

COUNTY OF FAUQUIER, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023





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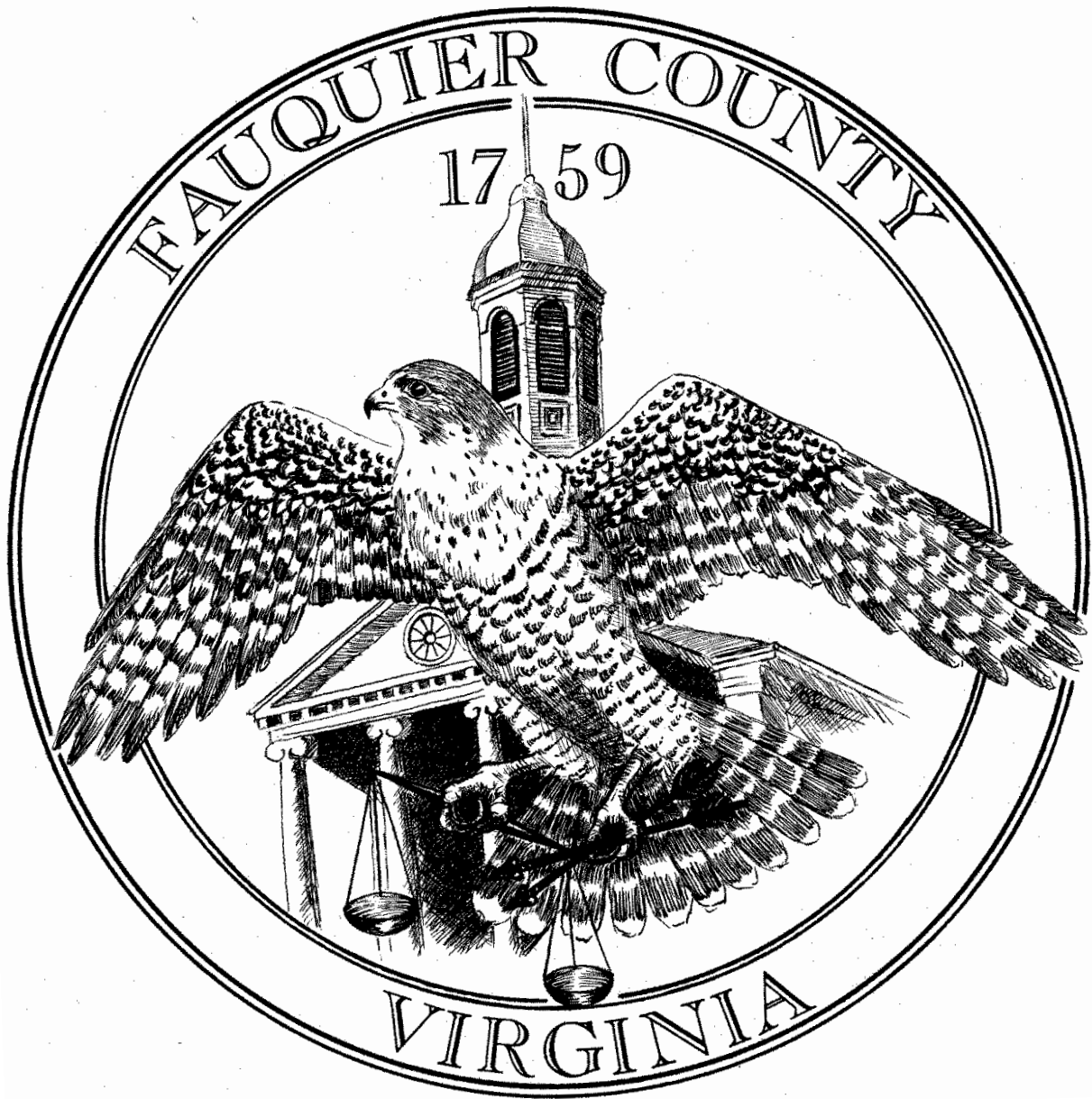
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December 12, 2023

To the Honorable Chairman and Members of the Fauquier County Board of Supervisors, Chairman and Members of the Fauquier County School Board, and Citizens of Fauquier County, Virginia:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Fauquier County (the County) for the fiscal year ended June 30, 2023. The *Code of Virginia* requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) as established by the Governmental Accounting Standards Board.

This report consists of management's representations concerning the finances of the County. Consequently, responsibility for both the accuracy of the data, and the completeness and reliability of the information presented in this report rests with management. To provide a reasonable basis for making these representations, County Administration has established a comprehensive internal control framework that is designed both to protect the assets of the County from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits obtained. To the best of our knowledge and belief, this financial report is complete and accurate in all material respects.

The County's financial statements have been audited by the firm of Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants, as required by the *Code of Virginia*. The audit was conducted in accordance with generally accepted auditing standards and the Independent Auditors' Report is included as the first component in the Financial Section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements are fairly presented in conformity with GAAP.

The independent audit of the financial statements of the County was part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are presented in the Compliance Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A is included in the Financial Section of this report immediately following the report of the independent auditors.

Profile of Fauquier County, Virginia

Fauquier County (the County), incorporated in 1759, is located in the north-central Piedmont region of Virginia, approximately 40 miles southwest of Washington, D.C. or 95 miles northwest of Richmond, Virginia, and encompasses approximately 660 square miles. Interstate Highway 66 runs east-west through the northern portion of the County as a primary connector to Washington, DC, and US Route 17 runs north-south through the whole of the County as a primary connector between Interstate Highways 81 and 95. Additionally, five U.S. primary routes and two State primary routes traverse the County.



More than half of the land area within the County is comprised of farmlands and woodlands, primarily rural in nature with eight distinct service districts. The County's mission aims to preserve the physical beauty, historical heritage, and environmental quality of the County. Fauquier County is well-known for its pristine countryside, international equestrian industry, wineries and breweries, with small town tourist destinations.

As of July 1, 2022, the population of Fauquier County is estimated at 73,536, with an average annual growth rate of about 1.1% over the last 10 years with a slight decrease in the annual growth rate from 2022 and 2023.

The County seat is located in the Town of Warrenton in central Fauquier County. In addition to Warrenton, Fauquier County includes the incorporated towns of Remington and The Plains. The County provides certain governmental services; such as public education, law enforcement, and fire and rescue services under a combined volunteer and career system; to the town residents pursuant to general provisions of the *Code of Virginia*. Properties in these towns are subject to both town and county taxation.

Government

Fauquier County operates under the County Board form of government, as defined under Virginia law. The governing body of the County is the Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of five members representing the five magisterial districts in the County: Cedar Run, Center, Lee, Marshall, and Scott, elected concurrently. The Chairman of the Board of Supervisors is elected from within the Board of Supervisors and serves generally for a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and directs the business and administrative operations of the County government. Similarly, the Board of Supervisors appoints a County Attorney to serve as general counsel to the Board of Supervisors, County departments and agencies enforce the County Code.

In addition to the elected Board of Supervisors, County residents elect five constitutional officers based on the Code of Virginia. These offices include the Sheriff, the Commonwealth's Attorney or prosecutor, the Clerk of the Circuit Court, the Treasurer and the Commissioner of the Revenue.

The County provides a full range of services to its residents including education, public safety, court services, solid waste disposal sites, community and economic development, parks and recreational activities, public libraries, social services, and general administration. All resources required to support these services are reflected in this report.

School Board

Fauquier County is financially accountable for a legally separate school district, which is reported separately within the financial statements as a component unit. The Fauquier County Public Schools (FCPS) is the single largest service funded by the County taxpayers. FCPS is committed to ensuring the development of confident, responsible and broadly educated citizens by cultivating the unique potential and character of each learner for a successful future. In order to achieve this mission, the Schools are engaged in the implementation of a strategic plan originally established in 2010 and revised in 2020. Aspirations 2.2 contains six strategies (academics, student support, environments, staff, communication, and resources) for achieving FCPS' mission to be an innovative learning community committed to the development of creative, confident, knowledgeable citizens who are globally-competitive by cultivating the potential of each learner.

The elected School Board is composed of five members who represent the five magisterial districts. The School Board members serve a term of four years, with the Chairman and Vice Chairman of the Board selected annually by the members. In Virginia, the School Board oversees the operations of the public school division but holds no taxing authority, which resides with the County Board of Supervisors. Annually, the School Division presents a budget request for local tax support of its operations to the Board of Supervisors for consideration. Once the Board of Supervisors approves the School Division's annual funding appropriation, the School Division manages those appropriations.

The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of three high schools, five middle schools, eleven elementary schools, and one alternative school. In addition, FCPS participates with five other school divisions in the Mountain Vista Regional Governor's School, which was established in fiscal year 2007.

Budget

Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation for the County's financial planning and control. Prior to April 1st, public hearings are conducted to obtain citizen comments on the budget and annual tax rates. The budget and tax rates are legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund level and sets budgetary limits for all departments. All budgets are adopted on a basis consistent with GAAP.

The *Code of Virginia* requires the appointed Superintendent of the FCPS to submit a budget to the County Board of Supervisors with approval of the School Board. The County Board of Supervisors reviews the School Board's budget and determines the level of funding for the Schools, as part of the annual budget and tax rate setting process. If the level of funding determined by the County Board of Supervisors is less than requested, the School Board develops and adopts a revised budget. The approved budget is the basis for operating FCPS in the next fiscal year.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Fauquier County operates.

Local Economy

Fauquier County's Board of Supervisors has defined in the County's mission statement that the Board seeks, within the bounds of fiscal integrity, to preserve the physical beauty, historical heritage, and environmental quality of the County. Preserving the rural nature of the County has resulted in slower population growth and is reflective of the County's stabilizing focus on long-term planning through land use policies that have been in place since the 1960's.

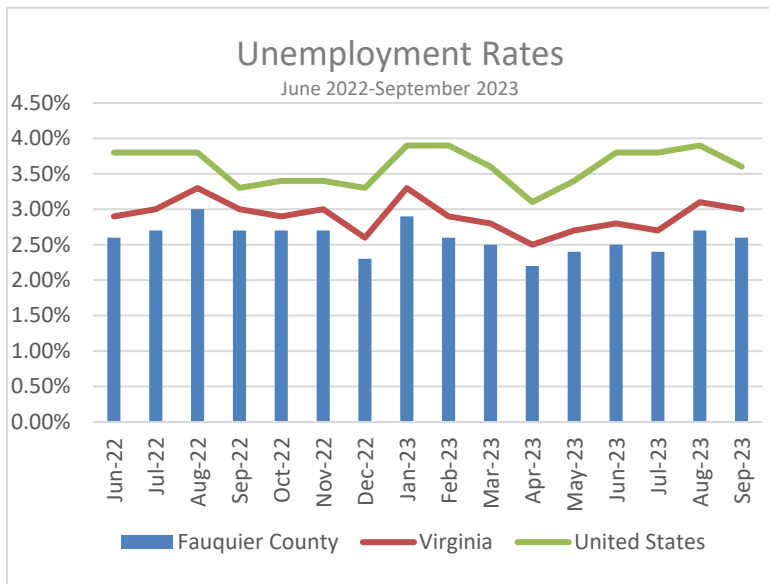
The County manages growth by directing residential, commercial, and industrial development into eight service districts to preserve the rural agricultural nature of the County. The County's commitment to maintaining its rural character is captured in the Comprehensive Plan where the "industrial and commercial zoned" acreage amounts to slightly more than 1.0% of total county acreage. Given this land allocation for commercial and industrial uses, the ability of the Fauquier business community to provide over 15% of County revenue speaks well for the economic efficiency of this community.

The Board of Supervisors continues to promote preservation of the County's rural heritage and associated rural lands. As a result, approximately 107,000 acres or over 25% of the County's land area is currently in some form of conservation easement or land protection program. Some of the management tools and incentives for the preservation of agricultural opportunities, and historic and environmental resources can be seen in the County's zoning and subdivision regulations, land use taxation, permanent conservation easements, Purchase of Development Rights Program, and Agricultural and Forestal Districts. In addition to the Board holding permanent conservation easements on approximately 57,500 acres, they continue to support the work of conservation organizations, including the Virginia Outdoors Foundation, The Nature Conservancy, the Land Trust of Virginia and the Piedmont Environmental Council, in establishing and holding conservation easements and extinguishing residential development potential. The Board of Supervisors also continues to support the Purchase of Development Rights program through both County and grant funding as a voluntary farmland preservation tool. The County's agricultural community includes dairy and beef cattle, crop and horse farms, along with vineyards, wineries, orchards, and other horticultural uses.

Long-term industry employment projections are strong for health care and social assistance; arts, entertainment, recreation; as well as professional, scientific, and technical services. Employment in Fauquier County has remained strong, with the unemployment rate in fiscal year 2023 averaging 2.6%, slightly higher than the prior fiscal year at 2.5%. Unemployment in Fauquier County versus the surrounding areas has been very similar during the fiscal year.

Many localities across Virginia and the United States have experienced economic effects since COVID-19 with reductions in their more vulnerable revenues, however Fauquier County has not experienced as significant of an impact to revenue sources. Sales tax collections at the end of fiscal year 2023 trended positively with a 4.1% increase over collections in fiscal year 2022, with citizens and visitors supporting not only traditional retailers but also our small local retailers that have seen opportunities for growth and expansion over the last two years. In fiscal year 2023, taxable sales in the county totaled \$1.07 billion, an 8.1% increase of the prior fiscal year, and the first time the county's history gross taxable sales exceeded \$1 billion.

In addition, real estate tax collections were relatively stable in fiscal year 2023 and collection rates have been in line with previous years' collections. Real estate sales have slowed slightly due to higher mortgage interest rates and near record high median sales prices at the beginning of fiscal year 2023, however, new home construction permits increased 6.2% over the prior fiscal year. The total construction value of permits issued increased 22% over the prior fiscal year, and in real terms, returned to pre-pandemic levels.

