

COUNTY OF FAUQUIER, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1993



ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

COUNTY OF FAUQUIER, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1993



COUNTY OF FAUQUIER, VIRGINIA

June 30, 1993

BOARD OF SUPERVISORS

Georgia H. Herbert, Chairman
James G. Brumfield, Vice-Chairman

Wilbur W. Burton

James R. Green, Jr.

David C. Mangum

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COUNTY SCHOOL BOARD

Gary Watson, Chairman
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Lawrence D. Czarda

David Hight
Frederick D. Essex, Clerk

COUNTY SOCIAL SERVICES BOARD

Larry Parks, Chairman
James K. Shirley, Vice-Chairman

Taliaferro Copper

Richard Hall

Marie Price

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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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, 1993 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, 1993, 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, 1993, 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
October 22, 1993

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COUNTY OF FAUQUIER, VIRGINIA

Combined Balance Sheet - All Funds and Account Groups

At June 30, 1993

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<u>ASSETS AND OTHER DEBITS</u>			
Cash and investments (Note 2)	\$ 4,946,267	\$ 366,657	\$ 14,265,679
Restricted cash and investments	0	0	0
Cash in custody of others	0	0	0
Petty cash	3,550	700	0
Deferred compensation program investments	0	0	0
Receivables (net of allowances for uncollectibles):			
Taxes including penalties (Note 1)	2,828,692	0	0
Accounts	528,746	36,675	0
Due from other funds (Note 5)	727,541	3,532,203	0
Due from other governments (Note 4)	484,263	1,013,771	0
Fixed assets (net of accumulated depreciation) (Note 6)	0	0	0
Bond issuance costs (net of accumulated amortization)	0	0	0
Other Debits:			
Amount to be provided for the retirement of general long-term obligations	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 9,519,059</u>	<u>\$ 4,950,006</u>	<u>\$ 14,265,679</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 483,366	\$ 82,327	\$ 87,045
Retainage payable	0	0	716,976
Accrued liabilities	0	4,570,816	0
Amount held for social service clients	0	0	0
Due to other funds (Note 5)	3,531,529	0	712,731
Deferred revenue (Note 10)	2,462,963	0	0
Deferred compensation payable	0	0	0
Revenue bonds payable (Note 7)	0	0	0
General obligation bonds payable (Note 7)	0	0	0
State literary fund loans payable (Note 7)	0	0	0
Capital lease obligations payable (Note 7)	0	0	0
Early retirement obligations payable (Note 7)	0	0	0
Compensated absences payable (Note 7)	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>\$ 6,477,858</u>	<u>\$ 4,653,143</u>	<u>\$ 1,516,752</u>
<u>FUND EQUITY</u>			
Contributed capital	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Retained earnings (deficit)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 183,138	\$ 296,863	\$ 12,748,927
Undesignated	2,858,063	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total fund balances	<u>\$ 3,041,201</u>	<u>\$ 296,863</u>	<u>\$ 12,748,927</u>
Total fund equity	<u>\$ 3,041,201</u>	<u>\$ 296,863</u>	<u>\$ 12,748,927</u>
Total liabilities and fund equity	<u>\$ 9,519,059</u>	<u>\$ 4,950,006</u>	<u>\$ 14,265,679</u>

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

Exhibit 1

<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Account Group</u>	<u>Totals "Memo- randum Only"</u>
<u>Enterprise</u>	<u>Trust and Agency</u>	<u>General Long-term Obligation</u>	
\$ 346,717	\$ 360,333	\$ 0	\$ 20,285,653
3,339,789	0	0	3,339,789
20,000	0	0	20,000
0	0	0	4,250
0	205,131	0	205,131
0	0	0	2,828,692
191,465	0	0	756,886
0	0	0	4,259,744
13,373	0	0	1,511,407
0	0	0	
3,231,813	0	0	3,231,813
146,872	0	0	146,872
0	0	51,224,666	51,224,666
<u>\$ 7,290,029</u>	<u>\$ 565,464</u>	<u>\$ 51,224,666</u>	<u>\$ 87,814,903</u>
\$ 76,513	\$ 0	\$ 0	\$ 729,251
0	0	0	716,976
3,300,213	204,081	0	8,075,110
0	1,356	0	1,356
4,195	11,289	0	4,259,744
0	0	0	2,462,963
0	205,131	0	205,131
4,880,000	0	0	4,880,000
0	0	45,425,000	45,425,000
0	0	1,697,500	1,697,500
0	0	673,936	673,936
0	0	1,693,811	1,693,811
7,614	0	1,734,419	1,742,033
<u>\$ 8,268,535</u>	<u>\$ 421,857</u>	<u>\$ 51,224,666</u>	<u>\$ 72,562,811</u>
<u>\$ 1,599,920</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,599,920</u>
<u>\$ (2,578,426)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,578,426)</u>
\$ 0	\$ 143,607	\$ 0	\$ 13,372,535
0	0	0	2,858,063
<u>\$ 0</u>	<u>\$ 143,607</u>	<u>\$ 0</u>	<u>\$ 16,230,598</u>
<u>\$ (978,506)</u>	<u>\$ 143,607</u>	<u>\$ 0</u>	<u>\$ 15,252,092</u>
<u>\$ 7,290,029</u>	<u>\$ 565,464</u>	<u>\$ 51,224,666</u>	<u>\$ 87,814,903</u>

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Combined Statement of Revenues, Expenditures
and Changes in Fund Balances

All Governmental Funds and Similar Trust Funds

Year Ended June 30, 1993

	Governmental Fund Types			Fiduciary	Totals
	General	Special Revenue	Capital Projects	Fund Types Expendable Trust	"Memorandum Only"
Revenues:					
General property taxes	\$ 39,603,352	\$ 0	\$ 0	\$ 0	\$ 39,603,352
Other local taxes	6,286,132	0	0	0	6,286,132
Permits, privilege fees and regulatory licenses	393,613	0	0	0	393,613
Fines and forfeitures	130,103	0	0	0	130,103
Revenue from use of money and property	601,488	19,100	0	4,540	625,128
Charges for services	335,313	1,733,456	0	0	2,068,769
Miscellaneous	82,545	264,859	0	21,069	368,473
Recovered costs	80,699	0	0	0	80,699
Revenue from the Commonwealth	3,382,955	12,246,143	0	0	15,629,098
Revenue from the Federal Government	911,153	2,128,503	0	0	3,039,656
Total revenues	\$ 51,807,353	\$ 16,392,061	\$ 0	\$ 25,609	\$ 68,225,023
Expenditures:					
Current:					
General government administration	\$ 3,336,681	\$ 0	\$ 0	\$ 0	\$ 3,336,681
Judicial administration	876,865	0	0	0	876,865
Public safety	4,878,359	0	0	0	4,878,359
Public works	1,440,581	0	0	0	1,440,581
Health and welfare	2,544,881	0	0	0	2,544,881
Education	25,199	44,369,847	0	0	44,395,046
Parks, recreation, and cultural	1,417,448	0	0	0	1,417,448
Community development	1,497,886	0	0	0	1,497,886
Capital projects	0	0	15,721,719	0	15,721,719
Debt service:					
Principal retirement	42,763	2,630,290	0	0	2,673,053
Interest and other fiscal charges	7,028	2,264,603	0	0	2,271,631
Total expenditures	\$ 16,067,691	\$ 49,264,740	\$ 15,721,719	\$ 0	\$ 81,054,150
Excess (deficiency) of revenues over expenditures	\$ 35,739,662	\$ (32,872,679)	\$ (15,721,719)	\$ 25,609	\$ (12,829,127)
Other financing sources (uses):					
Proceeds from indebtedness	\$ 266,962	\$ 0	\$ 16,000,000	\$ 0	\$ 16,266,962
Operating transfers in	447,257	32,785,931	3,075,909	0	36,309,097
Operating transfers out	(35,886,862)	0	0	(11,789)	(35,898,651)
Total other financing sources (uses)	\$ (35,172,643)	\$ 32,785,931	\$ 19,075,909	\$ (11,789)	\$ 16,677,408
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 567,019	\$ (86,748)	\$ 3,354,190	\$ 13,820	\$ 3,848,281
Fund balances at beginning of year	\$ 2,474,182	\$ 383,611	\$ 9,394,737	\$ 129,787	\$ 12,382,317
Fund balances at end of year	\$ 3,041,201	\$ 296,863	\$ 12,748,927	\$ 143,607	\$ 16,230,598

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

General, Special Revenue and Capital Projects Funds

Year Ended June 30, 1993

	General Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenues:			
General property taxes	\$ 38,863,033	\$ 39,603,352	\$ 740,319
Other local taxes	6,517,526	6,286,132	(231,394)
Permits, privilege fees and regulatory licenses	477,935	393,613	(84,322)
Fines and forfeitures	0	130,103	130,103
Revenue from use of money and property	1,055,813	601,488	(454,325)
Charges for services	468,228	335,313	(132,915)
Miscellaneous	175,300	82,545	(92,755)
Recovered costs	59,619	80,699	21,080
Revenue from the Commonwealth	3,386,664	3,382,955	(3,709)
Revenue from the Federal Government	838,746	911,153	72,407
Total revenues	<u>\$ 51,842,864</u>	<u>\$ 51,807,353</u>	<u>\$ (35,511)</u>
Expenditures:			
Current:			
General government administration	\$ 3,367,397	\$ 3,336,681	\$ 30,716
Judicial administration	876,890	876,865	25
Public safety	4,573,102	4,878,359	(305,257)
Public works	1,245,085	1,440,581	(195,496)
Health and welfare	2,383,059	2,544,881	(161,822)
Education	25,199	25,199	0
Parks, recreation, and cultural	1,441,464	1,417,448	24,016
Community development	1,539,886	1,497,886	42,000
Capital projects	1,223,094	0	1,223,094
Debt service:			
Principal retirement	42,763	42,763	0
Interest and other fiscal charges	7,268	7,028	240
Total expenditures	<u>\$ 16,725,207</u>	<u>\$ 16,067,691</u>	<u>\$ 657,516</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 35,117,657</u>	<u>\$ 35,739,662</u>	<u>\$ 622,005</u>
Other financing sources (uses):			
Proceeds from indebtedness	\$ 0	\$ 266,962	\$ 266,962
Operating transfers in	0	447,257	447,257
Operating transfers out	(35,281,175)	(35,886,862)	(605,687)
Total other financing sources (uses)	<u>\$ (35,281,175)</u>	<u>\$ (35,172,643)</u>	<u>\$ 108,532</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ (163,518)</u>	<u>\$ 567,019</u>	<u>\$ 730,537</u>
Fund balances at beginning of year	<u>\$ 163,518</u>	<u>\$ 2,474,182</u>	<u>\$ 2,310,664</u>
Fund balances at end of year	<u>\$ 0</u>	<u>\$ 3,041,201</u>	<u>\$ 3,041,201</u>

