000.00
1065	66000.00			66000.00
1066	67000.00			67000.00
1067	68000.00			68000.00
1068	69000.00			69000.00
1069	70000.00			70000.00
1070	71000.00			71000.00
1071	72000.00			72000.00
1072	73000.00			73000.00
1073	74000.00			74000.00
1074	75000.00			75000.00
1075	76000.00			76000.00
1076	77000.00			77000.00
1077	78000.00			78000.00
1078	79000.00			79000.00
1079	80000.00			80000.00
1080	81000.00			81000.00
1081	82000.00			82000.00
1082	83000.00			83000.00
1083	84000.00			84000.00
1084	85000.00			85000.00
1085	86000.00			86000.00
1086	87000.00			87000.00
1087	88000.00			88000.00
1088	89000.00			89000.00
1089	90000.00			90000.00
1090	91000.00			91000.00
1091	92000.00			92000.00
1092	93000.00			93000.00
1093	94000.00			94000.00
1094	95000.00			95000.00
1095	96000.00			96000.00
1096	97000.00			97000.00
1097	98000.00			98000.00
1098	99000.00			99000.00
1099	100000.00			100000.00

### GENERAL PURPOSE FINANCIAL STATEMENTS

Account	Balance	Debit	Credit	Balance
1100	101000.00			101000.00
1101	102000.00			102000.00
1102	103000.00			103000.00
1103	104000.00			104000.00
1104	105000.00			105000.00
1105	106000.00			106000.00
1106	107000.00			107000.00
1107	108000.00			108000.00
1108	109000.00			109000.00
1109	110000.00			110000.00
1110	111000.00			111000.00
1111	112000.00			112000.00
1112	113000.00			113000.00
1113	114000.00			114000.00
1114	115000.00			115000.00
1115	116000.00			116000.00
1116	117000.00			117000.00
1117	118000.00			118000.00
1118	119000.00			119000.00
1119	120000.00			120000.00
1120	121000.00			121000.00
1121	122000.00			122000.00
1122	123000.00			123000.00
1123	124000.00			124000.00
1124	125000.00			125000.00
1125	126000.00			126000.00
1126	127000.00			127000.00
1127	128000.00			128000.00
1128	129000.00			129000.00
1129	130000.00			130000.00
1130	131000.00			131000.00
1131	132000.00			132000.00
1132	133000.00			133000.00
1133	134000.00			134000.00
1134	135000.00			135000.00
1135	136000.00			136000.00
1136	137000.00			137000.00
1137	138000.00			138000.00
1138	139000.00			139000.00
1139	140000.00			140000.00
1140	141000.00			141000.00
1141	142000.00			142000.00
1142	143000.00			143000.00
1143	144000.00			144000.00
1144	145000.00			145000.00
1145	146000.00			146000.00
1146	147000.00			147000.00
1147	148000.00			148000.00
1148	149000.00			149000.00
1149	150000.00			150000.00
1150	151000.00			151000.00
1151	152000.00			152000.00
1152	153000.00			153000.00
1153	154000.00			154000.00
1154	155000.00			155000.00
1155	156000.00			156000.00
1156	157000.00			157000.00
1157	158000.00			158000.00
1158	159000.00			159000.00
1159	160000.00			160000.00
1160	161000.00			161000.00
1161	162000.00			162000.00
1162	163000.00			163000.00
1163	164000.00			164000.00
1164	165000.00			165000.00
1165	166000.00			166000.00
1166	167000.00			167000.00
1167	168000.00			168000.00
1168	169000.00			169000.00
1169	170000.00			170000.00
1170	171000.00			171000.00
1171	172000.00			172000.00
1172	173000.00			173000.00
1173	174000.00			174000.00
1174	175000.00			175000.00
1175	176000.00			176000.00
1176	177000.00			177000.00
1177	178000.00			178000.00
1178	179000.00			179000.00
1179	180000.00			180000.00
1180	181000.00			181000.00
1181	182000.00			182000.00
1182	183000.00			183000.00
1183	184000.00			184000.00
1184	185000.00			185000.00
1185	186000.00			186000.00
1186	187000.00			187000.00
1187	188000.00			188000.00
1188	189000.00			189000.00
1189	190000.00			190000.00
1190	191000.00			191000.00
1191	192000.00			192000.00
1192	193000.00			193000.00
1193	194000.00			194000.00
1194	195000.00			195000.00
1195	196000.00			196000.00
1196	197000.00			197000.00
1197	198000.00			198000.00
1198	199000.00			199000.00
1199	200000.00			200000.00

COUNTY OF FAUQUIER, VIRGINIA  
 Combined Balance Sheet - All Funds, Account Groups, and Discretely Presented Component Units  
 At June 30, 1996

	Governmental Funds			Proprietary Funds		Fiduciary Funds
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency
<b>ASSETS AND OTHER DEBITS</b>						
Assets:						
Cash and investments	\$ 14,876,498	\$ 2,233	\$ 4,900,451	\$ 3,286,407	\$ 1,846,578	\$ 400,605
Cash in custody of others	-	-	-	-	-	10,602
Investment in deferred compensation funds	-	-	-	-	-	509,004
Receivables (Net of allowances for uncollectibles):						
Taxes, including penalties	2,467,671	-	-	-	-	-
Accounts	406,070	166,457	-	353,908	-	-
Due from primary government	-	-	-	-	-	-
Due from other governmental units	809,825	-	-	2,826	-	-
Prepaid expenses	-	-	-	52,500	-	-
Fixed assets (Net of accumulated depreciation)	-	-	-	3,608,677	-	-
Bond issuance costs (net of accumulated amortization)	-	-	-	105,174	-	-
Other debits:						
Amount to be provided for the retirement of general long-term debt	-	-	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 18,560,064</b>	<b>\$ 168,690</b>	<b>\$ 4,900,451</b>	<b>\$ 7,409,492</b>	<b>\$ 1,846,578</b>	<b>\$ 920,211</b>
<b>LIABILITIES</b>						
Reconciled overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,039,418	8,099	342,515	228,667	1,127,336	-
Accrued liabilities	24,020	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Amount held for social service clients	-	-	-	-	-	9,096
Amount held for prisoners	-	-	-	-	-	10,602
Performance bonds payable	-	-	-	-	-	138,412
Due to component units	5,140,635	-	-	-	-	-
Deferred revenue	1,945,857	-	-	-	-	-
Deferred compensation benefits	-	-	-	-	-	509,004
Revenue bonds payable	-	-	-	4,265,000	-	-
General obligation bonds payable	-	-	-	-	-	-
State Literary Fund loans payable	-	-	-	-	-	-
Capital lease obligations payable	-	-	-	-	-	-
Virginia retirement system	-	-	-	-	-	-
Closure and postclosure costs	-	-	-	2,844,587	-	-
Compensated absences	-	-	-	7,249	-	-
<b>Total liabilities</b>	<b>\$ 8,149,930</b>	<b>\$ 8,099</b>	<b>\$ 342,515</b>	<b>\$ 7,345,503</b>	<b>\$ 1,127,336</b>	<b>\$ 667,114</b>
<b>EQUITY AND OTHER CREDITS</b>						
Contributed capital	\$ -	\$ -	\$ -	\$ 1,678,015	\$ -	\$ -
Retained earnings:						
Reserved for health insurance claims	-	-	-	-	983,807	-
Unreserved	-	-	-	(1,614,026)	-	-
Fund balances:						
Unreserved:						
Designated for subsequent expenditure	13,073	160,591	4,557,936	-	-	253,097
Undesignated	10,397,061	-	-	-	(264,565)	-
<b>Total equity and other credits</b>	<b>\$ 10,410,134</b>	<b>\$ 160,591</b>	<b>\$ 4,557,936</b>	<b>\$ 63,989</b>	<b>\$ 719,242</b>	<b>\$ 253,097</b>
<b>Total liabilities and equity and other credits</b>	<b>\$ 18,560,064</b>	<b>\$ 168,690</b>	<b>\$ 4,900,451</b>	<b>\$ 7,409,492</b>	<b>\$ 1,846,578</b>	<b>\$ 920,211</b>

The accompanying notes to financial statements are an integral part of this statement.

**Exhibit 1**

Account Group	Totals	Component Units	Totals
	"Memorandum Only"		"Memorandum Only"
General Long-term Debt	Primary Government	School Board	Reporting Entity
\$ -	\$ 25,312,772	\$ 272,550	\$ 25,585,322
-	10,602	-	10,602
-	509,004	-	509,004
-	2,467,671	-	2,467,671
-	926,435	368,613	1,295,048
-	-	5,140,635	5,140,635
-	812,651	1,012,943	1,825,594
-	52,500	-	52,500
-	3,608,677	-	3,608,677
-	105,174	-	105,174
<u>1,090,984</u>	<u>1,090,984</u>	<u>41,463,036</u>	<u>42,554,020</u>
\$ <u>1,090,984</u>	\$ <u>34,896,470</u>	\$ <u>48,257,777</u>	\$ <u>83,154,247</u>
\$ -	\$ -	\$ -	\$ -
-	2,746,035	1,251,926	3,997,961
-	24,020	5,454,105	5,478,125
-	-	1,558	1,558
-	9,096	-	9,096
-	10,602	-	10,602
-	138,412	-	138,412
-	5,140,635	-	5,140,635
-	1,945,857	-	1,945,857
-	509,004	-	509,004
-	4,265,000	-	4,265,000
-	-	37,235,000	37,235,000
-	-	962,500	962,500
117,190	117,190	-	117,190
-	-	1,256,391	1,256,391
-	2,844,587	-	2,844,587
<u>973,794</u>	<u>981,043</u>	<u>2,009,145</u>	<u>2,990,188</u>
\$ <u>1,090,984</u>	\$ <u>18,731,481</u>	\$ <u>48,170,625</u>	\$ <u>66,902,106</u>
\$ -	\$ 1,678,015	\$ -	\$ 1,678,015
-	983,807	-	983,807
-	(1,614,026)	-	(1,614,026)
-	4,984,697	86,452	5,071,149
-	10,132,496	700	10,133,196
\$ -	\$ <u>16,164,989</u>	\$ <u>87,152</u>	\$ <u>16,252,141</u>
\$ <u>1,090,984</u>	\$ <u>34,896,470</u>	\$ <u>48,257,777</u>	\$ <u>83,154,247</u>

COUNTY OF FAUQUER, VIRGINIA  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
 All Governmental Funds, Expendable Trust Funds, and Discretely Presented Component Units  
 Year Ended June 30, 1996

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Revenues:</b>			
General property taxes	\$ 49,650,697	\$ -	\$ -
Other local taxes	7,042,677	620,558	-
Permits, privilege fees and regulatory licenses	492,519	-	-
Fines and forfeitures	121,389	-	-
Revenue from use of money and property	1,707,000	-	-
Charges for services	351,075	-	-
Miscellaneous	87,282	-	533,570
Recovered costs	155,276	-	-
<b>Intergovernmental:</b>			
Commonwealth	4,933,761	-	-
Federal	1,289,924	-	-
<b>Total revenues</b>	<b>\$ 65,831,600</b>	<b>\$ 620,558</b>	<b>\$ 533,570</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government administration	\$ 4,448,074	\$ -	\$ -
Judicial administration	1,035,026	-	-
Public safety	6,989,183	1,234,232	-
Public works	5,573,828	-	-
Health and welfare	3,622,004	-	-
Education	30,012	-	-
Parks, recreation, and cultural	1,767,245	-	-
Community development	2,073,464	-	-
Capital projects	-	-	3,122,845
<b>Debt service:</b>			
Principal retirement	59,845	-	-
Interest and other fiscal charges	7,673	-	-
<b>Total expenditures</b>	<b>\$ 25,606,354</b>	<b>\$ 1,234,232</b>	<b>\$ 3,122,845</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 40,225,246</b>	<b>\$ (613,674)</b>	<b>\$ (2,589,275)</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	\$ 66,386	\$ 156,826	\$ 2,312,559
Transfers from fiduciary funds	18,291	-	8,395
Operating transfers out	(1,066,344)	-	(78,947)
Transfers to fiduciary funds	(2,251)	-	-
Operating transfers to primary government	-	-	-
Operating transfers from primary government	(35,103,223)	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (36,087,141)</b>	<b>\$ 156,826</b>	<b>\$ 2,242,007</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<b>\$ 4,138,105</b>	<b>\$ (456,848)</b>	<b>\$ (347,268)</b>
<b>Fund balances at beginning of year</b>	<b>6,272,029</b>	<b>617,439</b>	<b>4,905,204</b>
<b>Fund balances at end of year</b>	<b>\$ 10,410,134</b>	<b>\$ 160,591</b>	<b>\$ 4,557,936</b>

The accompanying notes to financial statements are an integral part of this statement.

Exhibit 2

<u>Fiduciary Funds</u> <u>Expendable Trust</u>	<u>Total "Memorandum Only" Primary Government</u>	<u>Component Units School Board</u>	<u>Total "Memorandum Only" Reporting Entity</u>
\$ -	\$ 49,650,697	\$ -	\$ 49,650,697
-	7,663,235	-	7,663,235
-	492,519	-	492,519
-	121,389	-	121,389
9,165	1,716,165	9,218	1,725,383
-	351,075	1,827,959	2,179,034
24,394	645,246	536,436	1,181,682
-	155,276	-	155,276
-	4,933,761	15,865,234	20,798,995
-	1,289,924	1,583,447	2,873,371
<u>\$ 33,559</u>	<u>\$ 67,019,287</u>	<u>\$ 19,822,294</u>	<u>\$ 86,841,581</u>
\$ -	\$ 4,448,074	\$ -	\$ 4,448,074
-	1,035,026	-	1,035,026
-	8,223,415	-	8,223,415
-	5,573,828	-	5,573,828
-	3,622,004	-	3,622,004
-	30,012	47,993,710	48,023,722
-	1,767,245	-	1,767,245
-	2,073,464	-	2,073,464
-	3,122,845	85,732	3,208,577
-	59,845	3,439,623	3,499,468
-	7,673	2,584,246	2,591,919
<u>\$ -</u>	<u>\$ 29,963,431</u>	<u>\$ 54,103,311</u>	<u>\$ 84,066,742</u>
<u>\$ 33,559</u>	<u>\$ 37,055,856</u>	<u>\$ (34,281,017)</u>	<u>\$ 2,774,839</u>
\$ 2,251	\$ 2,538,022	\$ 120,000	\$ 2,658,022
-	26,686	-	26,686
(26,686)	(1,171,977)	(607,916)	(1,779,893)
-	(2,251)	-	(2,251)
-	-	(953,864)	(953,864)
-	(35,103,223)	35,103,223	-
<u>\$ (24,435)</u>	<u>\$ (33,712,743)</u>	<u>\$ 33,661,443</u>	<u>\$ (51,300)</u>
\$ 9,124	\$ 3,343,113	\$ (619,574)	\$ 2,723,539
<u>157,263</u>	<u>11,951,935</u>	<u>706,726</u>	<u>12,658,661</u>
<u>\$ 166,387</u>	<u>\$ 15,295,048</u>	<u>\$ 87,152</u>	<u>\$ 15,382,200</u>

**COUNTY OF FAUQUIER, VIRGINIA**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances --**  
**Budget and Actual -- General, Special Revenue and Capital Projects Funds**  
**And Discretely Presented Component Unit School Board**  
**Year Ended June 30, 1996**

	General Fund			Special Revenue	
	Budget	Actual	Variance Favorable (Unfavor)	Budget	Actual
<b>Revenues:</b>					
General property taxes	\$ 49,171,020	\$ 49,650,697	\$ 479,677	\$ -	\$ -
Other local taxes	7,050,000	7,042,677	(7,323)	611,167	620,558
Permits, privilege fees and regulatory licenses	484,435	492,519	8,084	-	-
Fines and forfeitures	-	121,389	121,389	-	-
Revenue from use of money and property	1,090,500	1,707,000	616,500	-	-
Charges for services	407,301	351,075	(56,226)	-	-
Miscellaneous	159,500	87,282	(72,218)	-	-
Recovered costs	1,157,047	155,276	(1,001,771)	-	-
Intergovernmental:					
Commonwealth	4,634,782	4,933,761	298,979	78,000	-
Federal	1,729,683	1,289,924	(439,759)	-	-
<b>Total revenues</b>	<b>\$ 65,884,268</b>	<b>\$ 65,831,600</b>	<b>\$ (52,668)</b>	<b>\$ 689,167</b>	<b>\$ 620,558</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government administration	\$ 4,847,491	\$ 4,448,074	\$ 399,417	\$ -	\$ -
Judicial administration	1,027,446	1,035,026	(7,580)	-	-
Public safety	6,685,314	6,989,183	(303,869)	759,177	1,234,232
Public works	5,459,627	5,573,828	(114,201)	-	-
Health and welfare	3,263,772	3,622,004	(358,232)	-	-
Education	29,575	30,012	(437)	-	-
Parks, recreation, and cultural	1,828,893	1,767,245	61,648	-	-
Community development	1,974,928	2,073,464	(98,536)	-	-
Nondepartmental	3,800,312	-	3,800,312	-	-
Capital projects	-	-	-	-	-
Debt service:					
Principal retirement	56,876	59,845	(2,969)	-	-
Interest and other fiscal charges	11,227	7,673	3,554	-	-
<b>Total expenditures</b>	<b>\$ 28,985,461</b>	<b>\$ 25,606,354</b>	<b>\$ 3,379,107</b>	<b>\$ 759,177</b>	<b>\$ 1,234,232</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 36,898,807</b>	<b>\$ 40,225,246</b>	<b>\$ (3,326,439)</b>	<b>\$ (70,010)</b>	<b>\$ (613,674)</b>
<b>Other financing sources (uses):</b>					
Operating transfers in	\$ -	\$ 66,386	\$ 66,386	\$ 70,010	\$ 156,826
Transfers from fiduciary funds	-	18,291	18,291	-	-
Operating transfers out	(70,010)	(1,066,344)	(996,334)	-	-
Transfers to fiduciary funds	-	(2,251)	(2,251)	-	-
Operating transfers to primary government	-	-	-	-	-
Operating transfers from primary government	(38,243,825)	(35,103,223)	3,140,602	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (38,313,835)</b>	<b>\$ (36,087,141)</b>	<b>\$ 2,226,694</b>	<b>\$ 70,010</b>	<b>\$ 156,826</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<b>\$ (1,415,028)</b>	<b>\$ 4,138,105</b>	<b>\$ 5,553,133</b>	<b>\$ -</b>	<b>\$ (456,848)</b>
Fund balances at beginning of year	6,272,029	6,272,029	-	-	617,439
Fund balances at end of year	\$ 4,857,001	\$ 10,410,134	\$ 5,553,133	\$ -	\$ 160,591

The accompanying notes to financial statements are an integral part of this statement.