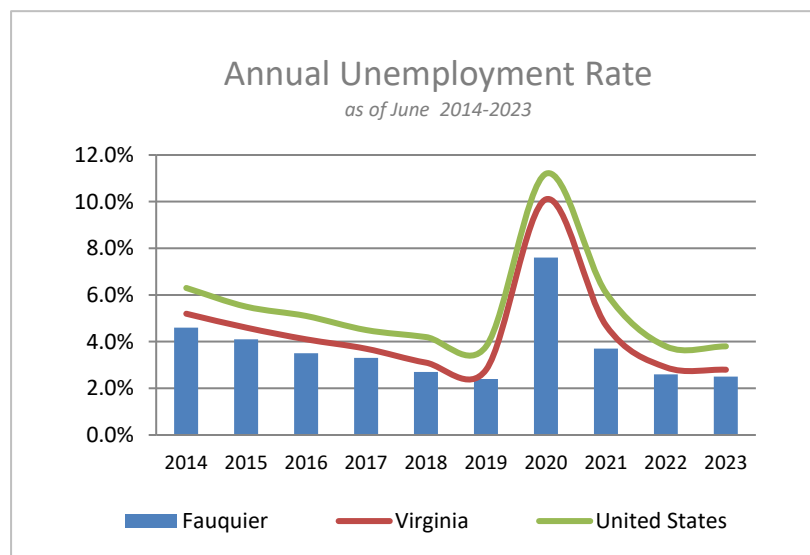


Source: Virginia Employment Commission, Local Area Unemployment Statistics and Labor Force Statistics (not seasonally adjusted)

Unemployment rates across the United States continue to recover from the COVID-19 pandemic. Currently, Fauquier unemployment levels are the lowest since before 2010. When compared to the Commonwealth of Virginia and the United States, the County's unemployment rate is slightly lower and has had minor fluctuations throughout fiscal year 2023 with some minor fluctuations. Unemployment for September 2023 was 2.6%, which is in line with unemployment trends before the pandemic. While uncertainty continues to exist around the short and long-term impacts of the economy including market trends and supply chain impacts on employment

trends, the County looks to continue efforts and opportunities to maintain low unemployment trends and attract trained and qualified workforce for businesses.

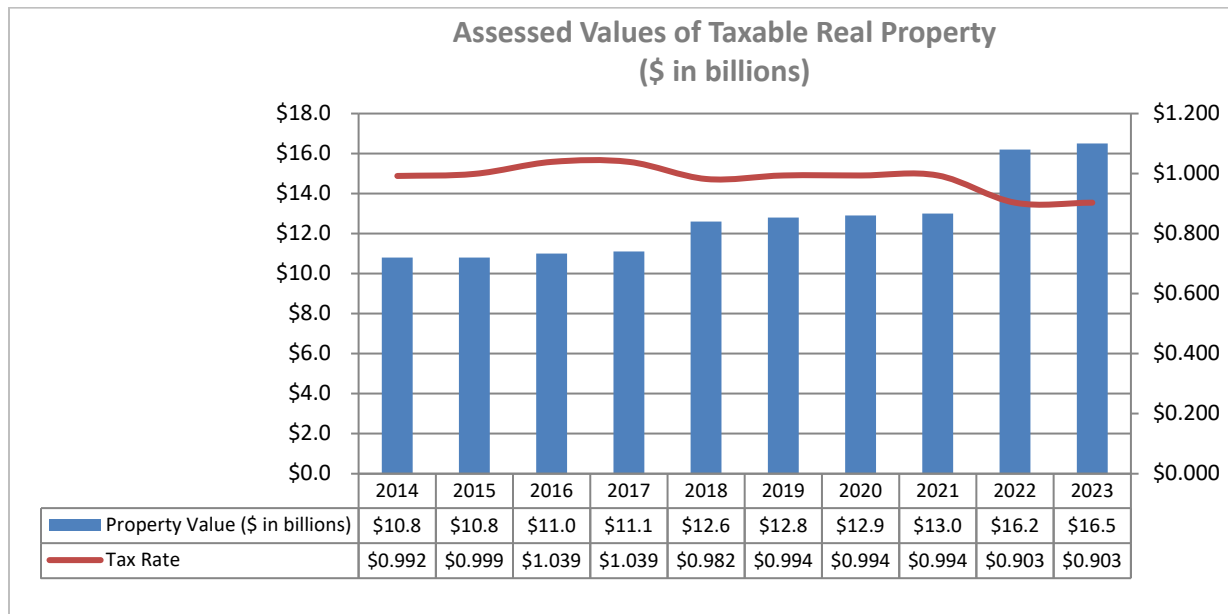
Unemployment rates from 2014 to 2019 had been steadily declining, with unemployment increasing significantly in 2020 due to shutdowns during the COVID-19 pandemic. Since 2020, the County's unemployment rate has steadily recovered with rates in 2023 back at pre-pandemic levels. The County's proximity to the federal government, its affiliated contractor industries, growth of existing and new businesses, as well as partnerships with the State and local community college for workforce development has benefited the County and continues to provide employment opportunities to citizens in Fauquier County. Based on current American Community Survey date, the County has a labor force participation rate of 80.7% for adults between the age of 20 and 64.



Source: U.S. Bureau of Labor Statistics (not seasonally adjusted)

The County's real estate valuation is reassessed on a quadrennial basis. The most recent reassessment occurred in 2021 and became effective January 1, 2022. An overall increase of 23.76% resulted in assessed values from previous levels that year. The next general real property assessment process, to be completed by in-house assessors, will begin in 2025 with an effective date of January 1, 2026. The Commissioner of Revenue began the implementation process for the upcoming reassessment cycle and hired a lead assessor in 2022 and will continue to hire supporting staff throughout fiscal year 2024. The reassessment process will begin in July 2024.

The graph below shows varying property values and corresponding tax rates for the last ten years.



Source: Fauquier County Commissioner of Revenue

The real property tax rate remained flat over the past two years. The County utilized natural growth and proportional levels of development in assessments to meet increasing costs of services; as well as expansions in particular service areas such as fire and rescue career staffing, capital projects for County and School Division, and advancing compensation for market competitiveness. This enabled the County to lower the overall tax rate from \$0.994 to \$0.903 during the 2022 real estate reassessment. The collection rate for property tax levies within the fiscal year of the levy for tax year 2023 was 98.7%, compared to 98.54% in tax year 2022.

The local real estate housing market exhibited steady improvement over the last ten years with current assessed values trending upward for both real and personal property. Annual fluctuations occurred between reassessments for new construction and improvements. Additions and improvements increased residential values by 1.2% from the prior year. Commercial values increased by 0.12% and agricultural values increased by 1.47% over the previous year. Public service values increased by 17.19% in comparison to the prior year. However, public service valuation assessments are set by the State Corporation Commission and are not governed under the authority of the local jurisdiction.

The County's General Fund ended fiscal year 2023 with \$23.0 million in revenue over amended budget. This is due to better than anticipated collection on personal property taxes (+\$13.2 million), sales tax (+\$3.0 million), business license taxes (+1.3 million), additional real estate tax revenue from growth in assessed values (+\$1.3 million), and better than anticipated revenue from use of money and property (+3.0 million). In addition, the General Fund achieved \$6.9 million in expenditure budget savings. This is due to the County's efforts to remain fiscally prudent, focusing spending on essential items, reviewing requests to hire for positions, and preparing for potential economic uncertainty due to supply chain interruptions and market changes related to inflation.

In fiscal year 2023, the Board of Supervisors approved a spending plan for the \$13.8 million of American Rescue Plan Funds in (ARPA) with \$10.5 million allocated to serve as the County's local match for a regional broadband State grant initiative, funding for enhanced cleaning in key public access areas of the County including Courtrooms, additional assistance for the Catlett-Calverton Wastewater Treatment project, and funding for a pilot Crisis Intervention Team Assessment Center between Fauquier County; Fauquier County Sheriff's Office; Rappahannock-Rapidan Community Services Board; and Fauquier Hospital. In addition, the Commonwealth of Virginia distributed utility assistance funding for the Fauquier County Water and Sewer Authority and the Town of Warrenton. American Rescue Plan Funds will continue to spend according to plan in fiscal year 2024, or as provided for in final United States Treasury guidance. These federal funds are accounted for separately in the American Rescue Plan Fund on Exhibit 9.

Economic and Community Development

The Department of Economic Development develops and implements programs designed to assist with the expansion of a balanced and prosperous economic base for Fauquier County. Core duties include business retention and expansion activities with our existing business base, recruitment of new businesses compatible with the Comprehensive Plan and workforce initiatives to provide the citizens of Fauquier County with employment and training opportunities to further their careers. We are also the lead tourism group in the County and work to promote our core tourism sectors to increase jobs, wages, and tax base for our citizens.

The majority of businesses in Fauquier County are small, with 90% having fewer than 20 employees. The County's economic development program seeks to attract small to mid-sized companies to locate into eight service districts within the County, which include approved tourism, technology, green development and Defense Production Zones. In fiscal year 2023, there were 88 new startup firms in the County. The County has also entertained a limited number of larger prospects for which the economic potential and benefits for both the county and the prospective partner are beneficial. Targeted industries for the County include Information Technology, Cybertechnology, Advanced Manufacturing, Defense and Government Contractors, as well as Agribusiness and Food Production.

Additional highlights of economic development benefits during 2023 include the following:

- The Department of Economic Development continued operation of three business enterprise centers across the County. These centers provide access for small business or entrepreneurs to access sources of business assistance, training and educational opportunities, and other key resources for business sustainability.
- The new fauquierbusiness.com website was launched in the beginning of FY23. The website is used as a marketing tool to increase the commercial and industrial tax base. The site is a "living" marketing tool that will be used extensively for business attraction and retention. The website illustrates county assets, such as our greenfield sites, buildings, office, and retail space. In addition, the site offers insight into the County demographics, incentives, and information about living in Fauquier County. Since its inception we have seen a 125% increase in traffic to our website.
- Fauquier County obtained a grant through the Virginia Tourism Corporation (VTC) for the promotion of tourism in Fauquier County. In FY23 with the assistance of Advanced Travel and Tourism, we have been able to develop video and print assets and expand our reach in advertising through targeted social media, banner ads, YouTube, TrueView, and Spotify. In addition, at the end of FY23, a new updated visitfauquier.com website was launched. Through the additional advertising and new website, we have already seen a 176% increase in traffic to our website and ad campaigns that are performing at or above benchmark.
- The Department of Economic Development continued its partnership with Virginia Economic Development Partnership (VEDP) by identifying new prospects to locate in Fauquier County to maximize and increase the business tax base. VEDP has been a key partner in attracting several business prospects and the interest continues to grow. Fauquier County is well positioned for significant investment over the next few years. FY23 Marketing trips generated 4 new business leads in FY23 that included one on one meetings with the prospective companies.
- The Micro Loan Program continues to provide low interest business loans to small businesses with all existing loans performing at or beyond expectations. This program was established with funding support from the Economic Development Authority along with five local banks for the purpose of available loans to local businesses. The programs continue to strengthen through partnership with the Town of Warrenton by increasing the amount of available funds used to attract and retain businesses in the Town.
- In the Marshall Service District, construction of the Whiting Road Rail Crossing is planned with the recent completion of the water/sewer extensions. The project will improve connectivity and infrastructure for commercial and industrial property through the Route 17/Interstate 66 Business Park. Estimated completion is 2024.

- The 17/66 Business Park continues to develop with only two parcels remaining for sale. There were two new industrial buildings completed during FY23 with a significant increase in capital investment.
- OVH data center continues to expand their existing data center operation at Vint Hill, with the purchase of 12 acres for \$5.5 million for future building expansion.
- SPARC Research, a local defense contractor has completed its advanced rocket propulsion design and component manufacturing facility in the County. This project has a capital investment of over \$7 million and will create over 30 additional jobs in the County.
- AWS has invested \$39.7 million for 41 acres of property located within the Town of Warrenton for a future data center project. The project is currently under site plan and permit review for future construction.
- CyrusOne purchased 47 acres at Vint Hill for over \$89 million for the location of a future data center of approximately 900,000 sf.
- A new brewery will be located in the Town of Warrenton, Silver Branch Warrenton Station purchased an existing building, previously Wort Hog Brewery. They are updating the interior and are expected to create over 20 new jobs in the 9,600 sf facility.
- A new Skilled Trades building of 8,000 sf opened in October 2023 at Laurel Ridge Community College. The project was funded with public and private support, including \$1.5 million in contributions from community members, industry partners, and the PATH Foundation.
- The Puller Veterans Care Center, a 128-bed facility located at Vint Hill is designed to serve Virginia's Veterans. It will be opening in 2024 and will create approximately 220 jobs. This facility is expected to spur the location of other medical-related services and offices at Vint Hill. It will also present opportunities for local businesses to contract with the State for goods, services, and other related services.

The Department of Community Development strives to develop the community in line with the priorities as established by the Strategic Plan with focus on preserving the County's natural resources, agricultural and rural character, and maintaining the County's transportation plan with a full understanding of current and projected transportation needs.

