

COUNTY OF FAUQUIER, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1992



**ROBINSON, FARMER, COX ASSOCIATES**

*A PROFESSIONAL CORPORATION*

CERTIFIED PUBLIC ACCOUNTANTS

COUNTY OF FAUQUIER, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1992

COUNTY OF FAUQUIER, VIRGINIA

BOARD OF SUPERVISORS

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Wilbur W. Burton  
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COUNTY SOCIAL SERVICES BOARD

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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 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, 1992 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, 1992, and the results of its operations and its cash flows 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, 1992, and the results of operations and its cash flows of such 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 & Associates*  
Charlottesville, Virginia

October 30, 1992

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GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet - All Funds and Account Groups

At June 30, 1992

	Governmental Fund Types			Proprietary	Fiduciary	Account	Totals "Memorandu Only"
	General	Special Revenue	Capital Projects	Fund Types Enterprise	Fund Types Trust and Agency	Group General Long-term Obligation	
<b>ASSETS AND OTHER DEBITS</b>							
Cash and investments (Note 2).....	\$ 4,917,703	660,900	9,524,348	198,522	131,337	0	15,432,810
Petty cash .....	3,200	700	0	0	0	0	3,900
Deferred compensation program deposits ....	0	0	0	0	139,343	0	139,343
Receivables (net of allowances for uncollectibles):							
Taxes including penalties (Note 1) ....	3,029,307	0	0	0	0	0	3,029,307
Accounts .....	316,076	32,888	0	98,017	0	0	446,981
Due from other funds (Note 5) .....	133,483	3,497,435	79,627	0	0	0	3,710,545
Due from other governments (Note 4) .....	362,633	1,031,605	0	74,192	0	0	1,468,430
Inventory .....	12,873	0	0	0	0	0	12,873
Fixed assets (net of accumulated depreciation)(Note 6) .....	0	0	0	2,154,998	0	0	2,154,998
Other debits:							
Amount to be provided for the retirement of general long-term obligations .....	0	0	0	0	0	35,129,621	35,129,621
<b>Total assets and other debits.....</b>	<b>\$ 8,775,275</b>	<b>5,223,528</b>	<b>9,603,975</b>	<b>2,525,729</b>	<b>270,680</b>	<b>35,129,621</b>	<b>61,528,808</b>
<b>LIABILITIES</b>							
Accounts payable .....	\$ 445,701	67,969	200,306	51,162	0	0	765,138
Accrued liabilities .....	0	4,475,412	0	1,926,853	0	0	6,402,265
Amount held for social service clients ....	0	0	0	0	1,550	0	1,550
Due to other funds (Note 5) .....	3,271,593	296,536	8,932	133,484	0	0	3,710,545
Deferred revenue (Note 10) .....	2,583,799	0	0	0	0	0	2,583,799
Deferred compensation payable (Note 11) ...	0	0	0	0	139,343	0	139,343
State literary fund loans payable (Note 7)	0	0	0	0	0	1,955,000	1,955,000
General obligation bonds payable (Note 7) .	0	0	0	0	0	31,655,000	31,655,000
Capital leases payable (Note 7) .....	0	0	0	0	0	592,527	592,527
Compensated absences payable (Note 8) .....	0	0	0	6,788	0	927,094	933,882
<b>Total liabilities .....</b>	<b>\$ 6,301,093</b>	<b>4,839,917</b>	<b>209,238</b>	<b>2,118,287</b>	<b>140,893</b>	<b>35,129,621</b>	<b>48,739,049</b>
<b>FUND EQUITY</b>							
Contributed capital .....	\$ 0	0	0	1,610,990	0	0	1,610,990
Retained Earnings:							
Unreserved .....	0	0	0	(1,203,548)	0	0	(1,203,548)
Fund Balances:							
Reserved:							
Inventory .....	12,873	0	0	0	0	0	12,873
Unreserved:							
Designated for subsequent expenditure..	173,566	383,611	9,394,737	0	129,787	0	10,081,701
Undesignated .....	2,287,743	0	0	0	0	0	2,287,743
<b>Total fund equity .....</b>	<b>\$ 2,474,182</b>	<b>383,611</b>	<b>9,394,737</b>	<b>407,442</b>	<b>129,787</b>	<b>0</b>	<b>12,789,759</b>
<b>Total liabilities and fund equity .</b>	<b>\$ 8,775,275</b>	<b>5,223,528</b>	<b>9,603,975</b>	<b>2,525,729</b>	<b>270,680</b>	<b>35,129,621</b>	<b>61,528,808</b>

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

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COUNTY OF FAUQUIER, VIRGINIA

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

All Governmental Funds and Similar Trust Funds

Year Ended June 30, 1992

	Governmental Fund Types			Fiduciary	Totals
	General	Special Revenue	Capital Projects	Expendable Trust	"Memorandum Only"
<b>Revenues:</b>					
General property taxes.....\$	37,202,099	0	0	0	37,202,099
Other local taxes.....	6,595,335	0	0	0	6,595,335
Permits, privilege fees and regulatory licenses.....	456,613	0	0	0	456,613
Fines and forfeitures.....	61,665	0	0	0	61,665
Revenue from use of money and property.....	577,312	52,550	0	6,285	636,147
Charges for services.....	334,786	1,801,035	0	0	2,135,821
Miscellaneous.....	49,694	778,163	31,210	37,958	897,025
Recovered costs.....	384,823	0	0	0	384,823
Revenue from the Commonwealth.....	3,083,068	12,617,982	0	0	15,701,050
Revenue from the Federal Government.....	795,885	2,008,032	0	0	2,803,917
<b>Total revenues.....</b>	<b>\$ 49,541,280</b>	<b>17,257,762</b>	<b>31,210</b>	<b>44,243</b>	<b>66,874,495</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government administration..... \$	3,264,804	0	0	0	3,264,804
Judicial administration.....	883,435	0	0	0	883,435
Public safety.....	4,999,490	0	0	0	4,999,490
Public works.....	990,293	0	0	0	990,293
Health and welfare.....	2,449,113	0	0	0	2,449,113
Education.....	25,465	43,365,384	0	0	43,390,849
Parks, recreation, and cultural.....	1,467,637	0	0	0	1,467,637
Community development.....	1,113,988	0	0	0	1,113,988
Non-departmental.....	0	0	0	0	0
Capital projects.....	0	0	2,109,612	0	2,109,612
<b>Debt service:</b>					
Principal retirement.....	1,704,581	419,970	0	0	2,124,551
Interest and other fiscal charges.....	1,721,143	111,468	0	0	1,832,611
<b>Total expenditures.....</b>	<b>\$ 18,619,949</b>	<b>43,896,822</b>	<b>2,109,612</b>	<b>0</b>	<b>64,626,383</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>\$ 30,921,331</b>	<b>(26,639,060)</b>	<b>(2,078,402)</b>	<b>44,243</b>	<b>2,248,112</b>
<b>Other financing sources (uses):</b>					
Proceeds from indebtedness..... \$	0	0	8,000,000	0	8,000,000
Operating transfers in.....	35,560	28,487,750	2,137,360	0	30,660,670
Operating transfers out.....	(29,015,140)	(1,802,314)	(943,799)	(35,560)	(31,796,813)
<b>Total other financing sources (uses).....</b>	<b>\$(28,979,580)</b>	<b>26,685,436</b>	<b>9,193,561</b>	<b>(35,560)</b>	<b>6,863,857</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses.....</b>	<b>\$ 1,941,751</b>	<b>46,376</b>	<b>7,115,159</b>	<b>8,683</b>	<b>9,111,969</b>
Fund balances at beginning of year..... \$	532,431	337,235	2,279,578	121,104	3,270,348
Fund balances at end of year..... \$	2,474,182	383,611	9,394,737	129,787	12,382,317

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, 1992

	General Fund		
	Budget	Actual	Variance Favorable (Unfavor.)
<b>Revenues:</b>			
General property taxes.....	\$ 36,761,300	37,202,099	440,799
Other local taxes.....	6,711,000	6,595,335	(115,665)
Permits, privilege fees and regulatory licenses.....	443,000	456,613	13,613
Fines and forfeitures.....	0	61,665	61,665
Revenue from use of money and property.....	1,130,000	577,312	(552,688)
Charges for services.....	325,270	334,786	9,516
Miscellaneous.....	59,681	49,694	(9,987)
Recovered costs.....	416,522	384,823	(31,699)
Revenue from the Commonwealth.....	2,838,948	3,083,068	244,120
Revenue from the Federal Government.....	617,235	795,885	178,650
<b>Total revenues.....</b>	<b>\$ 49,302,956</b>	<b>49,541,280</b>	<b>238,324</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government administration.....	\$ 3,428,132	3,264,804	163,328
Judicial administration.....	920,337	883,435	36,902
Public safety.....	4,827,128	4,999,490	(172,362)
Public works.....	1,105,391	990,293	115,098
Health and welfare.....	2,128,756	2,449,113	(320,357)
Education.....	5,466	25,465	(19,999)
Parks, recreation, and cultural.....	1,560,431	1,467,637	92,794
Community development.....	1,135,017	1,113,988	21,029
Non-departmental.....	712,000	0	712,000
Capital projects.....	0	0	0
Debt service:			
Principal retirement.....	1,704,581	1,704,581	0
Interest and other fiscal charges.....	1,718,235	1,721,143	(2,908)
<b>Total expenditures.....</b>	<b>\$ 19,245,474</b>	<b>18,619,949</b>	<b>625,525</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>\$ 30,057,482</b>	<b>30,921,331</b>	<b>863,849</b>
<b>Other financing sources (uses):</b>			
Proceeds from indebtedness.....	\$ 0	0	0
Operating transfers in.....	0	35,560	35,560
Operating transfers out.....	(30,157,482)	(29,015,140)	1,142,342
<b>Total other financing sources (uses).....</b>	<b>\$(30,157,482)</b>	<b>(28,979,580)</b>	<b>1,177,902</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses.....</b>	<b>\$ (100,000)</b>	<b>1,941,751</b>	<b>2,041,751</b>
Fund balances at beginning of year.....	\$ 100,000	532,431	432,431
Fund balances at end of year.....	\$ 0	2,474,182	2,474,182