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

Special Revenue Funds			Capital Projects Funds		
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
11,150	19,100	7,950	0	0	0
2,066,185	1,733,456	(332,729)	0	0	0
154,792	264,859	110,067	0	0	0
0	0	0	0	0	0
11,950,254	12,246,143	295,889	0	0	0
1,812,543	2,128,503	315,960	0	0	0
<u>\$ 15,994,924</u>	<u>\$ 16,392,061</u>	<u>\$ 397,137</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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
44,098,771	44,369,847	(271,076)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	17,465,068	15,721,719	1,743,349
2,630,290	2,630,290	0	0	0	0
2,265,573	2,264,603	970	0	0	0
<u>\$ 48,994,634</u>	<u>\$ 49,264,740</u>	<u>\$ (270,106)</u>	<u>\$ 17,465,068</u>	<u>\$ 15,721,719</u>	<u>\$ 1,743,349</u>
<u>\$ (32,999,710)</u>	<u>\$ (32,872,679)</u>	<u>\$ 127,031</u>	<u>\$ (17,465,068)</u>	<u>\$ (15,721,719)</u>	<u>\$ 1,743,349</u>
\$ 0	\$ 0	\$ 0	\$ 13,666,000	\$ 16,000,000	\$ 2,334,000
32,999,710	32,785,931	(213,779)	2,281,465	3,075,909	794,444
0	0	0	0	0	0
<u>\$ 32,999,710</u>	<u>\$ 32,785,931</u>	<u>\$ (213,779)</u>	<u>\$ 15,947,465</u>	<u>\$ 19,075,909</u>	<u>\$ 3,128,444</u>
\$ 0	\$ (86,748)	\$ (86,748)	\$ (1,517,603)	\$ 3,354,190	\$ 4,871,793
0	383,611	383,611	1,517,603	9,394,737	7,877,134
0	296,863	296,863	0	12,748,927	12,748,927

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 4

All Proprietary Funds

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings

Year Ended June 30, 1993

Operating revenues:	
Charges for services	\$ 1,372,476
Other income	<u>2,680</u>
Total operating revenues	\$ <u>1,375,156</u>
Operating expenses:	
Container operations	\$ 371,468
Landfill operations	493,874
Closure and post-closure monitoring costs	1,373,360
Airport operation and maintenance	163,111
Depreciation	<u>20,957</u>
Total operating expenses	\$ <u>2,422,770</u>
Operating income	\$ <u>(1,047,614)</u>
Non-operating revenues (expenses):	
Interest income	\$ 32,810
Operating grants - Commonwealth	43,171
Operating grants - Federal	40,975
Bond issuance cost amortization	(14,499)
Interest expense	<u>(30,345)</u>
Total non-operating revenues (expenses)	\$ <u>72,112</u>
Net income (loss) before operating transfers	\$ (975,502)
Operating transfers in (out)	<u>(410,446)</u>
Net income (loss)	\$ (1,385,948)
Add depreciation on fixed assets acquired by contributions from others	<u>11,070</u>
Increase (decrease) in retained earnings	\$ (1,374,878)
Retained earnings (deficit), beginning of year	<u>(1,203,548)</u>
Retained earnings (deficit), end of year	\$ <u><u>(2,578,426)</u></u>

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

All Proprietary Funds

Combined Statement of Cash Flows

Year Ended June 30, 1993

Cash flows from operating activities:	
Operating income (loss)	\$ (1,047,614)
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation	20,957
Changes in assets and liabilities:	
(Increase) decrease in receivables	(32,632)
Increase (decrease) in payables	1,398,712
Increase (decrease) amounts due other funds	(129,288)
Increase (decrease) in compensated absences	826
	<u>210,961</u>
Net cash provided by operating activities	\$ <u>210,961</u>
Cash flows from noncapital financing activities:	
Operating grants - Commonwealth	\$ 43,171
Operating grants - Federal	40,975
Transfers from the General Fund	(410,446)
Net cash used in noncapital financing activities	\$ <u>(326,300)</u>
Cash flows from capital and related financing activities:	
Acquisition & construction of capital assets	\$ (1,259,141)
Proceeds from indebtedness	4,880,000
Interest paid	(30,345)
	<u>3,590,514</u>
Net cash provided by (used in) capital and related financing activities	\$ <u>3,590,514</u>
Cash flows from investing activities:	
Interest earned	\$ <u>32,810</u>
Net increase (decrease) in cash and cash equivalents	\$ 3,507,985
Cash and cash equivalents, beginning of year	<u>198,522</u>
Cash and cash equivalents, end of year	\$ <u><u>3,706,507</u></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, 1993

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

For financial reporting purposes, in conformance with NCGA Statement 3, Defining the Governmental Reporting Entity, the County includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent upon the County Board of Supervisors. Control by or dependence upon the County Board of Supervisors was determined on the basis of the following:

1. The County's ability to designate the management or significantly control the operations of the entity.
2. The County's responsibility for the fiscal matters of the entity, including authorizations of budgetary appropriations, funding of operating deficiencies, control or use of surplus funds, responsibility for debts, and control over the collections and disbursements of funds.
3. The scope of public services rendered by and the geographic location of the entity.

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 a part of the "reporting entity" because the County neither exercises oversight responsibility nor has accountability for fiscal matters.

B. Financial Statement Presentation

The accompanying financial statements are prepared in accordance with the principles adopted by the Governmental Accounting Standards Board. These principles represent generally accepted accounting principles applicable to governmental units.

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

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

General Fund

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

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than those derived from special assessments, expendable trusts, or dedicated for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consist of the School, School Textbook and School Cafeteria Funds.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements

As of June 30, 1993 (Continued)

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

B. Financial Statement Presentation (Continued)

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 and School Capital Projects Funds.

2. Proprietary Funds - account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position and cash flows. The 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 Special Revenue Funds are combined and presented under the caption "Special Revenue Funds."

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

6. Budgetary Comparison Statements - The Combined and Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, compare budget and actual data for all governmental funds for which budgets were adopted. A review of the budgetary comparisons presented herein will disclose how accurately the governing body was able to forecast the revenues and expenditures of the County.

7. 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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

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

C. Basis of Accounting

1. Governmental Funds

Governmental funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 45 days after year end are reflected as deferred revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies.

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

2. Proprietary Funds

The accrual basis of accounting is used for the Enterprise 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.

D. 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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

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

E. Inventory

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

F. 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 \$2,097,165 for property taxes at June 30, 1993 and \$87,610 for solid waste receivables.

G. 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.

H. 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.

I. 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.

J. 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 appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

K. 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.

L. Bond Issuance Costs

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

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

NOTE 2--CASH AND INVESTMENTS:

Deposits - At year-end the carrying value of the County deposits with banks and savings and loans was a reconciled overdraft of \$3,965,963, and the bank balance was \$1,189,852. Of the bank balance, \$1,189,852 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 government 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, 1993.

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.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Assets in State Non-Arbitrage					
Program Investments Pool	\$ -	\$ -	\$ -	\$16,699,479	\$16,699,479
Federated Short-Term U.S. Government Trust				10,682,462	10,682,462
Deferred compensation program assets				205,131	205,131
Local Government Investment Pool				<u>228,446</u>	<u>228,446</u>
Total investments				\$27,815,518	\$27,815,518
Total deposits				(<u>3,965,963</u>)	(<u>3,965,963</u>)
Total deposits and investments				<u>\$23,849,555</u>	<u>\$23,849,555</u>

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:

Commonwealth of Virginia:	
School funds	\$ 124,588
State sales taxes	335,902
Local sales taxes	211,414
Shared expenses	203,707
Virginia Retirement System Refund - School Board	265,846

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

NOTE 4--DUE FROM OTHER GOVERNMENTAL UNITS: (Continued)

Federal Government:	
School funds	\$ 287,436
Shared expenses	<u>82,514</u>
Total	\$ <u>1,511,407</u>

NOTE 5--INTERFUND OBLIGATIONS:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 727,541	\$ 3,531,529
School	3,532,203	-
Parks and Recreation Trust	-	11,289
General Capital Projects	-	712,057
School Capital Projects	-	674
Solid Waste	-	348
Airport	-	<u>3,847</u>
Totals	\$ <u>4,259,744</u>	\$ <u>4,259,744</u>

NOTE 6--PROPRIETARY FIXED ASSETS:

A summary of Proprietary Fund property, plant, and equipment at June 30, 1993 follows:

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>
Land	\$ -	\$ 1,491,800
Improvements	-	308,200
Landfill site and improvements	1,424,419	-
Equipment	43,144	-
Totals	\$ 1,467,563	\$ 1,800,000
Less accumulated depreciation	(17,258)	(18,492)
Net	\$ <u>1,450,305</u>	\$ <u>1,781,508</u>

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>16,605</u>)
Net	\$ <u>1,599,920</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

NOTE 7--LONG-TERM DEBT:

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

Year Ending June 30,	General Long-term Debt							
	General		State		Capital Leases		Revenue Bonds	
	Obligation	Bonds	Literary Fund	Loans	Principal	Interest	Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1994 ...	\$ 2,395,000	\$ 2,492,887	\$ 257,500	\$ 50,925	\$ 255,579	\$ 38,826	\$ 200,000	\$ 242,758
1995 ...	2,740,000	2,614,816	257,500	43,200	211,960	20,929	205,000	237,158
1996 ...	3,055,000	2,437,463	220,000	35,475	115,657	8,394	210,000	229,778
1997 ...	2,990,000	2,247,452	200,000	28,875	64,979	3,123	220,000	221,378
1998 ...	2,995,000	2,062,054	200,000	22,875	25,760	310	230,000	212,028
1999 ...	2,800,000	1,881,540	200,000	16,875	-	-	240,000	201,793
2000 ...	2,540,000	1,713,671	200,000	10,875	-	-	250,000	190,633
2001 ...	2,525,000	1,553,269	162,500	4,875	-	-	260,000	178,508
2002 ...	2,355,000	1,399,388	-	-	-	-	275,000	165,508
2003 ...	2,365,000	1,251,362	-	-	-	-	290,000	151,483
2004 ...	2,330,000	1,103,144	-	-	-	-	305,000	136,403
2005 ...	2,280,000	956,575	-	-	-	-	320,000	120,238
2006 ...	2,245,000	811,870	-	-	-	-	335,000	102,958
2007 ...	2,220,000	668,024	-	-	-	-	355,000	84,700
2008 ...	2,175,000	525,573	-	-	-	-	375,000	65,175
2009 ...	2,105,000	383,218	-	-	-	-	395,000	44,550
2010 ...	1,485,000	265,964	-	-	-	-	415,000	22,825
2011 ...	1,125,000	187,600	-	-	-	-	-	-
2012 ...	1,100,000	122,600	-	-	-	-	-	-
2013 ...	800,000	67,800	-	-	-	-	-	-
2014 ...	800,000	22,600	-	-	-	-	-	-
Totals .	<u>\$45,425,000</u>	<u>\$24,768,870</u>	<u>\$1,697,500</u>	<u>\$ 213,975</u>	<u>\$ 673,935</u>	<u>\$ 71,582</u>	<u>\$4,880,000</u>	<u>\$2,607,874</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, 1993:

	Compensated <u>Absences</u>	General <u>Obligation</u>	<u>Revenue</u>
Obligations payable at July 1, 1992	\$ <u>933,882</u>	\$ <u>34,202,527</u>	\$ -
Issuances:			
Compensated absences	\$ 808,151	\$ -	\$ -
Bonds	-	16,000,000	4,880,000
Early retirement obligation	-	1,693,811	-
Capital leases	-	266,962	-
Total issuances	\$ <u>808,151</u>	\$ <u>17,960,773</u>	\$ <u>4,880,000</u>
Retirements:			
Bonds payable	\$ -	\$ 2,230,000	\$ -
State Literary Fund loans	-	257,500	-
Capital leases	-	185,553	-
Total retirements	\$ -	\$ <u>2,673,053</u>	\$ -
Obligations payable at June 30, 1993	\$ <u>1,742,033</u>	\$ <u>49,490,247</u>	\$ <u>4,880,000</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

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

<u>Details of Long-term Indebtedness:</u>	<u>Amount Outstanding</u>
General obligation bonds:	
School bonds:	
\$4,000,000, School Bonds 1973, issued June 1, 1973, maturing annually with interest payable semiannually:	
Bonds bearing interest at 5.30% maturing December 1, 1993	\$ 200,000
\$220,000 Virginia Public School Authority Bonds 1972, issued December 15, 1972, maturing annually with interest payable semiannually:	
Bonds bearing interest at 4.90% maturing December 15, 1993	20,000
\$7,500,000, School Bonds 1978, issued December 1, 1978, maturing annually with interest payable semiannually:	
Bonds bearing interest at 5.50% maturing December 1, 1993 through December 1, 1998	825,000
Bonds bearing interest at 5.75% maturing December 1, 1995 through December 1, 1998	1,025,000
\$2,500,000 Virginia Public School Authority Bonds 1980, issued June 15, 1980, maturing annually with interest payable semiannually:	
Bonds bearing interest at 8.40% maturing December 15, 1993 through December 15, 2000	1,000,000
\$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%	300,000
\$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 1989B, issued November 1, 1989, maturing annually through December 15, 2008 with interest payable semiannually at rates from 6.6% to 8.6%	10,595,000
\$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%	6,730,000
X \$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%	7,625,000
X \$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%	16,000,000
Total School Bonds	→ \$ 45,425,000
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%	\$ 75,000
\$600,000, issued July 15, 1965, due in annual installments of \$20,000 through July 15, 1995, interest payable annually at 3%	60,000
\$750,000, issued February 15, 1980, due in annual installments of \$37,500 through February 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%	300,000
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3%	300,000

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

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

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
State Literary Fund loans: (Continued)	
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3%	\$ 300,000
\$1,000,000, issued November 15, 1980, due in annual installments of \$50,000 through November 15, 2000, interest payable annually at 3%	<u>400,000</u>
Total State Literary Fund loans	\$ <u>1,697,500</u>
Total general obligation bonds/loans	\$ <u>47,122,500</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%	\$ 90,000
\$606,000 capital lease agreement for mobile classrooms, due in semi-annual installments through July 30, 1995, interest rate of 7.84%	250,444
\$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%	66,530
\$300,000 capital lease agreement for computer hardware and software authorized, \$266,962 issued, due in monthly installments including interest of \$5,675, interest rate of 5.1%	<u>266,962</u>
Total capital lease obligations	\$ <u>673,936</u>
Compensated absences payable	\$ <u>1,742,033</u>
Early retirement obligations payable	\$ <u>1,693,811</u>
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>4,880,000</u>
Total long-term indebtedness	\$ <u>56,112,280</u>

NOTE 8--CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES:

In accordance with NCGA Statement 4 "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the County has accrued the liability arising from outstanding claims and judgments and compensated absences. County employees earn leave based on length of service. School Board employees receive pay for unused sick leave upon termination. The County has outstanding accrued leave pay totaling \$1,734,419 in the General Long-term Obligation Account Group and \$7,614 in the Solid Waste Fund.

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 \$6,450,843, and the total payroll for all County Employees was \$7,406,651.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

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

A. Plan Description (Continued)

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, 1993 was \$23,385,158 and \$2,682,596 respectively, and the total payroll for all School Board employees was \$29,536,222.

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.

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, 1992. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1992 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.

There were no changes in actuarial assumptions that would significantly affect the valuation of the pension benefit obligation during the 1992 fiscal year. However, the one-time early retirement incentive program which took place during the 1992 fiscal year increased the valuation of the pension benefit obligation at June 30, 1992. The dollar effect of this program on the pension benefit obligation resulted in an increase of \$233,238.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

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

C. Funding Status and Progress (Continued)

At June 30, 1992 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	\$ 2,289,188	\$ 330,612
Current Employees:		
Accumulated employee contributions including allocated investment earnings	1,492,632	791,756
Employer-financed vested	2,140,649	241,067
Employer-financed nonvested	<u>3,153,812</u>	<u>1,112,647</u>
Total pension benefit obligation	\$ 9,076,281	\$ 2,476,082
Net assets available for benefits, at cost (market value is \$8,136,764 and \$2,568,042 respectively)		
Unfunded pension benefit obligation	\$ <u>7,534,006</u>	\$ <u>2,377,806</u>
	\$ <u>1,542,275</u>	\$ <u>98,276</u>

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, 1992 for the VRS statewide teacher pool was as follows:

Total pension benefit obligation	\$ 8,461,700,000
Net assets available for benefits, at cost (market value is \$6,366,100,000)	<u>5,894,500,000</u>
Unfunded pension benefit obligation	\$ <u>2,567,200,000</u>

The school board's 1993 contribution to the VRS statewide teacher pool represented .77% of total contributions required of all participating school boards.

There were no changes in actuarial assumptions or employee pension benefit provisions during 1993 that would significantly affect the valuation of the pension benefit obligation. There was a change, however, in the actuarial method for valuing plan assets to a modified market method from book value (cost) in the June 30, 1990 actuarial valuation that resulted in a decrease of 20.1% in the employers' contribution rates for the 1993 fiscal year. The County School Board also adopted the early retirement incentive program. The school board's share of the liability for these employees who elected to participate is recorded in the General Long-Term Debt Account Group, for ten years beginning in fiscal year 1995. The liability for the total pool is not included in the pension benefit obligation above.

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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

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

D. Contributions Required and Made (Continued)

Total employer and employee contributions to the VRS for fiscal year 1993 of \$574,483 by Fauquier County and \$212,366 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, 1991. These contributions consisted of the following:

	<u>County</u>	<u>School Board Non- Professional</u>
Normal Cost	\$ 600,924	\$ 222,021
Amortization of unfunded actuarial accrued liability	(35,473)	(11,269)
Cost of living supplement	9,032	1,614
Total Contributions	<u>\$ 574,483</u>	<u>\$ 212,366</u>
Employer contribution	\$ 251,583	\$ 79,137
Employee contribution	<u>322,900</u>	<u>134,129</u>
Total Contributions	<u>\$ 574,483</u>	<u>\$ 212,366</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 1993 amounted to \$2,656,554, and were in accordance with actuarial requirements. Employer and employee contributions were \$1,487,296 and \$1,169,258, respectively, and represented 6.36% and 5%, respectively, of current covered payroll.

The significant actuarial assumptions used to compute contribution requirements for fiscal 1993 are the same as those used to compute the pension benefit obligation at June 30, 1992 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 1993 fiscal year. There was a change, however, in the actuarial method for valuing plan assets to a modified market value method from book value (cost) in the June 30, 1991 actuarial valuations that affected the computation of contribution requirements for the 1993 fiscal year. The effect of this change reduced contributions requirements by \$35,480 and \$11,267 for the County and the School Board, respectively.

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, 1993.

For the three years ended June 30, 1991, 1992 and 1993 respectively, available assets were sufficient to fund 93.43%, 81.99% and 83.01% respectively of the County's pension benefit obligation and 94.49%, 99.46% and 96.03% respectively of the Fauquier County's School Board pension benefit obligation for non-professional employees. Unfunded pension benefit obligations represented 6.18%, 22.71% and 23.91% of the annual payroll

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements

As of June 30, 1993 (Continued)

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

E. Trend Information (Continued)

for County employees covered by the VRS, and 3.54%, .41% and 3.66% of the annual payroll for Fauquier County School Board non-professional employees for 1991, 1992 and 1993. 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 1991, 1992 and 1993, contributions to the VRS, made in accordance with actuarial determined requirements, by the County were 5.11%, 5.11% and 3.90% of annual covered payroll, and by the Fauquier County School Board were 3.78%, 3.78% and 2.95% of annual covered payroll for non-professional employees.

ANALYSIS OF FUNDING PROGRESS FOR DEFINED PENSION BENEFIT PLAN

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded (Assets in Excess of) Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded (Assets in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll</u>
A. County Employees:						
1993	\$ 7,534,006	\$ 9,076,281	83.01%	\$ 1,542,275	\$ 6,450,843	23.91%
1992	6,473,045	7,894,977	81.99%	1,421,932	6,262,568	22.71%
1991	5,390,094	5,768,806	93.43%	378,712	6,120,205	6.18%
1990	4,452,374	4,914,563	90.60%	462,189	5,293,096	8.73%
1989	3,678,763	4,106,741	89.58%	427,978	4,196,671	10.20%
1988	3,048,012	4,574,663	66.63%	1,526,651	3,708,687	41.16%
B. School Board Non-Professional Employees:						
1993	\$ 2,377,806	\$ 2,476,082	96.03%	\$ 98,276	\$ 2,682,596	3.66%
1992	1,997,597	2,008,472	99.46%	10,875	2,683,848	.41%
1991	1,619,420	1,713,797	94.49%	94,377	2,659,311	3.54%
1990	1,302,037	1,282,581	101.52%	(19,456)	2,472,307	(.79%)
1989	1,018,377	960,075	106.07%	(58,302)	2,265,208	(2.57%)
1988	791,914	967,251	81.87%	175,337	1,698,906	10.32%

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

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 \$2,462,963 is comprised of the following:

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

NOTE 10--DEFERRED REVENUE: (Continued)

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$2,435,094 at June 30, 1993.

B. Prepaid Taxes

Property taxes due subsequent to June 30, 1993 but paid in advance by the taxpayers totaled \$27,869 at June 30, 1993.