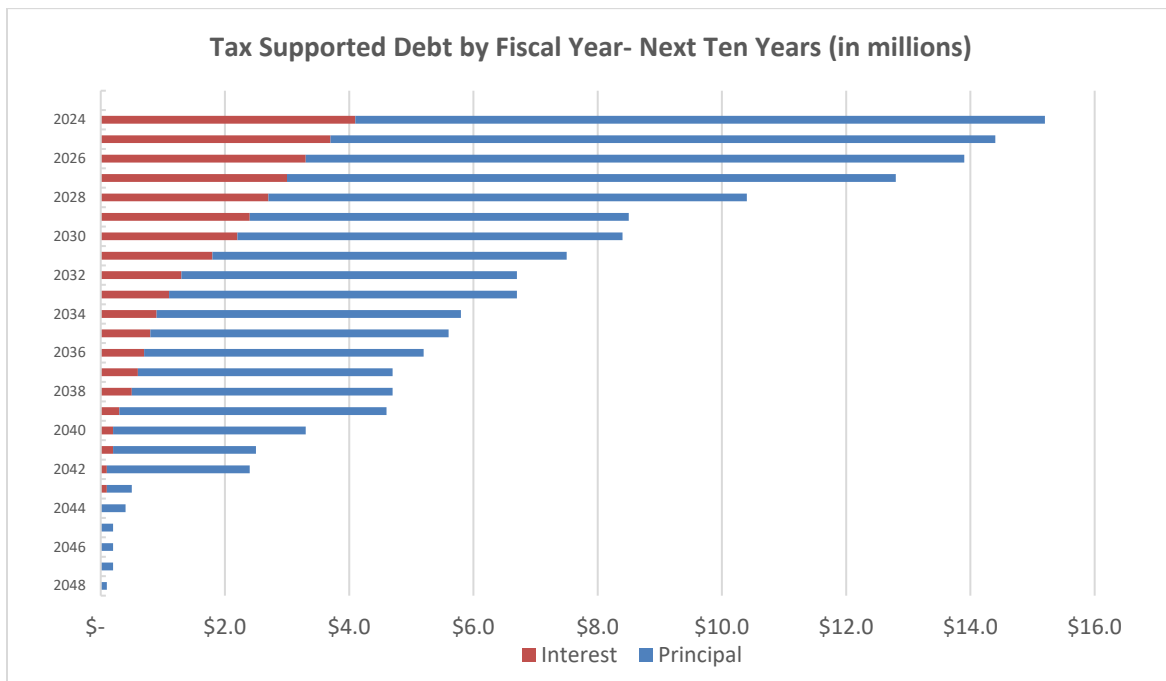
Highlights of community development accomplishments during fiscal year 2023 include the following:

- In conjunction with the Agricultural and Forestal Advisory Committee, the Planning Commission and the Board of Supervisors, the Department of Community Development successfully renewed four Agricultural and Forestal Districts which included 534 parcels 20,147 acres. Virginia State Code establishes Agricultural and Forestal Districts for the conservation and protection of valuable agricultural and forestal lands.
- The County partnered with the Virginia Department of Historic Resources on grant shared projects which included the Fauquier County African American History Multiple Property Document (MPD) and the National Register of Historic Places nomination for Silver Hill Baptist Church and School located in Lee District. A listing in the National Register of Historic Places is strictly an honorific designation. A listing conveys the story of a historically significant property but does not place any restrictions on what an owner may do with his property, including demolition.
- The County's Six-Year Plan for construction of secondary roads (SSYP) was developed and maintained.
- The Virginia Department of Transportation (VDOT) revenue share project for the extension of Salem Avenue in Marshall was completed.
- Smart Scale projects for three intersections in the southern part of the County were submitted to the Virginia Department of Transportation (VDOT) for consideration. Smart Scale is Virginia's data driven prioritization process to fund the right transportation projects that generate the greatest benefit for taxpayers.

- The County partnered with the Rappahannock Rapidan Regional Commission and surrounding jurisdictions to share ideas on the emerging topics of housing, transportation, solar, data centers, short term rental, and marijuana laws.
- In 2014, the Virginia Department of Environmental Quality (DEQ) issued Fauquier County a Municipal Separate Storm Sewer Systems (MS4) Permit. This MS4 permit regulates how Fauquier County will manage their stormwater systems on, or passing through, County-managed land within urbanized areas. The Department of Community Development oversees the County's MS-4 program and required annual reporting and testing. This robust program requires direct coordination with Fauquier County Schools, General Services, Parks and Recreation, and the Town of Warrenton, nearing the end of its second five-year cycle.
- The Federal Emergency Management Agency (FEMA) reassessed flood risk in Fauquier County. As a result, the Floodplain Ordinance and Flood Insurance Maps will be updated. Fauquier County regulates floodplains to maximize public safety, assure that development occurs in a manner that does not increase off-site flooding, minimize negative environmental impacts on wetlands and buffer areas, comply with federal requirements, and enable county property owners to insure themselves against flood losses. Fauquier County developed a hub site to assist landowners in understanding the impacts. Preliminary maps were released August 11, 2022, with official maps and ordinance updates to follow.

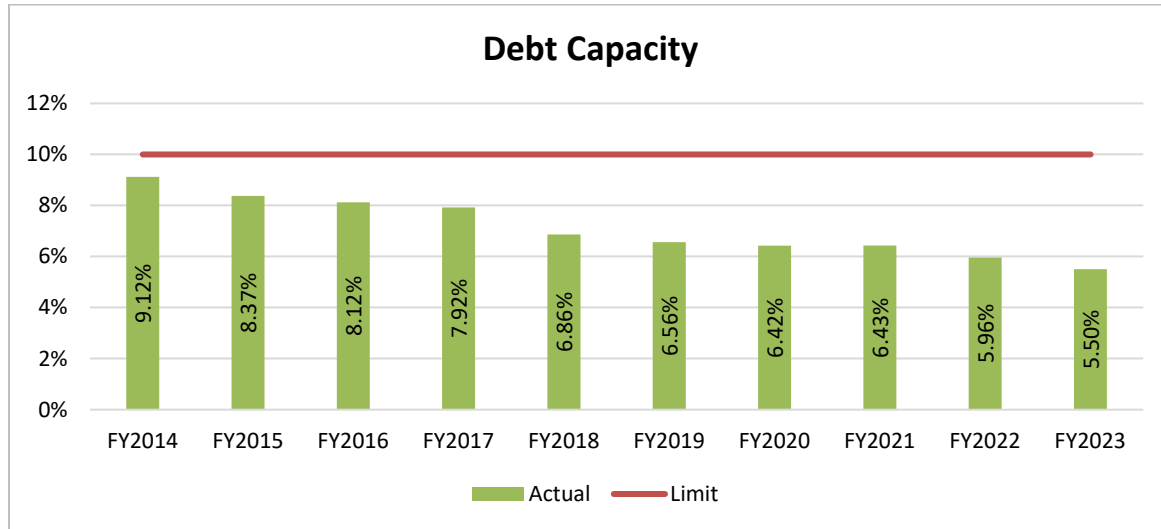
Tax-Supported Debt

The County's debt portfolio shows a continually improving debt picture with ample capacity to move forward with the adopted Capital Improvement Plan. Additionally, the County's debt portfolio exhibits rapid amortization, with required debt service on current tax-supported debt and commitments dropping from \$15.2 million for fiscal year 2024 to \$5.7 million in the next ten years.



While not statutorily imposed, the County adheres to a self-imposed debt capacity under which annual debt service payments are prohibited from exceeding 10% of the adopted revenue budget for the fiscal year based on the County's real estate tax levy funds. The County has maintained ample room in its self-imposed debt capacity, which is currently at 5.96%, down from the ten-year high of 9.13% in FY2013. (See Table 11 of the Statistical Section of this report for further details). The peak years of the debt ratio (FY2013 and FY2014) saw increases which, while impacted by debt issuances, were also heavily influenced by lowered revenue

budgets due to the economic climate at the time. As the local economy has recovered, coupled with the rapid amortization of debt discussed earlier, the unutilized portion of the overall capacity has grown.



Credit Rating

The County continues to maintain strong bond ratings, with a rating of 'AAA' from Fitch Ratings reaffirmed in June 2022, The County's ratings with Standard & Poor's, and Moody's Investors Service lapsed on July 15, 2022. The County will be working with the rating agencies to update all ratings in fiscal year 2024.

Long-Term Financial Planning

County policies balance the need for public facilities, as expressed by the countywide land use plan, with the fiscal capabilities of the County to provide for those needs. The five-year Capital Improvement Program (CIP) submitted annually to the Board of Supervisors is the vehicle through which stated need for public facilities and is analyzed against the County's ability to pay.

The CIP is a planning document intended to provide an analysis of potential long-range funding needs for the acquisition, construction or total replacement of physical facilities and other types of infrastructures. The fiscal year 2023-2027 capital budget totals approximately \$155.4 million, with \$211.4 million designated for future years. The projects within the plan years include:

- \$15.5 million for public safety projects including fire and rescue
- \$4.5 million for county-wide projects
- \$33.5 million for library projects
- \$85.7 million for school system projects
- \$6.4 million for parks and recreation projects
- \$7.8 million for utility projects including water system improvements, broadband development, and public sewer projects
- \$2.0 million for other projects including environmental services and airport

The adopted CIP includes \$34.2 million in cash funding (22.0% of the total plan) reflecting the County's approach to a balanced capital financing plan. The current CIP defers expenditures where possible and recommends funding consistent with the Board of Supervisors' financial policies.

The Board of Supervisors and the Planning Commission of Fauquier County have in place a 20-year Comprehensive Plan to ensure adequate planning as the County continues to grow. The plan acknowledges the importance of balancing agriculture, urban development, and conservation uses.

Currently, the Department of Community Development has been focused on current planning versus long range planning. With the increase interest in data centers and utility scale solar uses over the past two years, the County will need to consider updating the Comprehensive Plan focusing on the Service Districts seeing the most pressure for these types of uses.

Relevant Financial Policies

The Board of Supervisors has adopted and maintains a Fund Balance Management policy for the County's General Fund, which sets the minimum level of unassigned fund balance required for the General Fund at not less than ten percent (10%) of the following year's budgeted General Fund revenues, providing for enhanced financial planning and stability. Effective July 1, 2023, the Board of Supervisors adopted changes to the Fund Balance Management policy to include a Budget Stabilization Reserve which will be maintained at 3% of the total General Fund adopted budgeted revenue. Beginning with fiscal year 2023 carryover, 25% of the allocation to the Capital Reserve will be allocated to the Budget Stabilization Reserve until the 3% target is met. In future years, 50% of unassigned General Fund balance will first be applied to the Budget Stabilization Reserve to meet the target and then any remaining of 50% of unassigned fund balance will be allocated to the Capital Reserve.

Due to the potential effects on the County's credit rating, debt availability, tax rates, and the annual operating budget, the Board of Supervisors has established and maintains a Debt Management policy which sets self-imposed debt limitations and encourages public participation in the decision-making process relating to major construction projects. The policy stipulates that annual debt service payments may not exceed 10% of budgeted revenues and that debt issuance in excess of \$39.9 million be subject to voter referendum. In addition, the Board of Supervisors adopted changes to the Debt Management policy effective July 1, 2023, which include the following measures:

- Debt as a Percentage of Assessed Value will not exceed 3%
- Total Fixed Costs (which includes total debt service and annual contributions for pension and OPEB) as a % of Total Governmental Fund Expenditures will not exceed 25% of budgeted revenues.

Investments of available funds are made according to a formal Investment Policy that seeks to safeguard principal, meet liquidity objectives, and seek fair value rates of return within the parameters of the *Code of Virginia*. Funds held for capital projects are invested in accordance with these objectives in addition to ensuring compliance with U.S. Treasury arbitrage regulations.

The County recognizes the need to monitor revenue estimates to identify any shortfalls and potential trends that would significantly affect the various revenue sources in the current budget. Revenue reports are provided throughout the fiscal year to the County Finance Committee to ensure a careful review of all revenue sources and to provide revenue estimates for budget development.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fauquier County for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2022. This was the twenty-fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The GFOA has awarded its Distinguished Budget Presentation Award to Fauquier County for fiscal year 2024. Fauquier County has received this award for twenty-seven consecutive years.

Acknowledgements

This report was prepared by the professional staff of the Finance Department. Their hard work, dedication, and continuing efforts to improve the quality of this report directly benefit all who read and use it. We also acknowledge the cooperation and assistance of the staff of the School Board, County Treasurer, Commissioner of the Revenue, Office of Management and Budget, Department of Community Development, the Department of Economic Development, and the many other County departments and agencies that contributed to the preparation of this report.

The Annual Comprehensive Financial Report reflects the commitment of the Board of Supervisors and County administration to the citizens of Fauquier County and the financial community to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,



Janelle Downes
County Administrator



Belinda Deal
Interim Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Fauquier
Virginia**

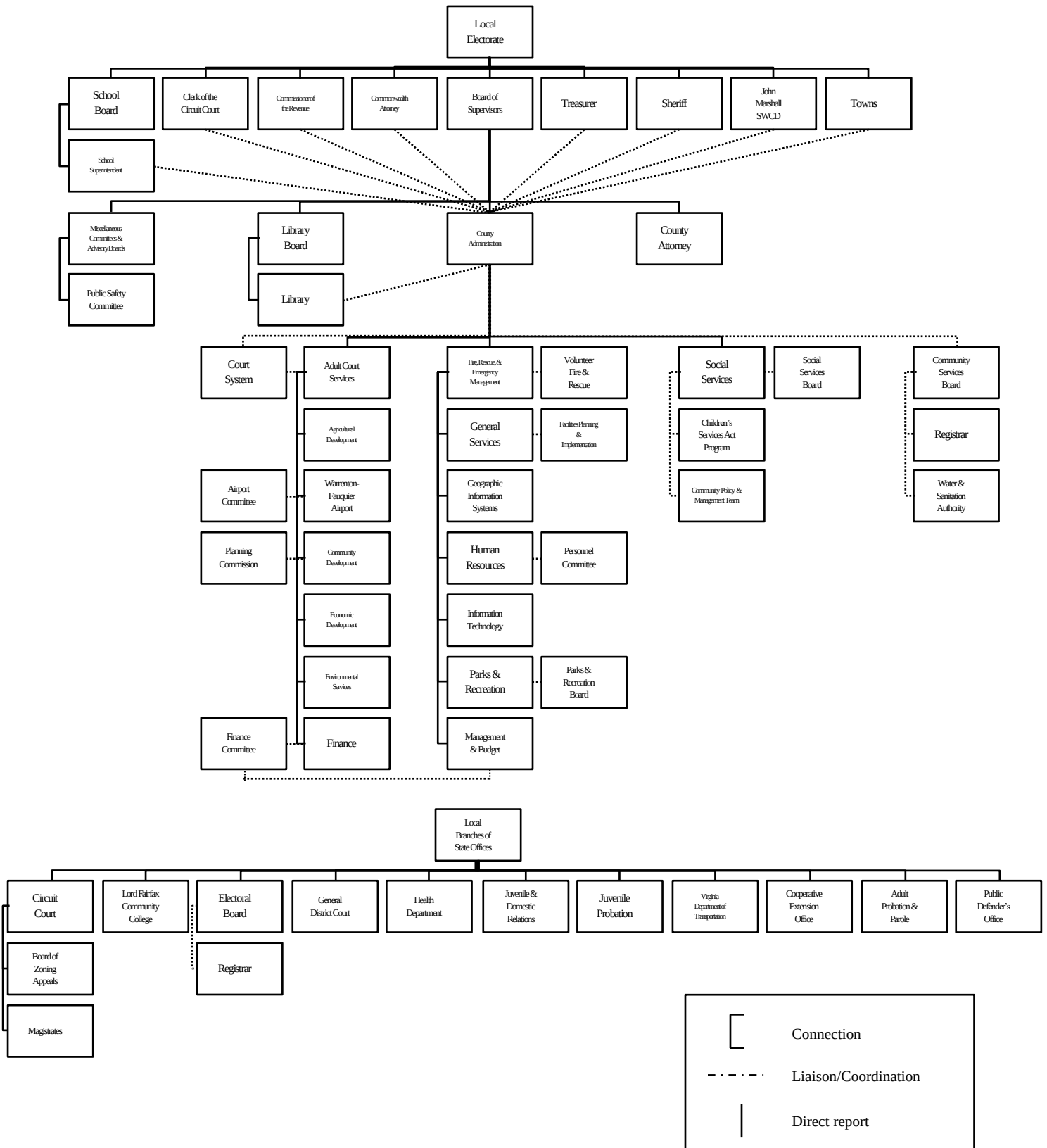
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