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
2,650	52,550	49,900	0	0	0
2,163,348	1,801,035	(362,313)	0	0	0
437,876	778,163	340,287	0	31,210	31,210
0	0	0	0	0	0
12,687,176	12,617,982	(69,194)	0	0	0
1,849,124	2,008,032	158,908	0	0	0
17,140,174	17,257,762	117,588	0	31,210	31,210
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
44,935,118	43,365,384	1,569,734	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	3,741,100	2,109,612	1,631,488
0	0	0	0	0	0
419,970	419,970	0	0	0	0
111,468	111,468	0	0	0	0
45,466,556	43,896,822	1,569,734	3,741,100	2,109,612	1,631,488
(28,326,382)	(26,639,060)	1,687,322	(3,741,100)	(2,078,402)	1,662,698
0	0	0	0	8,000,000	8,000,000
30,246,196	28,487,750	(1,758,446)	1,831,100	2,137,360	306,260
(1,919,814)	(1,802,314)	117,500	0	(943,799)	(943,799)
28,326,382	26,685,436	(1,640,946)	1,831,100	9,193,561	7,362,461
0	46,376	46,376	(1,910,000)	7,115,159	9,025,159
0	337,235	337,235	1,910,000	2,279,578	369,578
0	383,611	383,611	0	9,394,737	9,394,737

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 4

Combined Statement of Revenues, Expenses and  
Changes in Retained Earnings--All Proprietary Funds

Year Ended June 30, 1992

	Totals Enterprise Funds
	-----
Operating revenues:	
Charges for services.....	\$ 765,987
Operating grants - Commonwealth.....	29,624
Operating grants - Federal.....	13,408
Other income.....	2,220
	-----
Total operating revenues.....	\$ 811,239
	-----
Operating expenses:	
Container operations.....	\$ 123,143
Landfill operations.....	788,413
Existing landfill.....	330,021
Airport operation and maintenance.....	125,655
Depreciation.....	14,793
	-----
Total operating expenses.....	\$ 1,382,025
	-----
Operating income.....	\$ (570,786)
	-----
Non-operating revenues:	
Interest income.....	\$ 9,269
	-----
Net income (loss) before operating transfers.....	\$ (561,517)
Operating transfers in.....	1,136,143
	-----
Net income (loss).....	\$ 574,626
Add depreciation on fixed assets acquired by contributions from others.....	5,535
	-----
Increase (decrease) in retained earnings.....	580,161
Retained earnings, beginning of year, as restated (Note 17).....	(1,783,709)
	-----
Retained earnings, end of year.....	\$ <u>(1,203,548)</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, 1992

	Enterprise Funds
	-----
Cash flows from operating activities:	
Operating income (loss).....	\$ (570,786)
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation.....	14,793
Changes in assets and liabilities:	
(Increase) decrease in receivables.....	(172,209)
Increase (decrease) in payables.....	51,161
Increase (decrease) amounts due other funds.....	133,484
Increase (decrease) in compensated absences.....	6,788
Net cash provided by operating activities.....	\$ (536,769)
Cash flows from noncapital financing activities:	
Transfers from the General Fund .....	\$ 1,136,143
Cash flows from capital and related financing activities:	
Acquisition & construction of capital assets.....	\$ (2,026,646)
Contributions of capital - Commonwealth.....	85,080
Contributions of capital - Federal.....	1,531,445
Net cash provided by (used in) capital and related financing activities.....	\$ (410,121)
Cash flows from investing activities:	
Interest earned.....	\$ 9,269
Net increase (decrease) in cash and cash equivalents.....	\$ 198,522
Cash and cash equivalents, beginning of year.....	0
Cash and cash equivalents, end of year.....	\$ <u>198,522</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, 1992

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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

B. Financial Statement Presentation (Continued)

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.

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 General Capital Projects and School Construction 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. The Uniform Financial Reporting Manual for Virginia Counties and Municipalities promulgated by the Auditor of Public Accounts does not require the County to maintain a financial record of general fixed assets and, accordingly 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."

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

B. Financial Statement Presentation (Continued)

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.

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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

C. Basis of Accounting (Continued)

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.

E. Inventory

The inventory of school textbooks held on consignment in the amount of \$41,625 is offset by a contingent liability to textbook publishers and is not recorded as an asset or liability of the County.

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 \$1,389,432 at June 30, 1992 and is composed solely of property taxes.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

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 appropriable 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.

NOTE 2--CASH AND INVESTMENTS:

Deposits - At year-end the carrying value of the County deposits with banks and savings and loans was \$4,133,356, and the bank balance was \$8,514,075. Of the bank balance, \$8,514,075 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

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

NOTE 2--CASH AND INVESTMENTS: (Continued)

the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FSLIC 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, 1992.

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>		
U. S. Government Securities	\$ -	\$ -	\$3,635,081	\$ 3,635,081	\$ 3,635,081
Assets in Virginia Public					
School Authority Investment					
Pool . . . . .				7,661,652	7,661,652
Deferred compensation program					
assets . . . . .				139,343	139,343
Local Government Investment					
Pool . . . . .				1,721	1,721
				<u>\$11,437,797</u>	<u>\$11,437,797</u>

Due to significantly higher cash flows at certain times during the year, the County's investment in overnight repurchase agreements for which the underlying securities were held by the dealer increased significantly. As a result, the amounts that were in Category 3 at those times were significantly higher than at year-end.

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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

NOTE 4--DUE FROM OTHER GOVERNMENTAL UNITS:

Commonwealth of Virginia:		
School funds . . . . .		\$ 179,600
State sales taxes . . . . .		333,653
Local sales taxes . . . . .		256,025
Shared expenses . . . . .		32,746
Virginia Retirement System Refund - School Board . . . . .		265,846
Federal Government:		
School funds . . . . .		252,506
Shared expenses . . . . .		69,862
County of Rappahannock . . . . .		4,000
Town of Warrenton . . . . .		<u>74,192</u>
Total . . . . .		<u>\$1,468,430</u>

NOTE 5--INTERFUND OBLIGATIONS:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General . . . . .	\$ 133,483	\$3,271,593
School . . . . .	3,497,435	-
School Cafeteria . . . . .	-	296,536
General Capital Projects . . . . .	79,627	-
School Construction . . . . .	-	8,932
Solid Waste . . . . .	-	130,878
Airport . . . . .	-	<u>2,606</u>
Totals . . . . .	<u>\$3,710,545</u>	<u>\$3,710,545</u>

NOTE 6--PROPRIETARY FIXED ASSETS:

A summary of Proprietary Fund property, plant, and equipment at June 30, 1992 follows:

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>
Land . . . . .	\$ -	\$1,491,800
Improvements . . . . .	-	308,200
Landfill site and improvements . . . . .	326,647	-
Equipment . . . . .	<u>43,144</u>	-
Totals . . . . .	\$ 369,791	\$1,800,000
Less accumulated depreciation . . . . .	( <u>8,629</u> )	( <u>6,164</u> )
Net . . . . .	<u>\$ 361,162</u>	<u>\$1,793,836</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>5,535</u> )
Net . . . . .		<u>\$1,610,990</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (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	
	Principal	Interest	Principal	Interest	Principal	Interest
1993 . . . . .	\$ 2,230,000	\$ 2,113,461	\$ 257,500	\$ 58,650	\$ 185,553	\$ 40,950
1994 . . . . .	2,395,000	1,932,620	257,500	50,925	199,801	26,502
1995 . . . . .	1,940,000	1,794,416	257,500	43,200	153,270	11,519
1996 . . . . .	2,255,000	1,657,062	220,000	35,475	53,903	2,047
1997 . . . . .	2,190,000	1,507,053	200,000	28,875	-	-
1998 . . . . .	2,195,000	1,361,654	200,000	22,875	-	-
1999 . . . . .	2,000,000	1,221,140	200,000	16,875	-	-
2000 . . . . .	1,740,000	1,093,271	200,000	10,875	-	-
2001 . . . . .	1,725,000	972,869	162,500	4,875	-	-
2002 . . . . .	1,555,000	858,988	-	-	-	-
2003 . . . . .	1,565,000	750,962	-	-	-	-
2004 . . . . .	1,530,000	643,144	-	-	-	-
2005 . . . . .	1,480,000	537,775	-	-	-	-
2006 . . . . .	1,445,000	435,070	-	-	-	-
2007 . . . . .	1,420,000	334,024	-	-	-	-
2008 . . . . .	1,375,000	234,973	-	-	-	-
2009 . . . . .	1,305,000	136,417	-	-	-	-
2010 . . . . .	685,000	63,364	-	-	-	-
2011 . . . . .	325,000	29,600	-	-	-	-
2012 . . . . .	300,000	9,600	-	-	-	-
Totals . . . . .	<u>\$31,655,000</u>	<u>\$17,687,463</u>	<u>\$1,955,000</u>	<u>\$ 272,625</u>	<u>\$ 592,527</u>	<u>\$ 81,018</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, 1992:

Bonds/loans/installment obligations payable at July 1, 1991 . . . . .	<u>\$28,327,078</u>
Issuances:	
Bonds . . . . .	\$ 8,000,000
Capital leases . . . . .	-
Total issuances . . . . .	<u>\$ 8,000,000</u>
Retirements:	
Bonds payable . . . . .	\$ 1,665,000
State Literary Fund loans . . . . .	287,500
Capital leases . . . . .	172,051
Total retirements . . . . .	<u>\$ 2,124,551</u>
Bonds/loans/installment obligations payable at June 30, 1992 . . . . .	<u>\$34,202,527</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (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, 1992 through December 1, 1993 . . . . .	\$ 400,000
\$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, 1992 through December 15, 1993 . . . . .	40,000
\$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, 1992 through December 1, 1998 . . . . .	1,350,000
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, 1992 through December 15, 2000 . . . . .	1,125,000
\$935,000 School Bonds 1986, issued September 15, 1986, maturing in annual installments of \$100,000 each June 15, 1992 through 1996, interest payable semiannually at rates from 4.25% to 6.30% . . . .	400,000
\$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% . . . .	1,200,000
\$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% . . . .	11,120,000
\$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% . . . .	6,995,000
\$8,000,000 Virginia Public School Authority Bonds 1992A, issued May 19, 1992, maturing annually through December 15, 2011 with interest payable semiannually at rates from 6.1% to 6.4% . . . .	<u>8,000,000</u>
Total School Bonds . . . . .	<u>\$31,655,000</u>
State Literary Fund loans:	
\$750,000, issued November 1, 1974, due in annual installments of \$37,500 through November 1, 1994, interest payable annually at 3% . . . .	\$ 112,500
\$600,000, issued July 15, 1965, due in annual installments of \$20,000 through July 15, 1995, interest payable annually at 3% . . . .	80,000
\$750,000, issued February 15, 1980, due in annual installments of \$37,500 through February 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% . . . .	337,500
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3% . . . .	337,500

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

Amount  
Outstanding

Details of Long-term Indebtedness: (Continued)

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%	337,500
\$1,000,000, issued November 15, 1980, due in annual installments of \$50,000 through November 15, 2000, interest payable annually at 3%	450,000
Total State Literary Fund loans . . . . .	\$ 1,955,000
Total general obligation bonds/loans . . . . .	\$33,610,000

Capital leases:

\$346,000 capital lease agreement for mobile classrooms, due in semi-annual installments through October 1, 1994, interest rate of 7.5%	\$ 145,000
\$606,000 capital lease agreement for mobile classrooms, due in semi-annual installments through July 30, 1995, interest rate of 7.84%	338,234
\$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%	109,293
Total capital lease obligations . . . . .	\$ 592,527

Total long-term indebtedness . . . . . \$34,202,527

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 \$927,094 in the General Long-term Obligation Account Group and \$6,788 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, 1992 was \$6,262,568, and the total payroll for all County Employees was \$7,115,160.

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, 1992 was \$22,937,423 and \$2,683,848 respectively, and the total payroll for all School Board employees was \$28,657,223.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

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, 1991. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1991 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. These assumptions were the same as in the previous year.

At June 30, 1991 the total unfunded pension benefit obligations applicable to Fauquier County and the Fauquier County School Board non-professional employees was as follows:

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

C. Funding Status and Progress (Continued)

	<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 . . . . .	\$ 984,980	\$ 231,624
Current Employees:		
Accumulated employee contributions including allocated investment earnings . . . . .	1,290,075	679,090
Employer-financed vested . . . . .	2,150,764	257,042
Employer-financed nonvested . . . . .	<u>3,469,158</u>	<u>840,716</u>
Total pension benefit obligation . . . . .	\$7,894,977	\$2,008,472
Net assets available for benefits, at cost (market value is \$6,871,137 and \$2,120,449 respectively)	<u>6,473,045</u>	<u>1,997,597</u>
Unfunded pension benefit obligation . . . . .	<u>\$1,421,932</u>	<u>\$ 10,875</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, 1991 for the VRS statewide teacher pool was as follows:

Total pension benefit obligation . . . . .	\$ 7,871,100,000
Net assets available for benefits, at cost (market value is \$5,661,500,000) . . . . .	<u>5,333,400,000</u>
Unfunded pension benefit obligation . . . . .	<u>\$ 2,537,700,000</u>

The school board's 1992 contribution to the VRS statewide teacher pool represented .83% of total contributions required of all participating school boards.

There were no changes in actuarial assumptions or employee pension benefit provisions during 1992 that would significantly affect the valuation of the pension benefit valuation.

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 for both normal cost and amortization of the unfunded actuarial accrued liability. Rates necessary to support post-retirement supplements which may be payable in addition to the basic benefits are determined separately on a pay-as-you-go basis. Gains and losses are reflected in the unfunded accrued liability that is being amortized as a level percentage of payroll within a period of 30 year or less.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (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 1992 of \$633,146 by Fauquier County and \$235,642 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 . . . . .	\$ 582,424	\$ 226,511
Amortization of unfunded actuarial accrued liability . . . . .	45,730	8,593
Cost of living supplement . . . . .	4,992	538
Total Contributions . . . . .	<u>\$ 633,146</u>	<u>\$ 235,642</u>
Employer contribution . . . . .	\$ 320,017	\$ 101,450
Employee contribution . . . . .	<u>313,129</u>	<u>134,192</u>
Total Contributions . . . . .	<u>\$ 633,146</u>	<u>\$ 235,642</u>

Contributions made by Fauquier County and the Fauquier County School Board represent 5.11% and 3.78%, 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 1992 amounted to \$2,911,465, and were in accordance with actuarial requirements. Employer and employee contributions were \$1,761,594 and \$1,146,871, respectively, and represented 7.68% and 5%, respectively, of current covered payroll.

The significant actuarial assumptions used to compute contribution requirements for fiscal 1992 are now the same as those used to compute the pension benefit obligation at June 30, 1991 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 that would significantly affect the computation of contribution rates for the 1992 fiscal year.

E. Trend Information

Ten-year historical trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Such information as currently available is reported below. Ten-year historical trend information for the Fauquier County School Board professional employees participating in the VRS statewide teacher pool is presented in the VRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 1992.

For the three years ended June 30, 1990, 1991 and 1992 respectively, available assets were sufficient to fund 90.60%, 93.43% and 81.99% respectively of the County's pension benefit obligation and 101.52%, 94.49% and 99.46% respectively of the Fauquier County's School Board pension benefit obligation for non-professional employees. Unfunded pension benefit obligations represented 8.73%, 6.18%, and

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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 \$2,583,799 is comprised of the following:

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$2,550,847 at June 30, 1992.

B. Prepaid Taxes

Property taxes due subsequent to June 30, 1992 but paid in advance by the taxpayers totaled \$32,952 at June 30, 1992.

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:

The County has entered into a contract to purchase approximately 235 acres for use as a sanitary landfill or other public purposes. The original amount of this contract was \$2,600,000. The County has made non-refundable deposits of \$200,000 toward the purchase of this property. In addition, the County has received credits of \$120,000 for other associated payments. While the County is under no obligation to make any future payments under this contract, the contract contains an escalation clause of ten percent per annum of the unpaid contract price commencing April 15, 1993.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

E. Trend Information (Continued)

22.71% of the annual payroll for County employees covered by the VRS, and (.79%), 3.54% and .41% of the annual payroll for Fauquier County School Board non-professional employees for 1990, 1991 and 1992. 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 1990, 1991 and 1992, contributions to the VRS, made in accordance with actuarial determined requirements, by the County were 5.87%, 5.11% and 5.11% of annual covered payroll, and by the Fauquier County School Board were 3.91%, 3.78% and 3.78% of annual covered payroll for non-professional employees.

ANALYSIS OF FUNDING PROGRESS FOR DEFINED PENSION BENEFIT PLAN

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Assets in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Assets in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll
A. County Employees:						
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:						
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.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

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

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, 1992 is presented below.

	<u>Solid</u> <u>Waste</u>	<u>Airport</u>	<u>Total</u>
Operating revenues . . . . .	\$ 758,279	\$ 52,960	\$ 811,239
Depreciation expense . . . . .	8,629	6,164	25,893
Operating income . . . . .	( 491,927)	( 78,859)	( 570,786)
Net income . . . . .	247,467	327,159	574,626
Current capital contributions . . . . .	-	1,616,525	1,616,525
Property, plant and equipment additions . . . . .	226,646	1,800,000	2,026,646
Net working capital . . . . .	29,449	149,848	179,297
Total assets . . . . .	570,508	1,955,221	2,525,729
Total equity . . . . .	( 1,536,242)	1,943,684	407,442

NOTE 17--ADJUSTMENTS TO BEGINNING RETAINED EARNINGS:

Upon the creation of the Solid Waste Fund on July 1, 1991, the fund's retained earnings were restated as follows:

Property and equipment transferred from the General Fund . . . . .	\$ 143,144
Recognition of accrued landfill closure costs . . . . .	( <u>1,926,853</u> )
Net adjustment . . . . .	( <u>\$1,783,709</u> )

The activities of the landfill were previously recorded in the General Fund.

COUNTY OF FAUQUIER, VIRGINIA

Notes to Financial Statements  
As of June 30, 1992 (Continued)

NOTE 12--CONTINGENT LIABILITIES: (Continued)

The County also has an option to purchase the Lee Street Office Building. This building currently houses several County offices. The amount of the purchase option is approximately \$1,000,000.

