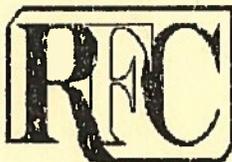


**COUNTY OF FAUQUIER, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 1994**



**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

COUNTY OF FAUQUIER, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1994



COUNTY OF FAUQUIER, VIRGINIA

June 30, 1994

BOARD OF SUPERVISORS

	James G. Brumfield, Chairman	
	David C. Mangum, Vice-Chairman	
Wilbur W. Burton	Georgia H. Herbert	James R. Green, Jr.
	G. Robert Lee, County Administrator	

COUNTY SCHOOL BOARD

	Lawrence D. Czarda, Chairman	
	Mary Charles Ashby, Vice-Chairman	
E. Richard Whiting	John M. Green	Gary Watson
	Shirley C. Frazier, Clerk	

COUNTY SOCIAL SERVICES BOARD

	Larry Parks, Chairman	
	James K. Shirley, Vice-Chairman	
Taliaferro Copper	Marie Price	Pauline Upshur

OTHER OFFICIALS

Judge of the Circuit Court .....	William Shore Robertson
Judge of the Circuit Court .....	Carleton Penn
Clerk of the Circuit Court .....	William D. Harris
Judge of the General District Court .....	Charles B. Foley
Judge of Juvenile & Domestic Relations District Court .....	Burke Hertz
Commonwealth's Attorney .....	Jonathan Lynn
Commissioner of the Revenue .....	Alice Jane Childs
Treasurer .....	Bonita J. Lineweaver
Sheriff .....	Joseph Higgs, Jr.
Superintendent of Schools .....	Anthony J. Lease
Director of Department of Social Services .....	Janis K. Selbo



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GENERAL PURPOSE FINANCIAL STATEMENTS



# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the County of Fauquier, Virginia, and the combining financial statements of the County as of and for the year ended June 30, 1994 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, the standards for financial audits contained in Government Auditing Standards (1988 Revision) issued by the Comptroller General of the United States and 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. 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 asset account group, which should be included to conform with generally accepted accounting principles.

In our opinion, except that the omission of the general fixed assets 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, at June 30, 1994, and the results of its operations and cash flows of its proprietary funds for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the County of Fauquier, Virginia at June 30, 1994, and the results of operations and cash flows of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made 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, including the Schedule of Federal Assistance, 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 stated in all material respects in relation to the general purpose and combining financial statements taken as a whole.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
September 16, 1994

COUNTY OF FAUQUIER, VIRGINIA

Combined Balance Sheet - All Funds, Account Groups, and Discretely Presented Component Units

At June 30, 1994

	Governmental Funds		Proprietary Fund	Fiduciary Funds
	General	Capital Projects	Enterprise	Trust and Agency
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash and investments (Note 2)	\$ 8,810,710	\$ 2,997,802	\$ 456,425	\$ 457,769
Restricted cash and investments	355,722	0	3,148,122	0
Cash in custody of others	0	0	51,250	12,299
Petty cash	6,050	0	0	0
Deferred compensation program deposits	0	0	0	267,074
Receivables (Net of allowances for uncollectibles):				
Taxes, including penalties (Note 1)	2,916,099	0	0	0
Accounts	428,714	0	249,571	0
Due from primary government (Note 5)	0	0	0	0
Due from other governmental units (Note 4)	492,243	0	6,196	0
Fixed assets (Net of accumulated depreciation) (Note 6)	0	0	3,469,590	0
Bond issuance costs (net of accumulated amortization)	0	0	132,374	0
Other debits:				
Amount to be provided for the retirement of general long-term debt	0	0	0	0
<b>Total assets and other debits</b>	<b>\$ 13,009,538</b>	<b>\$ 2,997,802</b>	<b>\$ 7,513,528</b>	<b>\$ 737,142</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 491,977	\$ 43,077	\$ 40,015	\$ 0
Accrued liabilities	0	0	3,300,213	306,118
Payroll payable	33,761	0	1,800	0
Retainage payable	0	0	0	0
Amount held for insurance claims	0	0	0	0
Amount held for social service clients	0	0	0	2,646
Amount held for prisoners	0	0	0	12,299
Due to primary government (Note 5)	4,647,168	0	0	0
Deferred revenue (Note 10)	2,490,358	0	0	0
Deferred compensation payable (Note 11)	0	0	0	267,074
Revenue bonds payable (Note 7)	0	0	4,680,000	0
General obligation bonds payable (Note 7)	0	0	0	0
State Literary Fund loans payable (Note 7)	0	0	0	0
Capital lease obligations payable (Note 7)	0	0	0	0
Early retirement obligations payable (Note 7)	0	0	0	0
Compensated absences payable (Note 7)	0	0	3,847	0
<b>Total liabilities</b>	<b>\$ 7,663,264</b>	<b>\$ 43,077</b>	<b>\$ 8,025,875</b>	<b>\$ 588,137</b>
<b>EQUITY AND OTHER CREDITS</b>				
Contributed capital	\$ 0	\$ 0	\$ 1,588,850	\$ 0
Retained earnings:				
Unreserved	0	0	(2,101,197)	0
Fund balances:				
Unreserved:				
Designated for subsequent expenditure	350,618	2,954,725	0	149,005
Undesignated	4,995,656	0	0	0
<b>Total retained earnings/fund balances</b>	<b>\$ 5,346,274</b>	<b>\$ 2,954,725</b>	<b>\$ (2,101,197)</b>	<b>\$ 149,005</b>
<b>Total fund equity</b>	<b>\$ 5,346,274</b>	<b>\$ 2,954,725</b>	<b>\$ (512,347)</b>	<b>\$ 149,005</b>
<b>Total liabilities and equity</b>	<b>\$ 13,009,538</b>	<b>\$ 2,997,802</b>	<b>\$ 7,513,528</b>	<b>\$ 737,142</b>

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

Exhibit 1

Account Group	Totals "Memorandum Only"	Component Units	Totals "Memorandum Only"
General	Primary Government	School Board	Reporting Entity
Long-term Debt			
\$ 0	\$ 12,722,706	\$ 5,034,954	\$ 17,757,660
0	3,503,844	0	3,503,844
0	63,549	0	63,549
0	6,050	700	6,750
0	267,074	0	267,074
0	2,916,099	0	2,916,099
0	678,285	19,307	697,592
0	0	4,647,168	4,647,168
0	498,439	1,135,600	1,634,039
0	3,469,590	0	3,469,590
0	132,374	0	132,374
<u>988,005</u>	<u>988,005</u>	<u>47,851,983</u>	<u>48,839,988</u>
<u>\$ 988,005</u>	<u>\$ 25,246,015</u>	<u>\$ 58,689,712</u>	<u>\$ 83,935,727</u>
\$ 0	\$ 575,069	\$ 1,767,877	\$ 2,342,946
0	3,606,331	4,541,076	8,147,407
0	35,561	0	35,561
0	0	868,018	868,018
0	0	729,082	729,082
0	2,646	0	2,646
0	12,299	0	12,299
0	4,647,168	0	4,647,168
0	2,490,358	0	2,490,358
0	267,074	0	267,074
0	4,680,000	0	4,680,000
0	0	43,030,000	43,030,000
0	0	1,440,000	1,440,000
254,482	254,482	186,844	441,326
0	0	1,467,029	1,467,029
<u>733,523</u>	<u>737,370</u>	<u>1,728,110</u>	<u>2,465,480</u>
<u>\$ 988,005</u>	<u>\$ 17,308,358</u>	<u>\$ 55,758,037</u>	<u>\$ 73,066,395</u>
\$ 0	\$ 1,588,850	\$ 0	\$ 1,588,850
0	(2,101,197)	0	(2,101,197)
0	3,454,347	2,931,175	6,385,523
0	4,995,656	500	4,996,156
<u>\$ 0</u>	<u>\$ 6,348,806</u>	<u>\$ 2,931,675</u>	<u>\$ 9,280,482</u>
<u>\$ 0</u>	<u>\$ 7,937,656</u>	<u>\$ 2,931,675</u>	<u>\$ 10,869,332</u>
<u>\$ 988,005</u>	<u>\$ 25,246,015</u>	<u>\$ 58,689,712</u>	<u>\$ 83,935,727</u>

COUNTY OF FAUQUIER, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Funds, Expendable Trust Fund, and Discretely Presented Component Units

Year Ended June 30, 1994

	Governmental Fund Types		Fiduciary
	General	Capital Projects	Fund Expendable Trust
Revenues:			
General property taxes	\$ 43,016,486	\$ 0	\$ 0
Other local taxes	6,878,236	0	0
Permits, privilege fees and regulatory licenses	439,585	0	0
Fines and forfeitures	99,719	0	0
Revenue from use of money and property	924,638	0	4,971
Charges for services	473,425	0	0
Miscellaneous	84,678	178	14,829
Recovered costs	663,787	0	0
Intergovernmental:			
Commonwealth	3,874,829	0	0
Federal	956,289	0	0
Total revenues	<u>\$ 57,411,672</u>	<u>\$ 178</u>	<u>\$ 19,800</u>
Expenditures:			
Current:			
General government administration	\$ 3,737,922	\$ 0	\$ 0
Judicial administration	910,145	0	0
Public safety	5,293,874	0	0
Public works	1,624,722	0	0
Health and welfare	2,814,113	0	0
Education	28,052	0	0
Parks, recreation, and cultural	1,536,063	0	0
Community development	1,618,602	0	0
Capital projects	0	871,060	0
Debt service:			
Principal retirement	0	0	0
Interest and other fiscal charges	18,668	0	0
Capital leases	104,883	0	0
Total expenditures	<u>\$ 17,687,044</u>	<u>\$ 871,060</u>	<u>\$ 0</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 39,724,628</u>	<u>\$ (870,882)</u>	<u>\$ 19,800</u>
Other financing sources (uses):			
Proceeds of indebtedness	\$ 25,873	\$ 0	\$ 0
VPSA refund proceeds	0	291,858	0
Operating transfers in	34,774	2,386,730	20,372
Operating transfers out	(2,437,077)	0	(34,774)
Operating transfers from/to primary government	<u>(35,043,125)</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>\$ (37,419,555)</u>	<u>\$ 2,678,588</u>	<u>\$ (14,402)</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ 2,305,073</u>	<u>\$ 1,807,706</u>	<u>\$ 5,398</u>
Fund balances at beginning of year	<u>\$ 3,041,201</u>	<u>\$ 1,147,019</u>	<u>\$ 143,607</u>
Fund balances at end of year	<u>\$ 5,346,274</u>	<u>\$ 2,954,725</u>	<u>\$ 149,005</u>

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

**Exhibit 2**

	Totals "Memorandum Only"	Component Units	Totals "Memorandum Only"
	Primary Government	School Board	Reporting Entity
\$	43,016,486	\$ 0	\$ 43,016,486
	6,878,236	0	6,878,236
	439,585	0	439,585
	99,719	0	99,719
	929,609	7,316	936,925
	473,425	2,057,097	2,530,522
	99,685	7,560	107,245
	663,787	0	663,787
	3,874,829	12,511,005	16,385,834
	956,289	1,985,851	2,942,140
\$	<u>57,431,650</u>	<u>\$ 16,568,829</u>	<u>\$ 74,000,479</u>
\$	3,737,922	\$ 0	\$ 3,737,922
	910,145	0	910,145
	5,293,874	0	5,293,874
	1,624,722	0	1,624,722
	2,814,113	0	2,814,113
	28,052	46,037,287	46,065,339
	1,536,063	0	1,536,063
	1,618,602	0	1,618,602
	871,060	8,817,691	9,688,751
	0	2,879,282	2,879,282
	18,668	2,691,189	2,709,857
	104,883	153,601	258,484
\$	<u>18,558,104</u>	<u>\$ 60,579,050</u>	<u>\$ 79,137,154</u>
\$	<u>38,873,546</u>	<u>\$ (44,010,221)</u>	<u>\$ (5,136,675)</u>
\$	25,873	\$ 0	\$ 25,873
	291,858	0	291,858
	2,441,876	55,017	2,496,893
	(2,471,851)	(55,017)	(2,526,868)
	(35,043,125)	35,043,125	0
\$	<u>(34,755,369)</u>	<u>\$ 35,043,125</u>	<u>\$ 287,756</u>
\$	4,118,177	\$ (8,967,096)	\$ (4,848,919)
\$	<u>4,331,827</u>	<u>\$ 11,898,771</u>	<u>\$ 16,230,598</u>
\$	<u>8,450,004</u>	<u>\$ 2,931,675</u>	<u>\$ 11,381,678</u>

COUNTY OF FAUQUIER, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances --

Budget and Actual -- General and Capital Projects Funds

And Discretely Presented Component Unit School Board

Year Ended June 30, 1994

	General Fund		
	Budget	Actual	Variance Favorable (Unfavor.)
Revenues:			
General property taxes	\$ 41,816,162	\$ 43,016,486	\$ 1,200,324
Other local taxes	6,665,500	6,878,236	212,736
Permits, privilege fees and regulatory licenses	475,235	439,585	(35,650)
Fines and forfeitures	0	99,719	99,719
Revenue from use of money and property	855,053	924,638	69,585
Charges for services	351,928	473,425	121,497
Miscellaneous	114,000	84,678	(29,322)
Recovered costs	481,063	663,787	182,724
Intergovernmental:			
Commonwealth	4,032,602	3,874,829	(157,773)
Federal	897,103	956,289	59,186
Total revenues	\$ 55,688,646	\$ 57,411,672	\$ 1,723,026
Expenditures:			
Current:			
General government administration	\$ 3,273,651	\$ 3,737,922	\$ (464,271)
Judicial administration	900,606	910,145	(9,539)
Public safety	5,008,258	5,293,874	(285,616)
Public works	1,559,297	1,624,722	(65,425)
Health and welfare	3,466,217	2,814,113	652,104
Education	28,052	28,052	0
Parks, recreation, and cultural	1,490,794	1,536,063	(45,269)
Community development	1,457,408	1,618,602	(161,194)
Nondepartmental	1,425,311	0	1,425,311
Capital projects	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest and other fiscal charges	0	18,668	(18,668)
Capital leases	0	104,883	(104,883)
Total expenditures	\$ 18,609,594	\$ 17,687,044	\$ 922,550
Excess (deficiency) of revenues over expenditures	\$ 37,079,052	\$ 39,724,628	\$ 2,645,576
Other financing sources (uses):			
Proceeds from indebtedness	\$ 0	\$ 25,873	\$ 25,873
Operating transfers in	30,000	34,774	4,774
Operating transfers out	(2,255,782)	(2,437,077)	(181,295)
Operating transfers from/to primary government	(34,853,270)	(35,043,125)	(189,855)
Total other financing sources (uses)	\$ (37,079,052)	\$ (37,419,555)	\$ (340,503)
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 0	\$ 2,305,073	\$ 2,305,073
Fund balances at beginning of year	\$ 0	\$ 3,041,201	\$ 3,041,201
Fund balances at end of year	\$ 0	\$ 5,346,274	\$ 5,346,274