Exhibit 3

Funds	Capital Projects Funds			Component Unit School Board			
	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,391	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	9,218	9,218	-
-	-	-	-	1,637,513	1,827,959	190,446	-
-	-	341,359	341,359	-	536,436	536,436	-
-	-	-	-	-	-	-	-
(78,000)	-	192,211	192,211	15,601,932	15,865,234	263,302	-
-	-	-	-	1,439,963	1,583,447	143,484	-
<u>\$ (68,609)</u>	<u>\$ -</u>	<u>\$ 533,570</u>	<u>\$ 533,570</u>	<u>\$ 18,679,408</u>	<u>\$ 19,822,294</u>	<u>\$ 1,142,886</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(475,055)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	49,961,261	47,993,710	1,967,551	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,400,423	3,122,845	3,277,578	-	85,732	(85,732)	-
-	-	-	-	821,311	3,439,623	(2,618,312)	-
-	-	-	-	2,474,985	2,584,246	(109,261)	-
<u>\$ (475,055)</u>	<u>\$ 6,400,423</u>	<u>\$ 3,122,845</u>	<u>\$ 3,277,578</u>	<u>\$ 53,257,557</u>	<u>\$ 54,103,311</u>	<u>\$ (845,754)</u>	
<u>\$ (543,664)</u>	<u>\$ (6,400,423)</u>	<u>\$ (2,589,275)</u>	<u>\$ 3,811,148</u>	<u>\$ (34,578,149)</u>	<u>\$ (34,281,017)</u>	<u>\$ 297,132</u>	
\$ 86,816	\$ 2,874,146	\$ 2,312,559	\$ (561,587)	\$ -	\$ 120,000	\$ 120,000	\$ -
-	-	8,395	8,395	-	-	-	-
-	-	(78,947)	(78,947)	-	(607,916)	(607,916)	-
-	-	-	-	-	(953,864)	(953,864)	-
-	-	-	-	34,578,149	35,103,223	525,074	-
<u>\$ 86,816</u>	<u>\$ 2,874,146</u>	<u>\$ 2,242,007</u>	<u>\$ (632,139)</u>	<u>\$ 34,578,149</u>	<u>\$ 33,661,443</u>	<u>\$ (916,706)</u>	
\$ (456,848)	\$ (3,526,277)	\$ (347,268)	\$ 3,179,009	\$ -	\$ (619,574)	\$ (619,574)	\$ -
617,439	3,921,277	4,905,204	983,927	-	706,726	706,726	-
<u>\$ 160,591</u>	<u>\$ 395,000</u>	<u>\$ 4,557,936</u>	<u>\$ 4,162,936</u>	<u>\$ -</u>	<u>\$ 87,152</u>	<u>\$ 87,152</u>	

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COUNTY OF FAUQUIER, VIRGINIA  
 Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
 All Proprietary Funds  
 Year Ended June 30, 1996

Exhibit 4

	Proprietary Funds		Totals
	Enterprise Funds	Internal Service	"Memorandum Only"
Operating revenues			
Charges for services	\$ 1,984,501	\$ -	\$ 1,984,501
Miscellaneous	22,041	3,729,220	3,751,261
<b>Total revenues</b>	<b>\$ 2,006,542</b>	<b>\$ 3,729,220</b>	<b>\$ 5,735,762</b>
Operating expenses			
Current:			
Container operations	\$ 196,010	\$ -	\$ 196,010
Landfill operations	888,867	-	888,867
Contractual services	165,388	-	165,388
Landfill maintenance costs	630,556	-	630,556
Indirect costs	443	-	443
Closure and Post Closure Cost	459,291	-	459,291
Airport operation and maintenance	152,743	-	152,743
Health insurance claims and fees	-	4,048,795	4,048,795
Depreciation	28,483	-	28,483
<b>Total expenses</b>	<b>\$ 2,521,781</b>	<b>\$ 4,048,795</b>	<b>\$ 6,570,576</b>
<b>Operating income</b>	<b>\$ (515,239)</b>	<b>\$ (319,575)</b>	<b>\$ (834,814)</b>
Nonoperating revenues (expenses):			
Interest income	\$ 207,915	\$ 55,010	\$ 262,925
Rental income	12,600	-	12,600
Operating grants - Commonwealth	91,466	-	91,466
Operating grants - Federal	35,720	-	35,720
Bond issuance cost amortization	(13,295)	-	(13,295)
Interest expense	(230,178)	-	(230,178)
<b>Total nonoperating revenues (expenses)</b>	<b>\$ 104,228</b>	<b>\$ 55,010</b>	<b>\$ 159,238</b>
<b>Income before operating transfers</b>	<b>\$ (411,011)</b>	<b>\$ (264,565)</b>	<b>\$ (675,576)</b>
Operating transfers in	51,300	-	51,300
<b>Net income</b>	<b>\$ (359,711)</b>	<b>\$ (264,565)</b>	<b>\$ (624,276)</b>
Add depreciation on fixed assets acquired by contribution from others	16,105	-	16,105
<b>Increase (decrease) in retained earnings</b>	<b>\$ (343,606)</b>	<b>\$ (264,565)</b>	<b>\$ (608,171)</b>
<b>Retained earnings at beginning of year</b>	<b>\$ (1,270,420)</b>	<b>\$ 983,807</b>	<b>\$ (286,613)</b>
<b>Retained earnings at end of year</b>	<b>\$ (1,614,026)</b>	<b>\$ 719,242</b>	<b>\$ (894,784)</b>

The accompanying notes to financial statements are an integral part of this statement.

**COUNTY OF FAUQUIER, VIRGINIA**  
**Combined Statement of Cash Flows**  
**All Proprietary Funds**  
**Year Ended June 30, 1996**

Exhibit 5

	<u>Proprietary Funds</u>		Totals "Memorandum Only"
	<u>Enterprise Funds</u>	<u>Internal Service</u>	
<u>Cash Flows From Operating Activities:</u>			
Net operating income (loss)	\$ (535,194)	\$ (264,565)	\$ (799,759)
Adjustments to reconcile net income to net cash provided by operating by operating activities:			
Depreciation	28,483	-	28,483
Changes in operating assets and liabilities:			
(Increase) Decrease in receivables	(8,125)	1,142,042	1,133,917
Increase (Decrease) amounts due from other governments	(1,488)	-	(1,488)
Increase in payables	40,064	581,053	621,117
Increase in compensated absences	816	-	816
Net cash provided by (used in) operating activities	\$ (475,444)	\$ 1,458,530	\$ 983,086
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating grants - Commonwealth	\$ 91,466	\$ -	\$ 91,466
Operating grants - Federal	35,720	-	35,720
Operating transfers from (to) the General Fund	51,300	-	51,300
Net cash proved by (used in) operating activities	\$ 178,486	\$ -	\$ 178,486
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (40,848)	\$ -	\$ (40,848)
Capital contributions by state government	13,348	-	13,348
Interest paid on outstanding bonds	(230,178)	-	(230,178)
Retirement of principal on long-term debt	(210,000)	-	(210,000)
Retirement of accrued landfill closure costs	(197,858)	-	(197,858)
Net cash provided by (used in) capital and related financing activities	\$ (665,536)	\$ -	\$ (665,536)
<u>Cash Flows From Investing Activities:</u>			
Rental income	\$ 12,600	\$ -	\$ 12,600
Interest earned	207,915	-	207,915
Net cash provided by (used in) capital and related financing activities	\$ 220,515	\$ -	\$ 220,515
Increase (decrease) in cash and cash equivalents	\$ (741,979)	\$ 1,458,530	\$ 716,551
Cash and cash equivalents at beginning of year	4,028,386	388,048	4,416,434
Cash and cash equivalents at end of year	\$ 3,286,407	\$ 1,846,578	\$ 5,132,985

The accompanying notes to financial statements are an integral part of this statement.

**COUNTY OF FAUQUIER, VIRGINIA**

**Notes to Financial Statements**

**As of June 30, 1996**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the County conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

**A. The Financial Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the County (primary government) and its component units. The component units discussed in Note B are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

**B. Individual Component Unit Disclosures**

**Blended Component Units** - The County has no blended component units.

**Discretely Presented Component Units** - The component unit columns in the combined financial statements include the financial data of the county's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

The Fauquier County School Board operates the elementary and secondary public schools in the County. School Board members are appointed by the Board of Supervisors. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers.

**C. Related Organizations**

**Fauquier County Water and Sanitation Authority** - The County created the Authority to provide water and sewer services to areas of the County.

**Fauquier County Industrial Development Authority** - The County created the Authority to attract and provide financing for industries within the County.

These organizations are not included as component units because although the Board of Supervisors appoints the members, the County is neither financially accountable for nor can it impose its will on these Authorities.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES; (Continued)

D. Financial Statement Presentation

The accounts are organized on the basis of fund classifications, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. The various funds are grouped in the financial statements as follows:

1. Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

General Fund - The General Fund accounts for all revenues and expenditures applicable to the general operations of the County which are not accounted for in other funds.

2. Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position and cash flows. The Proprietary Funds consist of Enterprise and Internal Service Funds.

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of user charges.

Internal Service Funds account for the financing goods or services provided by one department or agency to other departments or agencies of the County government. Internal Service Funds consist of the Health Insurance Fund.

3. Fiduciary Funds (Trust and Agency Funds) account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Expendable Trust and Agency Funds.
4. Account Groups are used to account for general obligation long-term debt and general fixed assets. A long-term obligation account group is included herein. A General Fixed Assets Account Group, required by generally accepted accounting principles, is not included in the financial statements. Long-term obligations and fixed assets related to Proprietary Funds are accounted for in this account group.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES; (Continued)**

D. Financial Statement Presentation: (Continued)

5. Combined/Combining Format

Combined Financial Statements - These statements are referred to as General Purpose Financial Statements and provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. All funds and account groups of a specific fund classification are combined and presented as one in the financial statements. For example, all funds classified as Fiduciary Funds are combined and presented under the caption "Fiduciary Funds."

Combining Financial Statements - By Fund Classification - These statements present individual financial statements for each fund of a given fund classification. For example, each Fiduciary Fund is shown individually.

6. Budgetary Comparison Statements - The Combined and Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, compare budget and actual data for all governmental funds for which budgets were adopted. A review of the budgetary comparisons presented herein will disclose how accurately the governing body was able to forecast the revenues and expenditures of the County.
7. Memorandum Only--Total Columns on the Combined Statements - Overview - The total columns on the combined statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

E. Basis of Accounting

1. Governmental Funds

Governmental funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 45 days after year end are reflected as deferred revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received.

Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies.

Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred. Interest on long-term debt is recognized when due except for interest due on July 1, which is accrued.

2. Proprietary Funds

The accrual basis of accounting is used for the Enterprise and Internal Service Funds. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

3. Fiduciary Funds

Expendable Trust and Agency funds utilize the modified accrual basis of accounting.

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**F. Budgets and Budgetary Accounting**

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted.
4. Appropriations place legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The Finance Director approves all transfers within general government departments with the exception of salaries and capital outlays which are approved by the Board of Supervisors; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the County Construction Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budget data presented in the accompanying financial statements is the revised budget for the year.

**G. Allowance for Uncollectible Accounts**

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$1,353,785 for property taxes at June 30, 1996.

**H. Investments**

Investments are stated at cost or amortized cost which approximates market, except for deferred compensation program assets which are recorded at current market value.

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**I. Cash and Cash Equivalents**

For purposes of the Statement of Cash flows, the County's cash and cash equivalents include cash in banks, Local Government Investment Pool assets and short-term U.S. Government obligations with an original maturity of three months or less which are readily convertible to known amounts of cash.

**J. Property, Plant and Equipment**

Property, plant and equipment purchased by the Enterprise Funds is stated at cost or estimated historical cost. Donated property is recorded at market value prevailing at date of donation. Depreciation has been provided over the following estimated useful lives using the straight-line method:

	Solid Waste Fund	Airport Fund
Airport Structures .....	-	25 years
Equipment .....	5 years	-

Capital contributions used to acquire assets are amortized over the useful life of the related assets.

**K. Fund Equity**

Contributed capital is recorded in proprietary funds that have received capital grants from government agencies. Reserves represent these portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**L. Landfill Closure Costs**

The County has accrued a liability for estimated landfill closure costs at the County landfill. These costs include both final closure costs and post-closure monitoring costs.

**M. Bond Issuance Costs**

Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the "bonds-outstanding method", which approximates the effective interest method.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 2--CASH AND INVESTMENTS:**

Deposits - At year-end the carrying value of the County's primary government deposits with banks and savings institutions was (\$3,523,359), and the bank balance was \$ 1,647,195. Of the bank balance, \$1,647,195 was covered by Federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan.

The carrying amount of deposits for the School Board, a discretely presented component unit, was \$272,550, and the bank balance was \$ 271,850. Of the bank balance, \$ 271,850 was covered by Federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Investments - Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank) and Asian Development Bank, the African Development Bank, "Prime Quality" and certain corporate notes; banker's acceptances, repurchase agreements and the state Treasurer's Local Government Investment Pool (LGIP).

The County's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its safekeeping agent in the County's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the broker's or dealer's trust department or safekeeping agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or safekeeping agent but not in the County's name.

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
5780 SOUTH CAMPUS DRIVE

CHICAGO, ILLINOIS 60637

Dear Sirs:

I am pleased to inform you that your application for admission to the Ph.D. program in Chemistry for the fall semester of 1980 has been accepted. You will be admitted to the program on a full-time basis. Your advisor will be Professor [Name].

You should report to the Department of Chemistry, 5780 South Campus Drive, Chicago, Illinois 60637, on or before August 15, 1980. If you have any questions, please contact the Department Office at (312) 537-3100.

Sincerely,  
[Name]



COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 2--CASH AND INVESTMENTS: (Continued)

	Category			Carrying Amount	Market Value
	<u>1</u>	<u>2</u>	<u>3</u>		
Assets on State Non-Arbitrage					
Program Investments Pool	\$ -	\$ -	\$ -	\$ 2,241,530	\$ 2,241,530
Federated Short-Term U.S. Gov't. Trust	-	-	-	6,117,190,	6,117,190
Deferred compensation program assets	-	-	-	509,004	509,004
Local Government Investment Pool	-	-	-	<u>20,480,462</u>	<u>20,480,462</u>
Total investments.....				\$ 29,348,186	<u>29,348,186</u>
Total deposits.....				(3,523,359)	
Cash on hand.....				7,550	
Total deposits and investments				<u>\$ 25,832,377</u>	

A reconciliation of cash and investments of the Primary Government is as follows:

Cash and Investments.....	\$25,312,771
Cash in Custody of Others .....	10,602
Investment in deferred compensation funds	<u>509,004</u>
 Total cash and investments-Primary Government per Exhibit 1	 <u>\$25,832,377</u>

At year end the Component Unit--School Board's cash and investment balances were as follows:

Total deposits.....	271,850
Cash on hand.....	700
Total deposits and investments	<u>\$ 272,550</u>

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 3--PROPERTY TAXES RECEIVABLE:**

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on December 5. The County bills and collects its own property taxes.

**NOTE 4--DUE FROM OTHER GOVERNMENTAL UNITS:**

The following is a summary of amounts due from other governmental units at June 30, 1996.

	Primary Government	Component Units
<b>Commonwealth of Virginia:</b>		
Airport Enterprise Fund .....	\$ 2,826	\$ -
State sales tax .....	-	387,048
Local sales tax .....	266,509	-
Grants.....	202,651	-
Shared expenses.....	5,218	75,452
Welfare.....	45,908	-
Miscellaneous .....	-	27,870
<b>Federal Government:</b>		
Grants.....	183,745	-
Welfare.....	105,794	-
School grants.....	-	497,523
School lunch program.....	-	25,050
<b>Total.....</b>	<b>\$ 812,651</b>	<b>\$ 1,012,943</b>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 5--INTERFUND OBLIGATIONS:**

The following is a summary of interfund obligations at June 30, 1996.