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
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 \$1,536,242 at June 30, 1992. 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 \$1,926,853 over the next thirty years. The County expects the landfill to close in 1993.

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.

COMBINING FINANCIAL STATEMENTS

1988-1989  
1989-1990

SPECIAL REVENUE FUNDS

Combining Balance Sheet

At June 30, 1992

	School Fund	School Textbook Fund	School Cafeteria Fund	Totals
<b>ASSETS</b>				
Cash .....	\$ 0	310,221	350,679	660,900
Petty cash .....	500	200	0	700
Receivables (net of allowances for uncollectibles):				
Accounts .....	32,888	0	0	32,888
Due from other funds (Note 5) .....	3,497,435	0	0	3,497,435
Due from other governments (Note 4) .....	1,012,558	0	19,047	1,031,605
<b>Total assets</b> .....	<b>\$ 4,543,381</b>	<b>310,421</b>	<b>369,726</b>	<b>5,223,528</b>
<b>LIABILITIES</b>				
Accounts payable .....	\$ 67,969	0	0	67,969
Accrued liabilities .....	4,475,412	0	0	4,475,412
Due to other funds (Note 5) .....	0	0	296,536	296,536
<b>Total liabilities</b> .....	<b>\$ 4,543,381</b>	<b>0</b>	<b>296,536</b>	<b>4,839,917</b>
<b>FUND EQUITY</b>				
Fund Balances:				
Unreserved:				
Designated for subsequent expenditure \$ .....	0	310,421	73,190	383,611
Undesignated .....	0	0	0	0
<b>Total fund equity</b> .....	<b>\$ 0</b>	<b>310,421</b>	<b>73,190</b>	<b>383,611</b>
<b>Total liabilities and fund equity</b> \$ .....	<b>4,543,381</b>	<b>310,421</b>	<b>369,726</b>	<b>5,223,528</b>

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

COUNTY OF FAUQUIER, VIRGINIA

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

Special Revenue Funds

Year Ended June 30, 1992

	School Fund			School Textbook Fund		
	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
<b>Revenues:</b>						
Revenue from use of money and property.....\$	2,650	25,908	23,258	0	15,243	15,243
Charges for services.....	57,730	84,055	26,325	610,920	315,480	(295,440)
Miscellaneous.....	437,876	778,163	340,287	0	0	0
Revenue from the Commonwealth.....	12,639,176	12,536,905	(102,271)	0	31,757	31,757
Revenue from the Federal Government.....	1,472,008	1,560,637	88,629	0	0	0
<b>Total revenues.....</b>	<b>\$ 14,609,440</b>	<b>14,985,668</b>	<b>376,228</b>	<b>610,920</b>	<b>362,480</b>	<b>(248,440)</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Education.....	\$ 44,324,198	42,941,980	1,382,218	610,920	423,404	187,516
<b>Debt service:</b>						
Principal retirement.....	419,970	419,970	0	0	0	0
Interest and other fiscal charges.....	111,468	111,468	0	0	0	0
<b>Total expenditures.....</b>	<b>\$ 44,855,636</b>	<b>43,473,418</b>	<b>1,382,218</b>	<b>610,920</b>	<b>423,404</b>	<b>187,516</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>\$(30,246,196)</b>	<b>(28,487,750)</b>	<b>1,758,446</b>	<b>0</b>	<b>(60,924)</b>	<b>(60,924)</b>
<b>Other financing sources (uses):</b>						
Operating transfers in.....	\$ 30,246,196	28,487,750	(1,758,446)	0	0	0
Operating transfers out.....	0	0	0	0	0	0
<b>Total other financing sources (uses).....</b>	<b>\$ 30,246,196</b>	<b>28,487,750</b>	<b>(1,758,446)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses.....</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(60,924)</b>	<b>(60,924)</b>
<b>Fund balances at beginning of year.....</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>371,345</b>	<b>371,345</b>
<b>Fund balances at end of year.....</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>310,421</b>	<b>310,421</b>

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

Exhibit A-2

School Cafeteria Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
0	11,399	11,399	2,650	52,550	49,900
1,494,698	1,401,500	(93,198)	2,163,348	1,801,035	(362,313)
0	0	0	437,876	778,163	340,287
48,000	49,320	1,320	12,687,176	12,617,982	(69,194)
377,116	447,395	70,279	1,849,124	2,008,032	158,908
1,919,814	1,909,614	(10,200)	17,140,174	17,257,762	117,588
0	0	0	44,935,118	43,365,384	1,569,734
0	0	0	419,970	419,970	0
0	0	0	111,468	111,468	0
0	0	0	45,466,556	43,896,822	1,569,734
1,919,814	1,909,614	(10,200)	(28,326,382)	(26,639,060)	1,687,322
0	0	0	30,246,196	28,487,750	(1,758,446)
(1,919,814)	(1,802,314)	117,500	(1,919,814)	(1,802,314)	117,500
(1,919,814)	(1,802,314)	117,500	28,326,382	26,685,436	(1,640,946)
0	107,300	107,300	0	46,376	46,376
0	(34,110)	(34,110)	0	337,235	337,235
0	73,190	73,190	0	383,611	383,611

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COUNTY OF FAUQUIER, VIRGINIA

EXHIBIT B-1

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

At June 30, 1992

	General Capital Projects Fund	School Construction Fund	Totals
----- ASSETS -----			
Cash and investments (Note 2) .....	\$ 1,719,489	7,804,859	9,524,348
Due from other funds (Note 5) .....	79,627	0	79,627
<b>Total assets .....</b>	<b>\$ 1,799,116</b>	<b>7,804,859</b>	<b>9,603,975</b>
----- LIABILITIES -----			
Accounts payable .....	\$ 58,120	142,186	200,306
Due to other funds (Note 5) .....	0	8,932	8,932
<b>Total liabilities .....</b>	<b>\$ 58,120</b>	<b>151,118</b>	<b>209,238</b>
----- FUND EQUITY -----			
Fund Balances:			
Unreserved:			
Designated for subsequent expenditure .....	\$ 1,740,996	7,653,741	9,394,737
Undesignated .....	0	0	0
<b>Total fund equity .....</b>	<b>\$ 1,740,996</b>	<b>7,653,741</b>	<b>9,394,737</b>
<b>Total liabilities and fund equity .....</b>	<b>\$ 1,799,116</b>	<b>7,804,859</b>	<b>9,603,975</b>

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

COUNTY OF FAUQUIER, VIRGINIA

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

Capital Projects Funds

Year Ended June 30, 1992

	General Capital Projects Fund		
	Budget	Actual	Variance Favorable (Unfavor.)
Revenues:			
Miscellaneous.....	\$ 0	0	0
Expenditures:			
Capital projects.....	\$ 3,408,900	1,119,986	2,288,914
Excess (deficiency) of revenues over expenditures.....	\$ (3,408,900)	(1,119,986)	2,288,914
Other financing sources (uses):			
Proceeds from indebtedness.....	\$ 0	0	0
Operating transfers in.....	1,498,900	1,805,160	306,260
Operating transfers out.....	0	(943,799)	(943,799)
Total other financing sources (uses).....	\$ 1,498,900	861,361	(637,539)
Excess (deficiency) of revenues & other sources over expenditures & other uses.....	\$ (1,910,000)	(258,625)	1,651,375
Fund balances at beginning of year.....	\$ 1,910,000	1,999,621	89,621
Fund balances at end of year.....	\$ 0	1,740,996	1,740,996

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

School Construction Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
0	31,210	31,210	0	31,210	31,210
332,200	989,626	(657,426)	3,741,100	2,109,612	1,631,488
(332,200)	(958,416)	(626,216)	(3,741,100)	(2,078,402)	1,662,698
0	8,000,000	8,000,000	0	8,000,000	8,000,000
332,200	332,200	0	1,831,100	2,137,360	306,260
0	0	0	0	(943,799)	(943,799)
332,200	8,332,200	8,000,000	1,831,100	9,193,561	7,362,461
0	7,373,784	7,373,784	(1,910,000)	7,115,159	9,025,159
0	279,957	279,957	1,910,000	2,279,578	369,578
0	7,653,741	7,653,741	0	9,394,737	9,394,737

COUNTY OF FAUQUIER, VIRGINIA

EXHIBIT C-1

ENTERPRISE FUNDS

Combining Balance Sheet

At June 30, 1992

	Solid Waste Fund	Airport Fund	Totals
<b>ASSETS AND OTHER DEBITS</b>			
Cash and investments (Note 2).....	\$ 37,517	161,005	198,522
Receivables:			
Accounts .....	97,637	380	98,017
Due from other governments (Note 4) .....	74,192	0	74,192
Fixed assets (net of accumulated depreciation)(Note 6) .....	361,162	1,793,836	2,154,998
<b>Total assets and other debits.....</b>	<b>\$ 570,508</b>	<b>1,955,221</b>	<b>2,525,729</b>
<b>LIABILITIES</b>			
Accounts payable .....	\$ 42,231	8,931	51,162
Accrued liabilities .....	1,926,853	0	1,926,853
Due to other funds (Note 5) .....	130,878	2,606	133,484
Compensated absences payable (Note 8) .....	6,788	0	6,788
<b>Total liabilities .....</b>	<b>\$ 2,106,750</b>	<b>11,537</b>	<b>2,118,287</b>
<b>FUND EQUITY</b>			
Contributed capital .....	\$ 0	1,610,990	1,610,990
Retained Earnings:			
Unreserved .....	(1,536,242)	332,694	(1,203,548)
<b>Total fund equity .....</b>	<b>\$ (1,536,242)</b>	<b>1,943,684</b>	<b>407,442</b>
<b>Total liabilities and fund equity .....</b>	<b>\$ 570,508</b>	<b>1,955,221</b>	<b>2,525,729</b>