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

Capital Projects Funds			Component Unit School Board		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	7,316	7,316
0	0	0	1,982,222	2,057,097	74,875
0	178	178	234,606	7,560	(227,046)
0	0	0	0	0	0
0	0	0	12,424,602	12,511,005	86,403
0	0	0	1,815,482	1,985,851	170,369
<u>\$ 0</u>	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ 16,456,912</u>	<u>\$ 16,568,829</u>	<u>\$ 111,917</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	45,855,194	46,037,287	(182,093)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,326,782	871,060	2,455,722	10,334,000	8,817,691	1,516,309
0	0	0	2,757,575	2,879,282	(121,707)
0	0	0	2,697,413	2,691,189	6,224
0	0	0	0	153,601	(153,601)
<u>\$ 3,326,782</u>	<u>\$ 871,060</u>	<u>\$ 2,455,722</u>	<u>\$ 61,644,182</u>	<u>\$ 60,579,050</u>	<u>\$ 1,065,132</u>
<u>\$ (3,326,782)</u>	<u>\$ (870,882)</u>	<u>\$ 2,455,900</u>	<u>\$ (45,187,270)</u>	<u>\$ (44,010,221)</u>	<u>\$ 1,177,049</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2,255,782	2,386,730	130,948	0	55,017	55,017
0	0	0	0	(55,017)	(55,017)
0	0	0	34,853,270	35,043,125	189,855
<u>\$ 2,255,782</u>	<u>\$ 2,678,588</u>	<u>\$ 422,806</u>	<u>\$ 34,853,270</u>	<u>\$ 35,043,125</u>	<u>\$ 189,855</u>
\$ (1,071,000)	\$ 1,807,706	\$ 2,878,706	\$ (10,334,000)	\$ (8,967,096)	\$ 1,366,904
<u>\$ 1,071,000</u>	<u>\$ 1,147,019</u>	<u>\$ 76,019</u>	<u>\$ 10,334,000</u>	<u>\$ 11,898,771</u>	<u>\$ 1,564,771</u>
<u>\$ 0</u>	<u>\$ 2,954,725</u>	<u>\$ 2,954,725</u>	<u>\$ 0</u>	<u>\$ 2,931,675</u>	<u>\$ 2,931,675</u>

Combined Statement of Revenues, Expenses and Changes in Retained EarningsAll Proprietary FundsYear Ended June 30, 1994

Operating revenues:	
Charges for services	\$ 1,593,827
Miscellaneous	<u>34,341</u>
Total revenues	\$ <u>1,628,168</u>
Operating expenses:	
Container operations	\$ 97,543
Landfill operations	487,174
Contractual services	91,433
Closure costs - old landfill	246,678
Indirect costs	20,000
Airport operation and maintenance	131,638
Depreciation	<u>20,957</u>
Total expenses	\$ <u>1,095,422</u>
Operating income	\$ <u>532,746</u>
Nonoperating revenues (expenses):	
Interest income	\$ 113,586
Rental income	12,000
Operating grants - Commonwealth	63,723
Operating grants - Federal	8,513
Bond issuance cost amortization	(16,628)
Interest expense	<u>(277,757)</u>
Total nonoperating revenues (expenses)	\$ <u>(96,563)</u>
Income before operating transfers	\$ 436,183
Operating transfers in (out)	\$ <u>29,976</u>
Net income	\$ 466,159
Add depreciation on fixed assets acquired by contribution from others	<u>11,070</u>
Increase (decrease) in retained earnings	\$ 477,229
Retained earnings at beginning of year	\$ <u>(2,578,426)</u>
Retained earnings at end of year	\$ <u><u>(2,101,197)</u></u>

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

Combined Statement of Cash Flows

All Proprietary Funds

Year Ended June 30, 1994

Cash Flows From Operating Activities:

Net operating income (loss)	\$ 532,746
Adjustments to reconcile net income to net cash provided by operating by operating activities:	
Depreciation	20,957
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	(50,928)
Increase (decrease) in payables	(234,698)
Increase (decrease) amounts due other funds	(4,195)
Increase (decrease) in compensated absences	(3,767)
Increase (decrease) in bond issuance costs amortization	<u>(2,130)</u>
Net cash provided by (used in) operating activities	<u>\$ 257,985</u>

Cash Flows from Noncapital Financing Activities:

Operating grants - Commonwealth	\$ 63,723
Operating grants - Federal	8,513
Operating transfers from (to) the General Fund	29,976
Rent received	<u>12,000</u>
Net cash proved by (used in) operating activities	<u>\$ 114,212</u>

Cash Flows From Capital and Related Financing Activities:

Acquisition and construction of capital assets	\$ (258,735)
Interest paid	<u>(277,757)</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ (536,492)</u>

Cash Fows From Investing Activities:

Interest earned	<u>\$ 113,585</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ 113,585</u>
Increase (decrease) in cash and cash equivalents	\$ (50,710)
Cash and cash equivalents at beginning of year	<u>3,706,507</u>
Cash and cash equivalents at end of year	<u>\$ 3,655,797</u>

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, 1994

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.

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 accounting 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.

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. Capital Project Funds consist of the County Capital Projects Fund.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

D. Financial Statement Presentation (Continued)

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 Enterprise Funds are proprietary funds.

Enterprise 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. The Solid Waste and Airport Funds are enterprise funds.

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.

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 - 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.

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

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

E. Basis of Accounting (Continued)

1. Governmental Funds (Continued)

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 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.

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 School 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 original budget for the year.

G. Inventory

Inventory of materials and supplies are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

H. 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 approximately \$1,850,134 for property taxes at June 30, 1994.

I. 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, 1994 (Continued)

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

J. 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.

K. 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:

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>
Airport structures .....	-	25 years
Equipment .....	5 years	-

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

L. 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.

M. Landfill Closure Costs

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

N. 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.

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 (\$1,795,337), and the bank balance was \$1,044,895. Of the bank balance, \$1,044,895 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. Of the bank balance, none was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 1994.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

NOTE 2--CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At year end the carrying value of the Component Units--School Board, a discretely presented component unit, deposits with banks and savings institutions was \$237,007, and the bank balance was \$584,649. Of the bank balance, \$584,649 was covered by Federal depository insurance of 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 loans. Of the bank balance none was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 1994.

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, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, 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.

	Category			Carrying Amount	Market Value
	1	2	3		
Assets in State Non-Arbitrage					
Program Investments Pool .....	\$ -	\$ -	\$ -	\$ 3,307,208	\$ 3,307,208
Federated Short-Term U.S. Government Trust .....				1,326,598	1,061,845
Deferred compensation program assets .....				267,074	267,704
Local Government Investment Pool .....				<u>13,451,630</u>	<u>13,451,630</u>
Total investments .....				\$ 18,352,510	\$ <u>18,088,387</u>
Total deposits .....				( <u>1,795,337</u> )	
Total deposits and investments .....				\$ <u>16,557,173</u>	

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

	Category			Carrying Amount	Market Value
	1	2	3		
Assets in State Non-Arbitrage					
Program Investments Pool .....	\$ -	\$ -	\$ -	\$ 4,316,716	\$ 4,316,716
Federated Short-Term U.S. Government Trust .....				<u>481,231</u>	<u>481,231</u>
Total investments .....				\$ 4,797,947	\$ <u>4,797,947</u>
Total deposits .....				<u>237,007</u>	
Total deposits and investments .....				\$ <u>5,034,954</u>	

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (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:

	<u>Primary Government</u>	<u>Component Units</u>
Commonwealth of Virginia:		
Airport Enterprise Fund .....	\$ 1,800	\$ -
School funds .....	-	58,058
State sales taxes .....	-	338,969
Local sales taxes .....	240,820	-
Shared expenses		
Federal Government :		
Airport Enterprise Fund .....	4,396	\$ -
School funds .....	-	738,573
Shared expenses .....	<u>69,226</u>	<u>-</u>
Total .....	\$ <u>498,439</u>	\$ <u>1,135,600</u>

NOTE 5--INTERFUND OBLIGATIONS:

Component	<u>Due from Primary Government</u>	<u>Due to Unit</u>
Primary Government - General Fund .....	\$ -	\$ 4,647,168
General Fund Component Unit--School Board - School Operating Fund .....	<u>4,647,168</u>	<u>-</u>
Totals .....	\$ <u>4,647,168</u>	\$ <u>4,647,168</u>

NOTE 6--PROPRIETARY FIXED ASSETS:

A summary of Proprietary Fund property, plant, and equipment at June 30, 1994 follows:

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>
Land .....	\$ -	\$ 1,491,800
Improvements .....	-	308,200
Landfill site and improvements .....	1,683,154	-
Equipment .....	<u>43,144</u>	<u>-</u>
Totals .....	\$ 1,726,298	\$ 1,800,000
Less accumulated depreciation .....	( <u>25,888</u> )	( <u>30,820</u> )
Net .....	\$ <u>1,700,410</u>	\$ <u>1,769,180</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements

As of June 30, 1994 (Continued)

NOTE 6--PROPRIETARY FIXED ASSETS: (Continued)

Capital contributed to purchase the County airport is summarized as follows:

Contributed capital:		
Federal .....		\$ 1,531,445
Commonwealth .....		<u>85,080</u>
Total .....		\$ 1,616,525
Less accumulated amortization .....		( <u>27,675</u> )
Net .....		\$ <u>1,588,850</u>

NOTE 7--LONG-TERM DEBT:

Primary Government

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

Year Ending <u>June 30,</u>	<u>Capital Leases</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1995 .....	\$ 79,020	\$ 9,806	\$ 205,000	\$ 237,158
1996 .....	61,755	6,347	210,000	229,778
1997 .....	64,979	3,123	220,000	221,378
1998 .....	48,728	310	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
2011 .....	-	-	-	-
2012 .....	-	-	-	-
2013 .....	-	-	-	-
2014 .....	-	-	-	-
Totals .....	\$ <u>254,482</u>	\$ <u>19,586</u>	\$ <u>4,680,000</u>	\$ <u>2,365,116</u>

Changes in Long-term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 1994:

	<u>Compensated</u>	<u>General</u>	<u>Revenue</u>
	<u>Absences</u>	<u>Obligation</u>	
Obligations payable at July 1, 1993 .....	\$ <u>509,769</u>	\$ <u>333,492</u>	\$ <u>4,880,000</u>
Issuances:			
Compensated absences .....	\$ 227,601	\$ -	\$ -

Notes to Financial Statements  
As of June 30, 1994 (Continued)

	Compensated <u>Absences</u>	General <u>Obligation</u>	<u>Revenue</u>
Capital leases .....	\$ -	\$ 25,873	\$ -
Total issuances .....	\$ <u>227,601</u>	\$ <u>33,038</u>	\$ -
Retirements:			
Bonds payable .....	\$ -	\$ -	\$ 200,000
State Literary Fund loans .....	-	-	-
Capital leases .....	-	104,883	-
Total retirements .....	\$ -	\$ <u>104,883</u>	\$ 200,000
Obligations payable at June 30, 1994 .....	\$ <u>737,370</u>	\$ <u>254,482</u>	\$ <u>4,680,000</u>

Capital leases:

\$205,609 capital lease agreement for computer hardware due in monthly installments including interest of \$4,145 through November 15, 1994, interest rate of 7.75% .....	\$ 20,330
\$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% .....	<u>234,152</u>
Total capital lease obligations .....	\$ <u>254,482</u>

Compensated absences payable .....

	\$ <u>737,370</u>
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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>4,680,000</u>
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Total long-term indebtedness .....

	\$ <u>5,671,852</u>
--	---------------------

Component Unit--School Board:

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

Year Ending June 30,	<u>General Long-term Debt</u>						Virginia Retirement System--Early Retirement Total
	<u>General Obligation Bonds</u>		<u>State Literary Fund Loans</u>		<u>Capital Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
1995	\$2,740,000	\$ 2,614,816	\$ 257,500	\$ 43,200	\$ 132,940	\$11,123	\$ 218,631
1996	3,055,000	2,437,463	220,000	35,475	53,904	2,047	218,631
1997	2,990,000	2,247,452	200,000	28,875	-	-	218,631
1998	2,995,000	2,062,054	200,000	22,875	-	-	218,631
1999	2,800,000	1,881,540	200,000	16,875	-	-	218,631
2000	2,540,000	1,713,671	200,000	10,875	-	-	218,631
2001	2,525,000	1,553,269	162,500	4,875	-	-	218,631
2002	2,355,000	1,399,388	-	-	-	-	218,631
2003	2,365,000	1,251,362	-	-	-	-	218,631
2004	2,330,000	1,103,144	-	-	-	-	218,631
2005	2,280,000	956,575	-	-	-	-	-

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

NOTE 7--LONG-TERM DEBT:

Component Unit--School Board: (Continued)

Year Ending June 30,	General Long-term Debt						Virgina Retirement System--Early Retirement Total
	General Obligation Bonds		State Literary Fund Loans		Capital Leases		
	Principal	Interest	Principal	Interest	Principal	Interest	
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	<u>800,000</u>	<u>22,600</u>	-	-	-	-	-
Totals	\$ <u>43,030,000</u>	\$ <u>22,275,983</u>	\$ <u>1,440,000</u>	\$ <u>163,050</u>	\$ <u>186,844</u>	\$ <u>13,170</u>	\$ <u>2,186,310</u>

Changes in Long-term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 1994:

	Early Retirement	Compensated Absences	General Obligation
Obligations payable at July 1, 1993	\$ 1,693,811	\$ 1,232,264	\$ 47,462,945
Issuances:			
Compensated absences	\$ -	\$ 495,846	\$ -
Early retirement obligation	-	-	-
Total issuances	\$ -	\$ 495,846	\$ -
Retirements:			
Early retirement obligation	\$ 226,782	\$ -	\$ -
Bonds payable	-	-	2,395,000
State Literary Fund loans	-	-	257,500
Capital leases	-	-	153,601
Total retirements	\$ 226,782	\$ -	\$ 2,806,101
Obligations payable at June 30, 1993	\$ <u>1,467,029</u>	\$ <u>1,728,110</u>	\$ <u>44,656,844</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:

	Amount Outstanding
Bonds bearing interest at 5.50% maturing December 1, 1993 through December 1, 1998	\$ 300,000
Bonds bearing interest at 5.75% maturing December 1, 1995 through December 1, 1998	\$ 1,025,000

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

Changes in Long-term Debt (Continued)

<u>Details of Long-term Indebtedness:</u>	<u>Amount Outstanding</u>
\$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 .....	\$ 875,000
\$935,000 School Bonds 1986, issued September 15, 1986, maturing in annual installments of \$100,000 each June 15, 1993 through 1996, interest payable semiannually at rates from 4.25% to 6.30% .....	200,000
\$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% .....	1,105,000
\$12,000,000 Virginia Public School Authority Bonds 1988B, issued November 1, 1989, maturing annually through December 15, 2008 with interest payable semiannually at rates from 6.6% to 8.6% .....	9,920,000
\$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% .....	6,490,000
\$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% .....	7,205,000
\$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% .....	<u>16,000,000</u>
Total School Bond .....	\$ <u>43,030,000</u>
State Literary Fund loans:	
\$750,000, issued November 1, 1974, due in annual installments of \$37,500 through November 1, 1994, interest payable annually at 3% .....	\$ 37,500
\$600,000, issued July 15, 1965, due in annual installments of \$20,000 through July 15, 1995, interest payable annually at 3% .....	40,000
\$750,000, issued February 15, 1980, due in annual installments of \$37,500 through February 15, 2000, interest payable annually at 3% .....	225,000
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3% .....	262,500
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3% .....	262,500
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3% .....	262,500
\$1,000,000, issued November 15, 1980, due in annual installments of \$50,000 through November 15, 2000, interest payable annually at 3% .....	<u>350,000</u>
Total State Literary Fund loans .....	\$ <u>1,440,000</u>
Total general obligation bonds/loans .....	\$ <u>44,470,000</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

<u>Details of Long-term Indebtedness: (Continued)</u>	<u>Amount Outstanding</u>
Capital leases:	
\$346,000 capital lease agreement for mobile classrooms, due in semi-annual installments through October 1, 1994, interest rate of 7.5% .....	\$ 31,000
\$606,000 capital lease agreement for mobile classrooms, due in semi-annual installments through July 30, 1995, interest rate of 7.84% .....	<u>155,844</u>
Total capital lease obligations .....	\$ <u>186,844</u>
Compensated absences payable .....	\$ <u>1,728,110</u>
Early retirement obligations payable .....	\$ <u>1,467,029</u>
Total long-term indebtedness .....	\$ <u>47,851,983</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 \$733,523 in the General Long-term Obligation Account Group and \$3,847 in the Solid Waste Fund. The Component Unit--School Board has outstanding accrued leave pay totaling \$1,728,110.

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, 1993 was \$6,788,858, and the total payroll for all County Employees was \$7,738,817.

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, 1994 was \$24,963,298 and \$2,784,512 respectively, and the total payroll for all School Board employees was \$31,021,331.

All full time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after 5 years of credited service. Employees who retire at or after 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. Employees with more than 35 years 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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

A. Plan Description (Continued)

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 amount shown below as the pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits, and is intended to help users assess the VRS funding status on a going-concern basis, assess progress made in accumulated sufficient assets to pay benefits when due and make comparisons among employers. The measure is independent of the funding method used to determine contributions to the VRS.

The pension benefit obligation was determined as part of an actuarial valuation performed as of June 30, 1993. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1993 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 2 percent per year attributable to seniority/ merit, and (d) post-retirement benefit increases of 3-1/2 percent per year.

At June 30, 1993 the total unfunded 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 .....	\$ 2,575,539	\$ 624,948
Current Employees:		
Accumulated employee contributions including allocated investment earnings .....	1,767,633	910,856
Employer-financed vested .....	2,246,489	291,913
Employer-financed nonvested .....	<u>3,542,339</u>	<u>1,136,927</u>
Total pension benefit obligation .....	\$ 10,132,000	\$ 2,964,644
Net assets available for benefits, at cost (market value is \$8,136,764 and \$2,568,042 respectively) .....		
Unfunded pension benefit obligation .....	\$ <u>8,518,429</u>	\$ <u>2,764,979</u>
	\$ <u>1,613,571</u>	\$ <u>199,665</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

C. Funding Status and Progress (Continued)

The VRS does not make separate measurements of assets and pension benefit obligations for individual school board's professional employees. The total unfunded pension benefit obligation at June 30, 1993 for the VRS statewide teacher pool was as follows:

Total pension benefit obligation .....	\$	9,272,200,000
Net assets available for benefits, at cost (market value is \$7,168,900) .....		<u>6,417,300,000</u>
Unfunded pension benefit obligation .....	\$	<u>2,854,900,000</u>

The school board's 1994 contribution to the VRS statewide teacher pool represented .79% of total contributions required of all participating school boards.

There were no changes in actuarial assumptions or employee pension benefit provisions during 1994 that would significantly affect the valuation of the pension benefit obligation.

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 29 year 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 1993 of \$604,208 by Fauquier County and \$221,369 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, 1992. These contributions consisted of the following:

	County	School Board Non- Professional
Normal Cost .....	\$ 667,710	\$ 248,376
Amortization of unfunded actuarial accrued liability .....	( 85,193)	( 31,523)
Cost of living supplement .....	<u>21,691</u>	<u>4,516</u>
Total Contributions .....	\$ <u>604,208</u>	\$ <u>212,369</u>
Employer contribution .....	\$ 264,765	\$ 82,143
Employee contribution .....	<u>339,443</u>	<u>139,226</u>
Total Contributions .....	\$ <u>604,208</u>	\$ <u>221,369</u>

Contributions made by Fauquier County and the Fauquier County School Board represent 3.90% and 2.95%, 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 1994 amounted to \$2,813,111, and were in accordance with actuarial requirements. Employer and employee contributions were \$1,574,946 and \$1,238,165, respectively, and represented 6.36% and 5%, respectively, of current covered payroll.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

D. Contributions Required and Made (Continued)

The significant actuarial assumptions used to compute contribution requirements for fiscal 1994 are the same as those used to compute the pension benefit obligation at June 30, 1993 except that future post-retirement benefit increases were not anticipated in determining contribution rates for the current biennium.

There were no changes in actuarial assumptions or benefit provisions that would significantly affect the computation of contribution rates for the 1994 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, 1994.

For the three years ended June 30, 1992, 1993 and 1994 respectively, available assets were sufficient to fund 81.99%, 83.01% and 84.07% respectively of the County's pension benefit obligation and 99.46%, 96.03% and 92.65% respectively of the Fauquier County's School Board pension benefit obligation for non-professional employees. Unfunded pension benefit obligations represented 22.71%, 23.91% and 23.76% of the annual payroll for County employees covered by the VRS, and .41%, 3.66% and 7.17% of the annual payroll for Fauquier County School Board non-professional employees for 1992, 1993 and 1994. 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 1992, 1993 and 1994, contributions to the VRS, made in accordance with actuarial determined requirements, by the County were 5.11%, 3.90% and 3.97% of annual covered payroll, and by the Fauquier County School Board were 3.78%, 2.95% and 2.95% of annual covered payroll for non-professional employees.

ANALYSIS OF FUNDING PROGRESS FOR DEFINED PENSION BENEFIT PLAN

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
A. County Employees:						
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%

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

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

E. Trend Information (Continued)

ANALYSIS OF FUNDING PROGRESS FOR DEFINED PENSION BENEFIT PLAN

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. School Board Non-Professional Employees:						
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%)

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.

NOTE 10--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 \$2,490,358 is comprised of the following:

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$2,456,511 at June 30, 1994.

B. Prepaid Taxes

Property taxes due subsequent to June 30, 1994 but paid in advance by the taxpayers totaled \$33,847 at June 30, 1994

NOTE 11--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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1994 (Continued)

NOTE 11--DEFERRED COMPENSATION PLAN: (Continued)

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 12--CONTINGENT LIABILITIES:

Federal programs in which the County participates were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

NOTE 13--SURETY BONDS:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
William D. Harris, Clerk of the Circuit Court	\$ 50,000
Bonita J. Lineweaver, Treasurer	500,000
Alice Jane Childs, 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 14--FUND DEFICIT:

The Solid Waste Fund has a deficit retained earnings of \$2,400,655 at June 30, 1994. This deficit is due principally to the accrual of landfill closure costs and other obligations at year-end and is to be funded from future landfill revenues.

NOTE 15--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. However, many of the closure and postclosure care costs will be paid only when the landfill is closing or after it is closed. The County will incur the estimated total closure cost of \$3,300,213 over the next thirty years. The County expects the landfill to close soon.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1999 (Continued)

NOTE 15--CLOSURES AND POSTCLOSURE CARE COST: (Continued)

All amounts recognized are based on what it would cost to perform all closure and postclosure care at year-end. 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 may need to be covered by charges to future landfill users or taxpayers.

NOTE 16--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, 1994 is presented below.

	<u>Solid Waste</u>	<u>Airport</u>	<u>Total</u>
Operating revenues .....	\$ 1,616,683	\$ 11,485	\$ 1,628,168
Depreciation expense .....	8,629	12,328	20,957
Operating income .....	( 665,227)	( 132,481)	( 532,746)
Net income .....	( 480,950)	( 44,767)	( 436,183)
Current capital contributions .....	-	-	-
Property, plant and equipment additions .....	258,735	-	258,735
Net working capital .....	551,249	119,128	670,377
Total assets .....	5,607,588	1,905,969	7,513,527
Total equity .....	( 2,400,655)	1,888,308	( 512,347)

NOTE 17--ADJUSTMENTS TO BEGINNING FUND BALANCE/RETAINED EARNINGS

The following fund balances/retained earnings we adjusted to comply with Governmental Accounting Standards Board Statement 14:

	<u>Primary Government--Special Revenue Funds</u>		
	<u>School Fund</u>	<u>School Cafeteria Fund</u>	<u>School Textbook Fund</u>
Fund Balance, June 30, 1993 .....	\$	\$ 65,014	\$ 231,849
Adjustment to comply with GASB 14 .....	_____	( 65,014)	( 231,849)
Fund Balance, July 1, 1993 as adjusted .....	\$ _____	\$ _____	\$ _____

	<u>Component Units--Special Revenue Funds</u>		
	<u>School Fund</u>	<u>School Cafeteria Fund</u>	<u>School Textbook Fund</u>
Fund Balance, June 30, 1993 .....	\$	\$	\$
Adjustment to comply with GASB 14 .....	_____	65,014	231,849
Fund Balance, July 1, 1993 as adjusted .....	\$ _____	\$ 65,014	\$ 231,849

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 199 (Continued)

NOTE 17--ADJUSTMENTS TO BEGINNING FUND BALANCE/RETAINED EARNINGS (Continued)

	Primary Government <u>Capital Projects</u> School Capital <u>Projects</u>	Component Units <u>Capital Projects</u> School Capital <u>Projects</u>
Fund Balance, June 30, 1993 .....	\$ 11,601,908	\$ -
Adjustment to comply with GASB 14 .....	( <u>11,601,908</u> )	<u>11,601,908</u>
Fund Balance, July 1, 1993 as adjusted .....	\$ <u>-</u>	\$ <u>11,601,908</u>

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STATE OF TEXAS  
COUNTY OF DALLAS  
CITY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

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COMBINING FINANCIAL STATEMENTS



**ENTERPRISE FUNDS**

**Combining Balance Sheet  
At June 30, 1994**

<u>ASSETS</u>	<u>Solid Waste Enterprise Fund</u>	<u>Airport Enterprise Fund</u>	<u>Totals</u>
<b>Assets:</b>			
Cash and investments	\$ 326,894	\$ 129,531	\$ 456,425
Restricted cash and investments	3,148,122	0	3,148,122
Cash in custody of others	51,250	0	51,250
Receivables (Net of allowances for uncollectibles):			
Accounts	248,509	1,062	249,571
Due from other governmental units	0	6,196	6,196
Fixed assets (Net of accumulated depreciation)	1,700,410	1,769,180	3,469,590
Bond issuance costs (net of accumulated amortization)	132,374	0	132,374
	<u>5,607,559</u>	<u>1,905,969</u>	<u>7,513,528</u>
<b>Total assets and other debits</b>	<b>\$ 5,607,559</b>	<b>\$ 1,905,969</b>	<b>\$ 7,513,528</b>
 <u>LIABILITIES</u>			
Accounts payable	\$ 22,354	\$ 17,661	\$ 40,015
Payroll payable	1,800	0	1,800
Accrued liabilities	3,300,213	0	3,300,213
Revenue bonds payable	4,680,000	0	4,680,000
Compensated absences payable	3,847	0	3,847
	<u>8,008,214</u>	<u>17,661</u>	<u>8,025,875</u>
<b>Total liabilities</b>	<b>\$ 8,008,214</b>	<b>\$ 17,661</b>	<b>\$ 8,025,875</b>
 <u>FUND EQUITY</u>			
Contributed capital	\$ 0	\$ 1,588,850	\$ 1,588,850
Retained earnings (Deficit):			
Unreserved	(2,400,655)	299,458	(2,101,197)
	<u>(2,400,655)</u>	<u>1,888,308</u>	<u>(512,347)</u>
<b>Total fund equity</b>	<b>\$ (2,400,655)</b>	<b>\$ 1,888,308</b>	<b>\$ (512,347)</b>
<b>Total liabilities and equity</b>	<b>\$ 5,607,559</b>	<b>\$ 1,905,969</b>	<b>\$ 7,513,528</b>