County Organizational Chart



COUNTY OF FAUQUIER, VIRGINIA
PRINCIPAL OFFICIALS

BOARD OF SUPERVISORS

Christopher T. Butler, Chairman
Richard R. Gerhardt, Vice Chairman
Kevin T. Carter
Mary Leigh McDaniel
R. Holder Trumbo, Jr.

COUNTY ADMINISTRATION

Janelle Downes, County Administrator
Erin M. Kozanecki, Deputy County Administrator

COUNTY SCHOOL BOARD

Stephanie Litter-Reber, Chairman
Susan Pauling, Vice Chairman
Raymond E. Bland, Sr.
Marshall C. Campbell
Donna Grove

SCHOOL ADMINISTRATION

Dr. Major Warner, Ed.D., Superintendent
Meaghan Brill, Deputy Superintendent
Prashant Shrestha, Assistant Superintendent for Business and Planning
Nicholas Napolitano, Executive Director of Student Services and Special Education
David E. Graham, Jr., Assistant Superintendent of Administration

CONSTITUTIONAL OFFICERS

Clerk of the Circuit Court Gail H. Barb
Commissioner of the Revenue Eric J. Maybach
Sheriff Jeremy A. Falls
Treasurer Tanya Remson Wilcox
Commonwealth's Attorney Scott C. Hook

This Report Prepared By:

The Department of Finance
Accounting Division
320 Hospital Drive, Suite 32
Warrenton, VA. 20186
540-422-8333

Director of Finance – Terrilyn S. Pete
Financial Services Division Chief – Kimberly Warren
Accounting Manager – Belinda Deal
Katerina Emery • Abigail Heaney • Karen Newberry • Melissa Pitts • Christy Polleri





ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of Fauquier, Virginia
Warrenton, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fauquier, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fauquier, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Fire and Rescue Fund, and American Rescue Plan (ARP) Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Fauquier, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 1 to the financial statements, in 2023, the County restated beginning balances to correct prior year grant accruals and to reclassify the School Grant Fund as a separate fund. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Fauquier, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Fauquier, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Fauquier, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Fauquier, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of County of Fauquier, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Fauquier, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Fauquier, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
December 12, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Fauquier, Virginia presents the following discussion and analysis as an overview of the County of Fauquier's financial activities for the fiscal year ending June 30, 2023. We encourage readers to read this discussion and analysis in conjunction with the Letter of Transmittal in the Introductory Section of this report and the County's financial statements, which follow this discussion and analysis.

All amounts are expressed in millions and percentages are calculated based on the rounded numbers in millions.

FISCAL YEAR 2023 FINANCIAL HIGHLIGHTS

The reporting entity, which includes the School Board component unit, had positive net position of \$222.4 million at June 30, 2023, which represents an increase of 25.0% or \$45.9 million from net position at June 30, 2022 of \$176.5 million.

- The total cost of the County's programs for governmental activities were \$230.3 million, an increase of \$32.0 million, or 16.1% from the prior year's cost of \$198.3 million. Total revenues for governmental activities increased \$26.9 million or 11.0% to \$270.6 million from the prior year.
- Net position of the County's governmental activities increased by \$32.5 million from the prior year, as compared to an increase of \$37.5 million in fiscal year 2022.
- At June 30, 2023, the primary government had \$103.4 million of long-term debt outstanding. This includes \$51.6 million of general obligation bonds and \$25.7 million of financing agreements, for governmental activities; \$18.8 million in revenue bonds and \$7.3 in financing agreements, for business-type activities. In addition, the primary government had lease and subscription liabilities of \$2.6 million and \$0.2 million in deferred charges on refunding.
- The County's business-type activities (the Airport, Landfill, and Sewer) had a combined positive net position of \$3.2 million, an increase of \$0.2 million from the prior year. This is mainly due to the decreased landfill expenses in fiscal year 2023.
- The School Board component unit had positive net position of \$48.2 million at June 30, 2023, an increase of \$12.2 million, or 33.9% from the prior year. Revenues, including the County contribution, totaled \$188.1 million, an increase of \$14.0 million from the prior year, and expenses totaled \$175.0 million, an increase of \$10.7 million from prior year's expenses. The increase in expenses was due to increased spending of operating grants and contributions from the Commonwealth of Virginia and Federal sources.
- The Economic Development Authority (EDA) component unit had positive net position of \$0.2 million at June 30, 2023, with minimal change from the prior year. Revenues totaled \$0.02 million, a decrease of \$0.02 million from the prior year, and expenses totaled \$0.002 million, a decrease of \$0.004 million from the prior year.
- As of June 30, 2023, County governmental funds reported combined fund balances of \$118.6 million, an increase of \$17.0 million from the prior year. The County's General Fund had a total fund balance of \$59.6 million at June 30, 2023. Of the General Fund balance, \$17.1 million, or 28.7% was assigned fund balance, \$37.1 million, or 62.3% was unassigned fund balance, and the remaining was restricted,

committed, and non-spendable fund balance. Refer to Note 14 for details regarding the various components of fund balance.

- General Fund revenues were \$23.1 million over the amended budget. Expenditures savings of \$6.8 million were the result of less than budgeted spending by in various County Departments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report (ACFR) consists of four sections: introductory, financial, statistical, and compliance.

- The Introductory Section includes the letter of transmittal, a copy of the fiscal year 2022 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, the County's organizational chart, and a list of principal officials.
- The Financial Section includes the Independent Auditors' Report, management's discussion and analysis (this section), the basic financial statements, required supplemental information and combining and individual fund statements and schedules.
- The Statistical Section includes selected financial and demographic data related to the County, generally presented on a multi-year basis.
- The Compliance Section is required under the provisions of Single Audit Act of 1984 and the U.S. Office of Management and Budget guidance in Title 2 of the Code of Federal Regulations, Part 200 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F and includes the auditors' reports on compliance and internal controls.

Financial Section Overview

This Management's Discussion and Analysis, which is preceded by the Independent Auditors' Report, is intended to serve as an introduction to the Financial Section of the Annual Comprehensive Financial Report. It is followed by three additional parts – the basic financial statements, required supplementary information, and the combining and individual fund statements and schedules.

The Independent Auditors' Report reflects the results of the external audit. The auditor expresses an opinion on whether the financial statements have been presented in conformity with Generally Accepted Accounting Principles (GAAP).

The basic financial statements are comprised of three components: (1) government-wide financial statements; 2) fund financial statements; and (3) notes to the financial statements. The government-wide financial statements and the fund financial statements present different views of the County. These two types of statements are discussed in more detail in the following sections.

The required supplementary information includes:

- this discussion and analysis
- the Schedule of Funding Progress and Employer Contributions – Fauquier County Other Postemployment Benefits Plans and Virginia Retirement System Pension and Other Postemployment Benefit Programs (Exhibit 15)
- the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (Exhibit 16)

- the Schedule of Changes in the Net OPEB Liability and Related Ratios (Exhibit 17)
- the Schedule of the Proportionate Share of the Virginia Retirement System's Net Pension and OPEB Liability (Exhibit 18)

Finally, the combining and individual fund statements and schedules are reported, which present individual statements for major funds other than the General Fund and combining statements for non-major governmental funds, internal service funds, fiduciary funds, and the component units as well as other supporting schedules.

Government-Wide Financial Statements

The government-wide financial statements (Exhibits 1 and 2) report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net position and how it has changed during the fiscal year. These statements provide both short-term and long-term information about the County's overall financial status.

The Statement of Net Position (Exhibit 1) presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities, business-type activities, and activities of the County's component units, the Economic Development Authority and the School Board. Net position is the residual amount remaining after liabilities and deferred inflows of resources are deducted from the balance of assets and deferred outflows of resources and provides a measure of the County's overall financial health, or financial condition. Over time, changes in the net position may serve as an indicator of whether the County's financial condition is improving or deteriorating. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of the County's facilities.

The Statement of Activities (Exhibit 2) presents information using the accrual basis of accounting and reflects how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in this statement, regardless of when cash is received or paid. The Statement of Activities presents expenses before revenues to emphasize that the government's revenues are generated for the express purpose of providing services.

In the government-wide financial statements, the County's activities are divided into three categories:

- **Governmental activities:** Most of the County's basic services are reported here, including general government administration, judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and Commonwealth of Virginia grants. Governmental funds and internal service funds are included in the governmental activities.
- **Business-type activities:** The County charges fees to users to cover all, or a significant portion, of the costs associated with the provision of certain services. These business-type activities include the Airport, Landfill and Recycling, and Sewer activities.
- **Component units:** The County has two component units for which it is financially accountable, the Fauquier County Public Schools (School Board) and the Economic Development Authority (EDA). A primary government is accountable for an organization if the organization is fiscally dependent and the organization is capable of imposing financial benefits or burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funding for their operations. The School Board and the EDA are legally

separate entities and are discretely presented in this annual financial report. Additional information on the component units can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

These statements focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. Funds are used to ensure compliance with finance-related legal requirements and to keep track of specific sources of revenues and expenditures for particular purposes. The County has three kinds of funds:

- Governmental Funds – Most of the County's basic services are reported in governmental funds, which focus on (1) inflows and outflows of cash and other financial assets that can be readily converted to cash and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with the fund financial statements to explain the relationship (or differences).

The County has the following five major funds:

- The General Fund is the main operating account of the County and therefore, the largest of the governmental funds.
- The Capital Projects Fund is used to account for major capital projects and assets, primarily construction related. It provides control over resources that have been segregated for specific capital projects.
- The Debt Service Fund accounts for financial resources accumulated for the payment of principal and interest.
- The Fire and Rescue Fund is used to account for and report the fire and rescue levy assessed on real estate to support fire and rescue activities and volunteer fire and rescue companies.
- The American Rescue Plan Fund (ARP) accounts for and reports on Federal funds received by the County to address economic and social recovery from the effects of the COVID-19 pandemic.

All other governmental funds, which include special revenue funds, are collectively referred to as non-major governmental funds.

- Proprietary Funds – The County's proprietary funds consist of three enterprise funds and two internal service funds, which operate in a manner similar to private business enterprises in which costs are recovered primarily through user charges or fees. Proprietary fund financial statements provide both short-term and long-term financial information.

The County's enterprise funds include the Airport Fund, the Landfill and Recycling Fund, and the Sewer Fund. The County's internal service funds include the Fleet Maintenance Fund and the Health Insurance Fund.

- Fiduciary Funds – Fiduciary funds are used to account for resources held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the funds are not available to support the County's programs.

The County's fiduciary funds consist of the Other Postemployment Benefits (OPEB) Plans fund and custodial funds. The funds are used to account for monies received, held, and disbursed on behalf of employees, retirees, external beneficiaries, detention center inmates, and certain other agencies and governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The Reporting Entity: The Commonwealth of Virginia requires that counties, as well as their financially dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public school buildings and renovations, for their component units. GASB Statement No. 14, *The Financial Reporting Entity*, requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements.

The total reporting entity, which includes the School Board and Economic Development Authority component units, had positive net position of \$222.4 million at June 30, 2023. Net position increased from the prior year by \$45.9 million, which reflects current year revenues exceeding expenses by this amount.