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

COUNTY OF FAUQUIER, VIRGINIA

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses  
and Changes in Retained Earnings

Year Ended June 30, 1992

	Solid Waste Fund	Airport Fund	Totals
	-----	-----	-----
Operating revenues:			
Charges for services.....	\$ 756,059	\$ 9,928	\$ 765,987
Operating grants - Commonwealth.....	0	29,624	29,624
Operating grants - Federal.....	0	13,408	13,408
Other income.....	2,220	0	2,220
Total operating revenues.....	\$ 758,279	\$ 52,960	\$ 811,239
Operating expenses:			
Container operations.....	\$ 123,143	\$ 0	\$ 123,143
Landfill operations.....	788,413	0	788,413
Existing landfill.....	330,021	0	330,021
Airport operation and maintenance.....	0	125,655	125,655
Depreciation.....	8,629	6,164	14,793
Total operating expenses.....	\$ 1,250,206	\$ 131,819	\$ 1,382,025
Operating income.....	\$ (491,927)	\$ (78,859)	\$ (570,786)
Non-operating revenues:			
Interest income.....	\$ 0	\$ 9,269	\$ 9,269
Net income (loss) before operating transfers...	\$ (491,927)	\$ (69,590)	\$ (561,517)
Operating transfers in.....	739,394	396,749	1,136,143
Net income (loss).....	\$ 247,467	\$ 327,159	\$ 574,626
Add depreciation on fixed assets acquired by contributions from others.....	0	5,535	5,535
Increase (decrease) in retained earnings.....	\$ 247,467	332,694	580,161
Retained earnings, beginning of year, as restated (Note 17).....	(1,783,709)	0	(1,783,709)
Retained earnings, end of year.....	\$ (1,536,242)	\$ 332,694	\$ (1,203,548)

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit C-3

ENTERPRISE FUNDS

Combining Statement of Cash Flows

Year Ended June 30, 1992

	Solid Waste Fund	Airport Fund	Totals
Cash flows from operating activities:			
Operating income (loss).....	\$ (491,927)	\$ (78,859)	\$ (570,786)
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation.....	8,629	6,164	14,793
Changes in assets and liabilities:			
(Increase) decrease in receivables.....	(171,829)	(380)	(172,209)
Increase (decrease) in payables.....	42,230	8,931	51,161
Increase (decrease) amounts due other funds.	130,878	2,606	133,484
Increase (decrease) in compensated absences.	6,788	0	6,788
Net cash provided by operating activities.....	\$ (475,231)	\$ (61,538)	\$ (536,769)
Cash flows from noncapital financing activities:			
Transfers from the General Fund .....	\$ 739,394	\$ 396,749	\$ 1,136,143
Cash flows from capital and related financing activities:			
Acquisition & construction of capital assets	\$ (226,646)	\$ (1,800,000)	\$ (2,026,646)
Contributions of capital - Commonwealth.....	0	85,080	85,080
Contributions of capital - Federal.....	0	1,531,445	1,531,445
Net cash provided by (used in) capital and related financing activities.....	\$ (226,646)	\$ (183,475)	\$ (410,121)
Cash flows from investing activities:			
Interest earned.....	\$ 0	\$ 9,269	\$ 9,269
Net increase (decrease) in cash and cash equiva	\$ 37,517	\$ 161,005	\$ 198,522
Cash and cash equivalents, beginning of year...	0	0	0
Cash and cash equivalents, end of year.....	\$ 37,517	\$ 161,005	\$ 198,522

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

FIDUCIARY FUNDS

Combining Balance Sheet

At June 30, 1992

	Agency		Expendable Trust			Totals
	Special Welfare Fund	Deferred Compensation Fund	Library Trust Fund	Recreation Trust Fund	Defense Trust Fund	
<b>ASSETS</b>						
Cash and investments (Note 2).....	\$ 1,550	0	94,877	33,035	1,875	131,337
Deferred compensation program deposits .....	0	139,343	0	0	0	139,343
<b>Total assets .....</b>	<b>\$ 1,550</b>	<b>139,343</b>	<b>94,877</b>	<b>33,035</b>	<b>1,875</b>	<b>270,680</b>
<b>LIABILITIES</b>						
Amount held for social service clients .....	\$ 1,550	0	0	0	0	1,550
Deferred compensation payable (Note 11) .....	0	139,343	0	0	0	139,343
<b>Total liabilities .....</b>	<b>\$ 1,550</b>	<b>139,343</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140,893</b>
<b>FUND EQUITY</b>						
Unreserved:						
Designated for subsequent expenditure.....	\$ 0	0	94,877	33,035	1,875	129,787
Undesignated .....	0	0	0	0	0	0
<b>Total fund equity .....</b>	<b>\$ 0</b>	<b>0</b>	<b>94,877</b>	<b>33,035</b>	<b>1,875</b>	<b>129,787</b>
<b>Total liabilities and fund equity .....</b>	<b>\$ 1,550</b>	<b>139,343</b>	<b>94,877</b>	<b>33,035</b>	<b>1,875</b>	<b>270,680</b>

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit D-2

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

Year Ended June 30, 1992

	Library Trust Fund	Parks and Recreation Trust Fund	Legal Defense Trust Fund	Totals
<b>Revenues:</b>				
Interest.....	\$ 4,491	1,794	0	6,285
Donations.....	7,202	30,756	0	37,958
<b>Total revenues.....</b>	<b>\$ 11,693</b>	<b>32,550</b>	<b>0</b>	<b>44,243</b>
<b>Other financing uses:</b>				
Transfers to other funds.....	2,505	33,055	0	35,560
Excess (deficiency) of revenues over (under) other financing uses.....	\$ 9,188	(505)	0	8,683
Fund balances at beginning of year...	85,689	33,540	1,875	121,104
Fund balances at end of year.....	<u>\$ 94,877</u>	<u>33,035</u>	<u>1,875</u>	<u>129,787</u>

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

Statement of Changes in Assets and Liabilities - Agency Funds

Year Ended June 30, 1992

	Balance July 1, 1991	Additions	Deletions	Balance June 30, 1992
<u>Special Welfare Fund</u>				
Assets:				
Cash and investments.....	\$ 1,344	54,940	54,734	1,550
Liabilities:				
Amounts held for social services clients.....	\$ 1,344	54,940	54,734	1,550
<u>Deferred Compensation Fund</u>				
Assets:				
Deferred compensation program deposits.....	\$ 132,577	13,095	6,329	139,343
Liabilities:				
Deferred compensation payable.....	\$ 132,577	13,095	6,329	139,343
<u>Undistributed Local Sales Tax Fund</u>				
Assets:				
Cash and investments.....	\$ 0	152,422	152,422	0
Liabilities:				
Sales tax payable to towns.....	\$ 0	152,422	152,422	0
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments.....	\$ 1,344	207,362	207,156	1,550
Deferred compensation program deposits.....	132,577	13,095	6,329	139,343
Total assets.....	\$ 133,921	220,457	213,485	140,893
Liabilities:				
Amounts held for social services clients.....	\$ 1,344	54,940	54,734	1,550
Deferred compensation payable.....	132,577	13,095	6,329	139,343
Sales tax payable to towns.....	0	152,422	152,422	0
Total liabilities.....	\$ 133,921	220,457	213,485	140,893

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

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SUPPORTING SCHEDULES

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual  
Year Ended June 30, 1992

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>GENERAL FUND:</b>			
Revenue from local sources:			
General property taxes:			
Real property taxes.....	\$	26,978,608	
Public service corporation taxes:			
Real and personal.....	27,051,171	1,074,322	1,001,759
Personal property taxes.....		7,920,159	
Mobile home taxes.....		49,248	
Machinery and tools taxes.....	9,350,129	550,402	(830,320)
Penalties.....	200,000	372,783	172,783
Interest.....	160,000	256,577	96,577
Total general property taxes.....	\$ 36,761,300	37,202,099	440,799
Other local taxes:			
Local sales and use taxes.....	\$ 2,900,000	2,595,755	(304,245)
Consumer utility taxes.....	1,500,000	1,418,225	(81,775)
E-911 telephone tax.....	195,000	206,077	11,077
Motor vehicle licenses.....	1,000,000	938,467	(61,533)
Business licenses.....	601,000	979,642	378,642
Bank franchise taxes.....	45,000	41,077	(3,923)
Taxes on recordation and wills.....	400,000	341,642	(58,358)
Cable television franchise tax.....	70,000	74,450	4,450
Total other local taxes.....	\$ 6,711,000	6,595,335	(115,665)
Permits, privilege fees and regulatory licenses:			
Animal licenses.....	\$ 12,000	11,871	(129)
Building and related permits.....	230,000	240,383	10,383
Zoning permits and fees.....	186,000	183,621	(2,379)
Transfer fees.....	0	1,517	1,517
Land use application fees.....	15,000	19,221	4,221
Total permits, privilege fees and regulatory licenses.....	\$ 443,000	456,613	13,613
Fines and Forfeitures:			
Court fines and forfeitures.....	\$ 0	61,665	61,665
Revenue from use of money and property:			
Revenue from use of money.....	\$ 1,100,000	524,845	(575,155)
Revenue from use of property.....	30,000	52,467	22,467
Total revenue from use of money and property	\$ 1,130,000	577,312	(552,688)
Charges for services:			
Charges for Commonwealth Attorney.....	\$ 0	990	990
Excess fees of clerk.....	0	27,732	27,732
Sheriff's fees, deputies and reports.....	11,500	40,761	29,261
Charges for parks and recreation.....	248,770	167,174	(81,596)
Charges for correction and detention.....	15,000	14,973	(27)
Animal warden fees.....	0	40	40
Courthouse maintenance fee.....	0	19,520	19,520
Charges for law library.....	0	17,787	17,787
Charges for library.....	50,000	45,809	(4,191)
Total charges for services.....	\$ 325,270	334,786	9,516