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

## ENTERPRISE FUNDS

## Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year Ended June 30, 1994

	Solid Waste Enterprise Fund	Airport Enterprise Fund	Totals
Operating revenues:			
Charges for services	\$ 1,593,827	\$ 0	\$ 1,593,827
Miscellaneous	22,856	11,485	34,341
Total operating revenues	<u>\$ 1,616,683</u>	<u>\$ 11,485</u>	<u>\$ 1,628,168</u>
Operating expenses:			
Container operations	\$ 97,543	\$ 0	\$ 97,543
Landfill operations	487,174	0	487,174
Contractual services	91,433	0	91,433
Closure costs - old landfill	246,678	0	246,678
Indirect costs	20,000	0	20,000
Airport operation and maintenance	0	131,638	131,638
Depreciation	8,629	12,328	20,957
Total operating expenses	<u>\$ 951,456</u>	<u>\$ 143,966</u>	<u>\$ 1,095,422</u>
Operating income	<u>\$ 665,227</u>	<u>\$ (132,481)</u>	<u>\$ 532,746</u>
Nonoperating revenues (expenses):			
Interest Income	\$ 110,108	\$ 3,478	\$ 113,586
Rental income	0	12,000	12,000
Operating grants - Commonwealth	0	63,723	63,723
Operating grants - Federal	0	8,513	8,513
Bond issuance cost amortization	(16,628)	0	(16,628)
Interest expense	(277,757)	0	(277,757)
Total nonoperating revenues (expenses)	<u>\$ (184,277)</u>	<u>\$ 87,714</u>	<u>\$ (96,563)</u>
Income before operating transfers	\$ 480,950	\$ (44,767)	\$ 436,183
Operating transfers in (out)	<u>0</u>	<u>29,976</u>	<u>29,976</u>
Net income (loss)	\$ 480,950	\$ (14,791)	\$ 466,159
Add depreciation on fixed assets acquired by contributions from others	<u>0</u>	<u>11,070</u>	<u>11,070</u>
Increase (decrease) in retained earnings	\$ 480,950	\$ (3,721)	\$ 477,229
Retained earnings at beginning of year	<u>(2,881,605)</u>	<u>303,179</u>	<u>(2,578,426)</u>
Retained earnings at end of year	<u>\$ (2,400,655)</u>	<u>\$ 299,458</u>	<u>\$ (2,101,197)</u>

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

ENTERPRISE FUNDS

Combining Statement of Cash Flows

Year Ended June 30, 1994

	Solid Waste Enterprise Fund	Airport Enterprise Fund	Totals
<b><u>Cash Flows From Operating Activities:</u></b>			
Net operating income (loss)	\$ 665,227	\$ (132,481)	\$ 532,746
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	8,629	12,328	20,957
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(57,044)	6,116	(50,928)
Increase (decrease) in payables	(237,868)	3,170	(234,698)
Increase (decrease) amounts due other funds	(348)	(3,847)	(4,195)
Increase (decrease) in compensated absences	(3,767)	0	(3,767)
Increase (decrease) in bond issuance costs amortization	(2,130)	0	(2,130)
Net cash provided by (used in) operating activities	<u>\$ 372,699</u>	<u>\$ (114,714)</u>	<u>\$ 257,985</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating grants - Commonwealth	\$ 0	\$ 63,723	\$ 63,723
Operating grants - Federal	0	8,513	8,513
Operating transfers from (to) the General Fund	<u>0</u>	<u>29,976</u>	<u>29,976</u>
Net cash proved by (used in) operating activities	<u>\$ 0</u>	<u>\$ 102,212</u>	<u>\$ 102,212</u>
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>			
Acquisition and construction of capital assets	\$ (258,735)	\$ 0	\$ (258,735)
Interest paid	<u>(277,757)</u>	<u>0</u>	<u>(277,757)</u>
Net cash provided by (used in) capital and related financing activitie	<u>\$ (536,492)</u>	<u>\$ 0</u>	<u>\$ (536,492)</u>
<b><u>Cash Fows From Investing Activities:</u></b>			
Rental income	\$ 0	\$ 12,000	\$ 12,000
Interest earned	<u>110,108</u>	<u>3,477</u>	<u>113,585</u>
Net cash provided by (used in) capital and related financing activitie	<u>\$ 110,108</u>	<u>\$ 15,477</u>	<u>\$ 125,585</u>
Increase (decrease) in cash and cash equivalents	\$ (53,685)	\$ 2,975	\$ (50,710)
Cash and cash equivalents at beginning of year	<u>3,579,951</u>	<u>126,556</u>	<u>3,706,507</u>
Cash and cash equivalents at end of year	<u>\$ 3,526,266</u>	<u>\$ 129,531</u>	<u>\$ 3,655,797</u>

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

COUNTY OF FAUQUIER, VIRGINIA

FIDUCIARY FUNDS

Combining Balance Sheet  
At June 30, 1994

	<u>Expendable Trust Funds</u>		
	<u>Library Trust Income</u>	<u>Parks and Recreation</u>	<u>Legal Defense</u>
<b><u>ASSETS AND OTHER DEBITS</u></b>			
Assets:			
Cash and investments	\$ 89,467	\$ 57,663	\$ 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>\$ 89,467</u>	<u>\$ 57,663</u>	<u>\$ 1,875</u>
<b><u>LIABILITIES</u></b>			
Amount held for social service clients	\$ 0	\$ 0	\$ 0
Sales tax payable to towns	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>
<b><u>EQUITY AND OTHER CREDITS</u></b>			
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 89,467	\$ 57,663	\$ 1,875
Total retained earnings/fund balances	<u>\$ 89,467</u>	<u>\$ 57,663</u>	<u>\$ 1,875</u>
Total equity and other credits	<u>\$ 89,467</u>	<u>\$ 57,663</u>	<u>\$ 1,875</u>
Total liabilities, equity and other credits	<u>\$ 89,467</u>	<u>\$ 57,663</u>	<u>\$ 1,875</u>

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

Agency Funds					
Special Welfare	Deferred Compensation	Undistributed Local Sales Tax	Performance Bond	Detention Center	Totals
\$ 2,646	\$ 0	\$ 81,631	\$ 224,487	\$ 0	\$ 457,769
0	0	0	0	12,299	12,299
0	267,074	0	0	0	267,074
<u>\$ 2,646</u>	<u>\$ 267,074</u>	<u>\$ 81,631</u>	<u>\$ 224,487</u>	<u>\$ 12,299</u>	<u>\$ 737,142</u>
\$ 2,646	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,646
0	0	81,631	0	0	81,631
0	0	0	224,487	0	224,487
0	267,074	0	0	0	267,074
0	0	0	0	12,299	12,299
<u>\$ 2,646</u>	<u>\$ 267,074</u>	<u>\$ 81,631</u>	<u>\$ 224,487</u>	<u>\$ 12,299</u>	<u>\$ 588,137</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 149,005</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 149,005</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 149,005</u>
<u>\$ 2,646</u>	<u>\$ 267,074</u>	<u>\$ 81,631</u>	<u>\$ 224,487</u>	<u>\$ 12,299</u>	<u>\$ 737,142</u>

EXPENDABLE TRUST FUND

Combining Statement of Revenues, Expenses and Changes in Fund Balances

Year Ended June 30, 1994

	Library Trust Fund	Park and Recreation Trust Fund	Legal Defense Trust Fund	Totals
<b>Revenues:</b>				
Interest	\$ 2,711	\$ 2,260	\$ 0	\$ 4,971
Donations	<u>917</u>	<u>13,912</u>	<u>0</u>	<u>14,829</u>
Total revenues	<u>\$ 3,628</u>	<u>\$ 16,172</u>	<u>\$ 0</u>	<u>\$ 19,800</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	\$ 0	\$ 20,372	\$ 0	\$ 20,372
Transfers to other funds	<u>(14,599)</u>	<u>(20,175)</u>	<u>0</u>	<u>(34,774)</u>
Total other financing sources (uses)	<u>\$ (14,599)</u>	<u>\$ 197</u>	<u>\$ 0</u>	<u>\$ (14,402)</u>
Excess (deficiency) of revenues over (under) other financing uses	\$ (10,971)	\$ 16,369	\$ 0	\$ 5,398
Fund balance at beginning of year	<u>100,438</u>	<u>41,294</u>	<u>1,875</u>	<u>143,607</u>
Fund balance at end of year	<u>\$ 89,467</u>	<u>\$ 57,663</u>	<u>\$ 1,875</u>	<u>\$ 149,005</u>

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

AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 1994

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special welfare:</b>				
Assets:				
Cash and investments	\$ 1,356	\$ 26,351	\$ 25,060	\$ 2,646
Liabilities:				
Amounts held for social service clients	\$ 1,356	\$ 26,351	\$ 25,060	\$ 2,646
<b>Deferred compensation:</b>				
Assets:				
Deferred compensation program deposits	\$ 205,131	\$ 87,105	\$ 25,162	\$ 267,074
Liabilities:				
Deferred compensation payable	\$ 205,131	\$ 87,105	\$ 25,162	\$ 267,074
<b>Undistributed local sales tax:</b>				
Assets:				
Cash and investments	\$ 75,561	\$ 163,814	\$ 157,744	\$ 81,631
Liabilities:				
Sales tax payable to towns	\$ 75,561	\$ 163,814	\$ 157,744	\$ 81,631
<b>Performance bond:</b>				
Assets:				
Cash and investments	\$ 128,520	\$ 127,409	\$ 31,442	\$ 224,487
Liabilities:				
Performance bonds payable	\$ 128,520	\$ 127,409	\$ 31,442	\$ 224,487
<b>Detention Center Fund:</b>				
Assets:				
Cash and investments:				
Cash - Work release	\$ 3,157	46,436	47,409	2,184
Cash - Inmate account	0	22,352	17,041	5,311
Cash - Canteen account	4,450	47,453	47,099	4,804
Total cash and investments	\$ 7,607	\$ 116,241	\$ 111,549	\$ 12,299
Liabilities:				
Amounts held for prisoners	\$ 7,607	\$ 116,241	\$ 111,549	\$ 12,299
<b>Totals -- All agency funds</b>				
Assets:				
Cash and investments	\$ 213,044	\$ 433,815	\$ 325,795	\$ 321,063
Deferred compensation program deposits	205,131	87,105	25,162	267,074
Total assets	418,175	520,920	350,957	588,137
Liabilities:				
Amounts held for social service clients	\$ 1,356	\$ 26,351	\$ 25,060	\$ 2,646
Amounts held for performance bonds	128,520	127,409	31,442	224,487
Deferred compensation payable	205,131	87,105	25,162	267,074
Sales tax payable to towns	75,561	163,814	157,744	81,631
Amounts held for prisoners	7,607	116,241	111,549	12,299
Total liabilities	\$ 418,175	\$ 520,920	\$ 350,957	\$ 588,137

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

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

Combining Balance Sheet

At June 30, 1994

	Governmental Funds				Account Group	
	School Operating	School Cafeteria	School Textbook	School Capital Projects	General Long - Term	
<b>ASSETS</b>						
Assets:						
Cash and investments	\$ 729,083	\$ 174,153	\$ 62,854	\$ 4,068,864	\$ 0	\$ 5,034,954
Petty cash	500	0	200	0	0	700
Receivables (Net of allowances for uncollectibles):						
Accounts	16,780	1,802	270	455	0	19,307
Due from primary government	4,647,168	0	0	0	0	4,647,168
Due from other governmental units	1,048,514	87,086	0	0	0	1,135,600
Other debits:						0
Amount to be provided for the retirement of general long-term debt					47,851,983	47,851,983
<b>Total assets and other debits</b>	<b>\$ 6,442,045</b>	<b>\$ 263,041</b>	<b>\$ 63,324</b>	<b>\$ 4,069,319</b>	<b>\$ 47,851,983</b>	<b>\$ 58,689,712</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,308,945	\$ 50,082	\$ 0	\$ 408,850	\$ 0	\$ 1,767,877
Accrued liabilities	4,403,517	137,559	0	0	0	4,541,076
Retainage payable	0	0	0	868,018	0	868,018
Amount held for insurance claims	729,082	0	0	0	0	729,082
General obligation bonds payable (Note 7)					43,030,000	43,030,000
State Literary Fund loans payable (Note 7)					1,440,000	1,440,000
Capital lease obligations (Note )					186,844	186,844
Early retirement obligations payable (Note 7)					1,467,029	1,467,029
Compensated absences (Note 7)					1,728,110	1,728,110
<b>Total liabilities</b>	<b>\$ 6,441,545</b>	<b>\$ 187,641</b>	<b>\$ 0</b>	<b>\$ 1,276,868</b>	<b>\$ 47,851,983</b>	<b>\$ 55,758,037</b>
<b>FUND EQUITY</b>						
Unreserved:						
Designated for subsequent expenditure	\$ 0	\$ 75,400	\$ 63,324	\$ 2,792,451	\$ 0	\$ 2,931,175
Undesignated	500	0	0	0	0	500
<b>Total fund equity</b>	<b>\$ 500</b>	<b>\$ 75,400</b>	<b>\$ 63,324</b>	<b>\$ 2,792,451</b>	<b>\$ 0</b>	<b>\$ 2,931,675</b>
<b>Total liabilities and fund equity</b>	<b>\$ 6,442,045</b>	<b>\$ 263,041</b>	<b>\$ 63,324</b>	<b>\$ 4,069,319</b>	<b>\$ 47,851,983</b>	<b>\$ 58,689,712</b>

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Discretely Presented Component Unit -- School Board

Year Ended June 30, 1994

	Governmental Fund Types				Totals
	School Operating Fund	School Cafeteria Fund	School Textbook Rental Fund	School Capital Projects Fund	
<b>Revenues:</b>					
Revenue from use of money and property	\$ 0	\$ 5,219	\$ 2,097	\$ 0	\$ 7,316
Charges for services	469,420	1,336,109	251,568	0	2,057,097
Miscellaneous	0	0	0	7,560	7,560
<b>Intergovernmental:</b>					
Commonwealth	12,430,124	41,999	38,882	0	12,511,005
Federal	1,542,969	442,882	0	0	1,985,851
<b>Total revenues</b>	<b>\$ 14,442,513</b>	<b>\$ 1,826,209</b>	<b>\$ 292,547</b>	<b>\$ 7,560</b>	<b>\$ 16,568,829</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Education	\$ 43,706,049	\$ 1,815,824	\$ 515,414	\$ 0	\$ 46,037,287
Capital projects	0	0	0	8,817,691	8,817,691
<b>Debt service:</b>					
Principal retirement	2,879,282	0	0	0	2,879,282
Interest and other fiscal charges	2,691,189	0	0	0	2,691,189
Capital leases	153,601	0	0	0	153,601
<b>Total expenditures</b>	<b>\$ 49,430,121</b>	<b>\$ 1,815,824</b>	<b>\$ 515,414</b>	<b>\$ 8,817,691</b>	<b>\$ 60,579,050</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (34,987,608)</b>	<b>\$ 10,385</b>	<b>\$ (222,867)</b>	<b>\$ (8,810,131)</b>	<b>\$ (44,010,221)</b>
<b>Other financing sources (uses):</b>					
Operating transfers in	\$ 0	\$ 0	\$ 54,343	\$ 674	\$ 55,017
Operating transfers out	(55,017)	0	0	0	(55,017)
<b>Total other financing sources (uses)</b>	<b>\$ 34,988,108</b>	<b>\$ 0</b>	<b>\$ 54,343</b>	<b>\$ 674</b>	<b>\$ 35,043,125</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<b>\$ 500</b>	<b>\$ 10,385</b>	<b>\$ (168,524)</b>	<b>\$ (8,809,457)</b>	<b>\$ (8,967,096)</b>
<b>Fund balances at beginning of year</b>	<b>\$ 0</b>	<b>\$ 65,014</b>	<b>\$ 231,849</b>	<b>\$ 11,601,908</b>	<b>\$ 11,898,771</b>
<b>Fund balances at end of year</b>	<b>\$ 500</b>	<b>\$ 75,399</b>	<b>\$ 63,325</b>	<b>\$ 2,792,451</b>	<b>\$ 2,931,675</b>