Component	Due from Primary Government	Due to Component Unit
Primary Government - General Fund .....	\$ -	\$ 5,140,635
General Fund Component Unit--School Board - School Operating Fund .....	<u>5,140,635</u>	<u>-</u>
Totals .....	<u>\$ 5,140,635</u>	<u>\$ 5,140,635</u>

**NOTE 6--PROPRIETARY FIXED ASSETS:**

A summary of Proprietary Fund property, plant, and equipment at June 30, 1996 follows:

	Solid Waste Fund	Airport Fund	Total
Land .....	\$ -	\$ 1,491,800	\$ 1,491,800
Improvements .....	-	496,727	476,727
Landfill site and improvements .....	1,683,154	-	1,683,154
Equipment .....	<u>43,144</u>	<u>-</u>	<u>43,144</u>
Totals .....	\$ 1,726,298	\$ 1,988,527	\$ 3,714,825
Less accumulated depreciation .....	<u>( 43,145 )</u>	<u>( 63,003 )</u>	<u>( 106,148 )</u>
Net .....	<u>\$ 1,683,153</u>	<u>\$ 1,925,524</u>	<u>\$ 3,608,677</u>

Capital contributed in the Airport Fund is summarized as follows:

County .....	\$ 787
Federal .....	1,531,445
Commonwealth .....	<u>200,632</u>
Total .....	\$ 1,732,865
Less accumulated amortization .....	<u>(54,850)</u>
Net .....	<u>\$ 1,678,015</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 7--LONG-TERM DEBT:

Primary Government

Annual requirements to amortize long-term debt and related interest are as follows:

Year Ending June 30,	Capital Leases		Revenue Bonds Solid Waste	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1997	62,969	5,132	220,000	221,378
1998	54,221	1,845	230,000	212,028
1999	-	-	240,000	201,793
2000	-	-	250,000	190,633
2001	-	-	260,000	178,508
2002	-	-	275,000	165,508
2003	-	-	290,000	151,483
2004	-	-	305,000	136,403
2005	-	-	320,000	120,238
2006	-	-	335,000	102,958
2007	-	-	355,000	84,700
2008	-	-	375,000	65,175
2009	-	-	395,000	44,550
2010	-	-	415,000	22,825
Totals	<u>\$ 117,190</u>	<u>\$ 6,977</u>	<u>\$4,265,000</u>	<u>\$ 1,890,180</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 7--LONG-TERM DEBT: (Continued)

Changes in Long-term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 1996:

	Compensated Absences	Capital Lease Obligations	Revenue Bonds	Total
Obligations payable at July 1, 1995 .....	\$ 867,442	\$ 177,035	\$ 4,475,00	\$ 5,519,477
Increases:				
Compensated absences.....	\$ 106,352	\$ -	\$ -	\$ 106,352
Retirements:				
Bonds payable.....	\$ -	\$ -	\$ 220,00	\$ 220,000
Capital leases .....	-	59,845	-	59,845
Total retirements	\$ -	\$ 59,845	\$ 220,00	\$ 229,845
Obligations payable at June 30, 1996....	<u>\$ 973,794</u>	<u>\$ 117,190</u>	<u>\$ 4,255,00</u>	<u>\$ 5,345,984</u>
Capital leases:				
\$ 300,000 capital lease agreement for computer hardware and software authorized, due in monthly installments including interest of \$ 5,675 through June 30, 1998, interest rate of 5.1% .....				\$ 117,190
Compensated absences payable .....				973,794
Revenue Bonds:				
\$ 4,880,000 Solid Waste Management System Revenue Bonds, Series of 1993, maturing annually through May 1, 2010 interest at rates from 2.8% to 5.5%				<u>4,255,000</u>
Total long-term indebtedness.....				<u>\$ 5,345,984</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 7--LONG-TERM DEBT: (Continued)

Component Unit--School Board:

Annual requirements to amortize long-term debt and related interest are as follows:

Year Ending June 30,	General		General Long-term Debt State		Virginia Retirement System	
	Obligation Principal	Bonds Interest	Literary Fund Loans Principal	Interest	Principal	Interest
1997	2,990,000	2,247,452	200,000	28,875	118,119	100,512
1998	2,995,000	2,062,054	200,000	22,875	127,569	91,062
1999	2,800,000	1,881,540	200,000	16,875	137,774	80,857
2000	2,540,000	1,713,671	200,000	10,875	148,797	69,834
2001	2,525,000	1,553,269	162,500	4,875	160,700	57,931
2002	2,355,000	1,399,388	-	-	173,556	45,075
2003	2,365,000	1,251,362	-	-	187,440	31,191
2004	2,330,000	1,103,144	-	-	202,436	16,195
2005	2,280,000	956,575	-	-	-	-
2006	2,245,000	811,870	-	-	-	-
2007	2,220,000	668,024	-	-	-	-
2008	2,175,000	525,573	-	-	-	-
2009	2,105,000	383,218	-	-	-	-
2010	1,485,000	265,964	-	-	-	-
2011	1,125,000	187,600	-	-	-	-
2012	1,100,000	122,600	-	-	-	-
2013	800,000	67,800	-	-	-	-
2014	800,000	22,600	-	-	-	-
Totals	\$ <u>37,235,000</u>	\$ <u>17,223,704</u>	\$ <u>962,500</u>	\$ <u>84,375</u>	<u>1,256,391</u>	\$ <u>492,657</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 7--LONG-TERM DEBT: (Continued)**

Changes in Long-term Debt

The following is a summary of long-term debt transactions of the School Board for the year ended June 30, 1996:

	Capital Lease Obligation	VRS Early Retirement	Compensated Absences	General Obligation Bonds	Total
Obligations payable at July 1, 1995.....	\$ 53,904	\$ 1,365,761	\$ 2,075,918	\$ 41,472,500	\$ 44,968,083
Retirements:					
Compensated absences.....	\$ -	\$ -	66,773	-	66,773
Early retirement obligation .....	-	109,370	-	-	109,370
Bonds payable.....	-	-	-	3,055,000	3,055,000
State Literary Fund loans.....	-	-	-	220,000	220,000
Capital leases.....	53,904	-	-	-	53,904
Total retirements.....	\$ 53,904	\$ 109,370	\$ -	\$ 3,275,000	3,505,047
Obligations payable at June 30, 1996, ...	\$ <u>53,904</u>	\$ <u>1,256,391</u>	\$ <u>2,009,145</u>	\$ <u>38,197,500</u>	<u>41,463,036</u>

Details of Long-term Indebtedness

General obligation bonds:

School bonds:

\$ 7,500,000, School Bonds 1978, issued December 1, 1978 maturing annually with interest payable semiannually:

Bonds Bearing interest at 5.75% maturing December 1, 1995 through December 1, 1998.....

\$ 725,000

\$ 2,500,000 Virginia Public School Authority Bonds 1980, issued June 15, 1980, maturing annually with interest payable semiannually:

Bonds bearing interest at 8.40% maturing December 15, 1993 through December 15, 2000 .....

625,000

\$ 1,570,000 Virginia Public School Authority Bonds 1987B, issued October 8, 1987, maturing annually through December 15, 2007 with interest payable semiannually at rates from 7.00 to 8.1%.....

830,000

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 7--LONG-TERM DEBT: (Continued)

Details of Long-term Indebtedness: (Continued)

General Obligation bonds: (Continued)

School bonds: (Continued)

\$ 12,000,000 Virginia Public School Authority Bonds 1988B, issued November 1, 1989, maturing annually through December 115, 2008 with interest payable semiannually at rates from 6.6% to 8.6% .....	\$ 8,570,000
\$ 7,480,000 Virginia Public School Authority Bonds 1990A, issued April 18, 1990, maturing annually through December 15, 2009 with interest payable semiannually at rates from 7.0 to 7.225% .....	5,765,000
\$ 8,000,000 Virginia Public School Authority Bonds 1992A, issued May 19, 1992 maturing annually through December 15, 2011 with interest payable semiannually at rates from 6.1% to 6.4%.....	6,320,000
\$ 16,000,000 General Obligation School Bonds, Series of 1993, dated May 15, 1993, maturing annually through July 15, 2013 interest payable semiannually at rates from 5.0% to 5.65% .....	14,400,000
Total School Bonds .....	<u>\$ 37,235,000</u>
\$ 750,000, issued February 15, 1980, due annual installments of \$ 37,500 through February 15, 2000, interest payable annually at 3%.....	150,000
\$ 750,000, issued August 15, 1980, due in annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3%.....	187,500
\$ 750,000 issued August 15, 1980, due annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3% .....	187,500
\$ 750,000, issued August 15, 1980, due in annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3% .....	187,500
\$ 1,000,000, issued November 15, 1980 due in annual installments of \$ 50,000 through November 15, 2000, interest payable annually at 3% .....	250,000
Total State Literary Fund Loans.....	<u>\$ 962,500</u>
Total general obligation bonds/loans.....	<u>\$ 38,197,500</u>

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 7--LONG-TERM DEBT: (Continued)**

Details of Long-term Indebtedness: (Continued)  
Capital leases: (Continued)

Early retirement obligations payable:

\$2,186,310 Retirement incentive cost payable in annual installments of 218,631, including principal and interest .....	\$ 1,256,391
Compensated absences payable .....	<u>2,009,145</u>
Total long-term indebtedness.....	<u>\$ 41,463,036</u>

**NOTE 8--CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES:**

In accordance with GASB Statement 16 "Accounting for Compensated Absences," the County has accrued the liability arising from outstanding compensated absences. County employees earn leave based on length of service. School Board employees receive pay for unused sick leave upon termination. The County's primary government has outstanding accrued leave pay totaling \$973,794 in the General Long-term Obligation Account Group and \$7,249 in the Solid Waste Fund. The Component Unit--School Board has outstanding accrued leave pay totaling \$2,009,145.

**NOTE 9--DEFINED BENEFIT PENSION PLAN:**

**A. Plan Description**

The County of Fauquier, Virginia contributes to the Virginia Retirement System (VRS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. The County's payroll for employees covered by the VRS for the year ended June 30, 1996 was \$9,346,559, and the total payroll for all County Employees was \$9,244,964.

In addition, professional and non-professional employees of the Fauquier County School Board are covered by the VRS. Professional employees participate in a VRS statewide teacher cost sharing pool, and non-professional employees participate as a separate group in the agent multiple-employer retirement system. The payroll for professional and non-professional employees covered by VRS for the year ended June 30, 1996 was \$28,469,067 and \$2,898,463 respectively, and the total payroll for all School Board employees was \$33,304,542.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 9--DEFINED BENEFIT PENSION PLAN: (Continued)

A. Plan Description: (Continued)

All full time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after 5 years of service. Employees who retire with a reduced benefit at age 55 with at least 5 years of credited service are entitled to an annual retirement benefit, payable monthly, for life in an amount equal to 1.5% of their average final salary (AFS) up to \$13,200 plus 1.65% of AFS over \$13,200 for each year of credited service. An optional reduced retirement benefit is available to members of VRS as early as age 50 with 10 years of credited service. Employees with 35 years or more of credited service are entitled to an annual benefit equal to 1.65 percent of AFS for each year of credited service. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. The VRS also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute.

Employees are required by Title 51.1 of the Code of Virginia (1950) as amended to contribute 5% of their annual salary to the System. This 5% member contribution has been assumed by the County for its employees. The employer is required by state statute to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by Statute. If an employee leaves covered employment the accumulated contributions plus interest may be refunded to the employee. State statute may be amended only by the Commonwealth of Virginia Legislature.

B. Related Party Investments

The County has no loans from VRS.

C. Funding Status and Progress

The pension benefit obligation was determined as part of an actuarial valuation performed as of June 30, 1995. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1995 include (a) a rate of return on the investment of present and future assets of 8 percent per year compounded annually, (b) projected salary increases of 4 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases, graded by age, of approximately 1 percent per year attributable to seniority/ merit, and (d) post-retirement benefit increases of 3.1 percent per year.

The effect of changes in actuarial assumptions and benefit provisions during the year tended to offset and did not significantly affect the valuation of the pension benefit obligation.

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 9--DEFINED BENEFIT PENSION PLAN: (Continued)**

**C. Funding Status and Progress (Continued)**

At June 30, 1995 the funding of the pension benefit obligations applicable to Fauquier County and the Fauquier County School Board non-professional employees was as follows:

	<u>County</u>	<u>School Board Non- Professional</u>
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits .....	\$ 3,873,919	\$ 460,640
Current Employees:		
Accumulated employee contributions including allocated investment earnings .....	2,332,565	1,149,555
Employer-financed vested .....	1,964,490	349,002
Employer-financed nonvested .....	3,641,268	1,115,436
Total pension benefit obligation .....	<u>\$ 11,812,242</u>	<u>\$ 3,074,633</u>
Net assets available for benefits, at cost (market value is \$ 12,009,463 and \$ 4,033,567 respectively) .....	10,722,007	3,601,155
Excess (Unfunded) pension benefit obligation .....	<u>(\$ 1,090,235)</u>	<u>\$ 526,522</u>

The VRS does not make separate measurements of assets and pension benefit obligation for individual school board's professional employees. The total unfunded pension benefit obligation at June 30, 1995 for the VRS statewide teacher pool was as follows:

Total pension benefit obligation .....	\$ 10,512,600,000
Net assets available for benefits, at cost (market value is \$ 8,546,500,000) .....	<u>7,630,300,000</u>
Unfunded pension benefit obligation .....	<u>\$ 2,882,300,000</u>

The school board's 1996 contribution to the VRS statewide teacher pool represented .79% of total contributions required of all participating school boards.

The effect of changes in actuarial assumptions and benefit provisions during the year tended to offset and did not significantly affect the valuation of the pension benefit valuation.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

NOTE 9--DEFINED BENEFIT PENSION PLAN: (Continued)

D. Contributions Required and Made

The funding policy of VRS provides for periodic employer contributions at actuarially determined rates which will remain relatively level over time as a percentage of payroll, and will accumulate sufficient assets to meet the cost of all basic benefits when due. Contribution rates are developed using the entry age normal cost method. Gains and losses are reflected in the unfunded accrued liability that is being amortized as a level percentage of payroll within a period of 30 years or less. Rates necessary to support post-retirement supplements which may be payable in addition to the basic benefits are determined separately on a current disbursement basis.

Total employer and employee contributions to the VRS for fiscal year 1996 of \$712,054 by Fauquier County and \$244,544 by the Fauquier County School Board for non-professional employees were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1995. These contributions consisted of the following:

	County	School Board Non- Professional
Normal Cost.....	\$ 702,337	\$ 252,327
Amortization of unfunded actuarial accrued liability.....	( 4,691)	( 10,178)
Cost of living supplement .....	14,408	2,395
Total Contributions .....	<u>712,054</u>	<u>244,544</u>
Employer contribution.....	\$ 335,061	\$ 91,898
Employee contribution.....	376,993	152,646
Total contributions .....	<u>\$ 712,054</u>	<u>\$ 244,544</u>

Contributions made by Fauquier County and the Fauquier County School Board represent 4.41% and 3.07%, respectively, of covered payrolls for the fiscal year while employee contributions represent 5% of current covered payrolls.

Total employer and employee contributions to the VRS statewide teacher pool for professional employees by the Fauquier County School Board for the fiscal year 1996 amounted to \$3,033,048, and were in accordance with actuarial requirements. Employer and employee contributions were \$1,677,799 and \$1,355,249, respectively, and represented 6.19% and 5%, respectively, of current covered payroll.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 9--DEFINED BENEFIT PENSION PLAN: (Continued)**

**D. Contributions Required and Made (Continued)**

The significant actuarial assumptions used to compute contribution requirements for 1994-96 biennium are the same as those used to compute the pension benefit obligation at June 30, 1994, with the exception that additional projected salary increases, graded by age and attributable to seniority/merit, were higher and future post retirement benefit increases were not anticipated in determining normal and accrued liability contribution rates for the current biennium.

There were no changes in actuarial assumptions, funding methods, or benefit provisions that would significantly affect the computation of contribution requirements for the 1996 fiscal year.

**E. Trend Information**

Ten-year historical trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Such information as currently available is reported below. Ten-year historical trend information for the Fauquier County School Board professional employees participating in the VRS statewide teacher pool is presented in the VRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 1996.