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1992

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>GENERAL FUND: (Continued)</b>			
Miscellaneous revenue:			
Expenditure refunds.....	\$ 10,000	4,230	(5,770)
Recycling proceeds .....	20,000	4,451	(15,549)
Miscellaneous income.....	29,681	41,013	11,332
<b>Total miscellaneous income.....</b>	<b>\$ 59,681</b>	<b>49,694</b>	<b>(9,987)</b>
Recovered costs:			
Town of Warrenton:			
Landfill .....	\$ 62,000	0	(62,000)
Judge's office expenses .....	0	4,000	4,000
John Marshall Soil and Water District .....	50,416	50,699	283
Board of prisoners-other localities .....	0	950	950
Extradition of prisoners .....	0	8,151	8,151
Clerk's office payroll .....	304,106	287,130	(16,976)
Indirect costs - airport .....	0	25,305	25,305
Indirect costs - landfill .....	0	8,588	8,588
<b>Total recovered costs .....</b>	<b>\$ 416,522</b>	<b>384,823</b>	<b>(31,699)</b>
<b>Total revenue from local sources.....</b>	<b>\$ 45,846,773</b>	<b>45,662,327</b>	<b>(184,446)</b>
Revenue from the Commonwealth:			
Non-categorical aid:			
ABC profits.....	\$ 110,000	126,085	16,085
Wine taxes .....	30,000	44,429	14,429
Motor vehicle carriers tax.....	50,000	62,743	12,743
Mobile home titling taxes.....	20,000	13,738	(6,262)
Auto rental tax.....	8,000	3,834	(4,166)
Abandoned vehicles .....	0	15,650	15,650
Other aid from the Commonwealth .....	0	15,239	15,239
<b>Total non-categorical aid.....</b>	<b>\$ 218,000</b>	<b>281,718</b>	<b>63,718</b>
Categorical aid:			
Shared expenses:			
Commonwealth Attorney.....	\$ 166,000	173,265	7,265
Sheriff.....	1,431,500	1,425,109	(6,391)
Commissioner of the Revenue.....	139,000	148,114	9,114
Treasurer.....	85,000	87,262	2,262
Medical examiner.....	0	990	990
Registrar/Electoral Board.....	32,000	33,700	1,700
Clerk of the Circuit Court.....	0	12,225	12,225
<b>Total shared expenses.....</b>	<b>\$ 1,853,500</b>	<b>1,880,665</b>	<b>27,165</b>
Welfare:			
Welfare administration and assistance.....	\$ 307,765	353,794	46,029
Other categorical aid:			
Emergency medical services.....	\$ 0	20,728	20,728
Fire programs fund .....	45,000	40,830	(4,170)
Jail costs .....	269,000	342,971	73,971

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1992

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>GENERAL FUND: (Continued)</b>			
Other categorical aid: (Continued)			
Parks and recreation .....	0	2,400	2,400
Library aid .....	138,948	136,946	(2,002)
Litter control.....	6,735	6,735	0
After-school grant .....	0	9,281	9,281
Circuit court records grant .....	0	7,000	7,000
Total other categorical aid.....	\$ 459,683	566,891	107,208
Total categorical aid.....	\$ 2,620,948	2,801,350	180,402
Total revenue from the Commonwealth...	\$ 2,838,948	3,083,068	244,120
Revenue from the Federal Government:			
Noncategorical aid:			
Payment in lieu of taxes .....	\$ 0	772	772
Categorical aid:			
Welfare administration and assistance .....	\$ 617,235	709,550	92,315
Anti-drug abuse grant .....	0	18,519	18,519
Drug forfeiture funds .....	0	56,068	56,068
Plant pest control .....	0	10,976	10,976
Total categorical aid .....	\$ 617,235	795,113	177,878
Total revenue from the Federal Government	\$ 617,235	795,885	178,650
Total General Fund.....	\$ 49,302,956	49,541,280	238,324
<b>SPECIAL REVENUE FUNDS:</b>			
School Fund:			
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the use of property .....	\$ 2,650	25,908	23,258
Charges for services:			
Charges for education.....	\$ 57,730	84,055	26,325
Miscellaneous revenue:			
Rebates from VRS .....	\$ 200,000	448,481	248,481
Miscellaneous.....	237,876	329,682	91,806
Total miscellaneous revenue .....	\$ 437,876	778,163	340,287
Total revenue from local sources.....	\$ 498,256	888,126	389,870
Revenue from the Commonwealth:			
Categorical aid:			
Share of State sales tax.....	\$ 3,816,293	3,631,075	(185,218)
Basic school aid.....	5,919,265	6,051,399	132,134
Adult literacy services .....	1,008	41,436	40,428
Foster home children.....	32,000	31,183	(817)
Gifted and talented children.....	90,547	90,722	175
Special education.....	548,866	592,733	43,867
Special education-School tuition .....	201,000	72,291	(128,709)
Vocational education.....	227,417	226,382	(1,035)
Dropout prevention .....	0	63,296	63,296
Remedial education.....	150,849	157,603	6,754

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1992

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>SPECIAL REVENUE FUNDS: (Continued)</b>			
Revenue from the Commonwealth: (Continued)			
Categorical aid: (Continued)			
Share of fringe benefits.....	1,598,748	1,569,958	(28,790)
Homebound instruction .....	14,197	6,084	(8,113)
Other state funds .....	38,986	2,743	(36,243)
<b>Total revenue from the Commonwealth.....</b>	<b>\$ 12,639,176</b>	<b>12,536,905</b>	<b>(102,271)</b>
Revenue from the federal government:			
ECIA - Chapter I.....	\$ 733,220	686,771	(46,449)
ECIA - Chapter II.....	42,085	97,280	55,195
ESEA - Title VIB.....	279,000	369,336	90,336
Preschool incentive grants .....	29,116	11,146	(17,970)
P.L. 874 .....	200,000	223,655	23,655
Adult literacy services .....	52,765	21,810	(30,955)
Vocational education.....	70,000	87,587	17,587
Drug free schools .....	49,260	43,150	(6,110)
Education for economic security .....	16,562	19,902	3,340
<b>Total revenue from the Federal Government..</b>	<b>\$ 1,472,008</b>	<b>1,560,637</b>	<b>88,629</b>
<b>Total School Fund.....</b>	<b>\$ 14,609,440</b>	<b>14,985,668</b>	<b>376,228</b>
<b>School Textbook Fund:</b>			
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the use of money .....	\$ 0	15,243	15,243
Charges for services:			
Charges for education .....	610,920	315,480	(295,440)
<b>Total revenue from local sources .....</b>	<b>\$ 610,920</b>	<b>330,723</b>	<b>(280,197)</b>
Revenue from the Commonwealth:			
Categorical aid:			
Textbook rental payments .....	0	31,757	31,757
<b>Total School Textbook Fund .....</b>	<b>\$ 610,920</b>	<b>362,480</b>	<b>(248,440)</b>
<b>School Cafeteria Fund:</b>			
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the use of money .....	\$ 0	11,399	11,399
Charges for services:			
Charges for education .....	1,494,698	1,401,500	(93,198)
<b>Total revenue from local sources .....</b>	<b>\$ 1,494,698</b>	<b>1,412,899</b>	<b>(81,799)</b>
Revenue from the Commonwealth:			
Categorical aid:			
School food program .....	\$ 48,000	49,320	1,320
Revenue from the federal government:			
School food program .....	\$ 377,116	447,395	70,279
<b>Total School Cafeteria Fund .....</b>	<b>\$ 1,919,814</b>	<b>1,909,614</b>	<b>(10,200)</b>
<b>Total Special Revenue Funds.....</b>	<b>\$ 17,140,174</b>	<b>17,257,762</b>	<b>117,588</b>

GOVERNMENTAL FUNDS

Schedule of Revenues - Budget and Actual

Year Ended June 30, 1992

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>CAPITAL PROJECTS FUNDS:</b>			
<b>School Construction Fund:</b>			
Revenue from local sources:			
Miscellaneous revenue:			
Miscellaneous.....	\$ 0	31,210	31,210
<b>Grand Total All Governmental Funds ...</b>	<b>\$ 66,443,130</b>	<b>66,830,252</b>	<b>387,122</b>