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

COUNTY OF FAUQUIER, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances --

Budget and Actual -- Discretely Presented Component Unit -- School Board

Year Ended June 30, 1994

	School Operating Fund		
	Budget	Actual	Variance Favorable (Unfavor.)
Revenues:			
Revenue from use of money and property	\$ 0	\$ 0	\$ 0
Charges for services	0	469,420	469,420
Miscellaneous	234,606	0	(234,606)
Recovered costs	0	0	0
Intergovernmental:			
Commonwealth	12,379,602	12,430,124	50,522
Federal	1,415,323	1,542,969	127,646
Total revenues	\$ 14,029,531	\$ 14,442,513	\$ 412,982
Expenditures:			
Current:			
Education	\$ 43,427,813	\$ 43,706,049	\$ (278,236)
Capital projects	0	0	0
Debt service:			
Principal retirement	2,757,575	2,879,282	(121,707)
Interest and other fiscal charges	2,697,413	2,691,189	6,224
Capital leases	0	153,601	(153,601)
Total expenditures	\$ 48,882,801	\$ 49,430,121	\$ (547,320)
Excess (deficiency) of revenues over expenditures	\$ (34,853,270)	\$ (34,987,608)	\$ 134,338
Other financing sources (uses):			
Proceeds from indebtedness	\$ 0	\$ 0	\$ 0
Operating transfers in	0	0	0
Operating transfers out	0	(55,017)	(55,017)
Operating transfers from/to primary government	34,853,270	35,043,125	189,855
Total other financing sources (uses)	\$ 34,853,270	\$ 34,988,108	\$ 134,838
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 0	\$ 500	\$ 500
Fund balances at beginning of year	\$ 0	\$ 0	\$ 0
Fund balances at end of year	\$ 0	\$ 500	\$ 500

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

Continued Statement of Financial Position and Changes in Fund Balances  
 Budget and Actual - Districts - Pre- and Post-Closure - School Board  
 Year Ending June 30, 2024 (in thousands)

School Cafeteria Fund			School Textbook Fund		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 0	\$ 5,219	\$ 5,219	\$ 0	\$ 2,097	\$ 2,097
1,497,222	1,336,109	(161,113)	485,000	251,568	(233,432)
0	0	0	0	0	0
0	0	0	0	0	0
45,000	41,999	(3,001)	0	38,882	38,882
400,159	442,882	42,723	0	0	0
<u>\$ 1,942,381</u>	<u>\$ 1,826,209</u>	<u>\$ (116,172)</u>	<u>\$ 485,000</u>	<u>\$ 292,547</u>	<u>\$ (192,453)</u>
\$ 1,942,381	\$ 1,815,824	\$ 126,557	\$ 485,000	\$ 515,414	\$ (30,414)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 1,942,381</u>	<u>\$ 1,815,824</u>	<u>\$ 126,557</u>	<u>\$ 485,000</u>	<u>\$ 515,414</u>	<u>\$ (30,414)</u>
\$ 0	\$ 10,385	\$ (10,385)	\$ 0	\$ (222,867)	\$ 222,867
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	54,343	54,343
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54,343</u>	<u>\$ 54,343</u>
\$ 0	\$ 10,385	\$ 10,385	\$ 0	\$ (168,524)	\$ (168,524)
\$ 0	\$ 65,014	\$ 65,014	\$ 0	\$ 231,849	\$ 231,849
\$ 0	\$ 75,399	\$ 75,399	\$ 0	\$ 63,325	\$ 63,325

COUNTY OF FAUQUIER, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances --

Budget and Actual -- Discretely Presented Component Unit -- School Board

Year Ended June 30, 1994 (Continued)

	School Capital Projects Fund		
	Budget	Actual	Variance Favorable (Unfavor.)
<b>Revenues:</b>			
Revenue from use of money and property	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0
Miscellaneous	0	7,560	7,560
Recovered costs	0	0	0
<b>Intergovernmental:</b>			
Commonwealth	0	0	0
Federal	0	0	0
<b>Total revenues</b>	<u>\$ 0</u>	<u>\$ 7,560</u>	<u>\$ 7,560</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Education	\$ 0	\$ 0	\$ 0
Capital projects	10,334,000	8,817,691	1,516,309
<b>Debt service:</b>			
Principal retirement	0	0	0
Interest and other fiscal charges	0	0	0
Capital leases	0	0	0
<b>Total expenditures</b>	<u>\$ 10,334,000</u>	<u>\$ 8,817,691</u>	<u>\$ 1,516,309</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (10,334,000)</u>	<u>\$ (8,810,131)</u>	<u>\$ (1,523,869)</u>
<b>Other financing sources (uses):</b>			
Proceeds from indebtedness	\$ 0	\$ 0	\$ 0
Operating transfers in	0	674	674
Operating transfers out	0	0	0
Operating transfers from/to primary government	0	0	0
<b>Total other financing sources (uses)</b>	<u>\$ 0</u>	<u>\$ 674</u>	<u>\$ 674</u>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<u>\$ (10,334,000)</u>	<u>\$ (8,809,457)</u>	<u>\$ 1,524,543</u>
<b>Fund balances at beginning of year</b>	<u>\$ 10,334,000</u>	<u>\$ 11,601,908</u>	<u>\$ 1,267,908</u>
<b>Fund balances at end of year</b>	<u>\$ 0</u>	<u>\$ 2,792,451</u>	<u>\$ 2,792,451</u>

Exhibit C-3

<u>Totals</u>		
<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavor.)
\$ 0	\$ 7,316	\$ 7,316
1,982,222	2,057,097	74,875
234,606	7,560	(227,046)
0	0	0
12,424,602	12,511,005	86,403
<u>1,815,482</u>	<u>1,985,851</u>	<u>170,369</u>
\$ <u>16,456,912</u>	\$ <u>16,568,829</u>	\$ <u>111,917</u>
\$ 45,855,194	\$ 46,037,287	\$ (182,093)
10,334,000	8,817,691	1,516,309
2,757,575	2,879,282	(121,707)
2,697,413	2,691,189	6,224
<u>0</u>	<u>153,601</u>	<u>(153,601)</u>
\$ <u>61,644,182</u>	\$ <u>60,579,050</u>	\$ <u>1,065,132</u>
\$ <u>(45,187,270)</u>	\$ <u>(44,010,221)</u>	\$ <u>(1,177,049)</u>
\$ 0	\$ 0	\$ 0
0	55,017	55,017
0	(55,017)	(55,017)
<u>34,853,270</u>	<u>35,043,125</u>	<u>189,855</u>
\$ <u>34,853,270</u>	\$ <u>35,043,125</u>	\$ <u>189,855</u>
\$ (10,334,000)	\$ (8,967,096)	\$ 1,366,904
\$ <u>10,334,000</u>	\$ <u>11,898,771</u>	\$ <u>1,564,771</u>
\$ <u>0</u>	\$ <u>2,931,675</u>	\$ <u>2,931,675</u>

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SUPPORTING SCHEDULES



Governmental Funds and Discretely Presented Component Units

Statement of Revenues -- Budget and Actual

Year Ended June 30, 1994

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government:			
General Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 32,177,742	\$ 32,514,456	\$ 336,714
Personal property taxes	8,671,500	9,608,955	937,455
Penalties	582,442	480,811	(101,631)
Interest	384,478	412,264	27,786
<b>Total general property taxes</b>	<b>\$ 41,816,162</b>	<b>\$ 43,016,486</b>	<b>\$ 1,200,324</b>
Other local taxes:			
Local sales and use taxes	\$ 2,900,000	\$ 2,745,956	\$ (154,044)
Consumers' utility taxes	1,500,000	1,562,636	62,636
Business license taxes	550,000	762,797	212,797
Cable TV franchise tax	90,000	98,509	8,509
Motor vehicle licenses	1,000,000	986,577	(13,423)
Bank stock taxes	40,000	29,404	(10,596)
Taxes on recordation and wills	375,000	471,063	96,063
E-911 Telephone Taxes	210,500	221,294	10,794
<b>Total other local taxes</b>	<b>\$ 6,665,500</b>	<b>\$ 6,878,236</b>	<b>\$ 212,736</b>
Permits, privilege fees and regulatory licenses:			
Animal licenses	\$ 12,000	\$ 10,323	\$ (1,677)
Building & related permits	253,000	252,633	(367)
Transfer fees	0	1,895	1,895
Zoning permits and fees	193,435	154,050	(39,385)
Land use application fees	16,800	20,684	3,884
<b>Total permits, privilege fees and regulatory licenses</b>	<b>\$ 475,235</b>	<b>\$ 439,585</b>	<b>\$ (35,650)</b>
Fines and Forfeitures:			
Court fines and forfeitures	\$ 0	\$ 99,719	\$ 99,719
<b>Total fines and forfeitures</b>	<b>\$ 0</b>	<b>\$ 99,719</b>	<b>\$ 99,719</b>
Revenue from use of money and property:			
Revenue from use of money	\$ 816,000	\$ 834,200	\$ 18,200
Revenue from use of property	39,053	90,438	51,385
<b>Total revenue from use of money and property</b>	<b>\$ 855,053</b>	<b>\$ 924,638</b>	<b>\$ 69,585</b>

Governmental Funds and Discretely Presented Component Units

Statement of Revenues -- Budget and Actual

Year Ended June 30, 1994

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>Charges for services:</b>			
Court costs	\$ 0	\$ 0	\$ 0
Charges for Commonwealth's attorney	0	1,306	1,306
Excess fees of clerk	36,000	131,871	95,871
Sheriff's fees, deputies and reports	5,000	3,671	(1,329)
Charges for law library	0	14,965	14,965
Charges for local costs	0	1,541	1,541
Charges for courthouse maintenance fees	0	33,007	33,007
Charges for law enforcement and traffic control	0	188	188
Charges for social services	0	902	902
Charges for parks and recreation	259,228	219,750	(39,478)
Charges for library	44,000	54,286	10,286
Charges for planning and community development	7,700	11,938	4,238
<b>Total charges for services</b>	<b>\$ 351,928</b>	<b>\$ 473,425</b>	<b>\$ 121,497</b>
<b>Miscellaneous revenue:</b>			
Expenditure refunds	\$ 0	\$ 17,600	\$ 17,600
Miscellaneous	114,000	67,078	(46,922)
<b>Total miscellaneous revenue</b>	<b>\$ 114,000</b>	<b>\$ 84,678</b>	<b>\$ (29,322)</b>
<b>Recovered costs:</b>			
Clerk's office payroll	\$ 314,590	\$ 322,792	\$ 8,202
John Marshall Soil and Water District	51,273	29,999	(21,274)
Other government charges	9,000	4,500	(4,500)
Board of prisoner - other localities	0	780	780
Indirect costs - landfill	0	20,000	20,000
Indirect costs - airport	0	10,000	10,000
Gypsy moth spraying	12,000	40,273	28,273
Work release	27,000	26,513	(487)
Computer services - School Board	67,200	74,597	7,397
Excise gas tax	0	7,422	7,422
Medics working events	0	804	804
Town of Warrenton - E911	0	14,454	14,454
Social services home study	0	1,036	1,036
WSA hydro studies	0	110,542	110,542
MIS computer services	0	75	75
<b>Total recovered costs</b>	<b>\$ 481,063</b>	<b>\$ 663,787</b>	<b>\$ 182,724</b>
<b>Total revenue from local sources</b>	<b>\$ 50,758,941</b>	<b>\$ 52,580,554</b>	<b>\$ 1,821,613</b>

Governmental Funds and Discretely Presented Component Units

Statement of Revenues -- Budget and Actual

Year Ended June 30, 1994

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Revenue from the Commonwealth:			
Noncategorical aid:			
ABC profits	\$ 135,050	\$ 102,502	\$ (32,548)
Wine taxes	44,718	49,209	4,491
Rolling stock tax	50,000	70,841	20,841
Mobile home titling taxes	15,000	11,425	(3,575)
Auto rental tax	8,000	11,192	3,192
Recordation tax	256,390	326,788	70,398
<b>Total noncategorical aid</b>	<b>\$ 509,158</b>	<b>\$ 571,957</b>	<b>\$ 62,799</b>
Categorical aid:			
Shared expenses:			
Commonwealth's attorney	\$ 190,153	\$ 185,161	\$ (4,992)
Sheriff	1,704,633	1,625,180	(79,453)
Commissioner of the Revenue	145,779	142,003	(3,776)
Treasurer	82,086	85,780	3,694
Medical examiner	0	870	870
Registrar/electoral board	34,438	34,647	209
Clerk of the Circuit Court	0	10,474	10,474
Jail	310,000	307,270	(2,730)
<b>Total shared expenses</b>	<b>\$ 2,467,089</b>	<b>\$ 2,391,385</b>	<b>\$ (75,704)</b>
Parks and recreation	\$ 0	\$ 2,230	\$ 2,230
Welfare:			
Welfare administration and assistance	\$ 325,148	\$ 332,422	\$ 7,274
Comprehensive services act	543,827	270,466	(273,361)
<b>Total welfare</b>	<b>868,975</b>	<b>602,888</b>	<b>(266,087)</b>
Other categorical aid:			
Emergency medical services	\$ 18,000	\$ 22,741	\$ 4,741
Fire programs fund	27,000	43,646	16,646
State arts grant	5,000	0	(5,000)
Library aid	132,000	129,146	(2,854)
Litter control	5,380	10,677	5,297
Vint Hill	0	31,320	31,320
Va state library & archives - Circuit court clerk	0	2,000	2,000
Sheriff Department	0	13,150	13,150
Smoking and fire detecting system	0	4,989	4,989
Abandoned vehicles	0	21,800	21,800
Miscellaneous reimbursement	0	26,900	26,900
<b>Total other categorical aid</b>	<b>\$ 187,380</b>	<b>\$ 306,369</b>	<b>\$ 118,989</b>
<b>Total categorical aid</b>	<b>\$ 3,523,444</b>	<b>\$ 3,302,872</b>	<b>\$ (220,572)</b>