For the three years ended June 30, 1994, 1995 and 1996 respectively, available assets were sufficient to fund 84.07%, 92.06% and 90.87% respectively of the County's pension benefit obligation and 93.27%, 116.25% and 117.13 respectively of the Fauquier County's School Board pension benefit obligation for non-professional employees. Unfunded pension benefit obligations represented 23.76%, 10.94% and 13.07% of the annual payroll for County employees covered by the VRS, and 7.17%, (14.42%) and (18.17%) of the annual payroll for Fauquier County School Board non-professional employees for 1994, 1995 and 1996. Showing unfunded pension benefit obligations as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended 1994, 1995 and 1996, contributions to the VRS, made in accordance with actuarial determined requirements, by the County were 3.90%, 3.97% and 4.41% of annual covered payroll, and by the Fauquier County School Board were 2.95%, 2.95% and 3.07% of annual covered payroll for non-professional employees.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 9--DEFINED BENEFIT PENSION PLAN: (Continued)**

E. Trend Information (continued)

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Assets in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Assets in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll
<b>A. County Employees:</b>						
1996	\$ 10,722,007	\$ 11,812,242	90.87%	\$ 1,090,235	\$ 8,346,559	13.07%
1995	9,569,094	10,394,011	92.06%	824,917	7,539,849	10.94%
1994	8,518,429	10,132,000	84.07%	1,613,571	6,788,858	23.76%
1993	7,534,006	9,076,281	83.01%	1,542,275	6,450,843	23.91%
1992	6,473,045	7,894,977	81.99%	1,421,932	6,262,568	22.71%
1991	5,390,094	5,768,806	93.43%	378,712	6,120,205	6.18%
1990	4,452,374	4,914,563	90.60%	462,189	5,293,096	8.73%
1989	3,678,763	4,106,741	89.58%	427,978	4,196,671	10.20%
1988	3,048,012	4,574,663	66.63%	1,526,651	3,708,687	41.16%
<b>B. School Board Non-Professional Employees:</b>						
1996	\$ 3,601,155	\$ 3,074,633	117.13%	\$( 526,522)	\$ 2,898,463	( 18.17% )
1995	3,149,032	2,708,783	116.25%	( 440,249)	3,052,929	( 14.42% )
1994	2,764,979	2,964,644	93.27%	199,665	2,784,512	7.17%
1993	2,377,806	2,476,082	96.03%	98,276	2,682,596	3.66%
1992	1,997,597	2,008,472	99.46%	10,875	2,683,848	.41%
1991	1,619,420	1,713,797	94.49%	94,377	2,659,311	3.54%
1990	1,302,037	1,282,581	101.52%	( 19,456)	2,472,307	( .79% )
1989	1,018,377	960,075	106.07%	( 58,302)	2,265,208	( 2.57% )
1988	1,142,588	967,251	81.87%	175,337	1,698,906	10.32%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligations, and unfunded pension benefit obligations in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligations provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded pension benefit obligations and annual covered payrolls are both affected by inflation. Expressing the unfunded pension benefit obligations as a percentage of annual covered payrolls approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 10--FAUQUIER COUNTY LENGTH OF SERVICE AWARDS PROGRAM**

On January 1, 1995 the Fauquier County Board of Supervisors adopted the length of service awards program for the Fauquier County Fire and Rescue Association and its member companies. The primary purpose of the plan is to provide a retirement means for volunteers in recognition of their service to the county citizens. This plan is a defined benefit plan and is administered by the County Finance Director.

This plan is open to any volunteer firefighter over the age of eighteen. Participants vest in five years.

The pension benefit obligation was determined as part of an actuarial valuation performed as of January 1, 1996. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1996 include a rate of return on the investment of present and future assets of 5.5 percent per year compounded annually.

The employer is contributing all costs to the plan. The plan has net assets available for benefits totaling \$652,193.57. Unfunded prior and past service costs total \$ 2,366,480 and will be fully amortized in 14 years.

The contributions to the plan for the fiscal year ended June 30, 1996 totaled \$228,604.

Due to the relatively short-life of the plan there is limited information available to disclose in these notes.

**NOTE 11--DEFERRED REVENUE:**

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$1,945,857 is comprised of the following:

**A. Deferred Property Tax Revenue**

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$1,798,951 at June 30, 1996.

**B. Prepaid Taxes**

Property taxes due subsequent to June 30, 1996 but paid in advance by the taxpayers totaled \$146,908 at June 30, 1996.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)

**NOTE 12--DEFERRED COMPENSATION PLAN:**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the County that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The assets are recorded at the current market value.

**NOTE 13--CLOSURE AND POSTCLOSURE CARE COST:**

State and federal laws and regulations require the County to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The County recognizes a portion of these costs in each operating period. Most of the closure and postclosure care costs will be paid only after it is closed. The County will incur the estimated total closure cost of \$2,844,587 over the next thirty years.

All amounts recorded as a liability are estimates of all closure and postclosure costs at June 30, 1996. Actual cost may be higher due to inflation.

If these estimates are inadequate or additional postclosure requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs will need to be paid by the county taxpayers.

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 14--SEGMENT INFORMATION:**

The County maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended June 30, 1996 is presented below.

	Solid Waste	Airport	Total
Operating revenues .....	\$ 1,991,218	\$ 15,325	\$ 2,006,543
Depreciation expense .....	8,628	19,855	28,483
Operating income .....	( 357,965 )	( 157,273 )	( 515,238 )
Net income .....	( 370,402 )	10,692	( 359,710 )
Current capital contributions .....	-	3,348	13,348
Property, plant and equipment additions .....	-	40,848	40,848
Net working capital .....	3,323,099	133,927	8,457,026
Total assets .....	5,340,352	2,069,140	7,409,492
Total Equity .....	( 1,998,161 )	2,062,151	( 63,990 )

**NOTE 15--RISK MANAGEMENT-CONSOLIDATED HEALTH CARE PLAN**

Fauquier County, Fauquier County School Board and the Fauquier County Water and Sewer Authority established a consolidated health care benefits plan for their employees. The plan is based on a service contract with BC/BS which bills are derived from actual expenses incurred or claims filed. The plan includes a maximum liability amount of 25% over the annual estimate provided by BC/BS. The participating agencies have established that a reserve fund should be established to meet the 25% potential liability. Each participating agency is responsible for establishing and monitoring its own reserve fund.

Each participating agency is also responsible for paying the amount of actual expense incurred. This plan went into effect October 1, 1994.

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors.

Changes in the balances of claims liabilities during the year is as follows:

Unpaid claims, beginning of fiscal year .....	\$ 536,898
Incurred claims, (including IBNR's) .....	4,639,233
Claim payments .....	<u>4,048,795</u>
Unpaid claims, end of fiscal year .....	<u>\$ 1,127,336</u>

**COUNTY OF FAUQUIER, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1996 (Continued)**

**NOTE 16--SURETY BONDS:**

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
William D. Harris, Clerk of the Circuit Court	\$ 50,000
Beth Ledgerton, Treasurer	500,000
Ross D'Urso, Commissioner of the Revenue	3,000
Joseph Higgs, Jr., Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Clerk of the School Board	10,000
United States Fidelity and Guaranty Company - Surety	
All County employees except Treasurer, Sheriff, Clerk of Circuit Court and School Board employees	100,000

**NOTE 17 -- EXPENDITURES IN EXCESS OF APPROPRIATIONS:**

During fiscal year 1996, expenditures exceeded appropriations in the following departments:

	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Independent Auditor	\$ 24,659	\$ 36,700	\$( 12,041)
Juvenile Detention	40,000	73,309	( 33,309)
Litter Control/Recycling	178,833	186,081	( 7,248)
Public Health	405,824	410,239	( 4,415)
Institutional Care	35,073	43,577	( 8,504)
Contributions to Community Organizations	563,613	567,740	( 4,127)

**NOTE 18 -- SUBSEQUENT EVENTS:**

On November 14, 1996, the County borrowed \$9,000,000 in general obligation bonds through the Virginia Public School Authority. These bonds are used for school construction and have a term of twenty years.

COUNTY OF FAUQUIER, VIRGINIA  
SPECIAL REVENUE FUNDS

Exhibit A-1

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 1996

	Joint Dispatch Fund	Fire and Rescue District	Totals
Revenues:			
Other local taxes	\$ 620,558	\$ -	\$ 620,558
Expenditures:			
Current:			
Public safety	\$ 649,852	\$ 584,380	\$ 1,234,232
Excess (deficiency) of revenues over expenditures	\$ (29,294)	\$ (584,380)	\$ (613,674)
Other financing sources (uses):			
Operating transfers in	\$ 156,826	\$ -	\$ 156,826
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 127,532	\$ (584,380)	\$ (456,848)
Fund balances at beginning of year	33,059	584,380	617,439
Fund balances at end of year	\$ 160,591	\$ -	\$ 160,591

**COUNTY OF FAUQUIER, VIRGINIA  
SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and Changes  
In Fund Balances -- Budget and Actual  
Year Ended June 30, 1996**

	<u>Joint Dispatch Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavor.)
Revenues:			
Other local taxes	\$ 611,167	\$ 620,558	\$ 9,391
Intergovernmental Commonwealth	<u>78,000</u>	<u>-</u>	<u>(78,000)</u>
Total revenues	<u>\$ 689,167</u>	<u>\$ 620,558</u>	<u>\$ (68,609)</u>
Expenditures:			
Current:			
Public safety	<u>\$ 759,177</u>	<u>\$ 649,852</u>	<u>\$ 109,325</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (70,010)</u>	<u>\$ (29,294)</u>	<u>\$ 40,716</u>
Other financing sources (uses):			
Operating transfers in	<u>\$ 70,010</u>	<u>\$ 156,826</u>	<u>\$ 86,816</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ -</u>	<u>\$ 127,532</u>	<u>\$ 127,532</u>
Fund balances at beginning of year	<u>-</u>	<u>33,059</u>	<u>33,059</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 160,591</u></u>	<u><u>\$ 160,591</u></u>

Exhibit A-2

Fire and Rescue District			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ -	\$ -	\$ -	\$ 611,167	\$ 620,558	\$ 9,391
-	-	-	78,000	-	(78,000)
-	-	-	689,167	620,558	(68,609)
\$ -	\$ 584,380	\$ (584,380)	\$ 759,177	1,234,232	(475,055)
\$ -	\$ (584,380)	\$ (584,380)	\$ (70,010)	\$ (613,674)	\$ (543,664)
\$ -	\$ -	\$ -	\$ 70,010	\$ 156,826	\$ 86,816
\$ -	\$ (584,380)	\$ (584,380)	\$ -	\$ (456,848)	\$ (456,848)
-	584,380	584,380	-	617,439	617,439
\$ -	\$ -	\$ -	\$ -	\$ 160,591	\$ 160,591

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COUNTY OF FAUQUIER, VIRGINIA  
 ENTERPRISE FUNDS  
 Combining Balance Sheet  
 At June 30, 1996

Exhibit B-1

	Solid Waste Fund	Airport Fund	Totals
<b><u>ASSETS AND OTHER DEBITS</u></b>			
<b>Assets:</b>			
Cash and cash equivalents	\$ 557,525	\$ 137,731	\$ 695,256
Investments	2,591,151	-	2,591,151
Receivables (Net of allowances for uncollectibles):			
Accounts	350,849	3,059	353,908
Prepaid expenses	52,500	-	52,500
Due from other governmental units	-	2,826	2,826
Fixed assets (Net of accumulated depreciation)	1,683,153	1,925,524	3,608,677
Bond issue costs (net of accumulated amortization)	105,174	-	105,174
	<u>5,340,352</u>	<u>2,069,140</u>	<u>7,409,492</u>
Total assets and other debits	\$ 5,340,352	\$ 2,069,140	\$ 7,409,492
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 221,678	\$ 6,989	\$ 228,667
Revenue bonds payable	4,265,000	-	4,265,000
Landfill closure and postclosure accrued costs	2,844,587	-	2,844,587
Compensated absences	7,249	-	7,249
	<u>7,338,514</u>	<u>6,989</u>	<u>7,345,503</u>
Total liabilities	\$ 7,338,514	\$ 6,989	\$ 7,345,503
<b><u>EQUITY AND OTHER CREDITS</u></b>			
Contributed capital	\$ -	\$ 1,678,015	\$ 1,678,015
Retained earnings:			
Unreserved	(1,998,162)	384,136	(1,614,026)
	<u>(1,998,162)</u>	<u>2,062,151</u>	<u>63,989</u>
Total equity and other credits	\$ (1,998,162)	\$ 2,062,151	\$ 63,989
Total liabilities, equity and other credits	\$ 5,340,352	\$ 2,069,140	\$ 7,409,492

COUNTY OF FAUQUIER, VIRGINIA  
ENTERPRISE FUNDS

Exhibit B-2

Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
Year Ended June 30, 1996

	Solid Waste Fund	Airport Fund	Totals
<b>Operating revenues:</b>			
Charges for services	\$ 1,984,501	\$ -	\$ 1,984,501
Miscellaneous	6,716	15,325	22,041
	<u>1,991,217</u>	<u>15,325</u>	<u>2,006,542</u>
<b>Total operating revenues</b>	<b>\$ 1,991,217</b>	<b>\$ 15,325</b>	<b>\$ 2,006,542</b>
<b>Operating expenses:</b>			
Container operations	\$ 196,010	\$ -	\$ 196,010
Landfill operations	888,867	-	888,867
Contractual services	165,388	-	165,388
Landfill maintenance costs	630,556	-	630,556
Indirect costs	443	-	443
Closure and Post Closure Cost	459,291	-	459,291
Airport operation and maintenance	-	152,743	152,743
Depreciation	8,628	19,855	28,483
	<u>2,349,183</u>	<u>172,598</u>	<u>2,521,781</u>
<b>Total operating expenses</b>	<b>\$ 2,349,183</b>	<b>\$ 172,598</b>	<b>\$ 2,521,781</b>
<b>Operating income</b>	<b>\$ (357,966)</b>	<b>\$ (157,273)</b>	<b>\$ (515,239)</b>
<b>Nonoperating revenues (expenses):</b>			
Interest Income	\$ 200,225	\$ 7,690	\$ 207,915
Rental income	-	12,600	12,600
Operating grants - Commonwealth	23,292	68,174	91,466
Operating grants - Federal	-	35,720	35,720
Bond issuance cost amortization	(13,295)	-	(13,295)
Interest expense	(230,178)	-	(230,178)
	<u>(19,956)</u>	<u>124,184</u>	<u>104,228</u>
<b>Total nonoperating revenues (expenses)</b>	<b>\$ (19,956)</b>	<b>\$ 124,184</b>	<b>\$ 104,228</b>
<b>Income before operating transfers</b>	<b>\$ (377,922)</b>	<b>\$ (33,089)</b>	<b>\$ (411,011)</b>
<b>Operating transfers in</b>	<b>7,519</b>	<b>43,781</b>	<b>51,300</b>
<b>Net income (loss)</b>	<b>\$ (370,403)</b>	<b>\$ 10,692</b>	<b>\$ (359,711)</b>
<b>Add depreciation on fixed assets acquired by contributions from others</b>	<b>-</b>	<b>16,105</b>	<b>16,105</b>
<b>Increase (decrease) in retained earnings</b>	<b>\$ (370,403)</b>	<b>\$ 26,797</b>	<b>\$ (343,606)</b>
<b>Retained earnings at beginning of year</b>	<b>(1,627,759)</b>	<b>357,339</b>	<b>(1,270,420)</b>
<b>Retained earnings at end of year</b>	<b>\$ (1,998,162)</b>	<b>\$ 384,136</b>	<b>\$ (1,614,026)</b>

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**COMBINING FINANCIAL STATEMENTS**

COUNTY OF FAUQUIER, VIRGINIA  
 ENTERPRISE FUNDS  
 Combining Statement of Cash Flows  
 Year Ended June 30, 1996

Exhibit B-3

	Solid Waste Fund	Airport Fund	Totals
<b>Cash Flows From Operating Activities:</b>			
Net operating income (loss)	\$ (377,921)	\$ (157,273)	\$ (535,194)
Adjustments to reconcile net income to net cash provided by operating by operating activities:			
Depreciation	8,628	19,855	28,483
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(6,882)	(1,243)	(8,125)
(Increase) decrease in prepaid expenses	-	-	-
(Increase) decrease in amounts due from other governments	-	(1,488)	(1,488)
Increase (decrease) in payables	42,139	(2,075)	40,064
Increase (decrease) in compensated absences	816	-	816
Net cash provided by (used in) operating activities	<u>\$ (333,220)</u>	<u>\$ (142,224)</u>	<u>\$ (475,444)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating grants - Commonwealth	\$ 23,292	\$ 68,174	\$ 91,466
Operating grants - Federal	-	35,720	35,720
Operating transfers from (to) the General Fund	<u>7,519</u>	<u>43,781</u>	<u>51,300</u>
Net cash proved by (used in) operating activities	<u>\$ 30,811</u>	<u>\$ 147,675</u>	<u>\$ 178,486</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	\$ -	\$ (40,848)	\$ (40,848)
Capital contributions by state government	-	13,348	13,348
Interest paid on outstanding bonds	(230,178)	-	(230,178)
Retirement of principal on long-term debt	(210,000)	-	(210,000)
Increase of accrued landfill closure costs	<u>(197,858)</u>	<u>-</u>	<u>(197,858)</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ (638,036)</u>	<u>\$ (27,500)</u>	<u>\$ (665,536)</u>
<b>Cash Fows From Investing Activities:</b>			
Rental income	\$ -	\$ 12,600	\$ 12,600
Interest earned	<u>200,225</u>	<u>7,690</u>	<u>207,915</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ 200,225</u>	<u>\$ 20,290</u>	<u>\$ 220,515</u>
Increase (decrease) in cash and cash equivalents	\$ (740,220)	\$ (1,759)	\$ (741,979)
Cash and cash equivalents at beginning of year	<u>3,888,896</u>	<u>139,490</u>	<u>4,028,386</u>
Cash and cash equivalents at end of year	<u>\$ 3,148,676</u>	<u>\$ 137,731</u>	<u>\$ 3,286,407</u>

**COUNTY OF FAUQUIER, VIRGINIA**  
**FIDUCIARY FUNDS**  
**Combining Balance Sheet**  
**At June 30, 1996**

**Expendable Trust Funds**

**ASSETS AND OTHER DEBITS**

Assets:

	<u>Library Trust Income</u>	<u>Parks and Recreation</u>	<u>Legal Defense</u>
Cash and investments	\$ 89,259	\$ 75,253	\$ 1,875
Cash in custody of others	0	0	0
Deferred compensation program deposits	<u>0</u>	<u>0</u>	<u>0</u>
 Total assets and other debits	 <u>\$ 89,259</u>	 <u>\$ 75,253</u>	 <u>\$ 1,875</u>

**LIABILITIES**

Amount held for social service clients	\$ 0	\$ 0	\$ 0
Performance bonds payable	0	0	0
Deferred compensation payable	0	0	0
Amounts held for prisoners	<u>0</u>	<u>0</u>	<u>0</u>
 Total liabilities	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

**EQUITY AND OTHER CREDITS**

Fund balances:

Unreserved:

Designated for subsequent expenditure	\$ 89,259	\$ 75,253	\$ 1,875
 Total equity and other credits	 <u>\$ 89,259</u>	 <u>\$ 75,253</u>	 <u>\$ 1,875</u>
 Total liabilities, equity and other credits	 <u>\$ 89,259</u>	 <u>\$ 75,253</u>	 <u>\$ 1,875</u>

Exhibit C-1

Agency Funds

<u>Special Welfare</u>	<u>Deferred Compensation</u>	<u>Performance Bond</u>	<u>Detention Center</u>	<u>Undistributed Local Sales Tax</u>	<u>Totals</u>
\$ 9,096	\$ 0	\$ 138,412	\$ 0	\$ 86,710	\$ 400,605
0	0	0	10,602	0	10,602
0	509,004	0	0	0	509,004
<u>\$ 9,096</u>	<u>\$ 509,004</u>	<u>\$ 138,412</u>	<u>\$ 10,602</u>	<u>\$ 86,710</u>	<u>920,211</u>
\$ 9,096	\$ 0	\$ 0	\$ 0	0	9,096
0	0	138,412	0	0	138,412
0	509,004	0	0	0	509,004
0	0	0	10,602	0	10,602
<u>\$ 9,096</u>	<u>\$ 509,004</u>	<u>\$ 138,412</u>	<u>\$ 10,602</u>	<u>\$ 0</u>	<u>667,114</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,710	253,097
\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,710	253,097
<u>\$ 9,096</u>	<u>\$ 509,004</u>	<u>\$ 138,412</u>	<u>\$ 10,602</u>	<u>\$ 86,710</u>	<u>920,211</u>

COUNTY OF FAUQUIER, VIRGINIA  
EXPENDABLE TRUST FUNDS

Exhibit C-2

Combining Statement of Revenues, Expenses and Changes in Fund Balances  
Year Ended June 30, 1996

	Library Trust Fund	Park and Recreation Trust Fund	Legal Defense Fund	Totals
<b>Revenues:</b>				
Revenue from use of money and property	\$ 4,640	\$ 4,525	\$ -	\$ 9,165
Miscellaneous revenues	<u>1,773</u>	<u>22,621</u>	<u>-</u>	<u>24,394</u>
Total revenue	<u>\$ 6,413</u>	<u>\$ 27,146</u>	<u>\$ -</u>	<u>\$ 33,559</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	\$ 2,251	\$ -	\$ -	\$ 2,251
Transfers to other funds	<u>-</u>	<u>(26,686)</u>	<u>-</u>	<u>(26,686)</u>
Total other financing sources (uses)	<u>\$ 2,251</u>	<u>\$ (26,686)</u>	<u>\$ -</u>	<u>\$ (24,435)</u>
Excess (deficiency) of revenues over (under) other financing sources (uses)	\$ 8,664	\$ 460	\$ -	\$ 9,124
Fund balances at beginning of year	<u>80,595</u>	<u>74,793</u>	<u>1,875</u>	<u>157,263</u>
Fund balances at end of year	<u>\$ 89,259</u>	<u>\$ 75,253</u>	<u>\$ 1,875</u>	<u>\$ 166,387</u>

COUNTY OF FAUQUIER, VIRGINIA  
 AGENCY FUNDS  
 Combining Statement of Changes in Assets and Liabilities  
 Year Ended June 30, 1996

Exhibit C-3

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special welfare:</b>				
Assets:				
Cash and investments	\$ 3,452	\$ 97,857	\$ 92,213	\$ 9,096
Liabilities:				
Amounts held for social service clients	\$ 3,452	\$ 97,857	\$ 92,213	\$ 9,096
<b>Deferred compensation:</b>				
Assets:				
Deferred compensation program deposits	\$ 369,278	\$ 169,460	\$ 29,734	\$ 509,004
Liabilities:				
Deferred compensation payable	\$ 369,278	\$ 169,460	\$ 29,734	\$ 509,004
<b>Undistributed local sales tax:</b>				
Assets:				
Cash and investments	\$ 0	\$ 174,747	\$ 88,037	\$ 86,710
Liabilities:				
Sales tax payable to towns	\$ 0	\$ 174,747	\$ 88,037	\$ 86,710
<b>Performance bond:</b>				
Assets:				
Cash and investments	\$ 186,445	\$ 37,725	\$ 85,758	\$ 138,412
Liabilities:				
Performance bonds payable	\$ 186,445	\$ 37,725	\$ 85,758	\$ 138,412
<b>Detention Center Fund:</b>				
Assets:				
Cash and investments:				
Cash - Work release	\$ 3,433	\$ 118,537	\$ 121,671	\$ 299
Cash - Inmate account	8,019	64,083	67,682	4,420
Cash - Medical	0	908	740	168
Cash - Canteen account	8,366	46,455	49,153	5,668
Total cash and investments	\$ 19,818	\$ 229,983	\$ 239,246	\$ 10,555
Liabilities:				
Amounts held for prisoners	\$ 19,818	\$ 229,983	\$ 239,246	\$ 10,555
<b>Totals -- All agency funds</b>				
Assets:				
Cash and investments	\$ 209,715	\$ 540,312	\$ 505,254	\$ 244,773
Deferred compensation program deposits	369,278	169,460	29,734	509,004
Total assets	\$ 578,993	\$ 709,772	\$ 534,988	\$ 753,777
Liabilities:				
Amounts held for social service clients	\$ 3,452	\$ 97,857	\$ 92,213	\$ 9,096
Amounts held for performance bonds	186,445	37,725	85,758	138,412
Deferred compensation payable	369,278	169,460	29,734	509,004
Sales tax payable to towns	0	174,747	88,037	86,710
Amounts held for prisoners	19,818	229,983	239,246	10,555
Total liabilities	\$ 578,993	\$ 709,772	\$ 534,988	\$ 753,777

COUNTY OF FAUQUIER, VIRGINIA  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
Combining Balance Sheet  
At June 30, 1996

Exhibit D-1

	Governmental Funds			Account Group	Totals
	School Operating Fund	School Cafeteria Fund	School Construction Fund	General Long - Term Debt	
<b>ASSETS</b>					
Cash and investments	\$ 700	\$ 182,220	\$ 89,630	\$ 0	\$ 272,550
Accounts receivable	368,613				368,613
Due from primary government	5,140,635	0	0	0	5,140,635
Due from other governmental units	987,893	25,050	0	0	1,012,943
Amount to be provided for the retirement of general long-term debt and compensated obligation	0	0	0	41,463,036	41,463,036
<b>Total assets and other debits</b>	<b>\$ 6,497,841</b>	<b>\$ 207,270</b>	<b>\$ 89,630</b>	<b>\$ 41,463,036</b>	<b>\$ 48,257,777</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,212,055	\$ 28,758	\$ 11,113	\$ 0	\$ 1,251,926
Accrued liabilities	5,285,086	169,019	0	0	5,454,105
Retainage payable	0	0	1,558	0	1,558
General obligation bonds payable	0	0	0	37,235,000	37,235,000
State Literary Fund loans payable	0	0	0	962,500	962,500
Early retirement obligations payable	0	0	0	1,256,391	1,256,391
Compensated absences	0	0	0	2,009,145	2,009,145
<b>Total liabilities</b>	<b>\$ 6,497,141</b>	<b>\$ 197,777</b>	<b>\$ 12,671</b>	<b>\$ 41,463,036</b>	<b>\$ 48,170,625</b>
<b>FUND EQUITY</b>					
Fund balances:					
Unreserved:					
Designated for subsequent expenditure	\$ 0	\$ 9,493	\$ 76,959	\$ 0	\$ 86,452
Undesignated	700	0	0	0	700
<b>Total fund equity</b>	<b>\$ 700</b>	<b>\$ 9,493</b>	<b>\$ 76,959</b>	<b>\$ 0</b>	<b>\$ 87,152</b>
<b>Total liabilities and fund equity</b>	<b>\$ 6,497,841</b>	<b>\$ 207,270</b>	<b>\$ 89,630</b>	<b>\$ 41,463,036</b>	<b>\$ 48,257,777</b>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit D-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Discretely Presented Component Unit – School Board  
Year Ended June 30, 1996

	Governmental Fund Types			
	School Operating Fund	School Cafeteria Fund	School Construction Fund	Totals
<b>Revenues:</b>				
Revenue from use of money and property	\$ 4,847	\$ 4,371	\$ -	\$ 9,218
Charges for services	258,860	1,569,099	-	1,827,959
Refunds and Fees	446,518			446,518
Miscellaneous	89,918	-	-	89,918
<b>Intergovernmental:</b>				
Commonwealth	15,826,799	38,435	-	15,865,234
Federal	1,134,716	448,731	-	1,583,447
<b>Total revenues</b>	<b>\$ 17,761,658</b>	<b>\$ 2,060,636</b>	<b>\$ -</b>	<b>\$ 19,822,294</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Education	\$ 45,767,148	\$ 2,226,562	\$ -	\$ 47,993,710
Capital projects	-	-	85,732	85,732
<b>Debt service:</b>				
Principal retirement	3,439,623	-	-	3,439,623
Interest and other fiscal charges	2,584,246	-	-	2,584,246
<b>Total expenditures</b>	<b>\$ 51,791,017</b>	<b>\$ 2,226,562</b>	<b>\$ 85,732</b>	<b>\$ 54,103,311</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (34,029,359)</b>	<b>\$ (165,926)</b>	<b>\$ (85,732)</b>	<b>\$ (34,281,017)</b>
<b>Other financing sources (uses):</b>				
Operating transfers in	\$ -	\$ 120,000	\$ -	\$ 120,000
Operating transfers out	(120,000)	-	(487,916)	(607,916)
Operating transfers to primary government	(953,864)	-	-	(953,864)
Operating transfers from primary government	35,103,223	-	-	35,103,223
<b>Total other financing sources (uses)</b>	<b>\$ 34,029,359</b>	<b>\$ 120,000</b>	<b>\$ (487,916)</b>	<b>\$ 33,661,443</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<b>\$ -</b>	<b>\$ (45,926)</b>	<b>\$ (573,648)</b>	<b>\$ (619,574)</b>
<b>Fund balances at beginning of year</b>	<b>700</b>	<b>55,419</b>	<b>650,607</b>	<b>706,726</b>
<b>Fund balances at end of year</b>	<b>\$ 700</b>	<b>\$ 9,493</b>	<b>\$ 76,959</b>	<b>\$ 87,152</b>

COUNTY OF FAUQUIER, VIRGINIA  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Discretely Presented Component Unit – School Board  
 Year Ended June 30, 1996

	School Operating Fund			School
	Budget	Actual	Variance Favorable (Unfavor)	Budget
Revenues:				
Revenue from use of money and property	\$ -	\$ 4,847	\$ 4,847	\$ -
Charges for services	-	258,860	258,860	1,637,513
Refunds and Fees	-	446,518	446,518	-
Miscellaneous	-	89,918	89,918	-
Intergovernmental:				
Commonwealth	15,564,492	15,826,799	262,307	37,440
Federal	976,838	1,134,716	157,878	463,125
<b>Total revenues</b>	<b>\$ 16,541,330</b>	<b>\$ 17,761,658</b>	<b>\$ 1,220,328</b>	<b>\$ 2,138,078</b>
Expenditures:				
Current:				
Education	\$ 47,823,183	\$ 45,767,148	\$ 2,056,035	\$ 2,138,078
Capital projects	-	-	-	-
Debt service:				
Principal retirement	821,311	3,439,623	(2,618,312)	-
Interest and other fiscal charges	2,474,985	2,584,246	(109,261)	-
<b>Total expenditures</b>	<b>\$ 51,119,479</b>	<b>\$ 51,791,017</b>	<b>\$ (671,538)</b>	<b>\$ 2,138,078</b>
Excess (deficiency) of revenues over expenditures	\$ (34,578,149)	\$ (34,029,359)	\$ 548,790	\$ -
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	(120,000)	(120,000)	-
Operating transfers to primary government	-	(953,864)	(953,864)	-
Operating transfers from primary government	34,578,149	35,103,223	525,074	-
<b>Total other financing sources (uses)</b>	<b>\$ 34,578,149</b>	<b>\$ 34,029,359</b>	<b>\$ (548,790)</b>	<b>\$ -</b>
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ -	\$ -	\$ -	\$ -
Fund balances at beginning of year	-	700	700	-
Fund balances at end of year	\$ -	\$ 700	\$ 700	\$ -

Exhibit D-3

Cafeteria Fund			School Construction Fund			Totals		
Actual	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor)	
\$ 4,371	\$ 4,371	\$ -	\$ -	\$ -	\$ -	\$ 9,218	\$ 9,218	
1,569,099	(68,414)	-	-	-	1,637,513	1,827,959	190,446	
-	-	-	-	-	-	446,518	446,518	
-	-	-	-	-	-	89,918	89,918	
38,435	995	-	-	-	15,601,932	15,865,234	263,302	
448,731	(14,394)	-	-	-	1,439,963	1,583,447	143,484	
<u>\$ 2,060,636</u>	<u>\$ (77,442)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,679,408</u>	<u>\$ 19,822,294</u>	<u>\$ 1,142,886</u>	
\$ 2,226,562	\$ (88,484)	\$ -	\$ -	\$ -	\$ 49,961,261	\$ 47,993,710	\$ 1,967,551	
-	-	-	85,732	(85,732)	-	85,732	(85,732)	
-	-	-	-	-	821,311	3,439,623	(2,618,312)	
-	-	-	-	-	2,474,985	2,584,246	(109,261)	
<u>\$ 2,226,562</u>	<u>\$ (88,484)</u>	<u>\$ -</u>	<u>\$ 85,732</u>	<u>\$ (85,732)</u>	<u>\$ 53,257,557</u>	<u>\$ 54,103,311</u>	<u>\$ (845,754)</u>	
\$ (165,926)	\$ (165,926)	\$ -	\$ (85,732)	\$ (85,732)	\$ (34,578,149)	\$ (34,281,017)	\$ 297,132	
\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000	
-	-	-	(487,916)	(487,916)	-	(607,916)	(607,916)	
-	-	-	-	-	-	(953,864)	(953,864)	
-	-	-	-	-	34,578,149	35,103,223	525,074	
<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ (487,916)</u>	<u>\$ (487,916)</u>	<u>\$ 34,578,149</u>	<u>\$ 33,661,443</u>	<u>\$ (916,706)</u>	
\$ (45,926)	\$ (45,926)	\$ -	\$ (573,648)	\$ (573,648)	\$ -	\$ (619,574)	\$ (619,574)	
55,419	55,419	-	650,607	650,607	-	706,726	706,726	
<u>\$ 9,493</u>	<u>\$ 9,493</u>	<u>\$ -</u>	<u>\$ 76,959</u>	<u>\$ 76,959</u>	<u>\$ -</u>	<u>\$ 87,152</u>	<u>\$ 87,152</u>	

**SUPPORTING SCHEDULES**

COUNTY OF FAUQUIER, VIRGINIA  
 Governmental Funds and Discretely Presented Component Units  
 Schedule of Revenues -- Budget and Actual  
 Year Ended June 30, 1996

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Primary Government:			
General Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 36,395,000	\$ 34,515,495	\$ (1,879,505)
Real and personal public service corporation property taxes	-	1,759,053	1,759,053
Personal property taxes	11,926,020	12,385,694	459,674
Penalties	425,000	509,501	84,501
Interest	425,000	480,954	55,954
Total general property taxes	<u>\$ 49,171,020</u>	<u>\$ 49,650,697</u>	<u>\$ 479,677</u>
Other local taxes:			
Local sales and use taxes	\$ 3,200,000	\$ 2,996,189	\$ (203,811)
Consumers' utility taxes	1,650,000	1,646,513	(3,487)
Business license taxes	600,000	872,559	272,559
Cable TV franchise tax	110,000	104,635	(5,365)
Motor vehicle licenses	1,050,000	1,016,312	(33,688)
Bank stock taxes	40,000	27,020	(12,980)
Taxes on recordation and wills	400,000	379,449	(20,551)
Total other local taxes	<u>\$ 7,050,000</u>	<u>\$ 7,042,677</u>	<u>\$ (7,323)</u>
Permits, privilege fees and regulatory licenses:			
Animal licenses	\$ 11,000	\$ 7,934	\$ (3,066)
Building & related permits	264,900	443,286	178,386
Transfer fees	-	1,758	1,758
Zoning permits and fees	191,535	21,800	(169,735)
Land use application fees	17,000	17,741	741
Total permits, privilege fees and regulatory licenses	<u>\$ 484,435</u>	<u>\$ 492,519</u>	<u>\$ 8,084</u>
Fines and Forfeitures:			
Court fines and forfeitures	\$ -	\$ 121,389	\$ 121,389
Revenue from use of money and property:			
Revenue from use of money	\$ 1,000,000	\$ 1,355,759	\$ 355,759
Revenue from use of property	90,500	351,241	260,741
Total revenue from use of money and property	<u>\$ 1,090,500</u>	<u>\$ 1,707,000</u>	<u>\$ 616,500</u>