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 1992

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavor.)
<b>GENERAL FUND:</b>			
General Government Administration:			
Legislative:			
Board of supervisors.....	\$ 129,265	132,775	(3,510)
General and Financial Administration:			
County administrator.....	\$ 315,400	306,984	8,416
Personnel .....	189,863	166,223	23,640
County attorney .....	314,199	230,077	84,122
Independent auditor/professional services....	19,100	18,700	400
Treasurer.....	301,793	300,211	1,582
Commissioner of the Revenue.....	712,878	668,478	44,400
Finance office .....	318,222	302,864	15,358
Management information systems .....	479,062	493,899	(14,837)
Risk management .....	507,200	487,066	20,134
Other general and financial administration ..	0	8,724	(8,724)
Total general and financial administration.	\$ 3,157,717	2,983,226	174,491
Board of Elections:			
Registrar/elections.....	\$ 141,150	148,803	(7,653)
Total general government administration..	\$ 3,428,132	3,264,804	163,328
Judicial Administration:			
Courts:			
Circuit court.....	\$ 57,377	52,178	5,199
General district court.....	8,150	10,226	(2,076)
Magistrates .....	2,315	1,467	848
Juvenile and domestic relations court.....	6,005	4,418	1,587
Clerk of the circuit court.....	473,108	455,115	17,993
Commissioner of accounts .....	2,400	2,400	0
Law library .....	19,200	17,787	1,413
Total Courts.....	\$ 568,555	543,591	24,964
Commonwealth Attorney:			
Commonwealth attorney.....	\$ 351,782	339,844	11,938
Total judicial administration.....	\$ 920,337	883,435	36,902
Public Safety:			
Law Enforcement and Traffic Control:			
Sheriff.....	\$ 2,923,832	3,001,201	(77,369)
Volunteer fire and rescue .....	709,597	719,996	(77,369)
Correction and Detention:			
Sheriff .....	\$ 375,063	499,120	(124,057)
Probation .....	2,864	5,556	(2,692)
Juvenile detention .....	65,000	39,511	25,489
Total correction and detention.....	\$ 442,927	544,187	(101,260)
Inspections:			
Building.....	\$ 279,692	258,880	20,812

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 1992

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavor.)
<b>GENERAL FUND: (Continued)</b>			
Other Protection:			
Animal control.....	\$ 195,469	196,675	(1,206)
Office of emergency services .....	275,611	278,551	(2,940)
Total Other Protection.....	\$ 471,080	475,226	(4,146)
Total public safety.....	\$ 4,827,128	4,999,490	(239,332)
Public Works:			
Sanitation and Waste Removal:			
Solid waste operations .....	\$ 292,600	156,927	135,673
Maintenance of Buildings and Grounds:			
General services .....	\$ 136,605	118,614	17,991
General properties.....	676,186	714,752	(38,566)
Total maintenance of buildings and grounds.	\$ 812,791	833,366	(20,575)
Total public works.....	\$ 1,105,391	990,293	115,098
Health and Welfare:			
Health:			
Supplement to local health department.....	\$ 402,697	393,434	9,263
Mental Health and Mental Retardation:			
Chapter X board.....	\$ 181,044	181,044	0
Welfare/Social Services:			
Social services .....	\$ 1,489,626	1,615,797	(126,171)
Tax relief for the elderly .....		211,580	(211,580)
Institutional care .....	55,389	47,258	8,131
Total welfare/social services.....	\$ 1,545,015	1,874,635	(329,620)
Total health and welfare.....	\$ 2,128,756	2,449,113	(320,357)
Education:			
Community colleges.....	\$ 5,466	25,465	(19,999)
Parks, Recreation, and Cultural:			
Parks and recreation:			
Parks and recreation .....	\$ 819,423	753,348	66,075
Library:			
Public library .....	741,008	714,289	26,719
Total parks, recreation and cultural.....	\$ 1,560,431	1,467,637	92,794
Community Development:			
Planning and Community Development:			
Planning .....	\$ 148,980	138,853	10,127
Community Development and Zoning .....	570,379	503,627	66,752
Contributions to community organizations .....	142,189	167,799	(25,610)
Total planning and community development...	\$ 861,548	810,279	51,269

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual

Year Ended June 30, 1992

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavor.)
<b>GENERAL FUND: (Continued)</b>			
Environmental Management:			
Soil and water conservation district.....	\$ 107,885	93,710	14,175
Cooperative Extension Program:			
VPI Extension.....	\$ 165,584	209,999	(44,415)
Total community development.....	\$ 1,135,017	1,113,988	21,029
Nondepartmental:			
Nondepartmental operations .....	\$ 712,000	0	712,000
Debt Service:			
Principal retirement .....	\$ 1,704,581	1,704,581	0
Interest and fiscal charges .....	1,718,235	1,721,143	(2,908)
Total debt service .....	\$ 3,422,816	3,425,724	(2,908)
Total General Fund.....	\$ 19,245,474	18,619,949	558,555
<b>SPECIAL REVENUE FUNDS:</b>			
School Fund:			
Education:			
Instruction .....	\$ 33,452,635	31,948,447	1,504,188
Administration, and attendance and health.....	1,800,791	1,730,794	69,997
Pupil transportation services.....	2,305,351	2,542,639	(237,288)
Operation and maintenance services.....	4,589,632	4,640,193	(50,561)
School food services .....	1,919,814	1,801,219	118,595
Facilities .....	255,975	278,688	(22,713)
Total education.....	\$ 44,324,198	42,941,980	1,382,218
Debt Service:			
Principal retirement.....	\$ 419,970	419,970	0
Interest and other debt costs.....	111,468	111,468	0
Total debt service.....	\$ 531,438	531,438	0
Total School Fund.....	\$ 44,855,636	43,473,418	1,382,218
School Textbook Fund:			
Education:			
Instruction .....	\$ 610,920	423,404	187,516
Total Special Revenue Funds.....	\$ 45,466,556	43,896,822	1,569,734
<b>CAPITAL PROJECTS FUNDS:</b>			
General Capital Projects Fund:			
Capital projects:			
Automation - five-year plan .....	\$ 176,900	153,750	23,150
Landfill development .....	300,000	0	300,000
Landfill closure .....	190,000	286,707	(96,707)
Landfill land acquisition .....	100,000	0	100,000
Stockpile dirt .....	200,000	0	200,000
Land acquisition-General .....		200	(200)
Lee Street office building .....	0	62,500	(62,500)

GOVERNMENTAL FUNDS

Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 1992

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavor.)
<b>CAPITAL PROJECTS FUNDS: (Continued)</b>			
General Capital Projects Fund: (Continued)			
Capital projects: (Continued)			
Library building .....	300,000	39,305	260,695
Airport purchase .....	335,000	0	335,000
Auburn dam site .....	900,000	428	899,572
Jiffy jail .....	250,000	66,970	183,030
E-911 telephone system .....	232,000	214,395	17,605
Emergency services reporting .....	0	11,031	(11,031)
WSA hydrogeological study .....	200,000	167,293	32,707
WSA system repair .....	225,000	0	225,000
Parks & recreation improvements .....	0	26,298	(26,298)
Human services building .....	0	91,109	(91,109)
<b>Total capital projects .....</b>	<b>\$ 3,408,900</b>	<b>1,119,986</b>	<b>2,288,914</b>
School Construction Fund:			
Capital projects:			
School construction projects.....	\$ 332,200	989,626	(657,426)
<b>Total Capital Projects Funds .....</b>	<b>3,741,100</b>	<b>2,109,612</b>	<b>1,631,488</b>
<b>Grand Total Expenditures, All Governmental Funds ..</b>	<b>\$ 68,453,130</b>	<b>64,626,383</b>	<b>3,759,777</b>

## COUNTY OF FAUQUIER, VIRGINIA

## 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
1982-83.....	10,876,310	2,533,301	140,634	8,998	359,189	266,064	71,228	82,229	10,130,374	24,468,327
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

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
1982-83.....	1,004,023	394,177	990,017	548,857	1,056,349	17,373,339	451,475	269,383	1,775,039	23,862,659
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

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

## COUNTY OF FAUQUIER, VIRGINIA

## ASSESSED VALUATION OF ALL TAXABLE PROPERTY

-----  
Last Ten Fiscal Years  
-----

Fiscal Year	Real	Personal	Airplanes	Mobile Homes	Machinery and Tools	Merchant's Capital	Public Service	Total
1982-83	988,250,447	80,496,914	1,074,420	2,441,670	7,403,460	18,321,300	72,000,707	1,169,988,918
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

## PROPERTY TAX RATES

-----  
Last Ten Fiscal Years  
-----

Fiscal Year	Real Estate	Personal Property	Airplanes	Machinery & Tools	Merchant's Capital
1982-83	0.73	3.45	2.50	3.45	0.01
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	-

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

## COUNTY OF FAUQUIER, VIRGINIA

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total (1) Tax Levy	Current Tax (1) Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,3)	Percent of Delinquent Taxes to Levy
1982-83	\$ 10,960,117	10,483,457	95.65%	242,874	10,726,331	97.87%	755,508	6.89%
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%

- 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

Fiscal Year	Population (1)	Assessed Value	Gross and Net Bonded Debt (2)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1982-83	35,889	1,169,988,918	16,372,500	0.0140	456
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

- 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 of Treasurer's Accountability

At June 30, 1992

## Assets held by the Treasurer:

Cash on hand.....	\$	1,000
Cash in banks:		
Checking:		
Fauquier National Bank .....		2,681,871
Peoples National Bank.....		336,740
Savings:		
First Virginia Bank.....		2,334
Money Market Accounts:		
Liberty Savings Bank.....		2,561
Marshall National Bank.....		50,945
State Bank of Remington.....		1,054,157
Jefferson Savings and Loan.....		36,785
Investments:		
Fauquier National Bank.....		3,635,081
Local Government Investment Pool.....		1,721
Virginia Public School Authority-SNAP Trustee.....		7,661,652
Amount due from the Commonwealth (Schedule 10).....		50
Total assets.....	\$	<u>15,464,897</u>