Governmental Funds and Discretely Presented Component Units

Statement of Revenues -- Budget and Actual

Year Ended June 30, 1994

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Total revenue from the Commonwealth	\$ 4,032,602	\$ 3,874,829	\$ (157,773)
Revenue from the Federal Government:			
Payments in lieu of taxes	\$ 0	\$ 2,607	\$ 2,607
Categorical aid:			
Welfare administration and assistance	\$ 879,103	\$ 874,370	\$ (4,733)
Gypsy moth	0	20,600	20,600
VHFS grant	18,000	18,955	955
Dea group 33 federal	0	3,229	3,229
Anti-drug abuse grant	0	36,528	36,528
Total categorical aid	\$ 897,103	\$ 953,682	\$ 56,579
Total revenue from the Federal Government	\$ 897,103	\$ 956,289	\$ 59,186
Total General Fund	\$ 55,688,646	\$ 57,411,672	\$ 1,723,026
Special Revenue Funds:			
Capital Projects Fund:			
Revenue from local sources:			
Miscellaneous revenue:			
Expenditure refunds	\$ 0	\$ 178	\$ 178
Total miscellaneous revenue	\$ 0	\$ 178	\$ 178
Total revenue from local sources	\$ 0	\$ 178	\$ 178
Total Capital Projects Fund	\$ 0	\$ 178	\$ 178
Grand Total Revenues -- Primary Government	\$ 55,688,646	\$ 57,411,850	\$ 1,723,204
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Revenue from local sources:			
Charges for services:			
Charges for education	\$ 0	\$ 469,420	\$ 469,420
Total charges for services	\$ 0	\$ 469,420	\$ 469,420
Miscellaneous revenue	\$ 234,606	\$ 0	\$ (234,606)
Total revenue from local sources	\$ 234,606	\$ 469,420	\$ 234,814
Revenue from the Commonwealth:			

Governmental Funds and Discretely Presented Component Units

Statement of Revenues -- Budget and Actual

Year Ended June 30, 1994

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>Categorical aid:</b>			
Share of state sales tax	\$ 4,001,945	\$ 4,026,784	\$ 24,839
Basic school aid	6,354,212	6,341,653	(12,559)
Regular foster care	21,712	25,743	4,031
Adult transitional - GED	1,080	1,080	0
Adult literacy - state	0	33,345	33,345
Gifted and talented	72,858	71,808	(1,050)
Special education	572,071	567,560	(4,511)
Special education - homebound	14,197	33,832	19,635
Special education - foster child	8,444	32,664	24,220
Special education - private tuition	0	3,940	3,940
Special education - regional program	0	7,379	7,379
Vocational standards of quality payments	159,208	156,913	(2,295)
Vocational adult education	6,998	6,767	(231)
Vocational aid	55,196	44,367	(10,829)
Vocational education equipment	0	5,470	5,470
Electronic classroom payments	0	350	350
Social security instructional	366,989	361,699	(5,290)
Social security non-instructional	16,191	16,191	0
Teacher retirement instructional	304,925	300,529	(4,396)
Teacher retirement non-instructional	18,279	18,279	0
Teacher incentive payment	118,732	0	(118,732)
Dropout prevention	92,217	92,217	0
Remedial education	121,902	101,790	(20,112)
Maintenance supplement	40,477	39,893	(584)
VRS (reserve)	0	83,596	83,596
Other state funds	31,969	56,275	24,306
<b>Total categorical aid</b>	<b>\$ 12,379,602</b>	<b>\$ 12,430,124</b>	<b>\$ 50,522</b>
<b>Total revenue from the Commonwealth</b>	<b>\$ 12,379,602</b>	<b>\$ 12,430,124</b>	<b>\$ 50,522</b>

Revenue from the federal government:

<b>Categorical aid:</b>			
Adult Basic Education	\$ 52,765	\$ 38,572	\$ (14,193)
Chapter I	682,500	569,068	(113,432)
Chapter II	42,085	85,877	43,792
Title II	24,600	24,618	18
Forest reserve payments	0	267	267
Title III of P.L. 95--561 (Formerly P.L. 874)	200,000	192,497	(7,503)
Title VI -- B -- Special Education	245,269	478,333	233,064
Preschool incentive grants	40,000	0	(40,000)
Vocational education	70,000	100,024	30,024
Drug free schools	58,104	53,713	(4,391)
<b>Total categorical aid</b>	<b>\$ 1,415,323</b>	<b>\$ 1,542,969</b>	<b>\$ 127,646</b>
<b>Total revenue from the federal government</b>	<b>\$ 1,415,323</b>	<b>\$ 1,542,969</b>	<b>\$ 127,646</b>

Governmental Funds and Discretely Presented Component Units

Statement of Revenues -- Budget and Actual

Year Ended June 30, 1994

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Total School Operating Fund	\$ 14,029,531	\$ 14,442,513	\$ 412,982
School Cafeteria Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ 0	\$ 5,219	\$ 5,219
Total revenue from use of money and property	\$ 0	\$ 5,219	\$ 5,219
Charges for services:			
Cafeteria sales	\$ 1,497,222	\$ 1,336,109	\$ (161,113)
Total revenue from local sources	\$ 1,497,222	\$ 1,341,328	\$ (155,894)
Revenue from the Commonwealth:			
Categorical aid:			
School food program grant	\$ 45,000	\$ 41,999	\$ (3,001)
Total revenue from the Commonwealth	\$ 45,000	\$ 41,999	\$ (3,001)
Revenue from the federal government:			
Categorical aid:			
School food program grant	\$ 400,159	\$ 442,882	\$ 42,723
Total revenue from the federal government	\$ 400,159	\$ 442,882	\$ 42,723
Total School Cafeteria Fund	\$ 1,942,381	\$ 1,826,209	\$ (116,172)
School Textbook Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ 0	\$ 2,097	\$ 2,097
Charges for services:			
Charges for education	\$ 485,000	\$ 251,568	\$ (233,432)
Total revenue from local sources	\$ 485,000	\$ 253,665	\$ (231,335)
Revenue from the Commonwealth:			
Categorical aid:			
Textbook payments	\$ 0	\$ 38,882	\$ 38,882
Total revenue from the Commonwealth	\$ 0	\$ 38,882	\$ 38,882
Total School Textbook Rental Fund	\$ 485,000	\$ 292,547	\$ (192,453)

Governmental Funds and Discretely Presented Component Units

Statement of Revenues -- Budget and Actual

Year Ended June 30, 1994

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Total Special Revenue Funds	\$ 16,456,912	\$ 16,561,269	\$ 104,357
School Capital Projects Fund:			
Revenue from local sources:			
Miscellaneous revenue	\$ 0	\$ 7,560	\$ 7,560
Total revenue from local sources	\$ 0	\$ 7,560	\$ 7,560
Total School Capital Projects Fund	\$ 0	\$ 7,560	\$ 7,560
Grand Total Revenues -- Component Unit -- School Board	\$ 16,456,912	\$ 16,568,829	\$ 111,917

Governmental Funds and Discretely Presented Component Units

Statement of Expenditures -- Budget and Actual

Year Ended June 30, 1994 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Primary Government:			
General Fund:			
General government administration:			
Legislative:			
Board of supervisors	\$ 154,523	\$ 158,817	\$ (4,294)
Total legislative	\$ 154,523	\$ 158,817	\$ (4,294)
General and financial administration:			
County administrator	\$ 219,754	\$ 220,862	\$ (1,108)
Personnel	177,403	171,345	6,058
County attorney	190,307	281,150	(90,843)
Independent auditor	22,225	21,919	306
Consolidated services	0	94,431	(94,431)
Treasurer	406,914	403,355	3,559
Commissioner of the revenue	678,217	692,413	(14,196)
Reassessment	242,700	295,164	(52,464)
Director of finance	261,023	291,017	(29,994)
Office of management and budget	50,657	59,545	(8,888)
Management information systems	459,568	472,684	(13,116)
Risk management	292,292	447,047	(154,755)
Automotive/motor pool	0	(2,603)	2,603
Central purchasing/stores	0	3,895	(3,895)
Total general and financial administration	\$ 3,001,060	\$ 3,452,224	\$ (451,164)
Board of Elections:			
Registrar	118,068	126,881	(8,813)
Total board of elections	\$ 118,068	\$ 126,881	\$ (8,813)
Total general government administration	\$ 3,273,651	\$ 3,737,922	\$ (464,271)
Judicial administration:			
Courts:			
Circuit court	\$ 61,843	\$ 60,067	\$ 1,776
General district court	7,700	8,011	(311)
Magistrates	2,115	1,122	993
Juvenile and domestic relations district court	4,061	4,177	(116)
Clerk of the circuit court	449,415	478,206	(28,791)
Commissioner of accounts	2,400	3,600	(1,200)
Law library	22,200	16,005	6,195
Total courts	\$ 549,734	\$ 571,188	\$ (21,454)
Commonwealth's attorney:			
Commonwealth's attorney	\$ 350,872	\$ 338,957	\$ 11,915
Total judicial administration	\$ 900,606	\$ 910,145	\$ (9,539)

## Governmental Funds and Discretely Presented Component Units

## Statement of Expenditures -- Budget and Actual

Year Ended June 30, 1994 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Public safety:			
Law enforcement and traffic control:			
Sheriff	\$ 3,122,297	\$ 3,648,306	\$ (526,009)
Total law enforcement and traffic control	\$ 3,122,297	\$ 3,648,306	\$ (526,009)
Fire and rescue services:			
Volunteer fire & rescue	\$ 1,016,703	\$ 772,957	\$ 243,746
Total fire and rescue services	\$ 1,016,703	\$ 772,957	\$ 243,746
Correction and detention:			
Sheriff	\$ 454,664	\$ 437,300	\$ 17,364
Probation office	5,264	3,786	1,478
Juvenile detention	35,000	42,928	(7,928)
Total correction and detention	\$ 494,928	\$ 484,014	\$ 10,914
Other protection:			
Animal control	\$ 67,738	\$ 82,103	\$ (14,365)
Emergency services (civil defense)	232,012	242,330	(10,318)
Emergency operations center	74,580	64,164	10,416
Total other protection	\$ 374,330	\$ 388,597	\$ (14,267)
Total public safety	\$ 5,008,258	\$ 5,293,874	\$ (285,616)
Public works:			
Sanitation and waste removal:			
Litter control/recycling	\$ 168,003	\$ 157,032	\$ 10,971
Solid waste operations	756,950	751,434	5,516
Total sanitation and waste removal	\$ 924,953	\$ 908,466	\$ 16,487
Maintenance of general buildings and grounds:			
General engineering/administration	\$ 97,052	\$ 81,211	\$ 15,841
General properties	537,292	635,045	(97,753)
Total maintenance of general buildings and grounds	\$ 634,344	\$ 716,256	\$ (81,912)
Total public works	\$ 1,559,297	\$ 1,624,722	\$ (65,425)
Health and welfare:			
Health:			
Supplement of local health department	\$ 395,159	\$ 390,348	\$ 4,811
Total health	\$ 395,159	\$ 390,348	\$ 4,811

Governmental Funds and Discretely Presented Component Units

Statement of Expenditures -- Budget and Actual

Year Ended June 30, 1994 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Mental health and mental retardation:			
Chapter X board	\$ 213,066	\$ 213,066	\$ 0
Total mental health and mental retardation	\$ 213,066	\$ 213,066	\$ 0
Welfare:			
Social services	\$ 1,802,528	\$ 1,649,392	\$ 153,136
Institutional care	47,428	35,894	11,534
Comprehensive services act	1,008,036	525,413	482,623
Total welfare	\$ 2,857,992	\$ 2,210,699	\$ 647,293
Total health and welfare	\$ 3,466,217	\$ 2,814,113	\$ 652,104
Education:			
Community colleges	\$ 28,052	\$ 28,052	\$ 0
Total education	\$ 28,052	\$ 28,052	\$ 0
Parks, recreation and cultural:			
Parks and recreation			
Parks and recreation	\$ 738,597	\$ 754,494	\$ (15,897)
Total parks and recreation	\$ 738,597	\$ 754,494	\$ (15,897)
Library:			
Public library	\$ 752,197	\$ 781,569	\$ (29,372)
Total library	\$ 752,197	\$ 781,569	\$ (29,372)
Total parks, recreation and cultural	\$ 1,490,794	\$ 1,536,063	\$ (45,269)
Community development:			
Planning and community development:			
Planning	\$ 39,261	\$ 82,861	\$ (43,600)
Community development	777,453	799,605	(22,152)
Contributions to community organizations	344,471	386,711	(42,240)
Vint Hill Farms station	0	70,945	(70,945)
Total planning and community development	\$ 1,161,185	\$ 1,340,122	\$ (178,937)
Environmental management:			
Soil and water conservation district	\$ 97,864	\$ 77,926	\$ 19,938
Total environmental management	\$ 97,864	\$ 77,926	\$ 19,938
Cooperative extension program:			
VPI extension	\$ 113,380	\$ 108,879	\$ 4,501
Gypsy moth	84,979	91,675	(6,696)