Table 1 County of Fauquier Summary of Net Position (\$ in millions)								
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit	
	2022	2023	2022	2023	2022	2023	2022	2023
Assets:								
Current and other assets	\$ 175.5	\$ 177.3	\$ 19.4	\$ 19.7	\$ 194.9	\$ 197.0	\$ 226.6	\$ 229.1
Capital assets, net	<u>109.5</u>	<u>117.9</u>	<u>49.9</u>	<u>51.6</u>	<u>159.4</u>	<u>169.5</u>	<u>316.9</u>	<u>321.3</u>
Total assets	285.0	295.2	69.3	71.3	354.3	366.5	543.5	550.4
Deferred outflows of resources:								
Total deferred outflows of resources	11.9	10.2	0.8	0.8	12.7	11.0	41.4	36.0
Liabilities:								
Other liabilities	35.5	35.5	4.4	3.0	39.9	38.5	145.2	157.4
Long-term obligations	<u>98.5</u>	<u>89.3</u>	<u>61.1</u>	<u>63.5</u>	<u>159.6</u>	<u>152.8</u>	<u>174.7</u>	<u>167.4</u>
Total liabilities	134.0	124.8	65.5	66.5	199.5	191.3	319.9	324.8
Deferred inflows of resources:								
Total deferred inflows of resources	24.6	9.8	1.6	2.4	26.2	12.2	88.5	39.2
Net position:								
Net investment in capital assets	90.2	90.7	37.4	36.2	127.6	126.9	214.5	216.5
Restricted	15.8	12.4	0.5	0.4	16.3	12.8	20.9	16.1
Unrestricted (deficit)	<u>32.3</u>	<u>67.7</u>	<u>(34.9)</u>	<u>(33.4)</u>	<u>(2.6)</u>	<u>34.3</u>	<u>(58.9)</u>	<u>(10.2)</u>
Total net position	<u>\$ 138.3</u>	<u>\$ 170.8</u>	<u>\$ 3.0</u>	<u>\$ 3.2</u>	<u>\$ 141.3</u>	<u>\$ 174.0</u>	<u>\$ 176.5</u>	<u>\$ 222.4</u>

Table 1 may differ from Exhibit 1 due to rounding.

The Primary Government: The primary government had net position of \$174.0 million at June 30, 2023, which reflects an increase of \$32.7 million from the prior year. The largest portion of net position, \$126.9 million, represents the County's other investment in capital assets (e.g., land, buildings, and equipment) less the depreciation and amortization and outstanding debt associated with asset acquisitions. Total restricted and unrestricted net position of the primary government combined was \$47.1 million.

The County has long-term commitments related to the issuance of two financing agreements in support of utility projects undertaken and capitalized by the Fauquier Water and Sanitation Authority and debt the primary government has issued on behalf of the School Board component unit. Because these debts

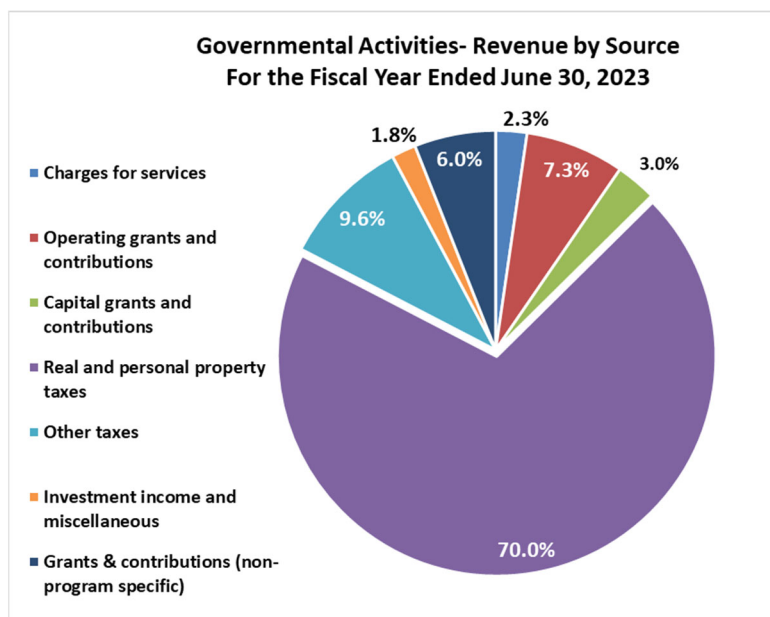
increase the primary government's liabilities with no corresponding asset, the effect is to increase the amount reported as unrestricted (deficit). The County's total of these debts and commitments at June 30, 2023 were \$54.2 million. Refer to Note 8 and Note 9 for further details regarding long-term obligations and commitments.

Business-Type Activities: Business-type activities had combined net position of \$3.2 million at June 30, 2023, which consisted of positive net position of \$24.9 million for the Airport Fund and negative net position of \$30.9 million for the Landfill and Recycling Fund, and positive net position of \$9.2 million for the Sewer Fund. The largest portion of net position, \$36.2 million, reflects investment in capital assets, net of depreciation and outstanding debt. The unrestricted net position for business-type activities at June 30, 2023 was a deficit of \$33.4 million, which reflects a 4.3% decrease to the deficit of \$34.9 million from the prior year. The unrestricted deficit for business-type activities does not indicate that there were insufficient resources available to pay for operations; but that long-term commitments were greater than currently available resources. The commitment to closure and post closure of the landfill is one example of these commitments.

CHANGE IN NET POSITION

Governmental Activities: Total governmental net position (before transfers) increased by \$40.3 million compared to an increase of \$45.4 million in fiscal year 2022.

Revenues from governmental activities for fiscal year 2023 totaled \$270.6 million, an increase of \$26.9 million from fiscal year 2022. Taxes comprised the largest source of revenues, totaling \$215.2 million or 79.6% of total revenues, of which general property taxes account for \$189.2 million. Program revenues (charges for services, operating and capital grants and contributions) generated a total of \$34.3 million, or 12.6% of total revenues, while investment income, miscellaneous revenues and revenues from grants and contributions not restricted to specific programs totaled \$21.1 million, or 7.8% of revenues.



Real and personal property tax revenue increased by \$15.9 million, or 9.2% due to the steady growth the real estate market has been experiencing over the last ten years. Annual growth in real estate tax collection can be attributed to increased assessment values and new construction occurring across the County. Vehicle and personal property values continue to be at historic levels.

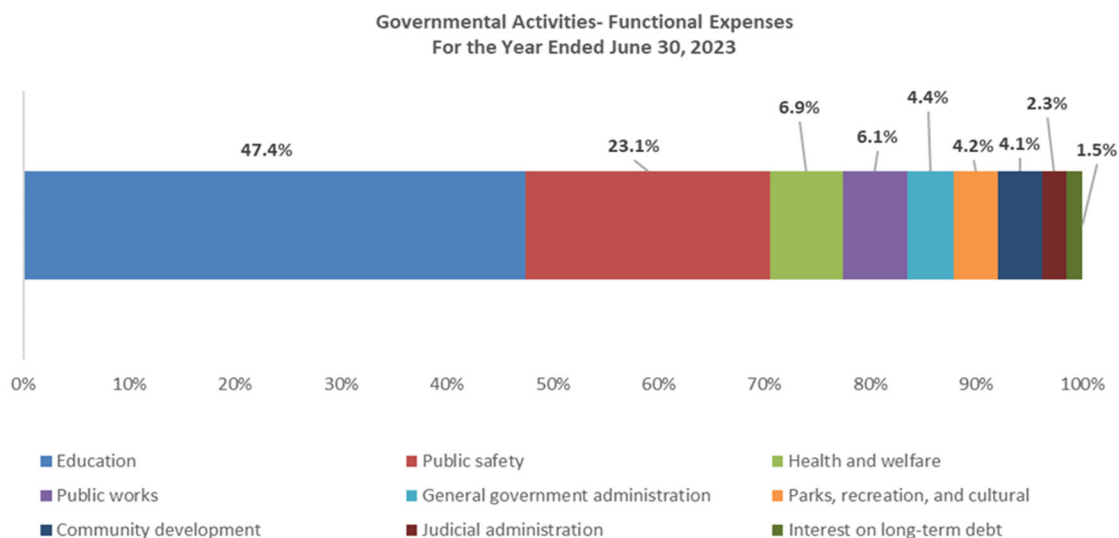
Local sales tax revenue increased by \$0.6 million or 4.1% from the prior year. Consumers' utility taxes, business and professional tax revenue, taxes on recordation and wills, motor vehicle taxes, and other local taxes, collectively increased by \$4.0 million. The County also instituted a meals tax with collections beginning in fiscal year 2023, which accounted for \$4.3 million in additional revenue.

Table 2 summarizes the changes in net position from Exhibit 2 in the Financial Section for the primary government and its component unit at June 30, 2022 and 2023.

Table 2 County of Fauquier Changes in Net Position (\$ in millions)								
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit	
	2022	2023	2022	2023	2022	2023	2022	2023
Revenues								
Program revenues:								
Charges for services	\$ 5.8	\$ 6.3	\$ 3.6	\$ 5.3	\$ 9.4	\$ 11.6	\$ 10.0	\$ 14.3
Operating grants and contributions	18.6	19.8	-	-	18.6	19.8	52.7	64.3
Capital grants and contributions	6.1	8.2	0.4	0.3	6.5	8.5	6.5	13.2
General revenues:								
Real and personal property taxes	173.3	189.2	-	-	173.3	189.2	173.3	189.2
Other taxes	21.4	26.0	-	-	21.4	26.0	21.4	26.0
Investment income and miscellaneous	2.2	4.9	0.3	1.3	2.5	6.2	6.2	10.5
Grants and contributions	16.3	16.2	-	-	16.3	16.2	55.8	49.4
Contribution to schools	-	-	-	-	-	-	95.2	98.9
Total revenues	243.7	270.6	4.3	6.9	248.0	277.5	421.1	465.8
Expenses								
General government administration	8.6	21.6	-	-	8.6	21.6	8.6	21.6
Judicial administration	4.6	5.1	-	-	4.6	5.1	4.6	5.1
Public safety	45.9	53.9	-	-	45.9	53.9	45.9	53.9
Public works	12.1	8.5	-	-	12.1	8.5	12.1	8.5
Health and welfare	13.7	14.6	-	-	13.7	14.6	13.7	14.6
Education	93.9	100.9	-	-	93.9	100.9	258.2	276.0
Parks, recreation, and cultural	8.4	10.2	-	-	8.4	10.2	8.4	10.2
Community development	8.1	13.0	-	-	8.1	13.0	8.1	13.0
Interest on long-term debt	3.0	2.5	-	-	3.0	2.5	3.0	2.5
Airport	-	-	1.4	2.0	1.4	1.9	1.4	2.0
Landfill and recycling	-	-	27.8	12.2	27.8	12.2	27.8	12.2
Sewer	-	-	-	0.3	-	0.3	-	0.3
Total expenses	198.3	230.3	29.2	14.5	227.5	244.7	391.8	419.9
Increase (decrease) in net position	45.4	40.3	(24.9)	(7.6)	20.5	32.8	29.3	45.9
Transfers	(7.9)	(7.8)	7.9	7.8	-	-	-	-
Change in net position	37.5	32.5	(17.0)	0.2	20.5	32.8	29.3	45.9
Beginning net position, restated	100.8	138.3	20.0	3.0	120.8	141.3	147.2	176.5
Ending net position	\$ 138.3	\$ 170.8	\$ 3.0	\$ 3.2	\$ 141.3	\$ 174.1	\$ 176.5	\$ 222.4

Table 2 may differ from Exhibit 2 due to rounding.

Total expenses for governmental activities for this fiscal year were \$230.3 million, an increase of \$32.0 million from \$198.3 million in fiscal year 2022.



Public safety expenses, which were 23.1% of expenses, increased \$8.0 million due to institution of a step pay scale for public safety employees and increasing overtime costs.

Community development expenses increased primarily due to increased spending for the County's contribution of \$5.4 million for a regional project to increase Broadband access in rural areas.

Education continued to be the County's largest program and highest priority accounting for \$100.9 million, or 47.4% of total expenses. Expenses include the county's contribution to the School Board and support for grant related projects.

The School Board component unit incurred indirect expenses related to consolidated services provided by County departments to both County and Schools. Typically, school systems bear these costs directly, however with the consolidation of departments in Fauquier County, these costs were reported within the County's governmental activities in the General Fund. These consolidated departments included Human Resources, Finance, the Independent Auditor, and General Services, which provides maintenance of buildings and grounds.

As shown in Exhibit 7 of the Financial Section of this report, these functions totaled approximately \$10.7 million in fiscal year 2023. Allocation of the cost of these consolidated functions associated with educational activities is approximately \$7.4 million based on the County's latest cost allocation plan. Recognizing these costs as a function of education, increases educational functional expenses to approximately 69.2% of total expenses. Table 3 illustrates the net cost (total expenses less fees generated by the activities and program-specific governmental aid) for the County's governmental activities. Fees, such as charges for services and program-specific aid from other governmental or outside entities, helped offset the cost of the government services, thereby lessening the burden on the County's taxpayers. The County generated charges for services primarily from fees for certain court services, public safety fees, community development services, library fees, and parks and recreation activities. The County obtained operating grants and contributions primarily to support functions and programs for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation, and cultural, and community development. Net costs reflect the cost for which tax revenues support the services provided by the County government.

Table 3	County of Fauquier			
	Net Cost of Governmental Activities			
	(\$ in millions)			
	Total Cost of Services		Net Cost of Services	
	2022	2023	2022	2023
General government administration	\$ 8.6	21.6	\$ 7.6	19.9
Judicial administration	4.6	5.1	2.3	2.9
Public safety	45.9	53.9	36.7	44.7
Public works	12.1	8.5	9.0	7.7
Health and welfare	13.7	14.6	6.4	6.3
Education	93.9	100.9	90.5	97.5
Parks, recreation, and cultural	8.4	10.2	7.2	9.0
Community development	8.1	13.0	5.0	5.4
Interest on long-term debt	3.0	2.5	3.0	2.5
Total	<u>\$ 198.3</u>	<u>230.3</u>	<u>167.7</u>	<u>195.9</u>
Table 3 may differ from Exhibit 2 due to rounding.				

After recognizing the effect of revenue from these fees, grants, and contributions of \$34.4 million, the net cost of governmental activities was \$195.9 million, compared to a total cost of \$230.3 million.

Business-type activities: Business-type activities are generally intended to be at least partially self-supporting and fees are established to recover the cost of providing the services. Revenues for the County's business activities, which include user fees, or charges for services, and capital contributions, or grants, increased by \$2.6 million, or 60.0% from the prior year to \$6.9 million. This net increase is due primarily to an increase in charges for services and investment and miscellaneous revenues from the prior year.

Total expenses for business-type activities were \$14.5 million, a decrease of 50.0%, or \$14.7 million, from the prior year. This decrease is mainly due to the decrease in landfill closure and post closure costs, as costs were remeasured in the prior fiscal year.