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.

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
Terry E. Arbogast, Clerk of the School Board	10,000

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements
As of June 30, 1993 (Continued)

NOTE 13--SURETY BONDS: (Continued)

	<u>Amount</u>
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 \$2,881,605 at June 30, 1993. 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--CLOSURES 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.

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, 1993 is presented below.

	<u>Solid Waste</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$ 1,353,308	\$ 21,848	\$ 1,375,156
Depreciation expense	8,629	12,328	20,957
Operating income	(894,023)	(153,591)	(1,047,614)
Net income	(909,895)	(65,607)	(975,502)
Current capital contributions	-	-	-
Property, plant and equipment additions	1,259,141	-	1,259,141
Net working capital	349,256	121,591	470,847
Total assets	5,368,592	1,921,437	7,290,029
Total equity	(2,881,605)	1,903,099	(978,506)

COMBINING FINANCIAL STATEMENTS



SPECIAL REVENUE FUNDS

Combining Balance Sheet
At June 30, 1993

	<u>School Fund</u>	<u>School Textbook Fund</u>	<u>School Cafeteria Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and investments	\$ 0	\$ 227,796	\$ 138,861	\$ 366,657
Petty cash	500	200	0	700
Receivables (net of allowances for uncollectibles):				
Accounts	32,822	3,853	0	36,675
Due from other funds	3,532,203	0	0	3,532,203
Due from other governments	927,179	0	86,592	1,013,771
Total assets	\$ 4,492,704	\$ 231,849	\$ 225,453	\$ 4,950,006
<u>LIABILITIES</u>				
Accounts payable	\$ 50,744	\$ 0	\$ 31,583	\$ 82,327
Accrued liabilities	4,441,960	0	128,856	4,570,816
Total liabilities	\$ 4,492,704	\$ 0	\$ 160,439	\$ 4,653,143
<u>FUND EQUITY</u>				
Fund balance:				
Unreserved:				
Designated for subsequent expenditure	\$ 0	\$ 231,849	\$ 65,014	\$ 296,863
Total liabilities and fund equity	\$ 4,492,704	\$ 231,849	\$ 225,453	\$ 4,950,006

COUNTY OF FAUQUIER, VIRGINIA

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Special Revenue Funds

Year Ended June 30, 1993

	<u>School Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenues:			
Revenue from use of money and property	\$ 11,150	\$ 6,415	\$ (4,735)
Charges for services	66,914	92,679	25,765
Miscellaneous	154,792	264,859	110,067
Recovered costs	0	0	0
Revenue from the Commonwealth	11,905,254	12,160,750	255,496
Revenue from the Federal Government	1,412,384	1,679,814	267,430
Total revenues	<u>\$ 13,550,494</u>	<u>\$ 14,204,517</u>	<u>\$ 654,023</u>
Expenditures:			
Current:			
Education	\$ 41,654,341	\$ 42,095,555	\$ (441,214)
Debt service:			
Principal retirement	2,630,290	2,630,290	0
Interest and other fiscal charges	2,265,573	2,264,603	970
Total expenditures	<u>\$ 46,550,204</u>	<u>\$ 46,990,448</u>	<u>\$ (440,244)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (32,999,710)</u>	<u>\$ (32,785,931)</u>	<u>\$ 213,779</u>
Other financing sources:			
Proceeds from indebtedness	\$ 0	\$ 0	\$ 0
Operating transfers in	32,999,710	32,785,931	(213,779)
Total other financing sources	<u>\$ 32,999,710</u>	<u>\$ 32,785,931</u>	<u>\$ (213,779)</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances at beginning of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances at end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

School Textbook Fund			School Cafeteria Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 0	\$ 5,800	\$ 5,800	\$ 0	\$ 6,885	\$ 6,885	\$ 11,150	\$ 19,100	\$ 7,950
520,033	288,316	(231,717)	1,479,238	1,352,461	(126,777)	2,066,185	1,733,456	(332,729)
0	0	0	0	0	0	154,792	264,859	110,067
0	0	0	0	0	0	0	0	0
0	36,953	36,953	45,000	48,440	3,440	11,950,254	12,246,143	295,889
0	0	0	400,159	448,689	48,530	1,812,543	2,128,503	315,960
<u>\$ 520,033</u>	<u>\$ 331,069</u>	<u>\$ (188,964)</u>	<u>\$ 1,924,397</u>	<u>\$ 1,856,475</u>	<u>\$ (67,922)</u>	<u>\$ 15,994,924</u>	<u>\$ 16,392,061</u>	<u>\$ 397,137</u>
\$ 520,033	\$ 409,641	\$ 110,392	\$ 1,924,397	\$ 1,864,651	\$ 59,746	\$ 44,098,771	\$ 44,369,847	\$ (271,076)
0	0	0	0	0	0	2,630,290	2,630,290	0
0	0	0	0	0	0	2,265,573	2,264,603	970
<u>\$ 520,033</u>	<u>\$ 409,641</u>	<u>\$ 110,392</u>	<u>\$ 1,924,397</u>	<u>\$ 1,864,651</u>	<u>\$ 59,746</u>	<u>\$ 48,994,634</u>	<u>\$ 49,264,740</u>	<u>\$ (270,106)</u>
<u>\$ 0</u>	<u>\$ (78,572)</u>	<u>\$ (78,572)</u>	<u>\$ 0</u>	<u>\$ (8,176)</u>	<u>\$ (8,176)</u>	<u>\$ (32,999,710)</u>	<u>\$ (32,872,679)</u>	<u>\$ 127,031</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	32,999,710	32,785,931	(213,779)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,999,710</u>	<u>\$ 32,785,931</u>	<u>\$ (213,779)</u>
\$ 0	\$ (78,572)	\$ (78,572)	\$ 0	\$ (8,176)	\$ (8,176)	\$ 0	\$ (86,748)	\$ (86,748)
0	310,421	310,421	0	73,190	73,190	0	383,611	383,611
<u>\$ 0</u>	<u>\$ 231,849</u>	<u>\$ 231,849</u>	<u>\$ 0</u>	<u>\$ 65,014</u>	<u>\$ 65,014</u>	<u>\$ 0</u>	<u>\$ 296,863</u>	<u>\$ 296,863</u>

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CAPITAL PROJECTS FUNDS

Combining Balance Sheet
At June 30, 1993

	<u>General Capital Projects</u>	<u>School Capital Projects</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ <u>1,890,160</u>	\$ <u>12,375,519</u>	\$ <u>14,265,679</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 31,084	\$ 55,961	\$ 87,045
Retainage payable	0	716,976	716,976
Due to other funds	<u>712,057</u>	<u>674</u>	<u>712,731</u>
	\$ 743,141	\$ 773,611	\$ 1,516,752
<u>FUND EQUITY</u>			
Fund balance:			
Unreserved:			
Designated for subsequent expenditure	<u>1,147,019</u>	<u>11,601,908</u>	<u>12,748,927</u>
Total liabilities and fund equity	\$ <u>1,890,160</u>	\$ <u>12,375,519</u>	\$ <u>14,265,679</u>

COUNTY OF FAUQUIER, VIRGINIA

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual

Capital Projects Funds

Year Ended June 30, 1993

General Capital Projects Fund

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenues:			
Revenue from use of money and property	\$ 0	\$ 0	\$ 0
Revenue from the Federal Government	0	0	0
Total revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Capital projects	\$ 3,799,068	\$ 3,669,886	\$ 129,182
Debt service:			
Interest and other fiscal charges	0	0	0
Total expenditures	<u>\$ 3,799,068</u>	<u>\$ 3,669,886</u>	<u>\$ 129,182</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,799,068)</u>	<u>\$ (3,669,886)</u>	<u>\$ 129,182</u>
Other financing sources (uses):			
Proceeds from indebtedness	\$ 0	\$ 0	\$ 0
Operating transfers in	2,281,465	3,075,909	794,444
Total other financing sources (uses)	<u>\$ 2,281,465</u>	<u>\$ 3,075,909</u>	<u>\$ 794,444</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ (1,517,603)</u>	<u>\$ (593,977)</u>	<u>\$ 923,626</u>
Fund balances at beginning of year	<u>\$ 1,517,603</u>	<u>\$ 1,740,996</u>	<u>\$ 223,393</u>
Fund balances at end of year	<u>\$ 0</u>	<u>\$ 1,147,019</u>	<u>\$ 1,147,019</u>

School Capital Projects Fund			Totals		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
\$ 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>\$ 0</u>	<u>\$ 0</u>
\$ 13,666,000	\$ 12,051,833	\$ 1,614,167	\$ 17,465,068	\$ 15,721,719	\$ 1,743,349
0	0	0	0	0	0
<u>\$ 13,666,000</u>	<u>\$ 12,051,833</u>	<u>\$ 1,614,167</u>	<u>\$ 17,465,068</u>	<u>\$ 15,721,719</u>	<u>\$ 1,743,349</u>
<u>\$ (13,666,000)</u>	<u>\$ (12,051,833)</u>	<u>\$ 1,614,167</u>	<u>\$ (17,465,068)</u>	<u>\$ (15,721,719)</u>	<u>\$ 1,743,349</u>
\$ 13,666,000	\$ 16,000,000	\$ 2,334,000	\$ 13,666,000	\$ 16,000,000	\$ 2,334,000
0	0	0	2,281,465	3,075,909	794,444
<u>\$ 13,666,000</u>	<u>\$ 16,000,000</u>	<u>\$ 2,334,000</u>	<u>\$ 15,947,465</u>	<u>\$ 19,075,909</u>	<u>\$ 3,128,444</u>
\$ 0	\$ 3,948,167	\$ 3,948,167	\$ (1,517,603)	\$ 3,354,190	\$ 4,871,793
0	7,653,741	7,653,741	1,517,603	9,394,737	7,877,134
<u>\$ 0</u>	<u>\$ 11,601,908</u>	<u>\$ 11,601,908</u>	<u>\$ 0</u>	<u>\$ 12,748,927</u>	<u>\$ 12,748,927</u>

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ENTERPRISE FUNDS

Combining Balance Sheet

At June 30, 1993

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 220,161	\$ 126,556	\$ 346,717
Restricted cash and investments	3,339,789	0	3,339,789
Cash in custody of others	20,000	0	20,000
Receivables:			
Accounts (net of allowance for uncollectables)	191,465	0	191,465
Due from other governments	0	13,373	13,373
Fixed assets (net of accumulated depreciation)	1,450,305	1,781,508	3,231,813
Bond issuance costs (net of accumulated amortization)	<u>146,872</u>	<u>0</u>	<u>146,872</u>
 Total assets	 <u>\$ 5,368,592</u>	 <u>\$ 1,921,437</u>	 <u>\$ 7,290,029</u>