Governmental Funds and Discretely Presented Component Units

Statement of Expenditures -- Budget and Actual

Year Ended June 30, 1994 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Total cooperative extension program	\$ 198,359	\$ 200,554	\$ (2,195)
Total community development	\$ 1,457,408	\$ 1,618,602	\$ (161,194)
Nondepartmental:			
Nondepartmental operations	\$ 1,425,311	\$ 0	\$ 1,425,311
Total nondepartmental	\$ 1,425,311	\$ 0	\$ 1,425,311
Debt service:			
Principal retirement	\$ 0	\$ 0	\$ 0
Interest and fiscal charges	0	18,668	(18,668)
Capital leases	0	104,883	(104,883)
Total debt service	\$ 0	\$ 123,551	\$ (123,551)
Total General Fund	\$ 18,609,594	\$ 17,687,044	\$ 922,550
Capital Projects Fund:			
Construction	\$ 50,000	\$ 12,000	\$ 38,000
E-911 street addressing	0	39,127	(39,127)
Cash collection	17,000	0	17,000
Financial system	60,000	80,363	(20,363)
Geographical information system	0	11,994	(11,994)
ADP hardware	0	5,344	(5,344)
ADP software	0	113	(113)
Consultants	560,000	96,444	463,556
Purchase of land/building	308,000	10	307,990
WHA site improvements	80,000	39,356	40,644
WHB site improvements	14,000	47,332	(33,332)
WHC site improvements	0	7,749	(7,749)
Modular office complex	0	3,670	(3,670)
Purchase of land/building	828,800	0	828,800
Renovations	150,000	3,275	146,725
Motor vehicles/equipment	262,300	262,300	0
ADP equipment	200,000	0	200,000
WSA hydrogeological study	70,837	80,701	(9,864)
WSB hydrogeological study	70,837	123,208	(52,371)
WSC professional services	125,004	3,581	121,423
WSD professional services	125,004	3,581	121,423
WSE system repairs	195,000	1,714	193,286
WSF system repairs	0	5,378	(5,378)
Architectural and engineering	100,000	43,820	56,180
Machinery/equipment	110,000	0	110,000
Total Capital Projects Fund	\$ 3,326,782	\$ 871,060	\$ 2,455,722
Grand Total Expenditures -- Primary Government	\$ 21,936,376	\$ 18,558,104	\$ 3,378,272

Governmental Funds and Discretely Presented Component Units

Statement of Expenditures -- Budget and Actual

Year Ended June 30, 1994 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Education:			
Instruction	\$ 33,818,857	\$ 33,786,508	\$ 32,349
Administration, and attendance and health	1,957,303	2,093,559	(136,256)
Pupil transportation services	2,589,407	2,743,352	(153,945)
Operation and maintenance services	<u>5,062,246</u>	<u>5,082,630</u>	<u>(20,384)</u>
Total education	<u>\$ 43,427,813</u>	<u>\$ 43,706,049</u>	<u>\$ (278,236)</u>
Debt Service:			
Principal retirement	\$ 2,757,575	\$ 2,879,282	\$ (121,707)
Interest and other debt costs	2,697,413	2,691,189	6,224
Capital leases	<u>0</u>	<u>153,601</u>	<u>(153,601)</u>
Total debt service	<u>\$ 5,454,988</u>	<u>\$ 5,724,072</u>	<u>\$ (269,084)</u>
Total School Operating Fund	<u>\$ 48,882,801</u>	<u>\$ 49,430,121</u>	<u>\$ (547,320)</u>
School Cafeteria Fund:			
Education:			
School food services	\$ 1,942,381	\$ 1,815,824	\$ 126,557
Total education	<u>\$ 1,942,381</u>	<u>\$ 1,815,824</u>	<u>\$ 126,557</u>
Total School Cafeteria Fund	<u>\$ 1,942,381</u>	<u>\$ 1,815,824</u>	<u>\$ 126,557</u>
School Textbook Fund:			
Education:			
Instruction	\$ 485,000	\$ 515,414	\$ (30,414)
Total education	<u>\$ 485,000</u>	<u>\$ 515,414</u>	<u>\$ (30,414)</u>
Total School Textbook Rental Fund	<u>\$ 485,000</u>	<u>\$ 515,414</u>	<u>\$ (30,414)</u>
School Capital Project Fund:			
Capital projects	\$ 10,334,000	\$ 8,817,691	\$ 1,516,309
Total School Capital Projects Fund	<u>\$ 10,334,000</u>	<u>\$ 8,817,691</u>	<u>\$ 1,516,309</u>
Grand Total Expenditures -- Component Unit -- School Board	<u>\$ 61,644,182</u>	<u>\$ 60,579,050</u>	<u>\$ 1,065,132</u>

Statement of the Treasurer's Accountability

At June 30, 1994

Assets held by the Treasurer:

Cash on hand	\$ 1,000
Cash in banks:	
Checking:	
Peoples National Bank	33,628
Savings:	
First Virginia Bank	30,858
Jefferson Saving & Loan	26,186
Peoples National Bank	201,888
Money Market Accounts:	
Marshall National Bank	630,778
State Bank of Remington	66,142
People National Bank	26,229
Investments:	
Fauquier National Bank	1,807,829
Local Government Investment Pool	13,451,630
Virginia State Non-Arbitrage Program	7,623,924

Total assets \$ 23,900,092

Liabilities of the Treasurer:

Reconciled overdraft: Fauquier National Bank	\$ 2,631,751
Balance of County Funds (Schedule 4)	21,261,504
Amounts due to Commonwealth	6,821
Overpayment	16

Total liabilities \$ 23,900,092

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

Statement of the Treasurer's Accountability to the County

All County Funds and Component Units

Year Ended June 30, 1994

	Governmental Funds		Proprietary Funds
	General	Capital Projects	Enterprise
Balance July 1, 1993	\$ 4,946,267	\$ 1,890,160	\$ 3,686,506
Receipts (Net):			
General property taxes	\$ 42,956,473	\$ 0	\$ 0
Other local taxes	6,832,211	0	0
Permits, privilege fees and regulatory licenses	439,585	0	0
Fines and forfeitures	99,719	0	0
Revenue from use of money and property	924,638	0	113,585
Charges for services	335,855	0	1,559,207
Miscellaneous	121,060	292,033	22,856
Recovered costs	614,588	0	0
Intergovernmental	4,852,545	0	79,414
Proceeds from indebtedness	292,834	0	0
Total receipts	\$ 57,469,508	\$ 292,033	\$ 1,775,062
Total receipts and balance	\$ 62,415,775	\$ 2,182,193	\$ 5,461,568
Disbursements (Net):			
Warrants (checks) issued	\$ 17,573,284	\$ 859,063	\$ 1,405,045
Retirement of Indebtedness	58,683	0	200,000
Interest and fiscal charges	15,127	0	277,757
Total disbursements	\$ 17,647,094	\$ 859,063	\$ 1,882,802
Interfund transfers:			
Transfers in	\$ 762,315	\$ 2,386,729	\$ 29,976
Transfers out	36,364,564	712,057	4,195
Balance, June 30, 1994	\$ 9,166,432	\$ 2,997,802	\$ 3,604,547

Note: These receipts and disbursements are recorded on a cash basis. Revenues and expenditures reflected in the other supplementary data and basic financial statements are recorded on the accrual and/or modified accrual basis, except as otherwise noted.

Schedule 4

<u>Fiduciary Funds</u> <u>Trust &amp; Agency</u>	<u>Component Units</u> <u>School Board</u>	<u>Total "Memorandum Only"</u>
\$ <u>360,333</u>	\$ <u>12,742,176</u>	\$ <u>23,625,442</u>
\$ 0	\$ 0	\$ 42,956,473
0	0	6,832,211
0	0	439,585
0	0	99,719
168,785	7,316	1,214,324
153,760	1,589,459	3,638,281
14,829	1,226,558	1,677,336
0	0	614,588
0	14,020,677	18,952,636
<u>0</u>	<u>0</u>	<u>292,834</u>
\$ <u>337,374</u>	\$ <u>16,844,010</u>	\$ <u>76,717,987</u>
\$ <u>697,707</u>	\$ <u>29,586,186</u>	\$ <u>100,343,429</u>
\$ 214,248	\$ 53,099,899	\$ 73,151,539
0	2,810,290	3,068,973
<u>0</u>	<u>2,568,529</u>	<u>2,861,413</u>
\$ <u>214,248</u>	\$ <u>58,478,718</u>	\$ <u>79,081,925</u>
\$ 20,372	\$ 33,981,829	\$ 37,181,221
<u>46,062</u>	<u>54,343</u>	<u>37,181,221</u>
\$ <u>457,769</u>	\$ <u>5,034,954</u>	\$ <u>21,261,504</u>

Statement of the Treasurer's Accountability to the Commonwealth

Year Ended June 30, 1994

	Balance July 1, <u>1993</u>	<u>Receipts</u>	<u>Remittances</u>	Balance June 30, <u>1994</u>
1994 Taxes:				
Estimated income taxes	\$ -	\$ 1,755,436	\$ 1,752,148	\$ 3,288
1993 Taxes:				
Taxable year income taxes	0	1,652,251	1,649,078	3,173
Estimated income taxes	0	3,434,914	3,434,914	0
1992 Taxes:				
Taxable year income taxes	0	149,613	149,613	0
Estimated income taxes	0	193	193	0
Other Collections:				
Penalty	0	8,482	8,169	313
Interest	0	1,123	1,101	22
Share of fees of sheriff and deputies	0	7,484	7,459	25
Totals	<u>\$ 0</u>	<u>\$ 7,009,496</u>	<u>\$ 7,002,675</u>	<u>\$ 6,821</u>

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

Schedule of Federal Financial Assistance

Year Ended June 30, 1994

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Balance July 1, 1993	Revenues			Expenditures	Balance June 30, 1994
			Federal	State/ Local			
Department of Agriculture:							
Pass Through Payments:							
Virginia Department of Agriculture and Consumer Services:							
Food distribution	10.550	\$ 530	\$ 2,191	\$ 0	\$ 2,592	\$ 129	
Food distribution	10.555	43,288	141,062	0	145,138	39,212	
Cooperative forestry assistance	10.664	0	20,600	0	20,600	0	
		\$ 43,818	\$ 163,853	\$ 0	\$ 168,330	\$ 39,341	
Department of Social Services:							
Food Stamp Program (12-25-5133)	* 10.551	\$ 0	\$ 2,090,219	\$ 0	\$ 2,090,219	\$ 0	
Department of Education:							
National school breakfast program	10.553	\$ 0	\$ 51,883	\$ 0	\$ 51,883	\$ 0	
National school lunch program	* 10.555	0	390,999	0	390,999	0	
		\$ 0	\$ 442,882	\$ 0	\$ 442,882	\$ 0	
<b>Total Department of Agriculture</b>		<b>\$ 43,818</b>	<b>\$ 2,696,954</b>	<b>\$ 0</b>	<b>\$ 2,701,431</b>	<b>\$ 39,341</b>	
Department of Health and Human Services:							
Pass Through Payments:							
Department of Social Services:							
Foster Care - Title IV-E	93.658	\$ 0	\$ 20,622	\$ 0	\$ 20,622	\$ 0	
Social services block grant	* 93.667	0	424,232	0	424,232	0	
Child abuse and neglect administration	93.669	0	0	0	0	0	
Independent living	93.674	0	1,625	0	1,625	0	
JOBS	93.561	0	22,886	0	22,886	0	
Low Income Energy Assistance Block Grant	93.568	0	8,521	0	8,521	0	
<b>Total Department of Health and Human Services</b>		<b>\$ 0</b>	<b>\$ 477,887</b>	<b>\$ 0</b>	<b>\$ 477,887</b>	<b>\$ 0</b>	
National Foundation on the Arts and Humanities:							
Pass Through Payments:							
Commission for the Arts:							
Promotion of the Arts - state program	45.007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Department of Justice:							
Pass Through Payments:							
Department of Criminal Justice Services:							
Drug control and system improvement	16.579	\$ 0	\$ 36,528	\$ 0	\$ 36,528	\$ 0	
County of Arlington Police Assisted Community Drug Enforcement Program	16.580	0	3,229	0	3,229	0	
<b>Total Department of Justice</b>		<b>0</b>	<b>39,757</b>	<b>0</b>	<b>39,757</b>	<b>0</b>	
Federal Aviation Administration:							
Direct Payments:							
Airport improvement program	20.106	\$ 0	\$ 8,513	\$ 0	\$ 8,513	\$ 0	
Department of Education:							
Direct Payments:							
School assistance in federally affected areas	84.041	\$ 0	\$ 192,497	\$ 0	\$ 192,497	\$ 0	
Pass Through Payments:							
Department of Education:							
Forest reserve funds	10.665	\$ 0	\$ 267	\$ 0	\$ 267	\$ 0	
Education Consolidation and Improvement Act of 1981:							
Adult education state-administered program Chapter I:	84.002	0	38,572	0	38,572	0	

Schedule of Federal Financial Assistance

Year Ended June 30, 1994

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Balance July 1, 1993	Revenues		Expenditures	Balance June 30, 1994
			Federal	State/ Local		
Financial assistance to meet special educational needs of disadvantaged children - programs operated by local education agencies	* 84.010	0	569,069	0	569,069	0
Chapter II: Improving school program - state block grant	84.151	0	85,877	0	85,877	0
Elementary and secondary education act (ESEA): Title VI-B:						
Handicapped - state grants	* 84.027	0	478,333	0	478,333	0
Handicapped - preschool incentive grant	84.173	0	0	0	0	0
Vocational Education:						
Basic grants to states	84.048	0	100,024	0	100,024	0
Education for economic security		0	24,618	0	24,618	0
Drug free schools and communities	84.186	0	53,713	0	53,713	0
		\$ 0	\$ 1,350,473	\$ 0	\$ 1,350,473	\$ 0
<b>Total Department of Education</b>		\$ 0	\$ 1,542,970	\$ 0	\$ 1,542,970	\$ 0
Other Assistance:						
Department of Defense/Office of Economic Adjustment:						
Direct Payments:						
Vint Hill Farm Station (Grant #CL 9329-93-018)	n/a	\$ 0	\$ 18,955	\$ 0	\$ 18,955	\$ 0
Department of Health and Human Services:						
Pass Through Payments:						
Department of Social Services:						
General administration for financial assistance services	* n/a	0	396,484	0	396,484	0
Department of the Interior:						
Direct Payments:						
Bureau of Land Management - National Forest Acreage payment (31-USC-6901)	n/a	0	2,607	0	2,607	0
Department of the Justice:						
Direct Payments:						
Forfeited assets-drug arrests	n/a	30,467				30,467
<b>Total Other Assistance</b>		30,467	399,091	0	399,091	30,467
<b>Total Federal Assistance</b>		\$ 74,285	\$ 5,184,127	\$ 0	\$ 5,188,604	\$ 69,808