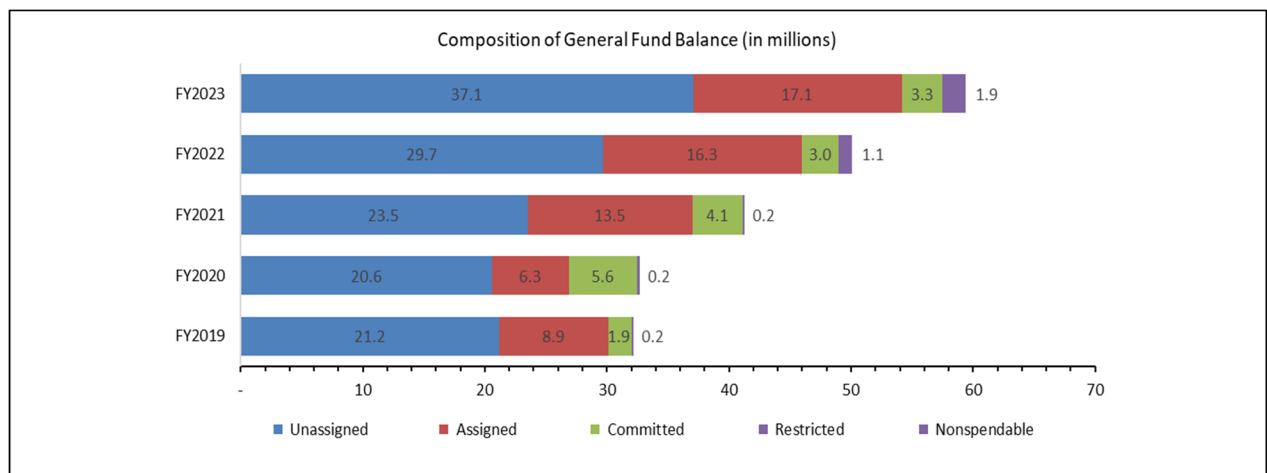
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds: As of June 30, 2023, the County's governmental funds reported a combined ending fund balance of \$118.6 million, an increase of \$17.0 million in comparison with the prior year's fund balance. This increase reflects the following activity in governmental funds:

- The Capital Projects Fund reported a total fund balance of \$42.3 million, an increase of \$3.9 million from the prior year. Revenues decreased by \$1.7 million mainly due to decreased Federal government grants of \$1.6 million. Expenditures decreased by \$0.4 million mainly due to decreased spending in the Catlett Calverton Sewer project of \$3.1 million and Capital Outlay of \$1.5 million offset mainly by an increased spending in education of \$4.4 million for school construction and renovation projects.
- The Debt Service Fund reported a total fund balance of \$2.7 million, an increase of \$0.8 million from the prior fiscal year. During fiscal year 2023, \$12.3 million in debt principal and interest payments were made, with minimal change from the previous year.
- The Fire and Rescue Fund reported a total fund balance of \$1.1 million, with an increase of \$0.6 from the prior fiscal year. Revenues increased by \$3.6 million, from the prior year primarily due to an increase in General property tax revenues of \$2.9 million and grants totaling \$1.4 million offset primarily due to a decrease in miscellaneous revenue of \$0.6. Expenditures increased \$4.0 million mainly due to increased staffing and overtime costs.
- The American Rescue Plan Fund is used to account for Federal funding to address economic and social recovery efforts responding to the COVID-19 pandemic. \$5.8 million was recognized as revenue in the fiscal year 2023, with the majority spent on a regional collective grant funded project to increase broadband connectivity across the County's rural areas. Remaining unspent funds are reported as unearned revenue on Exhibit 3.
- Other Non-major Governmental Funds reported combined total fund balances of \$12.6 million, an increase of \$1.9 million. Revenues decreased by \$0.2 million, due to a decrease in government grants of \$0.6 million offset by an increase in miscellaneous revenue of \$0.3 million. Expenditures decreased by \$1.9 million mainly due to a decrease of \$1.4 million in community development projects and a decrease in public safety expenditures of \$0.4 million.

- The General Fund reported a total fund balance of \$59.5 million, an increase of 16.1%, or \$9.6 million from the prior year's fund balance of \$49.9 million. Revenues increased by \$23.6 million, while expenditures increased by \$8.1 million mainly due to:
 - \$0.4 million increase in education expenditures.
 - \$2.4 million increase in public safety expenditures due to increased personnel costs for law enforcement, traffic control, and correction and detention.
 - \$1.0 million increase in parks, recreation, and cultural expenditures due to increased personnel, facility maintenance, and equipment replacement.
 - \$0.8 million increase in health and welfare expenditures due to increased personnel costs and for services to clients.
 - \$2.4 million increase in general government administration, judicial administration, public works, and community development due to increased personnel costs.

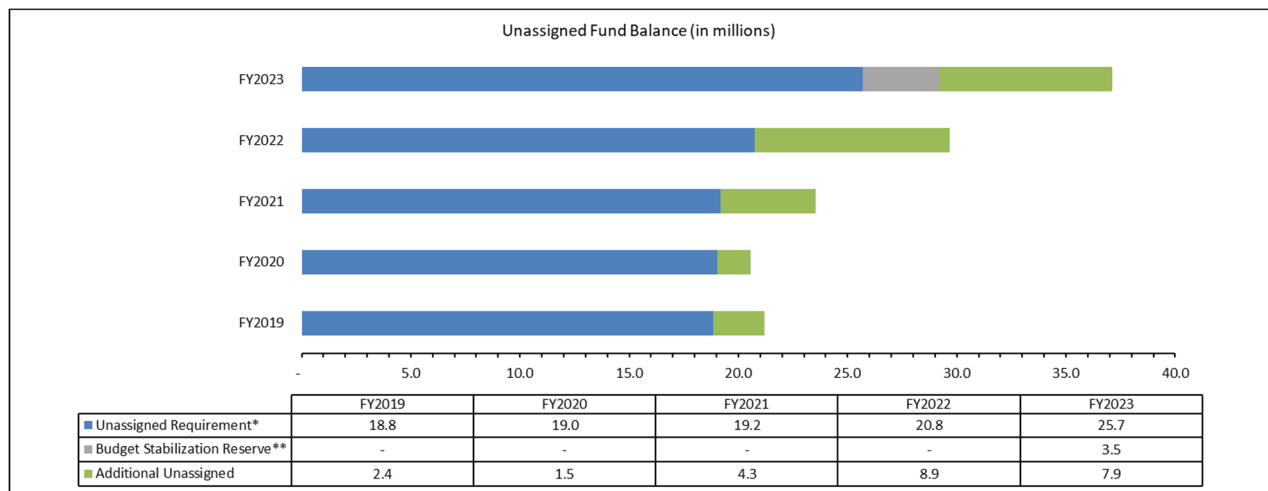
The General Fund's liquidity can be measured by comparing unassigned fund balance to total fund revenues. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$37.1 million (Exhibit 3). The chart below depicts the composition of the County's General Fund balance for the last five fiscal years.



The Board of Supervisors has adopted a minimum unassigned fund balance requirement for the General Fund of 12.0% of the subsequent year's General Fund revenues for fiscal year 2023. The minimum unassigned fund balance requirement was increased from 10% to 12% beginning with fiscal year 2023 as the Board of Supervisors adopted changes to the Fund Balance Management Policy. This 12.0% is identified as the minimum amount needed to safeguard the County's financial stability and as one component in maintaining its bond ratings. This level, when combined with committed and assigned fund balances, provides the County with sufficient funds to operate approximately two months without interrupting service levels.

Changes to the Fund Balance Management policy also included the establishment of a Budget Stabilization Reserve of 3% of the total General Fund Adopted budgeted revenue (less any budgeted use of fund balance) as part of unassigned fund balance. The Budget Stabilization Reserve is to be used to offset any unexpected revenue or one-time expenditure variances during any fiscal year. The County allocated \$3.5 million to the Budget Stabilization Reserve and will continue to allocate funds over the next few fiscal year until the 3% target stipulated in the policy is met.

The minimum unassigned fund balance target for fiscal year 2023 was \$25.7 million. Amounts in excess of the 12.0% minimum and Budget Stabilization Reserve requirement may be available for future uses to be determined by the Board of Supervisors.



Note: The graph depicts the historical unassigned fund balance requirement of 10% for FY2019-FY2022. For FY2023 and forward the graph reflects the unassigned fund balance requirement at 12% and the establishment of the Budget Stabilization Reserve as adopted by the Board of Supervisors beginning in fiscal year 2023.

More information on the County's governmental funds can be found on Exhibit 3 and 5 of the Financial Section of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 4 provides a comparison of original budget, final amended budget, and actual revenues and expenditures in the General Fund.

Table 4 County of Fauquier General Fund Budgetary Comparison For the Fiscal Year Ended June 30, 2023 (\$ in millions)			
	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 172.0	\$ 172.0	\$ 191.2
Other	3.9	4.1	7.8
Intergovernmental	31.3	31.7	31.9
Total revenues	207.2	207.8	230.9
Expenditures	184.7	187.6	180.8
Excess (deficiency) of revenues over (under) expenditures	22.5	20.2	50.1
Other financing sources (uses)			
Transfers in	0.4	0.4	0.4
Transfers out	(24.6)	(41.4)	(41.4)
Leases	-	0.2	0.2
Subscriptions	-	0.2	0.2
Total other financing sources (uses)	(24.2)	(40.6)	(40.6)
Change in fund balance	\$ (1.7)	\$ (20.4)	\$ 9.5

Table 4 may differ from Exhibit 7 due to rounding.

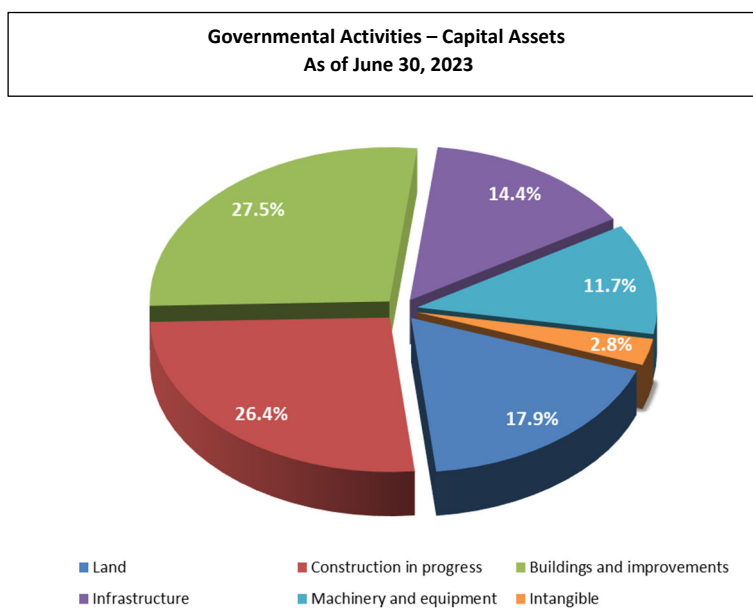
During the year, budget amendments approved by the Board of Supervisors could be classified in the following key categories:

- Amendments for operating and capital projects that were incomplete in the prior fiscal year and subsequently re-appropriated in the new fiscal year.
- Amendments for supplemental appropriation for new projects and/or change orders for prior approved projects.
- Amendments for supplemental appropriation for grants and other revenues.
- Amendments for transfers and adjustments to support revised priorities and account code restructuring.

Final amended budget revenues exceeded the original budget by \$0.6 million, primarily due to budget increases from the Federal funding sources. Actual revenues were \$23.1 million over the amended budget mainly due to an increase in taxes collected based on increased property values because of reassessment. Actual expenditures for the General Fund totaled \$180.8 million, or \$6.8 million less than the amended budget.

CAPITAL ASSETS

The County's capital assets include purchased or rented for use in operations and the provisions of services to citizens. These assets include public safety, buildings (libraries, office buildings and space, schools, etc.), parks and recreation facilities, machinery, equipment, vehicles, infrastructure, and depreciable and non-depreciable intangible assets. Lease and subscription assets represent intangible right to use assets for assets leased and information technology subscriptions used in the course of business as noted in the graph.



The Capital Improvements Program Committee (Committee) receives project requests from departments, agencies, and the School Board component unit. Potential projects are evaluated in relation to each other to ensure that the highest priority projects receive public funding, while considering construction costs, impact on debt service, and operating expenses in subsequent years. Upon evaluation, the Committee prepares a recommended six-year program, which is then sent for action to the Planning Commission of the Board of Supervisors. For more details on the debt funding policy, refer to the section titled "Relevant Financial Policies" in the Letter of Transmittal.

Table 5 County of Fauquier Capital Assets (\$ in millions)								
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit	
	2022	2023	2022	2023	2022	2023	2022	2023
Land	\$ 23.7	\$ 20.3	\$ 8.6	\$ 8.6	\$ 32.3	\$ 28.9	\$ 37.9	\$ 34.4
Construction In progress	15.4	31.1	17.4	6.3	32.8	37.4	33.4	38.6
Intangible assets (non-depreciable)	0.9	0.9	0.2	0.2	1.1	1.1	1.1	1.1
Buildings and improvements	63.5	63.7	29.7	29.7	93.2	93.4	349.8	350.2
Infrastructure	32.4	32.4	19.5	34.0	51.9	66.4	57.3	72.2
Machinery and equipment	34.9	36.3	3.8	3.4	38.7	39.7	78.2	81.3
Intangible assets	1.4	1.5	-	-	1.4	1.5	1.5	1.5
Intangible right to use assets	3.4	3.8	0.2	0.3	3.6	4.1	4.9	5.7
Total capital assets	175.6	190.0	79.4	82.5	255.0	272.5	564.1	585.0
Less: Accumulated depreciation/amortization	(66.1)	(72.1)	(29.5)	(30.9)	(95.6)	(103.0)	(247.2)	(263.7)
Net capital assets	<u>\$ 109.5</u>	<u>\$ 117.9</u>	<u>\$ 49.9</u>	<u>\$ 51.6</u>	<u>\$ 159.4</u>	<u>\$ 169.5</u>	<u>\$ 316.9</u>	<u>\$ 321.3</u>

Table 5 may differ from Note 7 due to rounding.