<u>LIABILITIES</u>			
Accounts payable	\$ 62,022	\$ 14,491	\$ 76,513
Accrued liabilities	3,300,213	0	3,300,213
Due to other funds	348	3,847	4,195
Revenue bonds payable	4,880,000	0	4,880,000
Compensated absences payable	<u>7,614</u>	<u>0</u>	<u>7,614</u>
 Total liabilities	 <u>\$ 8,250,197</u>	 <u>\$ 18,338</u>	 <u>\$ 8,268,535</u>

<u>FUND EQUITY</u>			
Contributed capital	\$ 0	\$ 1,599,920	\$ 1,599,920
Retained Earnings (Deficit):			
Unreserved	<u>(2,881,605)</u>	<u>303,179</u>	<u>(2,578,426)</u>
 Total fund equity	 <u>\$ (2,881,605)</u>	 <u>\$ 1,903,099</u>	 <u>\$ (978,506)</u>
 Total liabilities and fund equity	 <u>\$ 5,368,592</u>	 <u>\$ 1,921,437</u>	 <u>\$ 7,290,029</u>

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses

and Changes in Retained Earnings

Year Ended June 30, 1993

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 1,350,628	\$ 21,848	\$ 1,372,476
Other income	<u>2,680</u>	<u>0</u>	<u>2,680</u>
Total operating revenues	\$ <u>1,353,308</u>	\$ <u>21,848</u>	\$ <u>1,375,156</u>
Operating expenses:			
Container operations	\$ 371,468	\$ 0	\$ 371,468
Landfill operations	493,874	0	493,874
Closure and post-closure monitoring costs	1,373,360	0	1,373,360
Airport operation and maintenance	0	163,111	163,111
Depreciation	<u>8,629</u>	<u>12,328</u>	<u>20,957</u>
Total operating expenses	\$ <u>2,247,331</u>	\$ <u>175,439</u>	\$ <u>2,422,770</u>
Operating income	\$ <u>(894,023)</u>	\$ <u>(153,591)</u>	\$ <u>(1,047,614)</u>
Non-operating revenues (expenses):			
Interest income	\$ 28,972	\$ 3,838	\$ 32,810
Operating grants - Commonwealth	0	43,171	43,171
Operating grants - Federal	0	40,975	40,975
Bond issuance cost amortization	(14,499)	0	(14,499)
Interest expense	<u>(30,345)</u>	<u>0</u>	<u>(30,345)</u>
Total non-operating revenues (expenses)	\$ <u>(15,872)</u>	\$ <u>87,984</u>	\$ <u>72,112</u>
Net income (loss) before operating transfers	\$ (909,895)	\$ (65,607)	\$ (975,502)
Operating transfers in (out)	<u>(435,468)</u>	<u>25,022</u>	<u>(410,446)</u>
Net income (loss)	\$ (1,345,363)	\$ (40,585)	\$ (1,385,948)
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	\$ (1,345,363)	\$ (29,515)	\$ (1,374,878)
Retained earnings (deficit), beginning of year	<u>(1,536,242)</u>	<u>332,694</u>	<u>(1,203,548)</u>
Retained earnings (deficit), end of year	\$ <u>(2,881,605)</u>	\$ <u>303,179</u>	\$ <u>(2,578,426)</u>

ENTERPRISE FUNDS

Combining Statement of Cash Flows

Year Ended June 30, 1993

	Solid Waste Fund	Airport Fund	Totals
Cash flows from operating activities:			
Operating income (loss)	\$ (894,023)	\$ (153,591)	\$ (1,047,614)
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation	8,629	12,328	20,957
Changes in assets and liabilities:			
(Increase) decrease in receivables	(19,639)	(12,993)	(32,632)
Increase (decrease) in payables	1,393,153	5,559	1,398,712
Increase (decrease) amounts due other funds	(130,530)	1,242	(129,288)
Increase (decrease) in compensated absences	826	0	826
Net cash provided by operating activities	<u>\$ 358,416</u>	<u>\$ (147,455)</u>	<u>\$ 210,961</u>
Cash flows from noncapital financing activities:			
Operating grants - Commonwealth	0	43,171	43,171
Operating grants - Federal	0	40,975	40,975
Transfers from (to) the General Fund	\$ (435,468)	\$ 25,022	\$ (410,446)
Net cash used in noncapital financing activities	<u>\$ (435,468)</u>	<u>\$ 109,168</u>	<u>\$ (326,300)</u>
Cash flows from capital and related financing activities:			
Acquisition & construction of capital assets	\$ (1,259,141)	\$ 0	\$ (1,259,141)
Proceeds from indebtedness	4,880,000	0	4,880,000
Interest paid	(30,345)	0	(30,345)
Net cash provided by (used in) capital and related financing activities	<u>\$ 3,590,514</u>	<u>\$ 0</u>	<u>\$ 3,590,514</u>
Cash flows from investing activities:			
Interest earned	<u>\$ 28,972</u>	<u>\$ 3,838</u>	<u>\$ 32,810</u>
Net increase (decrease) in cash and cash equivalents	\$ 3,542,434	\$ (34,449)	\$ 3,507,985
Cash and cash equivalents, beginning of year	<u>37,517</u>	<u>161,005</u>	<u>198,522</u>
Cash and cash equivalents, end of year	<u>\$ 3,579,951</u>	<u>\$ 126,556</u>	<u>\$ 3,706,507</u>

COUNTY OF FAUQUIER, VIRGINIA

FIDUCIARY FUNDS

Combining Balance Sheet

At June 30, 1993

	Agency			
	Special Welfare Fund	Deferred Compensation Fund	Undistributed Local Sales Tax Fund	Performance Bond Fund
<u>ASSETS</u>				
Cash and investments	\$ 1,356	\$ 0	\$ 75,561	\$ 128,520
Deferred compensation program deposits	<u>0</u>	<u>205,131</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 1,356</u>	<u>\$ 205,131</u>	<u>\$ 75,561</u>	<u>\$ 128,520</u>
<u>LIABILITIES</u>				
Amount held for social service clients	\$ 1,356	\$ 0	\$ 0	\$ 0
Due to other funds	0	0	0	0
Sales tax payable to towns	0	0	75,561	0
Performance bonds payable	0	0	0	128,520
Deferred compensation payable	<u>0</u>	<u>205,131</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>\$ 1,356</u>	<u>\$ 205,131</u>	<u>\$ 75,561</u>	<u>\$ 128,520</u>
<u>FUND EQUITY</u>				
Unreserved:				
Designated for subsequent expenditure	\$ 0	\$ 0	\$ 0	\$ 0
Undesignated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total fund equity	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total liabilities and fund equity	<u>\$ 1,356</u>	<u>\$ 205,131</u>	<u>\$ 75,561</u>	<u>\$ 128,520</u>

Exhibit D-1

<u>Expendable Trust</u>			
<u>Library Trust Fund</u>	<u>Parks and Recreation Trust Fund</u>	<u>Legal Defense Trust Fund</u>	<u>Totals</u>
\$ 100,438	\$ 52,583	\$ 1,875	\$ 360,333
<u>0</u>	<u>0</u>	<u>0</u>	<u>205,131</u>
<u>\$ 100,438</u>	<u>\$ 52,583</u>	<u>\$ 1,875</u>	<u>\$ 565,464</u>
\$ 0	\$ 0	\$ 0	\$ 1,356
0	11,289	0	11,289
0	0	0	75,561
0	0	0	128,520
<u>0</u>	<u>0</u>	<u>0</u>	<u>205,131</u>
<u>\$ 0</u>	<u>\$ 11,289</u>	<u>\$ 0</u>	<u>\$ 421,857</u>
\$ 100,438	\$ 41,294	\$ 1,875	\$ 143,607
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 100,438</u>	<u>\$ 41,294</u>	<u>\$ 1,875</u>	<u>\$ 143,607</u>
<u>\$ 100,438</u>	<u>\$ 52,583</u>	<u>\$ 1,875</u>	<u>\$ 565,464</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Expendable Trust Funds

Year Ended June 30, 1993

	<u>Library Trust Fund</u>	<u>Parks and Recreation Trust Fund</u>	<u>Legal Defense Trust Fund</u>	<u>Totals</u>
Revenues:				
Interest	\$ 3,134	\$ 1,406	\$ 0	\$ 4,540
Donations	2,427	18,642	0	21,069
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	\$ 5,561	\$ 20,048	\$ 0	\$ 25,609
Other financing uses:				
Transfers to other funds	<hr/> 0	<hr/> 11,789	<hr/> 0	<hr/> 11,789
Excess (deficiency) of revenues over (under) other financing uses	\$ 5,561	\$ 8,259	\$ 0	\$ 13,820
Fund balances at beginning of year	<hr/> 94,877	<hr/> 33,035	<hr/> 1,875	<hr/> 129,787
Fund balances at end of year	<hr/> <u>\$ 100,438</u>	<hr/> <u>\$ 41,294</u>	<hr/> <u>\$ 1,875</u>	<hr/> <u>\$ 143,607</u>

Statement of Changes in Assets and Liabilities - Agency Funds

Year Ended June 30, 1993

	Balance July 1, 1992	Additions	Deletions	Balance June 30, 1993
<u>Special Welfare Fund</u>				
Assets:				
Cash and investments	\$ 1,550	\$ 41,140	\$ 41,334	\$ 1,356
Liabilities:				
Amounts held for social services clients	\$ 1,550	\$ 41,140	\$ 41,334	\$ 1,356
<u>Deferred Compensation Fund</u>				
Assets:				
Deferred compensation program deposits	\$ 139,343	\$ 90,743	\$ 24,955	\$ 205,131
Liabilities:				
Deferred compensation payable	\$ 139,343	\$ 90,743	\$ 24,955	\$ 205,131
<u>Undistributed Local Sales Tax Fund</u>				
Assets:				
Cash and investments	\$ 0	\$ 150,295	\$ 74,734	\$ 75,561
Liabilities:				
Sales tax payable to towns	\$ 0	\$ 150,295	\$ 74,734	\$ 75,561
<u>Performance Bond Fund</u>				
Assets:				
Cash and investments	\$ 32,070	\$ 161,450	\$ 65,000	\$ 128,520
Liabilities:				
Performance bonds payable	\$ 32,070	\$ 161,450	\$ 65,000	\$ 128,520
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 33,620	\$ 352,885	\$ 181,068	\$ 205,437
Deferred compensation program deposits	139,343	90,743	24,955	205,131
Total assets	\$ 172,963	\$ 443,628	\$ 206,023	\$ 410,568
Liabilities:				
Amounts held for social services clients	\$ 1,550	\$ 41,140	\$ 41,334	\$ 1,356
Amounts held for performance bonds	32,070	161,450	65,000	128,520
Deferred compensation payable	139,343	90,743	24,955	205,131
Sales tax payable to towns	0	150,295	74,734	75,561
Total liabilities	\$ 172,963	\$ 443,628	\$ 206,023	\$ 410,568