\*=Major program



COUNTY OF FAUQUIER, VIRGINIA

Schedule 8

General 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	Miscellaneous	Recovered Costs	Inter-governmental	Total
1984-85	13,388,334	3,205,434	217,792	11,157	703,462	1,018,738	107,207	136,825	12,030,144	30,819,093
1985-86	14,342,578	3,758,189	300,145	19,360	636,722	1,260,382	151,263	107,588	13,919,984	34,496,211
1986-87	15,789,692	4,570,353	328,851	7,116	540,562	1,335,397	261,744	201,257	15,278,148	38,313,120
1987-88	18,220,836	5,391,804	344,521	20,391	767,075	1,500,007	297,222	719,986	16,896,848	44,158,690
1988-89	22,202,672	6,021,309	622,325	27,044	1,263,686	1,702,151	354,896	181,403	17,555,551	49,931,037
1989-90	27,334,024	6,031,357	494,961	15,568	1,916,988	2,283,941	557,625	208,769	18,493,530	57,336,763
1990-91	34,595,261	5,631,251	433,172	37,034	721,940	2,601,207	502,029	402,511	18,918,026	63,842,431
1991-92	37,202,099	6,595,335	456,613	61,665	629,862	2,135,821	827,857	384,823	18,504,967	66,799,042
1992-93	39,603,352	6,286,132	393,613	130,103	620,588	2,068,769	347,404	80,699	18,668,754	68,199,414
1993-94	43,016,486	6,880,131	437,690	147,400	889,244	2,530,523	377,114	663,786	19,327,976	74,270,350

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

General Government Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Development	Debt Service	Total
1984-85	1,059,283	256,785	1,451,681	550,761	1,267,465	20,758,725	646,350	266,741	1,972,466	28,230,257
1985-86	1,107,241	307,308	1,850,342	775,223	1,366,929	23,494,432	989,325	313,972	2,045,049	32,249,821
1986-87	1,465,401	303,002	2,089,751	841,006	1,486,167	27,480,528	927,822	445,127	2,002,998	37,041,802
1987-88	1,838,606	451,517	2,548,440	1,035,979	1,581,637	32,240,244	1,224,860	725,800	2,119,103	43,766,186
1988-89	2,413,428	421,130	3,139,908	1,316,817	1,646,195	34,996,434	1,353,518	772,605	2,789,893	48,849,928
1989-90	2,959,934	492,597	4,280,231	1,880,083	1,951,262	39,217,923	1,421,475	1,369,908	3,364,398	56,937,811
1990-91	3,185,919	774,240	4,564,187	1,848,586	2,212,918	43,543,672	1,552,706	1,179,258	4,023,564	62,885,050
1991-92	3,264,804	883,435	4,999,490	990,293	2,449,113	43,390,849	1,467,637	1,113,988	3,957,162	62,516,771
1992-93	3,336,681	876,865	4,878,359	1,440,581	2,544,881	44,395,046	1,417,448	1,497,886	4,944,684	65,332,431
1993-94	3,787,665	910,145	5,293,874	1,624,721	2,814,113	46,061,151	1,536,063	1,618,601	5,802,071	69,448,404

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

COUNTY OF FAUQUIER, VIRGINIA

Schedule 10

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total (1) Tax Levy	Current Tax (1) Collections	Percent of Levy Collected	Delinquent (1) Tax (2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding (1) Delinquent (3) Taxes	Percent of Delinquent Taxes to Tax Levy
1984-85	13,269,540	12,785,597	96.35%	249,924	13,035,521	98.24%	1,011,383	7.62%
1985-86	14,189,509	13,717,192	96.67%	302,931	14,020,123	98.81%	908,101	6.40%
1986-87	15,719,668	15,162,633	96.46%	316,463	15,479,096	98.47%	1,005,339	6.40%
1987-88	18,104,495	17,481,859	96.56%	423,348	17,905,207	98.90%	1,101,945	6.09%
1988-89	22,158,469	21,416,243	96.65%	265,415	21,681,658	97.85%	1,378,915	6.22%
1989-90	27,639,958	26,443,360	95.67%	348,365	26,791,725	96.93%	1,821,313	6.59%
1990-91	35,624,866	33,478,769	93.98%	534,519	34,013,288	95.48%	3,273,753	9.19%
1991-92	37,515,586	34,988,407	93.26%	1,082,529	36,070,936	96.15%	4,418,739	11.78%
1992-93	39,486,468	36,907,864	93.47%	1,618,156	38,526,020	97.57%	4,925,857	12.47%
1993-94	42,166,153	40,074,085	95.04%	1,966,571	42,040,656	99.70%	4,397,492	10.43%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes three years taxes.

COUNTY OF FAUQUIER, VIRGINIA

Schedule II

Assessed Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Airplanes	Mobile Homes	Machinery and Tools	Merchants' Capital	Public service	Total
1984-85	1,411,001,900	100,337,090	1,100,260	2,603,400	8,780,400	18,900,170	91,100,448	1,633,823,668
1985-86	1,464,562,940	114,018,866	1,283,652	2,962,966	7,516,700	2,924,083	100,668,422	1,693,937,629
1986-87	1,539,672,210	129,422,737	1,251,380	3,758,820	9,249,940	23,678,900	98,109,991	1,805,143,978
1987-88	1,635,849,672	150,838,473	1,180,720	4,704,269	9,451,714	28,069,491	99,330,675	1,929,425,014
1988-89	1,722,937,767	181,388,260	1,387,571	5,156,433	9,955,485	35,952,389	94,756,425	2,051,534,330
1989-90	3,005,951,399	194,685,171	1,325,849	5,510,432	12,351,141	0	125,293,746	3,345,117,738
1990-91	3,096,038,974	207,471,221	1,590,250	5,491,323	12,895,230	0	128,044,315	3,451,531,313
1991-92	3,112,929,825	207,661,484	1,761,325	5,402,293	13,760,045	0	119,289,578	3,460,804,550
1992-93	3,172,706,130	204,244,507	1,861,830	5,521,339	10,030,443	0	121,997,262	3,516,361,511
1993-94	3,203,089,889	205,822,817	2,141,750	5,310,872	8,745,079	0	137,752,001	3,562,862,408

Property Tax Rates (1)

Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Airplanes	Machinery and Tools	Merchants' Capital
1984-85	0.63	3.45	2.50	3.45	0.01
1985-86	0.63	3.45	2.50	3.45	0.01
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	-

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

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
1984-85	35,889	1,633,823,668	13,977,500	0.0086	389
1985-86	35,889	1,693,937,629	13,180,000	0.0078	367
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

(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.

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Item	Description	Quantity	Unit Price	Total Price	Notes
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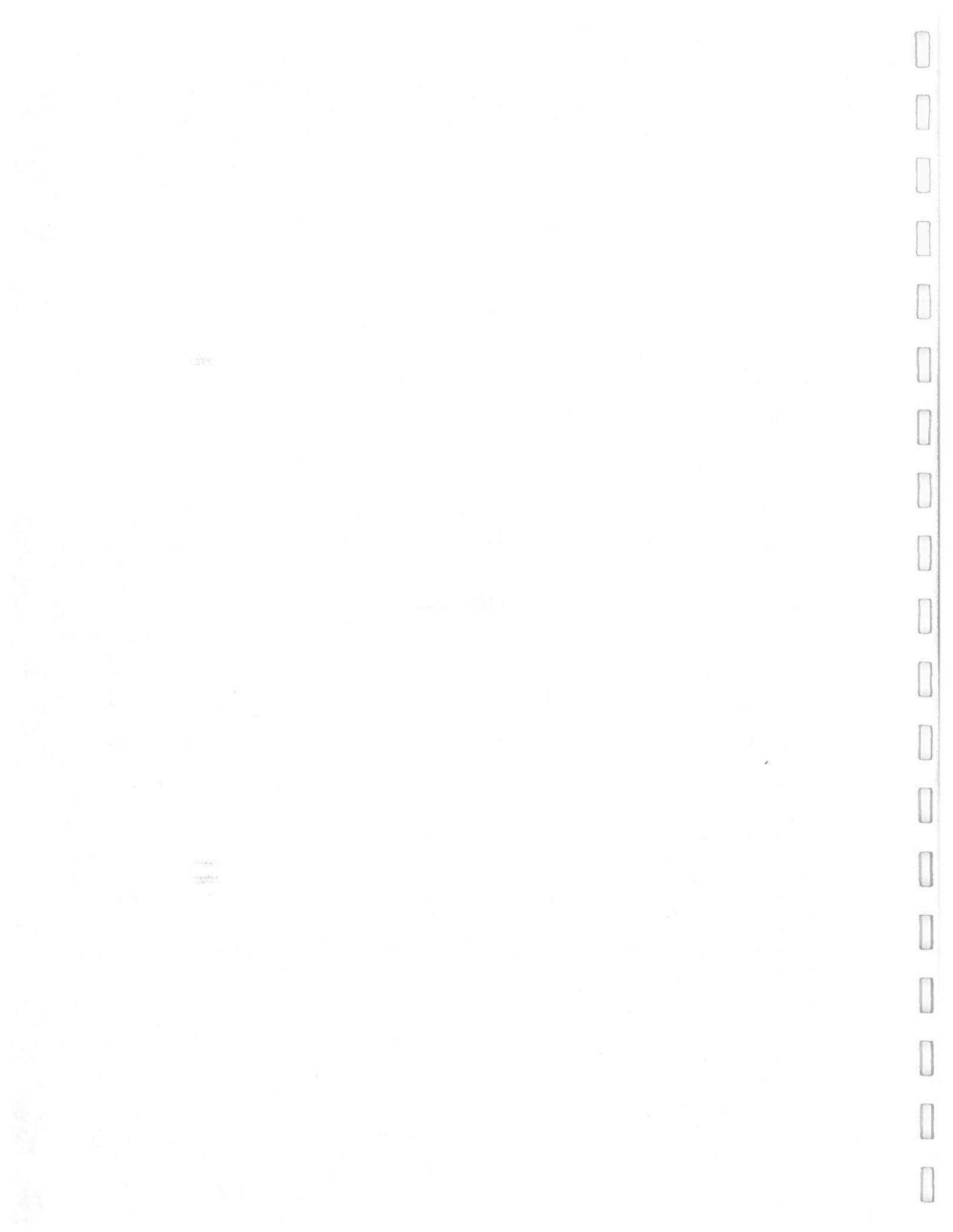
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COMPLIANCE



# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE

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

We have audited the general purpose and combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1994, and have issued our report thereon dated September 16, 1994. Our auditors' report on those financial statements was qualified because the financial statements do not include a general fixed asset account group. We have also audited the County's compliance with requirements applicable to major federal assistance programs and have issued our report thereon dated September 16, 1994.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) 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. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose and combining financial statements are free of material misstatement and about whether the County 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, 1994, we considered the County's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the County's general purpose financial statements and on its compliance with requirements applicable to major federal assistance programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to our audit of the general purpose financial statements and with compliance with requirements applicable to federal assistance programs.

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 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, in the following categories:

### Accounting Controls:

- Financial reporting
- Treasury or financing
- Revenues/receipts
- Purchases/disbursements
- Payrolls/personnel

Administrative Controls:

General Requirements:

- Political Activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements:

- Types of services
- Eligibility
- Matching, level of effort
- Reporting
- Cost allocation
- Special requirements
- Monitoring subrecipients

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 whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1994, the County of Fauquier, Virginia expended 84% 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 an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses as defined by the American Institute of Certified Public Accountants. A material weakness is reportable condition in which the design or operation of the specific 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 or that noncompliance with laws and regulations that would be material to a federal assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have communicated to the management of the County in a separate memorandum dated September 16, 1994.

This report is intended for the use of management, state and federal regulatory agencies. However, this report is a matter of public record and its distribution is not limited

*Robinson, Famer, Cox Associates*

Charlottesville, Virginia  
September 16, 1994

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

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

We have audited the general purpose and combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1994, and have issued our report thereon dated September 16, 1994. Our auditors' report on those financial statements was qualified because the financial statements do not include a general fixed asset account group. We have also audited the County's compliance with requirements applicable to major federal assistance programs.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards; issued by the Comptroller General of the United States; the Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments; and the Specifications for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose and combining financial statements are free of material misstatement and about whether material noncompliance with the specific requirements applicable to the County's major federal assistance programs has occurred.

### Compliance Report Based on Audit of General Purpose Financial Statements in Accordance with Government Auditing Standards

Compliance with laws, regulations, contracts and grants applicable to the County is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the general purpose and combining financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit 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 of compliance indicate that, with respect to the items tested, the County of Fauquier, Virginia complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those provisions.

### Report on Compliance with the General Requirements

We have also applied procedures to test the County of Fauquier, Virginia's compliance with the following requirements that are applicable to the County's federal assistance programs, which are identified in the Schedule of Federal Assistance: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug-free workplace and administrative requirements.

Our procedures relative to the general requirements were limited to the applicable procedures described in the 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 these general requirements. Accordingly, we do not express an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the general requirements referred to above. 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.

#### Opinion on Compliance with Specific Requirements Applicable to Major Programs

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; cost allocation; special requirements applicable to the Chapter 1 program; special requirements applicable to the Title VI-B, Education of the Handicapped program, monitoring subrecipients, claims for advances and reimbursements; and amounts claimed for 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. The management of the County is responsible for compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit. 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; special requirements applicable to the Chapter 1 programs; special requirements applicable to the Title VI-B, Education of the Handicapped program, claims for advances and reimbursements; and amounts claimed for or used for matching that are applicable to each of its major federal assistance programs for the year ended June 30, 1994.

#### Report on Compliance with Requirements Applicable to Nonmajor Programs

In connection with our audit of the general purpose and combining financial statements, and with our consideration of the County of Fauquier, Virginia's internal control structure used to administer federal assistance programs for the year ended June 30, 1994, as required by OMB 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, 1994. As required by Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services, allowed or unallowed and eligibility that are applicable to those transactions. Our procedures relating to nonmajor programs 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. Accordingly, we do not express an opinion on the County's compliance with the requirements applicable to nonmajor programs.

With respect to items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements relating to nonmajor programs 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 use of management and state and federal regulatory agencies. However, this report is a matter of public record and its disbursement is not limited.

*Robinson, Fanner, Cox Associates*

Charlottesville, Virginia  
September 16, 1994

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

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

MEMORANDUM FOR THE RECORD

RE: [Illegible Title]

On [Illegible Date], [Illegible Name] advised that [Illegible Information]

[Illegible Paragraph 1]

[Illegible Paragraph 2]

[Illegible Paragraph 3]

[Illegible Paragraph 4]

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