## Liabilities of the Treasurer:

Balance of County Funds (Schedule 9).....	\$	15,432,810
Treasurer's deferred account.....		17
Performance bonds.....		32,070
Total liabilities.....	\$	<u>15,464,897</u>

## COUNTY OF FAUQUIER, VIRGINIA

## Schedule of Treasurer's Accountability to the County

## All County Funds

At June 30, 1992

	Governmental Funds			Proprietary Funds	Fiduciary Funds	Total "Memorandum Only"
	General	Special Revenue	Capital Projects	Enterprise	Trust & Agency	
Balance July 1, 1991.....	\$ 3,619,269	623,999	2,512,148	0	122,448	6,877,864
<b>Receipts:</b>						
General property taxes.....	\$ 36,788,144					36,788,144
Other local taxes.....	6,523,436				152,422	6,675,858
Permits, privilege fees and regulatory licenses.....	456,573					456,573
Fines and forfeitures.....	56,881					56,881
Revenue from use of money and property.....	577,311	52,220		9,269	6,285	645,085
Charges for services.....	335,690	1,795,689		656,983		2,788,362
Miscellaneous.....	389,620	618,233	31,925		92,898	1,132,676
Intergovernmental.....	3,995,964	14,726,398		1,659,557		20,381,919
Recovered costs.....	440,227	0				440,227
Other financing sources.....	0	0	8,000,000			8,000,000
<b>Total receipts.....</b>	<b>\$ 49,563,846</b>	<b>17,192,540</b>	<b>8,031,925</b>	<b>2,325,809</b>	<b>251,605</b>	<b>77,365,725</b>
<b>Total receipts and balance.....</b>	<b>\$ 53,183,115</b>	<b>17,816,539</b>	<b>10,544,073</b>	<b>2,325,809</b>	<b>374,053</b>	<b>84,243,589</b>
<b>Disbursements (Net):</b>						
Warrants (checks) issued.....	\$ 15,178,136	44,021,957	2,116,664	3,329,704	207,156	64,853,617
Principal retirement.....	1,704,581	419,970	0	0	0	2,124,551
Interest and fiscal charges.....	1,721,143	111,468	0	0	0	1,832,611
<b>Total disbursements.....</b>	<b>\$ 18,603,860</b>	<b>44,553,395</b>	<b>2,116,664</b>	<b>3,329,704</b>	<b>207,156</b>	<b>68,810,779</b>
<b>Interfund transfers:</b>						
Transfers in.....	\$ 35,560	29,207,025	2,057,733	1,202,417	0	32,502,735
Transfers out.....	29,697,112	1,809,269	960,794	0	35,560	32,502,735
<b>Balance, June 30, 1992.....</b>	<b>\$ 4,917,703</b>	<b>660,900</b>	<b>9,524,348</b>	<b>198,522</b>	<b>131,337</b>	<b>15,432,810</b>

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.

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Treasurer's Accountability to the Commonwealth

For the Year Ended June 30, 1992

	Balance July 1, 1991	Receipts	Remittances	Balance June 30, 1992
<b>Income Taxes:</b>				
1991.....	\$ 0	1,418,675	1,418,725	(50)
1990.....	0	119,435	119,435	0
<b>Estimated Income Taxes:</b>				
1992.....	0	1,881,842	1,881,842	0
1991.....	0	2,388,891	2,388,891	0
<b>Other Collections:</b>				
Sheriff's Fees.....	0	10,504	10,504	0
Penalty.....	0	6,445	6,445	0
Interest.....	0	931	931	0
<b>Totals.....</b>	<b>\$ 0</b>	<b>5,826,723</b>	<b>5,826,773</b>	<b>(50)</b>

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

Schedule of Federal Financial Assistance

At June 30, 1992

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalogue Number	Balance July 1, 1991	Revenues		Expend- itures	Balance June 30, 1992
			Federal	State/ Local		
Department of Agriculture:						
Pass Through Payments:						
State Department of Agriculture:						
Food distribution	10.550	\$ 35,018	129,941		134,418	30,541
Temporary Emergency Food Assistance-Admin. costs	10.568	\$ 0	2,580		2,580	0
Temporary Emergency Food Assistance-Food distr.	10.569	\$ 0	20,616		20,616	0
Department of Social Services:						
Food stamp program (12-35-5133)	* 10.551	\$ 0	1,824,334		1,824,334	0
Department of Education:						
National school breakfast program	10.553	\$ 0	56,672		56,672	0
National school lunch program (SL-4)(SL-11)	* 10.555	\$ 0	390,724		390,724	0
Department of Agriculture and Consumer Services:						
Cooperative forestry assistance	10.664	\$ 0	10,976		10,976	0
Department of Health and Human Services:						
Pass Through Payments:						
Department of Social Services:						
Social services block grant	* 93.667	\$ 0	320,961		320,961	0
Foster care - Title IV-E	93.658	\$ 0	16,023		16,023	0
General administration for financial assistance services	* n/a	\$ 0	336,797		336,797	0
Jobs	93.021	\$ 0	25,229		25,229	0
Refugee and entrant assistance	93.026	\$ 0	339		339	0
Low income energy assistance block grant	93.789	\$ 0	10,201		10,201	0
Federal Aviation Administration:						
Direct Payments:						
Airport Improvement program (3-51-0068-02)	* 20.106	\$ 0	1,544,853		1,544,853	0
Department of the Interior:						
Direct Payments:						
Bureau of land management-national forest acreage payment (31-USC-6901)	n/a	\$ 0	772		772	0
Department of Education:						
Direct Payments:						
School assistance in Federally affected areas	84.041	\$ 0	223,655		223,655	0
Pass Through Payments:						
Department of Education:						
Adult education	84.002	\$ 0	21,810		21,810	0
Education Consolidation and Improvement Act of 1981:						
Chapter I:						
Financial assistance to meet special educational needs of disadvantaged children - programs operated by local education agencies	* 84.010	\$ 0	686,771		686,771	0
Chapter II:						
Consolidation of federal programs for elementary and secondary education block grant	84.151	\$ 0	97,280		97,280	0
Elementary and secondary education act (ESEA):						
Title VI-B:						
Handicapped - state grants	* 84.027	\$ 0	369,336		369,336	0
Preschool incentive grant	84.173	\$ 0	11,146		11,146	0
Vocational Education:						
Basic grants to states	84.048	\$ 0	87,587		87,587	0
State grant for strengthening teacher skills	84.164	\$ 0	19,902		19,902	0
Drug free schools	84.186	\$ 0	43,150		43,150	0
U.S. Department of Justice:						
Pass-through Payments:						
Department of Criminal Justice Services						
Drug control and system improvement	16.579	\$ 0	18,519		18,519	0
Department of the Treasury:						
Direct payments:						
Forfeited drug assets	n/a	\$ 1,952	56,068	939	26,189	32,770

\* - Denotes major federal assistance program

COUNTY OF FAUQUIER, VIRGINIA

FEDERAL ASSISTANCE

Schedule of Findings and Questioned Costs  
Year Ended June 30, 1992

<u>Program</u>	<u>Findings</u>	<u>Questioned Costs</u>
None	None	None

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COMPLIANCE

**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS

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

We have audited the general purpose financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1992, and have issued our report thereon dated October 30, 1992. We have also audited the County's compliance with requirements applicable to major federal assistance programs and have issued our report thereon dated October 30, 1992.

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 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, 1992, 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.

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, including the policies and procedures used in administering federal assistance programs, in the following categories:

Accounting Controls:

Administrative Controls :

General

Cash & Cash Equivalents  
Revenues & Cash Receipts  
Cash Disbursements  
Purchasing, Receiving  
& Vouchering  
Payrolls

General Requirements:

Political Activity  
Davis Bacon Act  
Civil rights  
Cash management  
Relocation assistance  
and real property  
acquisition  
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, 1992, the County of Fauquier, Virginia expended 86% 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 which were not significant enough to meet the definition of a reportable condition. These other matters were communicated to the management of the County in a separate memorandum dated October 30, 1992.

This report is intended solely for the use of management, state and federal regulatory agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

*Erwin, Turner & Associates*  
Charlottesville, Virginia  
October 30, 1992

**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

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

We have audited the general purpose financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1992, and have issued our report thereon dated October 30, 1992. We have also audited the County's compliance with requirements applicable to major federal assistance programs.

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

Our audit of the financial statements was conducted in accordance with general accepted auditing standards, Government Auditing Standards and the Specifications for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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 financial statements are free of material misstatement, we performed tests of the County compliance with certain provisions of laws, regulations, contracts and grants. However, our objective 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 general requirements that are applicable to the County's federal assistance programs: political activity, Davis-Bacon Act, civil rights, cash management, relocation and real property 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; special requirements applicable to the Chapter 1 program; special requirements applicable to the Airport Improvement program, 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, 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.

We conducted our audit of compliance with those specific requirements in accordance with generally accepted auditing standards, Government Auditing Standards, and OMB Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County of Fauquier, Virginia's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the County of Fauquier, Virginia complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special requirements applicable to the Chapter 1 programs; special requirements applicable to the Airport Improvement program, 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, 1992.

Report on Compliance with Requirements Applicable to Nonmajor Programs

In connection with our audit of the general purpose financial statements, and with our consideration of the County of Fauquier, Virginia's internal control systems used to administer federal assistance programs, 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, 1992.

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 solely for the use of management and state and federal regulatory agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

*Robinson, Farmer, Co. Associates*  
Charlottesville, Virginia  
October 30, 1992

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