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SUPPORTING SCHEDULES

→ 804-924-5069 ←
KEVIN COX

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1993

(Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
GENERAL FUND:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$)	\$ 29,001,769	\$
Public service corporation taxes:			
Real and personal	29,080,687	1,162,097	1,083,179
Personal property taxes)	8,183,949	
Mobile home taxes)	50,718	
Machinery and tools taxes	9,174,246	421,279	(518,300)
Penalties	366,300	419,303	53,003
Interest	241,800	364,237	122,437
Total general property taxes	\$ 38,863,033	\$ 39,603,352	\$ 740,319
Other local taxes:			
Local sales and use taxes	\$ 2,700,000	\$ 2,556,578	\$ (143,422)
Consumer utility taxes	1,500,000	1,491,561	(8,439)
E-911 telephone tax	202,526	212,938	10,412
Motor vehicle licenses	950,000	961,863	11,863
Business licenses	575,000	572,224	(2,776)
Lodging tax	60,000	0	(60,000)
Bank franchise taxes	50,000	36,820	(13,180)
Taxes on recordation and wills	400,000	365,046	(34,954)
Cable television franchise tax	80,000	89,102	9,102
Total other local taxes	\$ 6,517,526	\$ 6,286,132	\$ (231,394)
Permits, privilege fees and regulatory licenses:			
Animal licenses	\$ 12,000	\$ 10,534	\$ (1,466)
Building and related permits	253,000	229,559	(23,441)
Zoning permits and fees	194,935	131,971	(62,964)
Transfer fees	0	1,704	1,704
Land use application fees	18,000	19,845	1,845
Total permits, privilege fees and regulatory licenses	\$ 477,935	\$ 393,613	\$ (84,322)
Fines and Forfeitures:			
Court fines and forfeitures	\$ 0	\$ 130,103	\$ 130,103
Revenue from use of money and property:			
Revenue from use of money	\$ 1,016,760	\$ 543,922	\$ (472,838)
Revenue from use of property	39,053	57,566	18,513
Total revenue from use of money and property	\$ 1,055,813	\$ 601,488	\$ (454,325)

Handwritten notes:
 938 - 961 = 23K
 + 23K = 984K

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1993

(Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
GENERAL FUND: (Continued)			
Charges for services:			
Charges for Commonwealth Attorney	\$ 0	\$ 1,005	\$ 1,005
Excess fees of clerk	15,000	0	(15,000)
Sheriff's fees, deputies and reports	→25,000	7,636	(17,364)
Charges for parks and recreation	259,228	213,997	(45,231)
Charges for correction and detention	25,000	31,207	6,207
Animal warden fees	0	0	0
Courthouse maintenance fee	0	21,960	21,960
Charges for law library	0	14,103	14,103
Convenience site fees	100,000	0	(100,000)
Charges for library	44,000	45,405	1,405
Total charges for services	\$ 468,228	\$ 335,313	\$ (132,915)
Miscellaneous revenue:			
Expenditure refunds	\$ 20,000	\$ 21,214	\$ 1,214
Recycling proceeds	15,000	13,985	(1,015)
Miscellaneous income	140,300	47,346	(92,954)
Total miscellaneous income	\$ 175,300	\$ 82,545	\$ (92,755)
Recovered costs:			
Gypsy moth spraying fees	\$ 0	\$ 8,872	\$ 8,872
Judge's office expenses	4,500	0	(4,500)
John Marshall Soil and Water District	52,119	46,505	(5,614)
Board of prisoners-other localities	3,000	740	(2,260)
Extradition of prisoners	0	9,020	9,020
Indirect costs - airport	0	10,886	10,886
Indirect costs - landfill	0	4,676	4,676
Total recovered costs	\$ 59,619	\$ 80,699	\$ 21,080
Total revenue from local sources	\$ 47,617,454	\$ 47,513,245	\$ (104,209)
Revenue from the Commonwealth:			
Non-categorical aid:			
ABC profits	\$ 131,637	\$ 101,729	\$ (29,908)
Wine taxes	44,718	47,735	3,017
Motor vehicle carriers tax	45,000	65,500	20,500
Mobile home titling taxes	15,000	11,003	(3,997)
Auto rental tax	8,000	7,024	(976)
Abandoned vehicles	0	20,000	20,000
Other aid from the Commonwealth	5,000	3,204	(1,796)
Total non-categorical aid	\$ 249,355	\$ 256,195	\$ 6,840

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1993

(Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
GENERAL FUND: (Continued)			
Categorical aid:			
Shared expenses:			
Commonwealth Attorney	\$ 186,100	\$ 182,843	\$ (3,257)
Sheriff	↔ 1,553,278	1,526,984	(26,294)
Commissioner of the Revenue	140,676	139,247	(1,429)
Treasurer	79,650	81,332	1,682
Medical examiner	0	960	960
Registrar/Electoral Board	33,000	33,877	877
Clerk of the Circuit Court	302,950	316,308	13,358
Total shared expenses	<u>\$ 2,295,654</u>	<u>\$ 2,281,551</u>	<u>\$ (14,103)</u>
Welfare:			
Welfare administration and assistance	<u>\$ 329,920</u>	<u>\$ 332,751</u>	<u>\$ 2,831</u>
Other categorical aid:			
Emergency medical services	\$ 18,000	\$ 41,026	\$ 23,026
Fire programs fund	45,000	41,893	(3,107)
Jail costs	310,000	290,978	(19,022)
Library aid	132,000	132,066	66
Litter control	6,735	6,495	(240)
Total other categorical aid	<u>\$ 511,735</u>	<u>\$ 512,458</u>	<u>\$ 723</u>
Total categorical aid	<u>\$ 3,137,309</u>	<u>\$ 3,126,760</u>	<u>\$ (10,549)</u>
Total revenue from the Commonwealth	<u>\$ 3,386,664</u>	<u>\$ 3,382,955</u>	<u>\$ (3,709)</u>
Revenue from the Federal Government:			
Noncategorical aid:			
Payment in lieu of taxes	<u>\$ 0</u>	<u>\$ 1,207</u>	<u>\$ 1,207</u>
Categorical aid:			
Welfare administration and assistance	\$ 828,246	\$ 835,353	\$ 7,107
Anti-drug abuse grant	0	- 30,817	30,817
Drug forfeiture funds	0	- 27,648	27,648
Plant pest control	10,500	14,128	3,628
Commission for the arts	0	2,000	2,000
Total categorical aid	<u>\$ 838,746</u>	<u>\$ 909,946</u>	<u>\$ 71,200</u>
Total revenue from the Federal Government	<u>\$ 838,746</u>	<u>\$ 911,153</u>	<u>\$ 72,407</u>
Total General Fund	<u>\$ 51,842,864</u>	<u>\$ 51,807,353</u>	<u>\$ (35,511)</u>

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1993

(Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
SPECIAL REVENUE FUNDS:			
School Fund:			
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the use of property	\$ 11,150	\$ 6,415	\$ (4,735)
Charges for services:			
Charges for education	\$ 66,914	\$ 92,679	\$ 25,765
Miscellaneous revenue:			
Rebates from VRS	\$ 0	\$ 0	\$ 0
Miscellaneous	154,792	264,859	110,067
Total miscellaneous revenue	\$ 154,792	\$ 264,859	\$ 110,067
Total revenue from local sources	\$ 232,856	\$ 363,953	\$ 131,097
Revenue from the Commonwealth:			
Categorical aid:			
Share of State sales tax	\$ 3,820,601	\$ 3,820,205	\$ (396)
Basic school aid	6,210,599	6,298,528	87,929
Adult literacy services	1,080	1,080	0
Foster home children	32,000	28,362	(3,638)
Gifted and talented children	70,800	71,537	737
Special education	555,910	660,879	104,969
Special education-School tuition	85,013	57,182	(27,831)
Vocational education	222,890	211,517	(11,373)
Dropout prevention	0	92,217	92,217
Remedial education	122,857	144,913	22,056
Share of fringe benefits	700,268	705,569	5,301
Homebound instruction	14,197	24,500	10,303
Other state funds	69,039	44,261	(24,778)
Total revenue from the Commonwealth	\$ 11,905,254	\$ 12,160,750	\$ 255,496
Revenue from the Federal Government:			
ECIA - Chapter I	\$ 682,500	\$ 685,779	\$ 3,279
ECIA - Chapter II	42,085	11,790	(30,295)
ESEA - Title VIB	231,144	478,207	247,063
Preschool incentive grants	40,812	38,552	(2,260)
PL 874	200,000	216,886	16,886
Adult literacy services	52,765	68,851	16,086
Vocational education	70,000	80,283	10,283
Drug free schools	58,104	70,167	12,063

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1993

(Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
SPECIAL REVENUE FUNDS: (Continued)			
School Textbook Fund:			
Revenue from the Federal Government: (Continued)			
Forest reserve funds	0	4,088	4,088
Education for economic security	34,974	25,211	(9,763)
Total revenue from the Federal Government	\$ 1,412,384	\$ 1,679,814	\$ 267,430
Total School Fund	\$ 13,550,494	\$ 14,204,517	\$ 654,023
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the use of money	\$ 0	\$ 5,800	\$ 5,800
Charges for services:			
Charges for education	520,033	288,316	(231,717)
Total revenue from local sources	\$ 520,033	\$ 294,116	\$ (225,917)
Revenue from the Commonwealth:			
Categorical aid:			
Textbook rental payments	0	36,953	36,953
Total School Textbook Fund	\$ 520,033	\$ 331,069	\$ (188,964)
School Cafeteria Fund:			
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the use of money	\$ 0	\$ 6,885	\$ 6,885
Charges for services:			
Charges for education	1,479,238	1,352,461	(126,777)
Total revenue from local sources	\$ 1,479,238	\$ 1,359,346	\$ (119,892)
Revenue from the Commonwealth:			
Categorical aid:			
School food program	\$ 45,000	\$ 48,440	\$ 3,440
Revenue from the federal government:			
School food program	\$ 400,159	\$ 448,689	\$ 48,530
Total School Cafeteria Fund	\$ 1,924,397	\$ 1,856,475	\$ (67,922)
Total Special Revenue Funds	\$ 15,994,924	\$ 16,392,061	\$ 397,137
Grand Total All Governmental Funds	\$ 67,837,788	\$ 68,199,414	\$ 361,626

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual

Year Ended June 30, 1993

(Continued)