As of June 30, 2023, the total reporting entity had net capital assets of \$321.3 million, an increase of \$4.4 million from the prior year. This increase is primarily due to net additions of capital assets offset by additions of accumulated depreciation and amortization expense.

The County implemented Governmental Accounting Standards Board Statement (GASB) No. 96 resulted in the inclusion of intangible right to use assets related to information technology subscriptions. The fiscal year 2022 balances reflect \$1.7 million and \$0.3 million in intangible right to use assets for Governmental Activities and the School Board, respectively, as a result of the implementation of GASB 96.

For governmental activities, the County's investment in non-depreciable assets totaled \$52.3 million, while depreciable/amortizable assets totaled \$65.6 million (net of depreciation/amortization). Total capital assets for governmental activities increased by \$8.4 million, from the prior year to \$117.9 million. The increase is due to additions and deletions of capital assets for governmental activities exceeding depreciation/amortization expense in the current year. During the fiscal year, the following additions were made to assets:

- Governmental activity reductions were approximately \$0.4 million with a large portion being a reduction in Construction in Progress due to the construction projects completing.
- Business-type activity reductions were approximately \$1.4 million, mainly from a reduction in construction and increase in infrastructure related to the Catlett-Calverton Wastewater Treatment Project, landfill projects, and airport projects.

More information on capital assets can be found in Note 7 in the Notes to Financial Statements Section of this report.

LONG-TERM OBLIGATIONS

Table 6 provides an overview of the long-term obligations for the primary government.

Table 6 County of Fauquier Summary of Changes in Long Term Obligations (\$ in millions)			
	July 1, 2022	Net Increase (Decrease)	June 30, 2023
Governmental Activities:			
Financing agreements	\$ 28.1	\$ (2.4)	\$ 25.7
General obligation bonds	58.8	(7.2)	51.6
Total debt	86.9	(9.6)	77.3
Lease and subscription liabilities	3.0	(0.6)	2.4
Compensated absences	5.5	0.9	6.4
Incurred but not reported claims (IBNR)	3.1	0.1	3.2
Total long-term obligations	98.5	(9.2)	89.3
Business-Type Activities:			
Financing agreements	7.6	(0.3)	7.3
Revenue bonds	18.6	0.2	18.8
Total debt	26.2	(0.1)	26.1
Lease and subscription liabilities	0.2	-	0.2
Compensated absences	0.2	-	0.2
Landfill closure and post closure	34.5	2.5	37.0
Total long-term obligations	61.1	2.4	63.5
Total long-term obligations	<u>\$ 159.6</u>	<u>\$ (6.8)</u>	<u>\$ 152.8</u>

Table 6 may differ from Note 8 due to rounding.

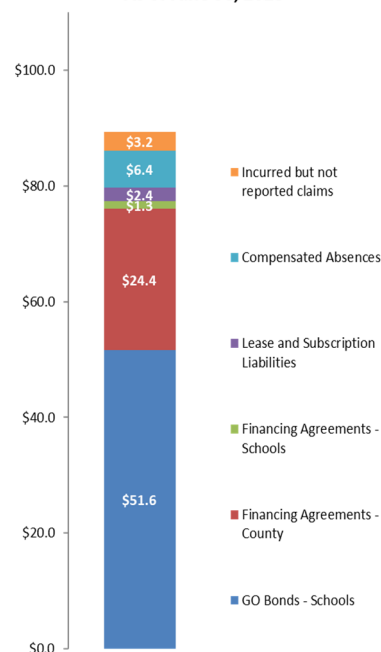
As of June 30, 2023, the County's governmental activities had long-term obligations totaling \$89.3 million, of which \$79.7 million represents indebtedness related to general obligation bonds, financing agreements, and lease and subscription liabilities. The County did not issue or refund any debt during fiscal year 2023.

Long-term obligations for Governmental Activities are related general obligation debts for school infrastructure as well as financing agreements for County and school related infrastructure and equipment. The chart on the right summarizes the composition of the Governmental Activities long term obligations at June 30, 2023.

Long-term obligations for governmental activities decreased \$9.2 million from the prior year. The net decrease is due primarily to the following activities during the fiscal year:

- The County retired \$9.6 million in principal and premium on outstanding debt.
- The County made \$0.6 million in payments on lease and subscription liabilities and entered into \$0.5 million in lease and subscription agreements.

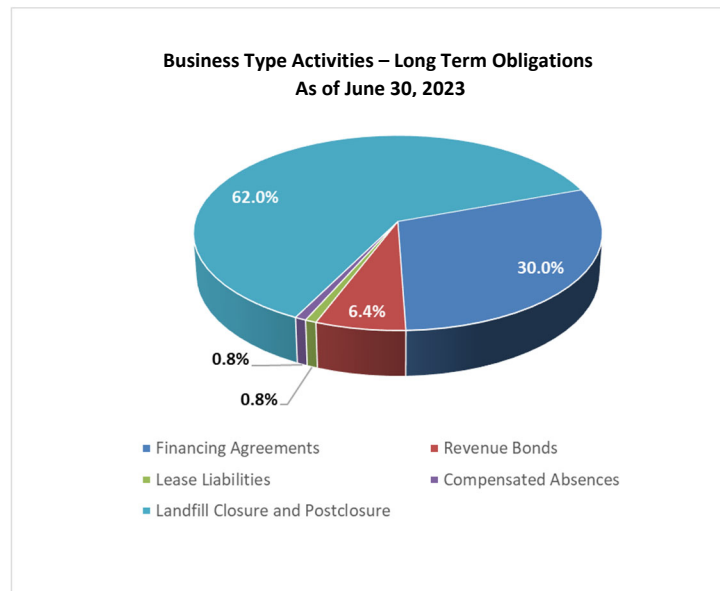
**Governmental Activities -
Long-term obligations
As of June 30, 2023**



- Liabilities related to compensated absences increased by \$0.9 million.
- Incurred but not reported claims related to employee health care decreased by \$0.1 million from the prior year.

As of June 30, 2023, the County's business-type activities had long-term obligations totaling \$63.5 million, of which \$26.3 million represents indebtedness related to financing agreements, revenue bonds and lease liabilities. This represents an increase of \$2.4 million from the prior fiscal year. The net decrease is to the following activities during the fiscal year:

- The Landfill closure and post closure liability increased by \$2.5 million from the prior year, due to updated materials and cost estimates by the engineering consultant.
- The Landfill Fund retired \$0.8 million of principal during the fiscal year.
- The Sewer Fund had outstanding debt on the Virginia Water Facilities Revolving Fund and the County drew down \$1.2 million of the remaining approved loan amount from the fund. \$0.3 million of principal was retired on this debt during the fiscal year. The drawdown of loan funds



was used to reimburse the County for costs related to construction of the Catlett- Calverton Waste Water and Sewer Facility which was completed in fiscal year 2023. More information on the County's long-term obligations is presented in Note 8, Notes to Financial Statements Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Economic Factors

- The average unemployment rate for the County of Fauquier in June 2023 was 2.5%, which is 0.1% lower than in June 2022. Unemployment rates are decreasing as the County recovers from the COVID- 19 pandemic's impact on businesses and employment. This compares favorably to the Commonwealth of Virginia's average rate of 2.5% and the national average rate of 4.7%. Unemployment rates for the last ten years are provided in Table 13 of the Statistical Section of this report.
- According to the Weldon Cooper Center for Public Service, Fauquier County's population was estimated to be 73,536, as of July 1, 2023. Population estimates for the last ten years are provided in Table 13 of the Statistical Section of this report.
- The enrollment in public schools increased in fiscal year 2023 by 0.23%, from 10,648 to 10,672, mainly due to recovery of student enrollment with the return to in-person learning in fiscal year 2022. School enrollment for the last ten years is provided in Table 13 of the Statistical Section of this report.

- The latest available per capita personal income for Fauquier County was \$82,872 as of fiscal year 2022, as compared to \$78,810 as of fiscal year 2021, as reported by the U.S. Department of Commerce Bureau of Economic Analysis. Per capita personal income for the last ten years is provided in Table 13 of the Statistical Section of this report.
- The County Civilian Labor Force increased from 38,342 to 39,779 as of fiscal year 2023. County Civilian Labor Workforce numbers for the last ten years are provided in Table 13 of the Statistical Section of this report.

Fiscal Year 2024 Budget and Rates

- The fiscal year 2024 adopted budget for the General Fund is \$214.4 million, an increase of 2.5% from fiscal year 2023. The revenue budget is comprised of general property taxes (71.3%), local taxes (11.3%), permits, privilege fees and regulatory licenses (0.7%), charges for services (0.5%), revenues from the Commonwealth of Virginia (12.9%), revenues from the Federal government (1.8%), and other revenues (1.8%).
- For fiscal year 2024, the County's contribution to and on behalf of the School Board component unit is \$105.8 million which includes the County's contribution to the School Board's operating fund of \$95.8 million and \$7.5 million contributed to the Debt Service Fund for school related debt. Support to the Schools represents 48.2% of the General Fund appropriations, not including the allocation of shared services which represents an additional 4.1% of local support. The percentage of General Fund appropriations supporting Schools is 2.3% less than fiscal year 2023.
- Public safety accounts for 12.4% of appropriations in fiscal year 2024, the second largest component of budgeted expenditures. Public safety volunteers are partially funded by a dedicated real property tax of \$0.140 per \$100 of assessed value for tax year 2023. This tax partially supports County and volunteer fire and rescue operations.
- The tax rate for real property was \$.903 per \$100 of assessed value for tax year 2023 which is to support the fiscal year 2024. Detail on tax rates is provided in Table 6 of the Statistical Section of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of Fauquier County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to: Director of Finance, County of Fauquier, 320 Hospital Drive, Suite 32, Warrenton, Virginia 20186, telephone (540) 422-8331, or visit the County's web site at www.fauquiercounty.gov.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements include all funds, the discretely presented component units, and notes to provide an overview of the financial position and results of operations for the County as a whole. They also serve as an introduction to the more detailed statements and schedules that follow.



GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF FAUQUIER, VIRGINIA

Statement of Net Position
June 30, 2023

Exhibit 1
Page 1 of 4

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 122,447,774	\$ 3,583,762	\$ 126,031,536
Cash and cash equivalents - restricted	23,789,316	11,108,422	34,897,738
Cash and cash equivalents - activity funds	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes, including penalties	6,384,545	-	6,384,545
Accounts	4,093,541	2,278,859	6,372,400
Lease receivables	1,035,225	2,126,250	3,161,475
Lease interest receivables	1,191	-	1,191
Loan receivable	-	-	-
Inventories	300,858	45,337	346,195
Prepaid items	710,048	-	710,048
Investment in direct financing agreement	12,789,032	-	12,789,032
Due from other governmental units	5,260,637	520,742	5,781,379
Note receivable	525,383	-	525,383
Net pension asset	-	-	-
Net OPEB asset	-	-	-
Capital assets (non-depreciable/non-amortizable):			
Land	20,331,081	8,616,667	28,947,748
Construction in progress	31,063,676	6,295,398	37,359,074
Intangible assets	853,884	228,836	1,082,720
Total capital assets (non-depreciable/non-amortizable)	52,248,641	15,140,901	67,389,542
Other capital assets:			
Buildings and improvements	63,711,763	29,675,079	93,386,842
Infrastructure	32,362,017	33,997,806	66,359,823
Machinery and equipment	36,329,856	3,427,965	39,757,821
Intangible assets	1,460,946	-	1,460,946
Accumulated depreciation/amortization	(70,666,386)	(30,840,780)	(101,507,166)
Total other capital assets, net	63,198,196	36,260,070	99,458,266
Intangible right-to-use assets:			
Lease land	-	225,350	225,350
Lease buildings and improvements	1,328,488	-	1,328,488
Lease infrastructure	109,625	-	109,625
Lease machinery and equipment	443,329	66,107	509,436
Subscription assets	1,918,496	-	1,918,496
Accumulated amortization	(1,366,453)	(102,352)	(1,468,805)
Total intangible right-to-use assets, net	2,433,485	189,105	2,622,590
Total capital assets (depreciable/amortizable), net	65,631,681	36,449,175	102,080,856
Total capital assets, net	117,880,322	51,590,076	169,470,398
Total assets	295,217,872	71,253,448	366,471,320
Deferred outflows of resources			
Deferred charge on refundings	333,128	369,117	702,245
Items related to measurement of net pension liability	3,141,245	122,385	3,263,630
Pension contributions subsequent to measurement date	5,270,752	205,354	5,476,106
Items related to measurement of net OPEB liability	1,219,928	47,216	1,267,144
OPEB contributions subsequent to measurement date	260,118	10,162	270,280
Total deferred outflows of resources	\$ 10,225,171	\$ 754,234	\$ 10,979,405