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Revenues – Budget and Actual**  
**Year Ended June 30, 1996 (Continued)**

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Charges for services:</b>			
Charges for Commonwealth's attorney	\$ -	\$ 1,328	\$ 1,328
Excess fees of clerk	60,000	27,099	(32,901)
Sheriff's fees, deputies and reports	4,000	3,522	(478)
Charges for law library	-	14,939	14,939
Charges for local costs	-	2,349	2,349
Charges for courthouse maintenance fees	-	24,168	24,168
Charges for parks and recreation	267,301	210,195	(57,106)
Charges for social services	-	2,755	2,755
Charges for library	63,000	50,320	(12,680)
Charges for planning and community development	13,000	14,400	1,400
<b>Total charges for services</b>	<b>\$ 407,301</b>	<b>\$ 351,075</b>	<b>\$ (56,226)</b>
<b>Miscellaneous revenue:</b>			
Expenditure refunds	\$ -	\$ 8,147	\$ 8,147
Recycling proceeds	-	9,323	9,323
Miscellaneous	159,500	69,812	(89,688)
<b>Total miscellaneous revenue</b>	<b>\$ 159,500</b>	<b>\$ 87,282</b>	<b>\$ (72,218)</b>
<b>Recovered costs:</b>			
John Marshall Soil and Water District	\$ 25,000	\$ 16,576	\$ (8,424)
Other government charges	9,000	4,500	(4,500)
Board of prisoner - other localities	-	1,230	1,230
Indirect costs - landfill	913,353	-	(913,353)
Indirect costs - airport	10,500	-	(10,500)
Gypsy moth spraying	45,000	2,192	(42,808)
Work release	26,000	38,876	12,876
Computer services - School Board	52,011	-	(52,011)
Excise gas tax	-	19,271	19,271
Medics working events	-	2,377	2,377
Social services home study	-	557	557
Medical reimbursement - prisoners	-	47,368	47,368
Other costs	9,183	17,693	8,510
MIS computer services	67,000	529	(66,471)
Insurance Proceeds - Crockett Park	-	4,107	4,107
<b>Total recovered costs</b>	<b>\$ 1,157,047</b>	<b>\$ 155,276</b>	<b>\$ (1,001,771)</b>
<b>Total revenue from local sources</b>	<b>\$ 59,519,803</b>	<b>\$ 59,607,915</b>	<b>\$ 88,112</b>

COUNTY OF FAUQUIER, VIRGINIA  
 Governmental Funds and Discretely Presented Component Units  
 Schedule of Revenues -- Budget and Actual  
 Year Ended June 30, 1996 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Revenue from the Commonwealth:</b>			
<b>Noncategorical aid:</b>			
ABC profits	\$ 105,000	\$ 111,619	\$ 6,619
Wine taxes	47,461	56,874	9,413
Rolling stock tax	70,000	86,231	16,231
Mobile home titling taxes	15,000	17,300	2,300
Auto rental tax	8,000	7,960	(40)
Recordation tax	426,000	302,996	(123,004)
<b>Total noncategorical aid</b>	<b>\$ 671,461</b>	<b>\$ 582,980</b>	<b>\$ (88,481)</b>
<b>Categorical aid:</b>			
<b>Shared expenses:</b>			
Commonwealth's attorney	\$ 205,498	\$ 208,381	\$ 2,883
Sheriff	1,770,762	1,872,654	101,892
Commissioner of the Revenue	142,237	150,366	8,129
Treasurer	95,247	87,086	(8,161)
Medical examiner	-	750	750
Registrar/electoral board	36,000	35,878	(122)
Clerk of the Circuit Court	349,557	350,197	640
Jail	260,923	225,603	(35,320)
<b>Total shared expenses</b>	<b>\$ 2,860,224</b>	<b>\$ 2,930,915</b>	<b>\$ 70,691</b>
<b>Welfare:</b>			
Welfare administration and assistance	\$ -	\$ 418,798	\$ 418,798
Comprehensive services act	352,157	507,857	155,700
<b>Total welfare</b>	<b>\$ 352,157</b>	<b>\$ 926,655</b>	<b>\$ 574,498</b>
<b>Other categorical aid:</b>			
Emergency medical services	\$ 20,000	\$ 1,174	\$ (18,826)
Fire programs fund	63,000	79,155	16,155
Records preservation grant	-	15,552	15,552
Administrative	-	7,367	7,367
Library aid	201,633	206,380	4,747
Litter control	5,000	-	(5,000)

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Revenues -- Budget and Actual**  
**Year Ended June 30, 1996 (Continued)**

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Other categorical aid(continued)			
Commission of the Arts	3,500	3,750	250
Vint Hill	43,613	5,706	(37,907)
Sheriff Department	-	53,683	53,683
Gypsy moth	-	100	100
Comprehensive Community Correction		120,344	120,344
Technology Grant	414,194	-	(414,194)
<b>Total other categorical aid</b>	<b>\$ 750,940</b>	<b>\$ 493,211</b>	<b>\$ (257,729)</b>
<b>Total categorical aid</b>	<b>\$ 3,963,321</b>	<b>\$ 4,350,781</b>	<b>\$ 387,460</b>
<b>Total revenue from the Commonwealth</b>	<b>\$ 4,634,782</b>	<b>\$ 4,933,761</b>	<b>\$ 298,979</b>
<b>Revenue from the Federal Government:</b>			
Payments in lieu of taxes	\$ -	\$ 1,984	\$ 1,984
<b>Categorical aid:</b>			
Welfare administration and assistance	\$ 1,408,015	\$ 1,025,790	\$ (382,225)
Comprehensive services act	-	5,052	5,052
Gypsy moth	21,000	25,183	4,183
VHFS grant	261,678	126,362	(135,316)
Dea group 33 federal	-	17,421	17,421
U.S. customs - sheriff	-	2,808	2,808
Anti-drug abuse grant	-	37,698	37,698
Narcotics and stolen property	22,485	22,486	1
Emergency services	-	16,232	16,232
Miscellaneous	15,855	-	(15,855)
Sheriff Grants	650	1,673	1,023
Transportation safety	-	7,235	7,235
<b>Total categorical aid</b>	<b>\$ 1,729,683</b>	<b>\$ 1,287,940</b>	<b>\$ (441,743)</b>
<b>Total revenue from the Federal Government</b>	<b>\$ 1,729,683</b>	<b>\$ 1,289,924</b>	<b>\$ (439,759)</b>
<b>Total General Fund</b>	<b>\$ 65,884,268</b>	<b>\$ 65,831,600</b>	<b>\$ (52,668)</b>

COUNTY OF FAUQUIER, VIRGINIA  
 Governmental Funds and Discretely Presented Component Units  
 Schedule of Revenues -- Budget and Actual  
 Year Ended June 30, 1996 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Special Revenue Funds:			
Joint Dispatch Center Fund:			
Revenue from local sources:			
Other local taxes:			
E-911 telephone tax	\$ 611,167	\$ 620,558	\$ 9,391
Revenue from the Commonwealth:			
Categorical aid:			
State compensation board	78,000	-	(78,000)
Total Joint Dispatch Fund	<u>\$ 689,167</u>	<u>\$ 620,558</u>	<u>\$ (68,609)</u>
Capital Projects Fund:			
Revenue from local sources:			
Miscellaneous revenue:			
Construction Bond	\$ -	\$ 245,140	\$ 245,140
Miscellaneous	-	96,219	96,219
Total Miscellaneous Revenue	\$ -	\$ 341,359	\$ 341,359
Revenue from the Commonwealth:			
Categorical aid:			
Technology Grant		192,211	192,211
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ 533,570</u>	<u>\$ 533,570</u>
Grand Total Revenues -- Primary Government	<u>\$ 66,573,435</u>	<u>\$ 66,985,728</u>	<u>\$ 412,293</u>
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Revenue from local sources:			
Revenue from use of money and property	\$ -	\$ 4,847	\$ 4,847
Charges for services:			
Charges for education	\$ -	\$ 258,860	\$ 258,860
Refunds and fees	-	446,518	446,518
Total charges for services	\$ -	\$ 705,378	\$ 705,378
Miscellaneous revenue:			
Miscellaneous revenue	\$ -	\$ 89,918	\$ 89,918
Total revenue from local sources	<u>\$ -</u>	<u>\$ 800,143</u>	<u>\$ 800,143</u>

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Revenues -- Budget and Actual**  
**Year Ended June 30, 1996 (Continued)**

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
School Operating Fund(continued)			
Revenue from the Commonwealth:			
Categorical aid:			
Share of state sales tax	\$ 4,585,909	\$ 4,517,669	\$ (68,240)
Basic school aid	7,809,657	7,928,494	118,837
Regular foster care	21,712	31,796	10,084
Adult transitional - GED	1,080	-	(1,080)
Adult literacy - state	-	11,352	11,352
Gifted and talented	96,887	98,550	1,663
At risk youth	88,092	27,942	(60,150)
ESL payments	5,213	5,213	-
Special education	875,212	890,236	15,024
Special education - homebound	24,413	23,040	(1,373)
Special education - foster child	8,444	44,596	36,152
Special education - regional program	15,210	2,662	(12,548)
Vocational education	158,249	160,965	2,716
Vocational adult education	-	3,976	3,976
Vocational education - Ext contracts	45,500	-	(45,500)
Vocational education equipment	-	3,605	3,605
Occupational education	63,368	46,795	(16,573)
K-3 incentive	110,168	114,668	4,500
Social security instructional	393,361	476,326	82,965
Social security non-instructional	74,926	19,077	(55,849)
Teacher retirement instructional	317,402	384,346	66,944
Teacher retirement non-instructional	60,457	21,537	(38,920)
Group life insurance instructional	2,713	3,285	572
Group life insurance non-instructional	517	847	330
Teacher incentive payment	416,614	494,752	78,138
Dropout prevention	92,217	92,217	-
Remedial education	119,494	139,568	20,074
Remedial summer school	26,758	60,211	33,453
Maintenance supplement	16,408	16,425	17
Educational Technology	-	68,090	68,090
Textbook payments	134,511	136,820	2,309
Other state funds	-	1,739	1,739
<b>Total Commonwealth categorical aid</b>	<b>\$ 15,564,492</b>	<b>\$ 15,826,799</b>	<b>\$ 262,307</b>

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Revenues -- Budget and Actual**  
**Year Ended June 30, 1996 (Continued)**

Schedule I

<u>Fund. Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenue from the federal government:			
Categorical aid:			
Adult Basic Education	\$ 52,765	\$ 37,067	\$ (15,698)
Chapter I	514,015	448,408	(65,607)
Chapter II	42,085	17,878	(24,207)
Title II	24,600	762	(23,838)
Title III of P.L. 95--561 (Formerly P.L. 815)	-	90,512	90,512
Title VI -- B -- Special Education	245,269	432,714	187,445
Vocational education	-	100,006	100,006
Preschool incentive	40,000	-	(40,000)
Drug free schools	58,104	6,527	(51,577)
Federal land rescue	-	842	842
Total Federal categorical aid	<u>\$ 976,838</u>	<u>\$ 1,134,716</u>	<u>\$ 157,878</u>
Total School Operating Fund	<u>\$ 16,541,330</u>	<u>\$ 17,761,658</u>	<u>\$ 1,220,328</u>
School Cafeteria Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ -	\$ 4,371	\$ 4,371
Charges for services:			
Cafeteria sales	1,637,513	1,569,099	(68,414)
Total revenue from local sources	<u>\$ 1,637,513</u>	<u>\$ 1,573,470</u>	<u>\$ (64,043)</u>
Revenue from the Commonwealth:			
Categorical aid:			
School food program	<u>\$ 37,440</u>	<u>\$ 38,435</u>	<u>\$ 995</u>
Revenue from the federal government:			
Categorical aid:			
School food program	<u>\$ 463,125</u>	<u>\$ 448,731</u>	<u>\$ (14,394)</u>
Total School Cafeteria Fund	<u>\$ 2,138,078</u>	<u>\$ 2,060,636</u>	<u>\$ (77,442)</u>
Grand Total Revenues -- Component Unit -- School Board	<u>\$ 18,679,408</u>	<u>\$ 19,822,294</u>	<u>\$ 1,142,886</u>
Grand Total Revenues -- Reporting Entity	<u>\$ 85,252,843</u>	<u>\$ 86,808,022</u>	<u>\$ 1,555,179</u>

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Expenditures -- Budget and Actual**  
**Year Ended June 30, 1996**

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Primary Government:			
General Fund:			
General government administration:			
Legislative:			
Board of supervisors	\$ 225,531	\$ 215,712	\$ 9,819
General and financial administration:			
County administrator	\$ 240,256	\$ 243,578	\$ (3,322)
Personnel	560,536	633,098	(72,562)
County attorney	404,589	348,377	56,212
Independent auditor	24,659	36,700	(12,041)
Consolidated services - administration	145,131	141,974	3,157
Treasurer	485,686	461,223	24,463
Commissioner of the revenue	856,401	754,612	101,789
General Assessment	-	19	(19)
Director of finance	897,339	799,989	97,350
Office of management and budget	58,414	55,494	2,920
Geographic information systems	381,583	255,509	126,074
Risk management	401,855	210,167	191,688
Motor pool	-	(2,659)	2,659
Central stores	-	(993)	993
Total general and financial administration	\$ 4,456,449	\$ 3,937,088	\$ 519,361
Board of Elections:			
Registrar	\$ 165,511	\$ 295,274	\$ (129,763)
Total general government administration	\$ 4,847,491	\$ 4,448,074	\$ 399,417
Judicial administration:			
Courts:			
Circuit court	\$ 67,477	\$ 60,548	\$ 6,929
General district court	8,000	9,219	(1,219)
Magistrates	2,115	1,648	467
Juvenile and domestic relations district court	16,696	14,451	2,245
Clerk of the circuit court	507,309	530,874	(23,565)
Commissioner of accounts	2,400	2,400	-
Law library	15,000	16,798	(1,798)
Total courts	\$ 618,997	\$ 635,938	\$ (16,941)
Commonwealth's attorney:			
Commonwealth's attorney	\$ 408,449	\$ 399,088	\$ 9,361
Total judicial administration	\$ 1,027,446	\$ 1,035,026	\$ (7,580)

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Expenditures – Budget and Actual**  
**Year Ended June 30, 1996 (Continued)**

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Public safety:			
Law enforcement and traffic control:			
Sheriff	\$ 4,183,952	\$ 4,486,097	\$ (302,145)
Fire and rescue services:			
Volunteer fire & rescue	\$ 1,625,899	\$ 1,485,446	\$ 140,453
Correction and detention:			
Sheriff	\$ 445,700	\$ 392,238	\$ 53,462
Probation office	6,064	4,562	1,502
Juvenile detention	40,000	73,308	(33,308)
Total correction and detention	\$ 491,764	\$ 470,108	\$ 21,656
Other protection:			
Animal control	\$ 103,301	\$ 119,404	\$ (16,103)
Emergency services (civil defense)	280,398	428,128	(147,730)
Total other protection	\$ 383,699	\$ 547,532	\$ (163,833)
Total public safety	\$ 6,685,314	\$ 6,989,183	\$ (303,869)
Sanitation and waste removal:			
Litter control/recycling	\$ 177,780	\$ 186,080	\$ (8,300)
Solid waste operations	991,349	933,683	57,666
Total sanitation and waste removal	\$ 1,169,129	\$ 1,119,763	\$ 49,366
Maintenance of general buildings and grounds:			
Support services/administration	\$ 70,000	\$ 114,113	\$ (44,113)
General properties	4,220,498	4,339,952	(119,454)
Total maintenance of general buildings and grounds	\$ 4,290,498	\$ 4,454,065	\$ (163,567)
Total public works	\$ 5,459,627	\$ 5,573,828	\$ (114,201)
Health and welfare:			
Health:			
Supplement of local health department	\$ 363,724	\$ 410,239	\$ (46,515)
Mental health and mental retardation:			
Chapter X board	\$ 221,589	\$ 221,589	\$ -

COUNTY OF FAUQUIER, VIRGINIA  
 Governmental Funds and Discretely Presented Component Units  
 Schedule of Expenditures – Budget and Actual  
 Year Ended June 30, 1996 (Continued)