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
GENERAL FUND:			
General Government Administration:			
Legislative:			
Board of supervisors	\$ 137,997	\$ 147,612	\$ (9,615)
General and Financial Administration:			
County administrator	\$ 259,306	\$ 248,387	\$ 10,919
Personnel	175,520	182,140	(6,620)
County attorney	188,551	237,284	(48,733)
Independent auditor/professional services	20,200	21,200	(1,000)
Treasurer	352,127	364,757	(12,630)
Commissioner of the Revenue	669,298	680,879	(11,581)
Reassessment	175,000	132,979	42,021
Finance office	308,239	312,766	(4,527)
Management information systems	449,774	458,142	(8,368)
Risk management	514,145	432,847	81,298
Other general and financial administration	0	(7,337)	7,337
Total general and financial administration	\$ 3,112,160	\$ 3,064,044	\$ 48,116
Board of Elections:			
Registrar/elections	\$ 117,240	\$ 125,025	\$ (7,785)
Total general government administration	\$ 3,367,397	\$ 3,336,681	\$ 30,716
Judicial Administration:			
Courts:			
Circuit court	\$ 54,885	\$ 57,416	\$ (2,531)
General district court	5,850	8,762	(2,912)
Magistrates	2,115	1,104	1,011
Juvenile and domestic relations court	5,530	4,299	1,231
Clerk of the circuit court	435,816	442,168	(6,352)
Commissioner of accounts	2,400	2,400	0
Law library	22,200	13,063	9,137
Total Courts	\$ 528,796	\$ 529,212	\$ (416)
Commonwealth Attorney:			
Commonwealth attorney	\$ 348,094	\$ 347,653	\$ 441
Total judicial administration	\$ 876,890	\$ 876,865	\$ 25

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual

Year Ended June 30, 1993

(Continued)

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavor.)
GENERAL FUND: (Continued)			
Public Safety:			
Law Enforcement and Traffic Control:			
Sheriff	→ \$ 2,979,818	\$ 3,268,980	\$ (289,162)
Volunteer fire and rescue	775,597	827,437	(51,840)
Correction and Detention:			
Sheriff	\$ 457,116	\$ 402,070	\$ 55,046
Probation	5,264	4,499	765
Juvenile detention	35,000	61,793	(26,793)
Total correction and detention	\$ 497,380	\$ 468,362	\$ 29,018
Inspections:			
Building	\$ 0	\$ 0	\$ 0
Other Protection:			
Animal control	\$ 89,751	\$ 74,954	\$ 14,797
Joint operations/communications center	0	15,386	(15,386)
Office of emergency services	230,556	223,240	7,316
Total Other Protection	\$ 320,307	\$ 313,580	\$ 6,727
Total public safety	\$ 4,573,102	\$ 4,878,359	\$ (305,257)
Public Works:			
Sanitation and Waste Removal:			
Solid waste operations	\$ 463,884	\$ 632,862	\$ (168,978)
Maintenance of Buildings and Grounds:			
General services	\$ 98,668	\$ 105,663	\$ (6,995)
General properties	682,533	702,056	(19,523)
Total maintenance of buildings and grounds	\$ 781,201	\$ 807,719	\$ (26,518)
Total public works	\$ 1,245,085	\$ 1,440,581	\$ (195,496)
Health and Welfare:			
Health:			
Supplement to local health department	\$ 395,159	\$ 399,192	\$ (4,033)
Mental Health and Mental Retardation:			
Chapter X board	\$ 181,044	\$ 181,044	\$ 0

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual

Year Ended June 30, 1993

(Continued)

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
GENERAL FUND: (Continued)			
Welfare/Social Services:			
Social services	\$ 1,770,514	\$ 1,570,177	\$ 200,337
Tax relief for the elderly		362,179	(362,179)
Institutional care	<u>36,342</u>	<u>32,289</u>	<u>4,053</u>
Total welfare/social services	<u>\$ 1,806,856</u>	<u>\$ 1,964,645</u>	<u>\$ (157,789)</u>
Total health and welfare	<u>\$ 2,383,059</u>	<u>\$ 2,544,881</u>	<u>\$ (161,822)</u>
Education:			
Community colleges	<u>\$ 25,199</u>	<u>\$ 25,199</u>	<u>\$ 0</u>
Parks, Recreation, and Cultural:			
Parks and recreation:			
Parks and recreation	\$ 728,380	\$ 695,335	\$ 33,045
Library:			
Public library	<u>713,084</u>	<u>722,113</u>	<u>(9,029)</u>
Total parks, recreation and cultural	<u>\$ 1,441,464</u>	<u>\$ 1,417,448</u>	<u>\$ 24,016</u>
Community Development:			
Planning and Community Development:			
Planning	\$ 82,700	\$ 42,318	\$ 40,382
Community Development and Zoning	890,734	906,442	(15,708)
Contributions to community organizations	<u>283,113</u>	<u>281,229</u>	<u>1,884</u>
Total planning and community development	<u>\$ 1,256,547</u>	<u>\$ 1,229,989</u>	<u>\$ 26,558</u>
Environmental Management:			
Soil and water conservation district	<u>\$ 93,379</u>	<u>\$ 90,445</u>	<u>\$ 2,934</u>
Cooperative Extension Program:			
VPI Extension	<u>\$ 189,960</u>	<u>\$ 177,452</u>	<u>\$ 12,508</u>
Total community development	<u>\$ 1,539,886</u>	<u>\$ 1,497,886</u>	<u>\$ 42,000</u>
Nondepartmental:			
Nondepartmental operations	<u>\$ 1,223,094</u>	<u>\$ 0</u>	<u>\$ 1,223,094</u>

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual

Year Ended June 30, 1993

(Continued)

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
GENERAL FUND: (Continued)			
Debt Service:			
Principal retirement	\$ 42,763	\$ 42,763	\$ 0
Interest and fiscal charges	<u>7,268</u>	<u>7,028</u>	<u>240</u>
Total debt service	\$ <u>50,031</u>	\$ <u>49,791</u>	\$ <u>240</u>
Total General Fund	\$ <u>16,725,207</u>	\$ <u>16,067,691</u>	\$ <u>657,516</u>
SPECIAL REVENUE FUNDS:			
School Fund:			
Education:			
Instruction	\$ 32,383,448	\$ 32,914,330	\$ (530,882)
Administration, and attendance and health	1,867,291	1,807,683	59,608
Pupil transportation services	2,509,252	2,609,542	(100,290)
Operation and maintenance services	4,705,850	4,633,122	72,728
Facilities	<u>188,500</u>	<u>130,878</u>	<u>57,622</u>
Total education	\$ <u>41,654,341</u>	\$ <u>42,095,555</u>	\$ <u>(441,214)</u>
Debt Service:			
Principal retirement	\$ 2,630,290	\$ 2,630,290	\$ 0
Interest and other debt costs	<u>2,265,573</u>	<u>2,264,603</u>	<u>970</u>
Total debt service	\$ <u>4,895,863</u>	\$ <u>4,894,893</u>	\$ <u>970</u>
Total School Fund	\$ <u>46,550,204</u>	\$ <u>46,990,448</u>	\$ <u>(440,244)</u>
School Textbook Fund:			
Education:			
Instruction	\$ <u>520,033</u>	\$ <u>409,641</u>	\$ <u>110,392</u>
School Cafeteria Fund:			
Education:			
School food services	\$ <u>1,924,397</u>	\$ <u>1,864,651</u>	\$ <u>59,746</u>
Total Special Revenue Funds	\$ <u>48,994,634</u>	\$ <u>49,264,740</u>	\$ <u>(270,106)</u>

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual

Year Ended June 30, 1993

(Continued)

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
CAPITAL PROJECTS FUNDS:			
General Capital Projects Fund:			
Capital projects:			
Financial system	\$ 191,548	\$ 370,142	\$ (178,594)
Street addressing	259,055	196,194	62,861
Street signage	270,000	22	269,978
Communication center	135,000	15,244	119,756
New Baltimore Hydro Study Phase II	91,663	0	91,663
Warren Green building improvements	85,000	38,073	46,927
Lee Street office building	1,150,000	1,028,315	121,685
Library building	461,635	481,939	(20,304)
Marshall Annex Improvements	30,000	29,760	240
Auburn dam site	775,972	170,909	605,063
Library automation	22,495	8,645	13,850
Bealeton Hydro Study - Phase II	91,663	0	91,663
Corral Farm purchase	0	1,282,522	(1,282,522)
WSA hydrogeological study	225,000	48,121	176,879
WSA system repair	10,037	0	10,037
Parks & recreation improvements	0	0	0
Human services building	0	0	0
 Total capital projects	 <u>\$ 3,799,068</u>	 <u>\$ 3,669,886</u>	 <u>\$ 129,182</u>
 School Capital Projects Fund:			
Capital projects:			
School construction projects	<u>\$ 13,666,000</u>	<u>\$ 12,051,833</u>	<u>\$ 1,614,167</u>
 Total Capital Projects Funds	 <u>17,465,068</u>	 <u>15,721,719</u>	 <u>1,743,349</u>
 Grand Total Expenditures, All Governmental Funds	 <u>\$ 83,184,909</u>	 <u>\$ 81,054,150</u>	 <u>\$ 2,130,759</u>

Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue from use Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
1983-84	\$ 11,873,423	2,991,694	186,601	9,370	474,621	335,828	65,795	94,757	10,977,406	27,009,495
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

Note: (1) Includes General and Special Revenue Funds.

GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks Recreation & Cultural	Community Development	Debt Service	Total
1983-84	\$ 789,690	225,622	1,310,206	581,927	1,167,266	18,297,330	533,991	215,731	2,033,511	25,155,274
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

Note: (1) Includes General and Special Revenue Funds (except Capital Projects).

ASSESSED VALUATION OF ALL TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal Year</u>		<u>Real</u>	<u>Personal Property</u>	<u>Airplanes</u>	<u>Mobile Homes</u>	<u>Machinery and Tools</u>	<u>Merchant's Capital</u>	<u>Public Service</u>	<u>Total</u>
1983-84	\$	1,365,894,549	82,856,887	1,088,284	2,351,189	9,225,640	16,672,150	85,438,489	1,563,527,188
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	1,215,380	3,758,820	9,249,940	23,678,900	98,109,991	1,805,107,978
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

PROPERTY TAX RATES

Last Ten Fiscal Years

<u>Fiscal Year</u>		<u>Real Estate</u>	<u>Personal Property</u>	<u>Airplanes</u>	<u>Machinery and Tools</u>	<u>Merchant's Capital</u>
1983-84	\$	0.59	3.45	2.50	3.45	0.01
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	-

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

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total (1) Tax Levy</u>	<u>Current Tax (1) Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes (1,3)</u>	<u>Percent of Delinquent Taxes to Levy</u>
1983-84	\$ 11,907,366	11,477,869	96.39%	221,167	11,699,036	98.25%	819,967	6.89%
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%

- Notes: (1) Exclusive of penalties and interest
 (2) Does not include land redemptions.
 (3) Includes three years taxes.