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Welfare:			
Social services	\$ 1,965,277	\$ 1,973,881	\$ (8,604)
Institutional care	33,873	43,577	(9,704)
Comprehensive services act	679,309	972,718	(293,409)
Total welfare	\$ 2,678,459	\$ 2,990,176	\$ (311,717)
Total health and welfare	\$ 3,263,772	\$ 3,622,004	\$ (358,232)
Education:			
Community colleges	\$ 29,575	\$ 30,012	\$ (437)
Parks, recreation and cultural:			
Parks and recreation			
Parks and recreation	\$ 846,884	\$ 790,867	\$ 56,017
Library:			
Public library	\$ 982,009	\$ 976,378	\$ 5,631
Total parks, recreation and cultural	\$ 1,828,893	\$ 1,767,245	\$ 61,648
Community development:			
Planning and community development:			
Planning	\$ 49,595	\$ 79,008	\$ (29,413)
Community development	845,338	884,581	(39,243)
Economic Development	-	8,773	(8,773)
Contributions to community organizations	411,673	567,740	(156,067)
Vint Hill Farms station	348,904	229,019	119,885
Total planning and community development	\$ 1,655,510	\$ 1,769,121	\$ (113,611)
Environmental management:			
Soil and water conservation district	\$ 98,247	\$ 100,106	\$ (1,859)
Cooperative extension program:			
VPI extension	\$ 117,346	\$ 116,708	\$ 638
Johnsongrass Office	-	1	(1)
Gypsy moth	103,825	87,528	16,297
Total cooperative extension program	\$ 221,171	\$ 204,237	\$ 16,934
Total community development	\$ 1,974,928	\$ 2,073,464	\$ (98,536)

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Expenditures – Budget and Actual**  
**Year Ended June 30, 1996 (Continued)**

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Nondepartmental:			
Nondepartmental operations	\$ 3,800,312	\$ -	\$ 3,800,312
Debt service on capital lease:			
Principal	\$ 56,876	\$ 59,845	\$ (2,969)
Interest	\$ 11,227	\$ 7,673	\$ 3,554
Total debt service	\$ 68,103	\$ 67,518	\$ 585
Total General Fund	\$ 28,985,461	\$ 25,606,354	\$ 3,379,107
Special Revenue Funds:			
Joint Dispatch Center Fund:			
Public safety:			
Other protection:			
Emergency operations center	\$ 759,177	\$ 649,852	\$ 109,325
Volunteer Fire and Rescue Fund:			
Contribution to Fire and Rescue Associations	\$ -	584,380	\$ (584,380)
Total Special Revenue Funds	\$ 759,177	\$ 1,234,232	\$ (475,055)
Capital Projects Fund:			
General	\$ 73,716	\$ 28,836	\$ 44,880
Public Safety	895,000	305,798	589,202
Public Works	1,136,500	685,581	450,919
Education	1,344,058	1,564,158	(220,100)
Parks and Recreation	614,705	308,208	306,497
Community Development	2,321,156	205,220	2,115,936
Non-Departmental	15,288	25,044	(9,756)
Total Capital Projects Fund	\$ 6,400,423	\$ 3,122,845	\$ 3,277,578
Grand Total Expenditures -- Primary Government	\$ 36,145,061	\$ 29,963,431	\$ 6,181,630

**COUNTY OF FAUQUIER, VIRGINIA**  
**Governmental Funds and Discretely Presented Component Units**  
**Schedule of Expenditures -- Budget and Actual**  
**Year Ended June 30, 1996 (Continued)**

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Education:			
Administration of schools:			
Instruction	\$ 40,681,779	\$ 38,588,070	\$ 2,093,709
Administration, attendance and health	1,635,483	1,535,332	100,151
Pupil transportation services	3,204,313	3,128,244	76,069
Operation and maintenance services	2,301,608	2,167,654	133,954
Facilities	\$ -	347,848	(347,848)
Total education	\$ 47,823,183	\$ 45,767,148	\$ 2,056,035
Debt Service:			
Principal retirement	\$ 821,311	\$ 3,439,623	\$ (2,618,312)
Interest and other debt costs	2,474,985	2,584,246	(109,261)
Total debt service	\$ 3,296,296	\$ 6,023,869	\$ (2,727,573)
Total School Operating Fund	\$ 51,119,479	\$ 51,791,017	\$ (671,538)
School Cafeteria Fund:			
Education:			
School food services	\$ 2,138,078	\$ 2,226,562	\$ (88,484)
School Construction Fund:			
Capital projects	\$ -	\$ 85,732	\$ (85,732)
Total School Capital Projects Fund	\$ -	\$ 85,732	\$ (85,732)
Grand Total Expenditures -- Component Unit -- School Board	\$ 53,257,557	\$ 54,103,311	\$ (845,754)
Grand Total Expenditures - Reporting Entity	\$ 89,402,618	\$ 84,066,742	\$ 5,335,876

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 3

**Schedule of the Treasurer's Accountability**

**At June 30, 1996**

**Assets held by the Treasurer:**

Cash on hand	\$ 1,000
Cash in banks:	--
Checking:	
The Fauquier Bank	(3,565,465)
Farmers and Merchants - Peoples	81,112
Savings	
First Virginia Bank	29,622
Money Market Accounts:	
Marshall National Bank	15,082
State Bank of Remington	11,787
Farmers and Merchants - Peoples	6,644
Crestar	168,480
Jefferson National Bank	5,840

**Investments:**

Federated Short-Term U.S. Government Trust	6,117,190
Local Government Investment Pool	20,480,462
Virginia State Non-Arbitrage Program	<u>2,241,530</u>

**Total assets** **\$ 25,593,284**

**Liabilities of the Treasurer:**

Balance of County Funds(Schedule 4)	\$ 25,574,118
Amount due to Commonwealth of Virginia	17,082
Other Credits	<u>2,084</u>

**Total Liabilities** **\$ 25,593,284**

NOTE: This schedule is recorded on a cash basis. Assets and Liabilities reflected in the other supplementary data and basic financial statements are recorded on the accrual and/or modified accrual basis, except as otherwise noted.

COUNTY OF FAUQUIER, VIRGINIA

Schedule of the Treasurer's Accountability to the County  
 All County Funds and Component Units  
 For the Period Beginning July 1, 1995 and Ending June 30, 1996

	Governmental Funds-		
	General	Special Revenue	Capital Projects
Balance July 1, 1995	\$ 10,972,193	\$ 493,200	\$ 4,990,664
Receipts(Net):			
General property taxes	\$ 49,640,194	\$ -	\$ -
Other local taxes	7,042,677	620,559	-
Permits, privilege fees and regulatory licenses	492,519	-	-
Fines and Forfeitures	121,389	-	-
Revenue from use of money and property	1,707,000	-	-
Charges for services	351,075	-	-
Miscellaneous	87,282	-	533,570
Recovered Cost	155,276	-	-
Intergovernmental	6,223,685	-	-
Other financing sources	-	-	-
Total receipts	\$ 65,821,097	\$ 620,559	\$ 533,570
Total receipts and balance	\$ 76,793,290	\$ 1,113,759	\$ 5,524,234
Disbursements(Net):			
Warrants(checks) issued	\$ 23,520,759	\$ 1,268,352	\$ 2,943,790
Retirement of indebtedness	59,845	-	-
Interest and fiscal charges	7,673	-	-
Total distributions	\$ 23,588,277	\$ 1,268,352	\$ 2,943,790
Interfund transfer:			
Transfers in	\$ 6,110,447	\$ 156,826	\$ 2,398,954
Transfers out	44,449,466	-	78,947
Balance, June 30, 1996	\$ 14,865,994	\$ 2,233	\$ 4,900,451

Schedule 4

Proprietary Funds		Fiduciary Funds	Component Units	Total
Enterprise	Internal Service	Trust & Agency	School Board	"Memorandum Only"
\$ 4,028,386	\$ 388,048	\$ 347,160	\$ 957,967	\$ 22,177,618
\$ -	\$ -	\$ -	\$ -	\$ 49,640,194
-	-	-	-	7,663,236
-	-	-	-	492,519
-	-	-	-	121,389
220,515	55,010	9,165	9,218	2,000,908
1,951,209	-	135,582	1,827,959	4,265,825
55,335	3,729,220	199,141	536,436	5,140,984
-	-	-	-	155,276
127,186	-	-	17,448,681	23,799,552
-	1,723,095	-	-	1,723,095
\$ 2,354,245	\$ 5,507,325	\$ 343,888	\$ 19,822,294	\$ 95,002,978
\$ 6,382,631	\$ 5,895,373	\$ 691,048	\$ 20,780,261	\$ 117,180,596
\$ 2,687,346	\$ 4,048,795	\$ 266,008	\$ 50,295,428	\$ 85,030,478
230,000	-	-	3,385,720	3,675,565
230,178	-	-	2,638,149	2,876,000
\$ 3,147,524	\$ 4,048,795	\$ 266,008	\$ 56,319,297	\$ 91,582,043
\$ 51,300	\$ -	\$ 2,251	\$ 41,069,238	\$ 49,789,016
-	-	26,686	5,258,352	49,813,451
\$ 3,286,407	\$ 1,846,578	\$ 400,605	\$ 271,850	\$ 25,574,118

COUNTY OF FAUQUIER, VIRGINIA

Schedule 5

Schedule of the Treasurer's Accountability to the Commonwealth  
For the Year Ended June 30, 1996

	<u>Balance July 1, 1995</u>	<u>Collections</u>	<u>Remittances</u>	<u>Balance June 30, 1996</u>
<b>1996 Taxes:</b>				
Estimated income taxes	\$ -	\$ 1,847,218	\$ 1,839,067	\$ 8,151
<b>1995 Taxes:</b>				
Taxable year income taxes		1,495,639	1,486,770	8,869
Estimated income taxes		3,130,189	3,130,189	-
<b>1994 Taxes:</b>				
Taxable year income taxes		195,881	196,276	(395)
<b>Other Collections:</b>				
Penalty	21	7,459	7,480	-
Interest	18	1,461	1,479	-
Share of fees of sheriff and deputies	-	71,855	71,398	457
<b>Totals</b>	<b>\$ <u>39</u></b>	<b>\$ <u>6,749,702</u></b>	<b>\$ <u>6,732,659</u></b>	<b>\$ <u>17,082</u></b>

This statement has been prepared on the cash basis of accounting.

COUNTY OF FAUQUIER, VIRGINIA

Schedule 6

Schedule of Federal Assistance

Year ended June 30, 1996 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program Title(Pass - Through Grantor's Number)	Federal Catalog Number	Balance July, 1, 1995	Revenues		Expenditures	Balance June 30, 1996
			Federal	State/ Local		
<b>PRIMARY GOVERNMENT:</b>						
Department of Agriculture:						
Pass Through Payments:						
Virginia Department of Agriculture and Consumer Services:						
Food distribution	10.550	\$ 471	\$ 718	\$ -	\$ 998	\$ 191
Cooperative forestry assistance	10.664	-	25,183	-	25,183	-
Department of Social Services:						
Food Stamp Program	10.551	-	2,044,723	-	2,044,723	-
<b>Total Department of Agriculture</b>		<b>471</b>	<b>2,070,624</b>	<b>-</b>	<b>2,070,904</b>	<b>191</b>
Department of Education:						
Pass Through Payments:						
Department of Education:						
National Community Services Act	94.001	\$ -	\$ 5,052	\$ 507,857	\$ 512,909	\$ -
Department of Health and Human Services:						
Pass through Payments:						
Department of Social Services:						
Child welfare services - state grants	93.645	\$ -	\$ 284,175	\$ 171	\$ 284,346	\$ -
Foster Care - Title IV-E	93.658	-	21,288	-	21,288	-
Social services block grant	93.667	-	170,721	69,012	239,733	-
Independent living	93.674	-	4,050	-	4,050	-
Job opportunities and basic skills training	93.561	-	32,144	19,944	52,088	-
Other benefits programs	93.778	-	432,391	158,470	590,861	-
Refugee and entrant assistance - discretionary	93.576	-	13,971	19,857	33,828	-
Low Income Energy Assistance Block Grant	93.568	-	5,178	-	5,178	-
Social services administration	N/A	-	61,872	33,303	95,175	-
<b>Total Department of Health and Human Services</b>		<b>\$ -</b>	<b>\$ 1,025,790</b>	<b>\$ 300,757</b>	<b>\$ 1,326,547</b>	<b>\$ -</b>
Department of Justice:						
Pass through Payments:						
Department of Criminal Justice Services:						
Drug control and system improvement County of Arlington	16.579	\$ -	\$ 37,698	\$ -	\$ 37,698	\$ -
Police Assisted Community Drug Enforcement Program	16.580	-	17,421	-	17,421	-
<b>Total Department of Justice</b>		<b>\$ -</b>	<b>\$ 55,119</b>	<b>\$ -</b>	<b>\$ 55,119</b>	<b>\$ -</b>
Federal Aviation Administration:						
Direct Payments:						
Airport improvement program	20.106	\$ -	\$ 35,720	\$ -	\$ 35,720	\$ -
Department of Transportation:						
Pass Through Payments:						
Department of Motor Vehicles:						
Alcohol traffic safety and drunk driving prevention	20.601	\$ -	\$ 11,716	\$ -	\$ 11,716	\$ -
Federal Emergency Management Agency:						
Pass Through Payments:						
Department of Emergency Services:						
Disaster Assistance	83.516	\$ -	\$ 6,103	\$ -	\$ 6,103	\$ -
Civil defense - State and local emergency management assistance	83.503	-	10,129	-	10,129	-
<b>Total Federal Emergency Management Agency</b>		<b>\$ -</b>	<b>\$ 16,232</b>	<b>\$ -</b>	<b>\$ 16,232</b>	<b>\$ -</b>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 6

Schedule of Federal Assistance

Year ended June 30, 1996 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program Title/Pass - Through Grantor's Number	Federal Catalog Number	Balance July 1, 1995	Revenues		Expenditures	Balance June 30, 1996
			Federal	State/ Local		
Other Assistance:						
Department of Defense/Office of Economic Adjustment:						
Direct Payments:						
Vint Hill Farm Station	N/A	\$ -	\$ 126,362	\$ 24,099	\$ 150,461	\$ -
Department of Interior:						
Direct Payments:						
Bureau of Land Management - National Forest						
Acreage payment	N/A	-	1,984	-	1,984	-
Department of the Justice:						
Direct Payments:						
Forfeited assets-drug arrests	N/A	34,854	22,486	-	57,340	-
Total Other Assistance		\$ 34,854	\$ 150,832	\$ 24,099	\$ 209,785	\$ -
Total Federal Assistance - Primary Government		\$ 35,325	\$ 3,371,085	\$ 832,713	\$ 4,238,932	\$ 191
COMPONENT UNIT - SCHOOL BOARD:						
Department of Agriculture:						
Pass Through Payments:						
Virginia Department of Agriculture and Consumer Services:						
Food Distribution	10.555	\$ 22,723	\$ 112,198	\$ -	\$ 121,050	\$ 13,871
School and Roads	10.665	-	842	-	842	-
Department of Education:						
National school breakfast program						
National school lunch program	10.553	10,487	62,156	-	72,643	-
	10.555	94	386,575	-	386,669	-
Total Department of Agriculture		\$ 33,304	\$ 561,771	\$ -	\$ 581,204	\$ 13,871
Department of Education:						
Direct Payments:						
School assistance in federally affected areas	84.041	\$ -	\$ 90,512	\$ -	\$ 90,512	\$ -
Pass Through Payments:						
Department of Education:						
Act of 1981:						
Adult education state-administered program	84.002	-	37,067	-	37,067	-
Chapter I:						
Financial assistance to meet special education needs of disadvantaged children - programs operated by local education agencies	84.010	-	448,408	-	448,408	-
Chapter II:						
Improving school program - state block grant	84.151	-	17,878	-	17,878	-
Elementary and secondary education act(ESEA):						
Title VI-B:						
Handicapped - state grants	84.027	-	432,714	-	432,714	-
Vocational Education:						
Basic grants to states	84.048	-	100,006	-	100,006	-
Education for economic security		-	762	-	762	-
Drug free school and communities	84.186	-	6,527	-	6,527	-
Total Department of Education		\$ -	\$ 1,133,874	\$ -	\$ 1,133,874	\$ -
Total Federal Assistance - Component Unit		\$ 33,304	\$ 1,695,645	\$ -	\$ 1,715,078	\$ 13,871
Total Federal Assistance - Reporting Entity		\$ 68,629	\$ 5,066,730	\$ 832,713	\$ 5,954,010	\$ 14,062



COUNTY OF FAUQUIER, VIRGINIA

Government Revenues by Source(1)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Revenues from the Use of Money & Property	Charges for Services
1986-87	\$ 15,789,692	\$ 4,570,353	\$ 328,851	\$ 7,116	\$ 540,562	\$ 1,335,397
1987-88	18,220,836	5,391,804	344,521	20,391	767,075	1,500,007
1988-89	22,202,672	6,021,309	622,325	27,044	1,263,686	1,702,151
1989-90	27,334,024	6,031,357	494,961	15,568	1,916,988	2,283,941
1990-91	34,595,261	5,631,251	433,172	37,034	721,940	2,601,207
1991-92	37,202,099	6,595,335	456,613	61,665	629,862	2,135,821
1992-93	39,603,352	6,286,132	393,613	130,103	620,588	2,068,769
1993-94	43,016,486	6,880,131	437,690	147,400	889,244	2,530,523
1994-95	48,029,231	7,374,936	589,711	147,975	1,633,286	2,418,307
1995-96	49,650,697	7,663,235	492,519	121,389	1,725,383	2,179,034

(1) Includes General and Special Revenue Funds of Primary Government and Discretely Presented Component Unit - School Board

Schedule 8

<u>Miscellaneous</u>	<u>Recovered Costs</u>	<u>Inter- governmental</u>	<u>Total</u>
\$ 261,744	\$ 201,257	\$ 15,278,148	\$ 38,313,120
297,222	719,986	16,896,848	44,158,690
354,896	181,403	17,555,551	49,931,037
557,625	208,769	18,493,530	57,336,763
502,029	402,511	18,918,026	63,842,431
827,857	384,823	18,504,967	66,799,042
347,404	80,699	18,668,754	68,199,414
377,114	663,786	19,327,976	74,270,350
183,482	379,367	23,171,823	83,928,118
<u>1,181,682</u>	<u>155,276</u>	<u>23,672,366</u>	<u>86,841,581</u>

COUNTY OF FAUQUIER, VIRGINIA

Government Expenditures by Function(1)  
Last Ten Fiscal Years

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare
1986-87	\$ 1,465,401	\$ 303,002	\$ 2,089,751	\$ 841,006	\$ 1,486,167
1987-88	1,838,606	451,517	2,548,440	1,035,979	1,581,637
1988-89	2,413,428	421,130	3,139,908	1,316,817	1,646,195
1989-90	2,959,934	492,597	4,280,231	1,880,083	1,951,262
1990-91	3,185,919	774,240	4,564,187	1,848,586	2,212,918
1991-92	3,264,804	883,435	4,999,490	990,293	2,449,113
1992-93	3,336,681	876,865	4,878,359	1,440,581	2,544,881
1993-94	3,787,665	910,145	5,293,874	1,624,721	2,814,113
1994-95	3,347,351	980,382	7,095,895	1,837,059	3,150,622
1995-96	4,448,074	1,035,026	8,223,415	5,573,828	3,622,004

(1) Includes General and Special Revenue Funds of Primary Government and Discretely Presented Component Unit - School Board.