RATIO OF NET GENERAL BONDED DEBT

TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value</u>	<u>Gross and Net Bonded Debt (2)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1983-84	35,889	\$1,563,527,188	\$15,175,000	0.0097	\$423
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

- Notes: (1) Bureau of the Census except Center for Public Service -- 1988-1989.
 (2) Includes all long-term general obligation debt.

COUNTY OF FAUQUIER, VIRGINIA

Schedule 8

Schedule of Treasurer's Accountability

At June 30, 1993

Assets held by the Treasurer:

Cash on hand	\$	1,000
Cash in banks:		
Checking:		
Fauquier National Bank		(5,333,691)
Peoples National Bank		16,415
Savings:		
First Virginia Bank		14,199
Money Market Accounts:		
Fauquier National Bank		116,311
Marshall National Bank		306,284
State Bank of Remington		894,519
Investments:		
Fauquier National Bank		10,682,462
Local Government Investment Pool		228,446
Virginia Public School Authority-SNAP Trustee		16,699,479
Treasurer's deferred account		18
 Total assets	\$	<u>23,625,442</u>

Liabilities of the Treasurer:

Balance of County Funds (Schedule 9)	\$	<u>23,625,442</u>
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COUNTY OF FAUQUIER, VIRGINIA

Schedule of Treasurer's Accountability to the County

All County Funds

Year Ended June 30, 1993

	Governmental Funds			Proprietary Funds Enterprise	Fiduciary Funds Trust & Agency	Total "Memorandum Only"
	General	Special Revenue	Capital Projects			
Balance July 1, 1992	\$ 4,917,703	\$ 660,900	\$ 9,524,348	\$ 198,522	\$ 131,337	\$ 15,432,810
Receipts:						
General property taxes	\$ 39,375,684	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,375,684
Other local taxes	6,393,384	0	0	0	150,295	6,543,679
Permits, privilege fees and regulatory licenses	393,579	0	0	0	0	393,579
Fines and forfeitures	131,382	0	0	0	0	131,382
Revenue from use of money and property	601,488	19,460	0	32,810	4,540	658,298
Charges for services	334,381	1,737,170	0	1,355,900	0	3,427,451
Miscellaneous	224,062	256,999	8,880	630	255,728	746,299
Intergovernmental	4,148,332	14,392,478	0	70,772	0	18,611,582
Recovered costs	63,488	0	0	0	0	63,488
Other financing sources	0	0	16,000,000	4,880,000	0	20,880,000
Total receipts	\$ 51,665,780	\$ 16,406,107	\$ 16,008,880	\$ 6,340,112	\$ 410,563	\$ 90,831,442
Total receipts and balance	\$ 56,583,483	\$ 17,067,007	\$ 25,533,228	\$ 6,538,634	\$ 541,900	\$ 106,264,252
Disbursements (Net):						
Warrants (checks) issued	\$ 15,813,532	\$ 44,260,759	\$ 15,126,210	\$ 2,282,214	\$ 181,067	\$ 77,663,782
Principal retirement	42,763	2,630,290	0	0	0	2,673,053
Interest and fiscal charges	7,028	2,264,603	0	30,344	0	2,301,975
Total disbursements	\$ 15,863,323	\$ 49,155,652	\$ 15,126,210	\$ 2,312,558	\$ 181,067	\$ 82,638,810
Interfund transfers:						
Transfers in	\$ 565,092	\$ 32,751,838	\$ 3,867,593	\$ 25,022	\$ 0	\$ 37,209,545
Transfers out	36,338,985	296,536	8,932	564,592	500	37,209,545
Balance, June 30, 1993	\$ 4,946,267	\$ 366,657	\$ 14,265,679	\$ 3,686,506	\$ 360,333	\$ 23,625,442

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 of Treasurer's Accountability to the Commonwealth

Year Ended June 30, 1993

	Balance July 1, <u>1992</u>		<u>Receipts</u>		<u>Remittances</u>		Balance June 30, <u>1993</u>
1993 Taxes:							
Estimated income taxes	\$ 0	\$	1,870,878	\$	1,870,878	\$	0
1992 Taxes:							
Taxable year income taxes	0		1,461,417		1,461,417		0
Estimated income taxes	0		3,003,487		3,003,487		0
1991 Taxes:							
Taxable year income taxes	(50)		116,330		116,280		0
Other Collections:							
Penalty	0		2,430		2,430		0
Interest	0		214		214		0
Share of fees of sheriff and deputies	0		8,940		8,940		0
 Totals	 \$ <u>(50)</u>	 \$	 <u>6,463,696</u>	 \$	 <u>6,463,646</u>	 \$	 <u>0</u>

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

Schedule of Federal Assistance

Year Ended June 30, 1993

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Balance July 1, 1992	Revenues		Expend- itures	Balance June 30, 1993
			Federal	State/ Local		
Department of Agriculture:						
Pass Through Payments:						
Virginia Department of Agriculture and Consumer Services:						
Food distribution	10.555	\$ 30,541	\$ 154,504	\$ 0	\$ 141,227	\$ 43,818
Temporary emergency food assistance-admin. c	10.568	0	1,251	0	1,251	0
Temporary emergency food assistance	10.569	0	10,592	0	10,592	0
Cooperative forestry assistance	10.664	0	14,128	0	14,128	0
		<u>\$ 30,541</u>	<u>\$ 180,475</u>	<u>\$ 0</u>	<u>\$ 167,198</u>	<u>\$ 43,818</u>
Department of Social Services:						
Food Stamp Program (12-35-5133)	* 10.551	\$ 0	\$ 2,078,055	\$ 0	\$ 2,078,055	\$ 0
Department of Education:						
National school breakfast program	10.553	\$ 0	\$ 54,985	\$ 0	\$ 54,985	\$ 0
National school lunch program	* 10.555	0	393,704	0	393,704	0
		<u>\$ 0</u>	<u>\$ 448,689</u>	<u>\$ 0</u>	<u>\$ 448,689</u>	<u>\$ 0</u>
Total Department of Agriculture		<u>\$ 30,541</u>	<u>\$ 2,707,219</u>	<u>\$ 0</u>	<u>\$ 2,693,942</u>	<u>\$ 43,818</u>
Department of Health and Human Services:						
Pass Through Payments:						
Department of Social Services:						
Foster Care - Title IV-E	93.658	\$ 0	\$ 17,536	\$ 0	\$ 17,536	\$ 0
Social services block grant	* 93.667	0	401,805	0	401,805	0
Child abuse and neglect administration	93.669	0	0	0	0	0
Refugee and entrant assistance programs	93.026	0	667	0	667	0
JOBS	93.021	0	28,812	0	28,812	0
Low Income Energy Assistance Block Grant	93.028	0	8,936	0	8,936	0
Total Department of Health and Human Services		<u>\$ 0</u>	<u>\$ 457,756</u>	<u>\$ 0</u>	<u>\$ 457,756</u>	<u>\$ 0</u>
National Foundation on the Arts and Humanities:						
Pass Through Payments:						
Commission for the Arts:						
Promotion of the Arts - state program	45.007	\$ 0	\$ 2,000	\$ 0	\$ 2,000	\$ 0
Department of Justice:						
Pass Through Payments:						
Department of Criminal Justice Services:						
Drug control and system improvement	16.579	\$ 0	\$ 30,817	\$ 0	\$ 30,817	\$ 0
Federal Aviation Administration:						
Direct Payments:						
Airport improvement program	20.106	\$ 0	\$ 40,975	\$ 0	\$ 40,975	\$ 0

Schedule of Federal Assistance

Year Ended June 30, 1993 (Continued)

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Balance July 1, 1992	Revenues		Expend- itures	Balance June 30, 1993
			Federal	State/ Local		
Department of Education:						
Direct Payments:						
School assistance in federally affected areas	84.041	\$ 0	\$ 216,886	\$ 0	\$ 216,886	\$ 0
Pass Through Payments:						
Department of Education:						
Forest reserve funds	10.665	\$ 0	\$ 4,088	\$ 0	\$ 4,088	\$ 0
Education Consolidation and Improvement Act of 1981:						
Adult education state-administered program	84.002	0	68,851	0	68,851	0
Chapter I:						
Financial assistance to meet special educational needs of disadvantaged children - programs operated by local education agencies	* 84.010	0	685,779	0	685,779	0
Chapter II:						
Improving school programs - state block grant	84.151	0	11,790	0	11,790	0
Elementary and secondary education act (ESEA):						
Title VI-B:						
Handicapped - state grants	* 84.027	0	478,207	0	478,207	0
Handicapped - preschool incentive grant	84.173	0	38,552	0	38,552	0
Vocational Education:						
Basic grants to states	84.048	0	80,283	0	80,283	0
Education for economic security	84.164	0	25,211	0	25,211	0
Drug free schools and communities	84.186	0	70,167	0	70,167	0
		\$ 0	\$ 1,462,928	\$ 0	\$ 1,462,928	\$ 0
Total Department of Education		\$ 0	\$ 1,679,814	\$ 0	\$ 1,679,814	\$ 0
Other Assistance:						
Department of Health and Human Services:						
Pass Through Payments:						
Department of Social Services:						
General administration for financial assistance services	* n/a	\$ 0	\$ 377,596	\$ 0	\$ 377,596	\$ 0
Department of the Interior:						
Direct Payments:						
Bureau of Land Management - National Forest Acreage payment (31-USC-6901)	n/a	0	1,207	0	1,207	0
Department of the Justice:						
Direct Payments:						
Forfeited assets-drug arrests	n/a	32,770	27,648	1,001	30,952	30,467
Army Corps of Engineers:						
Direct Payments:						
Mosquito control project	n/a	0	0	0	0	0
Total Other Assistance		\$ 32,770	\$ 406,451	\$ 1,001	\$ 409,755	\$ 30,467
Total Federal Assistance		\$ 63,311	\$ 5,325,032	\$ 1,001	\$ 5,315,059	\$ 74,285

* - Denotes major federal assistance program

COUNTY OF FAUQUIER, VIRGINIA

FEDERAL ASSISTANCE

Schedule of Findings and Questioned Costs
Year Ended June 30, 1993

Program

Findings

Questioned Costs

None

None

None



COMPLIANCE



ROBINSON, FARMER, COX ASSOCIATES

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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, 1993, and have issued our report thereon dated October 22, 1993. Our auditors' report on those financial statements were 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 October 22, 1993.

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, 1993, 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, 1993, the County of Fauquier, Virginia expended 83% 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 October 22, 1993.

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, Farmer, Cox Associates
Charlottesville, Virginia
October 22, 1993

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

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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, 1993, and have issued our report thereon dated October 22, 1993. 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 and 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, 1993.

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, 1993, 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, 1993. 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, Farnen, Cox Associates

Charlottesville, Virginia
October 22, 1993