Schedule 9

<u>Education</u>	<u>Recreation and Cultural</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Total</u>
\$ 27,480,528	\$ 927,822	\$ 445,127	\$ 2,002,998	\$ 37,041,802
32,240,244	1,224,860	725,800	2,119,103	43,766,186
34,996,434	1,353,518	772,605	2,789,893	48,849,928
39,217,923	1,421,475	1,369,908	3,364,398	56,937,811
43,543,672	1,552,706	1,179,258	4,023,564	62,885,050
43,390,849	1,467,637	1,113,988	3,957,162	62,516,771
44,395,046	1,417,448	1,497,886	4,944,684	65,332,431
46,061,151	1,536,063	1,618,601	5,802,071	69,448,404
50,848,284	1,673,107	1,957,757	6,107,034	76,997,491
<u>48,023,722</u>	<u>1,767,245</u>	<u>2,073,464</u>	<u>6,091,387</u>	<u>80,858,165</u>

COUNTY OF FAUQUIER, VIRGINIA

Property Tax Levies and Collections  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total(1) Tax Levy</u>	<u>Current Tax(1) Collections</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent(1) Tax(2) Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
1986-87	\$ 15,719,668	\$ 15,162,633	96.46%	\$ 316,463	\$ 15,479,096	98.47%
1987-88	18,104,495	17,481,859	96.56%	423,348	17,905,207	98.90%
1988-89	22,158,469	21,416,243	96.65%	265,415	21,681,658	97.85%
1989-90	27,639,958	26,443,360	95.67%	348,365	26,791,725	96.93%
1990-91	35,624,866	33,478,769	93.98%	534,519	34,013,288	95.48%
1991-92	37,515,586	34,988,407	93.26%	1,082,529	36,070,936	96.15%
1992-93	39,486,468	36,907,864	93.47%	1,618,156	38,526,020	97.57%
1993-94	42,166,153	40,074,085	95.04%	1,966,571	42,040,656	99.70%
1994-95	46,297,895	43,520,809	94.00%	2,004,527	45,525,336	98.33%
1995-96	48,851,811	46,861,151	95.93%	1,453,928	48,315,079	98.90%

(1) Exclusive of penalties.

(2) Does not include land redemptions.

(3) Includes three years taxes

Schedule 10

ALABAMA DEPARTMENT OF REVENUE  
 STATE OF ALABAMA  
 DEPARTMENT OF REVENUE

	Outstanding(1) Delinquent(3) Taxes	Percent of Delinquent Taxes to Tax Levy				
\$	1,005,339	6.40%				
	1,101,945	6.09%				
	1,378,915	6.22%				
	1,821,313	6.59%				
	3,273,753	9.19%				
	4,418,739	11.78%				
	4,925,857	12.47%				
	4,397,492	10.43%				
	3,837,712	8.29%				
	<u>3,814,580</u>	<u>7.81%</u>				

COUNTY OF FAUQUIER, VIRGINIA

Assessed Value of All Taxable Property  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Airplane</u>	<u>Mobile Homes</u>
1986-87	\$ 1,539,672,210	\$ 129,422,737	\$ 1,251,380	\$ 3,758,820
1987-88	1,635,849,672	150,838,473	1,180,720	4,704,269
1988-89	1,722,937,767	181,388,260	1,387,571	5,156,433
1989-90	3,005,951,399	194,685,171	1,325,849	5,510,432
1990-91	3,096,038,974	207,471,221	1,590,250	5,491,323
1991-92	3,112,929,825	207,661,484	1,761,325	5,402,293
1992-93	3,172,703,130	204,244,507	1,861,830	5,521,339
1993-94	3,203,089,889	205,822,817	2,141,750	5,310,872
1994-95	3,326,023,307	225,348,686	2,199,898	4,511,633
<u>1995-96</u>	<u>3,379,312,100</u>	<u>265,881,413</u>	<u>2,367,444</u>	<u>4,812,375</u>

Schedule 11

<u>Machinery and Tools</u>	<u>Merchants' Capital</u>	<u>Public Service</u>	<u>Total</u>
\$ 9,249,940	\$ 23,678,900	\$ 98,109,991	\$ 1,805,143,978
9,451,714	28,069,491	99,330,675	1,929,425,014
9,955,485	35,952,389	94,756,425	2,051,534,330
12,351,141	-	125,293,746	3,345,117,738
12,895,230	-	128,044,315	3,451,531,313
13,760,045	-	119,289,578	3,460,804,550
10,030,443	-	121,997,262	3,516,358,511
8,745,079	-	137,752,001	3,562,862,408
7,718,678	-	168,355,738	3,734,157,940
<u>6,157,665</u>	<u>-</u>	<u>168,080,556</u>	<u>3,826,611,553</u>

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**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 12

**Property Tax Rates(1)  
Last Ten Years**

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Airplanes</u>	<u>Machinery and Tools</u>	<u>Merchants' Capital</u>
1986-87	0.66	3.45	1.50	3.45	0.01
1987-88	0.72	3.45	1.50	3.45	0.01
1988-89	0.84	3.55	1.50	3.55	0.01
1989-90	0.62	3.95	1.50	3.55	-
1990-91	0.83	4.00	1.50	4.00	-
1991-92	0.88	4.00	1.50	4.00	-
1992-93	0.93	4.20	1.50	4.20	-
1993-94	0.98	4.50	1.50	4.50	-
1994-95	1.03	4.90	1.50	4.90	-
1995-96	1.03	4.80	1.50	4.80	-

Notes: (1) All years assessed at fair market value.

COUNTY OF FAUQUIER, VIRGINIA

Schedule 13

Ratio of Net General Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Population(1)	Assessed Value(2)	Gross Bonded Debt(3)	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
1986-87	35,889	\$ 1,805,107,978	\$ 12,832,500	0.0071	\$ 358
1987-88	35,889	1,929,425,014	13,055,000	0.0068	364
1988-89	46,100	2,051,534,330	23,612,500	0.0115	512
1989-90	48,425	3,345,117,738	29,390,000	0.0088	607
1990-91	48,425	3,451,531,313	27,562,500	0.0080	569
1991-92	48,741	3,460,804,550	33,610,000	0.0097	690
1992-93	48,741	3,516,361,511	47,122,500	0.0134	967
1993-94	48,741	3,562,862,408	44,470,000	0.0125	912
1994-95	48,741	3,734,157,940	41,472,500	0.0111	851
1995-96	48,741	3,826,611,553	38,197,500	0.0100	784

(1) Bureau of Census

(2) From Schedule 11

(3) Includes all long-term general obligation bonded debt, Bond Anticipation Notes, and Literary Fund Loans. Excludes revenue bonds, capital leases, and compensated absences.

**ROBINSON, FARMER, COX ASSOCIATES**

*A PROFESSIONAL CORPORATION*

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

---

**THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF FAUQUIER  
WARRENTON, VIRGINIA**

We have audited the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. In our report, our opinion was qualified because the financial statements do not include a general fixed assets account group which is required by generally accepted accounting principles.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the County of Fauquier, Virginia, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the County of Fauquier, Virginia, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect Fauquier County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their functions.

During the course of the year payroll preparation duties were transferred from the Personnel Department to the Finance Department. Subsequent to this transfer, County payroll is prepared by the same person who enters employees gross pay, hours worked, issues the payroll check, and distributes the payroll check. This is a reportable condition which we believe is a material weakness as defined above. We strongly encourage proper segregation of duties be implemented in all phases of payroll process.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

However, we noted certain other matters involving the internal control structure and its operation that we have reported to the management of the County of Fauquier, Virginia, in a separate letter dated November 8, 1996.

This report is intended for the information of the management and Board of Supervisors. However, this report is a matter of public record and its distribution is not limited.

*Robinson James Cox Associates*

Charlottesville, Virginia  
November 8, 1996

**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
USED IN ADMINISTERING FEDERAL ASSISTANCE PROGRAMS**

---

**THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF FAUQUIER  
WARRENTON, VIRGINIA**

We have audited the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. We have also audited the compliance of the County of Fauquier, Virginia, with requirements applicable to major federal assistance programs and have issued our report thereon dated November 8, 1996. In our report, our opinion was qualified because the financial statements do not include a general fixed assets account group which is required by generally accepted accounting principles.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, Audits of State and Local Governments; and the Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the County of Fauquier, Virginia, complied with laws and regulations, noncompliance with which would be material to a major federal assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the County of Fauquier, Virginia, in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the County of Fauquier, Virginia, and on the compliance of the County of Fauquier, Virginia, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 8, 1996.

The management of the County of Fauquier, Virginia, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal assistance programs in the following categories:

<u>Activity Cycles</u>	<u>General Requirements</u>	<u>Specific Requirements</u>
<input type="checkbox"/> Treasury or financing	<input type="checkbox"/> Political activity	<input type="checkbox"/> Types of services
<input type="checkbox"/> Revenues/receipts	<input type="checkbox"/> Davis-Bacon Act	<input type="checkbox"/> Eligibility
<input type="checkbox"/> Purchases/disbursements	<input type="checkbox"/> Civil rights	<input type="checkbox"/> Matching, level-of-effort, or earmarking
<input type="checkbox"/> Financial reporting	<input type="checkbox"/> Cash management	<input type="checkbox"/> Reporting
<input type="checkbox"/> Payroll/personnel	<input type="checkbox"/> Administrative requirements	<input type="checkbox"/> Special requirements, if any
	<input type="checkbox"/> Relocation assistance and real property acquisition	<input type="checkbox"/> Monitoring subrecipients
	<input type="checkbox"/> Allowable costs, cost principles	
	<input type="checkbox"/> Federal financial reports	
	<input type="checkbox"/> Drug-free Workplace Act	

Claims for advances and reimbursements  
 Amounts claimed or used for matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the County of Fauquier, Virginia, expended 70.55 percent of its total federal assistance under major federal assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the County of Fauquier, Virginia's major federal assistance programs, which are identified in the accompanying Schedule of Federal Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect Fauquier County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their functions.

During the course of the year payroll preparation duties were transferred from the Personnel Department to the Finance Department. Subsequent to this transfer County payroll is prepared by the same person who enters employees gross pay, hours worked, issues the payroll check, and distributes the payroll check. This is a reportable condition which we believe is a material weakness as defined above. We strongly encourage proper segregation of duties be implemented in all phases of payroll process.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

However, we noted certain other matters involving the internal control structure and its operation that we have reported to the management of the County of Fauquier, Virginia, in a separate letter dated November 8, 1996.

This report is intended for the information of the management and Board of Supervisors. However, this report is a matter of public record and its distribution is not limited.

*Robinson James, CA Associates*  
Charlottesville, Virginia  
November 8, 1996

*Robinson James, CA Associates*  
Charlottesville, Virginia  
November 8, 1996

**ROBINSON, FARMER, COX ASSOCIATES**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN  
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

---

**THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF FAUQUIER  
WARRENTON, VIRGINIA**

We have audited the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. In our report, our opinion was qualified because the financial statements do not include a general fixed assets account group which is required by generally accepted accounting principles.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the County of Fauquier, Virginia, is the responsibility of the County of Fauquier, Virginia's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County of Fauquier, Virginia's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management and Board of Supervisors. However, this report is a matter of public record and its distribution is not limited.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 8, 1996

**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL ASSISTANCE PROGRAMS**

---

**THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF FAUQUIER  
LEXINGTON, VIRGINIA**

We have audited the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. In our report, our opinion was qualified because the financial statements do not include a general fixed assets account group which is required by generally accepted accounting principles.

We have also audited the County of Fauquier, Virginia's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal assistance programs, which are identified in the accompanying Schedule of Federal Assistance, for the year ended June 30, 1996. The management of the County of Fauquier, Virginia, is responsible for the County of Fauquier, Virginia's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, Audits of State and Local Governments; and the Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County of Fauquier, Virginia's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the County of Fauquier, Virginia, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal assistance programs for the year ended June 30, 1996.

This report is intended for the information of the management and Board of Supervisors. However, this report is a matter of public record and its distribution is not limited.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia

November 8, 1996

**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE  
GENERAL REQUIREMENTS APPLICABLE TO FEDERAL ASSISTANCE PROGRAMS**

**THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF FAUQUIER  
WARRENTON, VIRGINIA**

We have audited the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. In our report, our opinion was qualified because the financial statements do not include a general fixed assets account group which is required by generally accepted accounting principles.

We have applied procedures to test the County of Fauquier, Virginia's compliance with the following requirements applicable to its federal assistance programs, which are identified in the Schedule of Federal Assistance, for the year ended June 30, 1996.

**GENERAL REQUIREMENTS**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Political activity | <input type="checkbox"/> Relocation assistance and<br>real property acquisition | <input type="checkbox"/> Allowable costs/cost<br>principles |
| <input type="checkbox"/> Davis-Bacon Act    | <input type="checkbox"/> Administrative requirements                            | <input type="checkbox"/> Drug-free Workplace Act            |
| <input type="checkbox"/> Civil rights       |   | <input type="checkbox"/> Federal financial reports          |
| <input type="checkbox"/> Cash management    |   |   |

Our procedures were limited to the applicable procedures described in Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County of Fauquier, Virginia's compliance with the requirements, listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the County of Fauquier, Virginia, had not complied, in all material respects, with those requirements.

This report is intended for the information of the management and Board of Supervisors. However, this report is a matter of public record and its distribution is not limited.

*Robinson Farmer Cox Associates*

Charlottesville, Virginia

November 8, 1996

**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS  
APPLICABLE TO NONMAJOR FEDERAL ASSISTANCE PROGRAM TRANSACTIONS**

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**TO THE BOARD OF SUPERVISORS  
COUNTY OF FAUQUIER, VIRGINIA**

We have audited the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. In our report, our opinion was qualified because the financial statements do not include a general fixed assets account group which is required by generally accepted accounting principles.

In connection with our audit of the general purpose financial statements of the County of Fauquier, Virginia, and with our consideration of the County of Fauquier, Virginia's control structure used to administer federal assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and special tests and provisions if any that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County of Fauquier, Virginia's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County of Fauquier, Virginia, had not complied, in all material respects, with those requirements.

This report is intended for the information of the audit committee, management and the Board of Supervisors. However, this report is a matter of public record and its distribution is not limited.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 8, 1996

# ROBINSON, FARMER, COX ASSOCIATES

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## INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL ASSISTANCE

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### THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF FAUQUIER WARRENTON, VIRGINIA

We have audited the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. These general purpose financial statements are the responsibility of the County of Fauquier, Virginia's management. In our report, our opinion was qualified because the financial statements do not include a general fixed assets account group which is required by generally accepted accounting principles. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments; and the Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, taken as a whole. The accompanying Schedule of Federal Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 8, 1996

**COUNTY OF FAUQUIER, VIRGINIA**

**Summary of Compliance Matters**

As more fully described in the Independent Auditors' Report on Compliance, we performed tests of the County's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

**STATE COMPLIANCE MATTERS**

**Code of Virginia:**

Budget and Appropriation Laws  
Cash and Investment Laws  
Conflicts of Interest Act  
Local Retirement Systems  
Debt Provisions  
Procurement Laws  
Uniform Disposition of Unclaimed Property Act

**State Agency Requirements:**

Education  
Social Services

**FEDERAL COMPLIANCE MATTERS**

**Compliance Supplement for Single Audits of State and Local Governments**

**Food Stamps**

Eligibility  
Reporting  
Special tests, relating to food stamps

**Social Services Block Grant**

Types of services allowed or unallowed  
Eligibility  
Matching  
Reporting

**General Administration for Financial Assistance Services**

Reporting

**School Lunch**

Types of services allowed or unallowed  
Eligibility  
Matching, level of effort

**Chapter 1**

**Types of services allowed or unallowed**  
**Eligibility**  
**Matching, level of effort**  
**Special tests and provisions**

**Title VI-B**

**Types of services allowed or unallowed**  
**Eligibility**  
**Matching, level of effort**  
**Special tests and provisions**