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

Component Units			Reporting Entity		
Economic Development Authority	School Board	Reclassifications (See Note 1 - E.15)	Total		
\$ 170,993	\$ 19,535,622	\$ -	\$ 145,738,151		Assets
-	364,255	-	35,261,993		Cash and cash equivalents
-	1,946,470	-	1,946,470		Cash and cash equivalents - restricted
-	-	-	-		Cash and cash equivalents - activity funds
-	-	-	6,384,545		Receivables, net of allowance for uncollectibles:
-	166,213	-	6,538,613		Taxes, including penalties
-	-	-	3,161,475		Accounts
-	-	-	1,191		Lease receivables
29,715	-	-	29,715		Lease interest receivables
-	169,085	-	515,280		Loan receivable
-	333,757	-	1,043,805		Inventories
-	-	-	12,789,032		Prepaid items
-	6,065,588	-	11,846,967		Investment in direct financing agreement
-	-	-	525,383		Due from other governmental units
-	3,258,106	-	3,258,106		Note receivable
-	17,221	-	17,221		Net pension asset
-	-	-	-		Net OPEB asset
-	5,543,520	-	34,491,268		Capital assets (non-depreciable/non-amortizable):
-	1,176,657	-	38,535,731		Land
-	-	-	1,082,720		Construction in progress
-	-	-	-		Intangible assets
-	6,720,177	-	74,109,719		Total capital assets (non-depreciable/non-amortizable)
-	256,755,545	-	350,142,387		Other capital assets:
-	5,814,335	-	72,174,158		Buildings and improvements
-	41,585,825	-	81,343,646		Infrastructure
-	-	-	1,460,946		Machinery and equipment
-	(159,977,342)	-	(261,484,508)		Intangible assets
-	144,178,363	-	243,636,629		Accumulated depreciation/amortization
-	-	-	-		Total other capital assets, net
-	-	-	225,350		Intangible right-to-use assets:
-	-	-	1,328,488		Lease land
-	-	-	109,625		Lease buildings and improvements
-	1,223,138	-	1,732,574		Lease infrastructure
-	425,652	-	2,344,148		Lease machinery and equipment
-	(697,640)	-	(2,166,445)		Subscription assets
-	951,150	-	3,573,740		Accumulated amortization
-	145,129,513	-	247,210,369		Total intangible right-to-use assets, net
-	151,849,690	-	321,320,088		Total capital assets (depreciable/amortizable), net
200,708	183,706,007	-	550,378,035		Total capital assets, net
-	-	-	-		Total assets
-	-	-	702,245		Deferred outflows of resources
-	7,794,321	-	11,057,951		Deferred charge on refundings
-	14,112,578	-	19,588,684		Items related to measurement of net pension liability
-	1,509,001	-	2,776,145		Pension contributions subsequent to measurement date
-	1,625,022	-	1,895,302		Items related to measurement of net OPEB liability
-	-	-	-		OPEB contributions subsequent to measurement date
\$ -	\$ 25,040,922	\$ -	\$ 36,020,327		Total deferred outflows of resources

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Net Position
June 30, 2023

Exhibit 1
Page 3 of 4

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	\$ 5,929,842	\$ 809,043	\$ 6,738,885
Accrued and other liabilities	4,558,281	98,997	4,657,278
Retainage	1,303,912	112,004	1,415,916
Accrued interest payable	1,097,021	158,460	1,255,481
Accrued interest payable - leases	330	8,376	8,706
Unearned revenue	11,296,880	1,378,078	12,674,958
Escrows	194,838	-	194,838
Noncurrent liabilities:			
Due within one year	12,183,803	1,409,317	13,593,120
Due in more than one year	77,128,981	62,056,992	139,185,973
Net pension liability	5,735,525	220,322	5,955,847
Net OPEB liability	5,349,542	207,412	5,556,954
Total liabilities	<u>124,778,955</u>	<u>66,459,001</u>	<u>191,237,956</u>
Deferred inflows of resources			
Revenue advances	1,256,086	-	1,256,086
Leases	1,023,538	2,102,255	3,125,793
Items related to measurement of net pension liability	5,041,385	196,417	5,237,802
Items related to measurement of net OPEB liability	<u>2,521,388</u>	<u>97,420</u>	<u>2,618,808</u>
Total deferred inflows of resources	<u>9,842,397</u>	<u>2,396,092</u>	<u>12,238,489</u>
Net position			
Net investment in capital assets	90,724,862	36,154,917	126,879,779
Restricted for:			
General government administration	486,314	-	486,314
Judicial	63,500	-	63,500
Health and welfare	1,637,939	-	1,637,939
Parks, recreation, and cultural	651,297	-	651,297
Public safety	996,029	-	996,029
Public works	600,714	-	600,714
Community development	907,332	-	907,332
Proffers	5,236,898	-	5,236,898
Capital projects	1,805,551	-	1,805,551
Pensions and OPEB	-	-	-
Other purposes	-	415,417	415,417
Unrestricted (deficit)	<u>67,711,255</u>	<u>(33,417,745)</u>	<u>34,293,510</u>
Total net position	<u>\$ 170,821,691</u>	<u>\$ 3,152,589</u>	<u>\$ 173,974,280</u>

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

Component Units			Reporting Entity		
Economic Development Authority	School Board	Reclassifications (See Note 1 - E.15)	Total		
				Liabilities	
\$ -	\$ 931,673	\$ -	\$ 7,670,558	Accounts payable	
2,181	13,406,014	-	18,065,473	Accrued and other liabilities	
-	-	-	1,415,916	Retainage	
-	79,566	-	1,335,047	Accrued interest payable	
-	5,223	-	13,929	Accrued interest payable - leases	
-	480,448	-	13,155,406	Unearned revenue	
-	-	-	194,838	Escrows	
-	1,511,758	-	15,104,878	Noncurrent liabilities:	
-	13,149,522	-	152,335,495	Due within one year	
-	80,783,232	-	86,739,079	Due in more than one year	
-	23,236,712	-	28,793,666	Net pension liability	
				Net OPEB liability	
2,181	133,584,148	-	324,824,285	Total liabilities	
				Deferred inflows of resources	
-	-	-	1,256,086	Revenue advances	
-	-	-	3,125,793	Leases	
-	22,428,702	-	27,666,504	Items related to measurement of net pension liability	
-	4,527,485	-	7,146,293	Items related to measurement of net OPEB liability	
-	26,956,187	-	39,194,676	Total deferred inflows of resources	
				Net position	
-	141,177,535	(51,590,000)	216,467,314	Net investment in capital assets	
				Restricted for:	
-	-	-	486,314	General government administration	
-	-	-	63,500	Judicial	
-	-	-	1,637,939	Health and welfare	
-	-	-	651,297	Parks, recreation, and cultural	
-	-	-	996,029	Public safety	
-	-	-	600,714	Public works	
-	-	-	907,332	Community development	
-	-	-	5,236,898	Proffers	
-	-	-	1,805,551	Capital projects	
-	3,275,327	-	3,275,327	Pensions and OPEB	
-	-	-	415,417	Other purposes	
198,527	(96,246,268)	51,590,000	(10,164,231)	Unrestricted (deficit)	
\$ 198,527	\$ 48,206,594	\$ -	\$ 222,379,401	Total net position	

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Activities
Fiscal Year Ended June 30, 2023

Exhibit 2
Page 1 of 2

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities:							
General government administration	\$ 21,559,837	\$ 494,303	\$ 1,183,170	\$ -	\$ (19,882,364)	\$ -	\$ (19,882,364)
Judicial administration	5,081,017	523,466	1,657,138	-	(2,900,413)	-	(2,900,413)
Public safety	53,905,020	2,424,647	6,760,237	26,600	(44,693,536)	-	(44,693,536)
Public works	8,446,969	-	322,668	454,699	(7,669,602)	-	(7,669,602)
Health and welfare	14,623,248	3,996	8,339,425	-	(6,279,827)	-	(6,279,827)
Education	100,925,930	-	(4,353,212)	7,730,267	(97,548,875)	-	(97,548,875)
Parks, recreation, and cultural	10,149,709	793,321	305,009	46,703	(9,004,676)	-	(9,004,676)
Community development	13,036,719	2,030,524	5,575,211	-	(5,430,984)	-	(5,430,984)
Interest on long-term debt	2,536,989	-	-	-	(2,536,989)	-	(2,536,989)
Total governmental activities	<u>230,265,438</u>	<u>6,270,257</u>	<u>19,789,646</u>	<u>8,258,269</u>	<u>(195,947,266)</u>	<u>-</u>	<u>(195,947,266)</u>
Business-type activities:							
Airport	2,010,613	992,841	13,258	253,039	-	(751,475)	(751,475)
Landfill and recycling	12,236,590	2,290,813	26,863	-	-	(9,918,914)	(9,918,914)
Sewer	331,442	2,026,402	-	-	-	1,694,960	1,694,960
Total business-type activities	<u>14,578,645</u>	<u>5,310,056</u>	<u>40,121</u>	<u>253,039</u>	<u>-</u>	<u>(8,975,429)</u>	<u>(8,975,429)</u>
Total primary government	<u>244,844,083</u>	<u>11,580,313</u>	<u>19,829,767</u>	<u>8,511,308</u>	<u>(195,947,266)</u>	<u>(8,975,429)</u>	<u>(204,922,695)</u>
Component units							
Economic Development Authority	20,610	10,862	-	-			
School Board	<u>175,010,062</u>	<u>2,639,550</u>	<u>44,491,659</u>	<u>4,735,641</u>			
Total component units	<u>\$ 175,030,672</u>	<u>\$ 2,650,412</u>	<u>\$ 44,491,659</u>	<u>\$ 4,735,641</u>			
General revenues:							
General property taxes					189,225,235	-	189,225,235
Local sales and use taxes					13,946,263	-	13,946,263
Consumers' utility taxes					1,898,443	-	1,898,443
Business and professional taxes					2,982,191	-	2,982,191
Motor vehicle taxes					20,485	-	20,485
Taxes on recordation and wills					1,702,273	-	1,702,273
Other local taxes					5,446,035	-	5,446,035
Contribution from primary government					-	-	-
Investment income					4,510,939	704,134	5,215,073
Miscellaneous					350,174	631,744	981,918
Grants and contributions not restricted to specific programs					16,209,540	-	16,209,540
Transfers					<u>(7,807,658)</u>	<u>7,807,658</u>	<u>-</u>
Total general revenues and transfers					<u>228,483,920</u>	<u>9,143,536</u>	<u>237,627,456</u>
Change in net position					32,536,654	168,107	32,704,761
Net position - beginning, restated					<u>138,285,037</u>	<u>2,984,482</u>	<u>141,269,519</u>
Net position - ending					<u>\$ 170,821,691</u>	<u>\$ 3,152,589</u>	<u>\$ 173,974,280</u>

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

Net (Expenses) Revenue and Changes in Net Position				
Component Unit		Reporting Entity		
Economic Development Authority	School Board	Total	Functions/Programs	
			Primary government	
			Governmental activities:	
\$ -	\$ -	\$ (19,882,364)	General government administration	
-	-	(2,900,413)	Judicial administration	
-	-	(44,693,536)	Public safety	
-	-	(7,669,602)	Public works	
-	-	(6,279,827)	Health and welfare	
-	-	(97,548,875)	Education	
-	-	(9,004,676)	Parks, recreation, and cultural	
-	-	(5,430,984)	Community development	
-	-	(2,536,989)	Interest on long-term debt	
-	-	(195,947,266)	Total governmental activities	
			Business-type activities:	
-	-	(751,475)	Airport	
-	-	(9,918,914)	Landfill and recycling	
-	-	1,694,960	Sewer	
-	-	(8,975,429)	Total business-type activities	
-	-	(204,922,695)	Total primary government	
			Component units	
(9,748)	-	(9,748)	Economic Development Authority	
-	(123,143,212)	(123,143,212)	School Board	
(9,748)	(123,143,212)	(123,152,960)	Total component units	
			General revenues:	
-	-	189,225,235	General property taxes	
-	-	13,946,263	Local sales and use taxes	
-	-	1,898,443	Consumers' utility taxes	
-	-	2,982,191	Business and professional taxes	
-	-	20,485	Motor vehicle taxes	
-	-	1,702,273	Taxes on recordation and wills	
-	-	5,446,035	Other local taxes	
-	98,881,546	98,881,546	Contribution from primary government	
3,055	249,036	5,467,164	Investment income	
-	3,999,994	4,981,912	Miscellaneous	
-	33,189,730	49,399,270	Grants and contributions not restricted to specific programs	
-	-	-	Transfers	
3,055	136,320,306	373,950,817	Total general revenues and transfers	
(6,693)	13,177,094	45,875,162	Change in net position	
205,220	35,029,500	176,504,239	Net position - beginning, restated	
\$ 198,527	\$ 48,206,594	\$ 222,379,401	Net position - ending	



FUND FINANCIAL STATEMENTS

COUNTY OF FAUQUIER, VIRGINIA

Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3
Page 1 of 2

	Primary Government		
	General Fund	Capital Projects Fund	Debt Service Fund
Assets			
Cash and cash equivalents	\$ 55,012,166	\$ 41,274,235	\$ 2,700,119
Cash and cash equivalents - restricted	1,980,892	5,836,595	-
Receivables, net of allowance for uncollectibles:			
Taxes, including penalties	5,362,689	-	-
Accounts	2,276,956	78,280	-
Lease receivables	419,585	478,664	-
Investment in direct financing agreement	-	-	12,789,032
Due from other governmental units	4,633,805	169,813	-
Note receivable	-	525,383	-
Total assets	69,686,093	48,362,970	15,489,151
Total assets and deferred outflows of resources	69,686,093	48,362,970	15,489,151
Liabilities			
Accounts payable	1,357,459	3,462,933	-
Accrued liabilities	2,391,479	-	-
Retainage	-	1,303,912	-
Other liabilities	688,068	263,293	-
Unearned revenue	247,587	120,087	3,309,032
Escrows	-	-	-
Total liabilities	4,684,593	5,150,225	3,309,032
Deferred inflows of resources			
Leases	411,555	481,238	-
Revenue advances	1,065,284	-	-
Unavailable revenue	3,966,531	405,296	9,480,000
Total deferred inflows of resources	5,443,370	886,534	9,480,000
Total liabilities and deferred inflows of resources	10,127,963	6,036,759	12,789,032
Fund balances			
Nonspendable	8,030	-	-
Restricted	1,932,519	4,532,683	-
Committed	3,342,377	37,793,528	-
Assigned	17,148,016	-	2,700,119
Unassigned	37,127,188	-	-
Total fund balances	59,558,130	42,326,211	2,700,119
Total liabilities, deferred inflows of resources, and fund balances	\$ 69,686,093	\$ 48,362,970	\$ 15,489,151

Primary Government					
Fire and Rescue Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds		
					Assets
\$ 2,103,588	\$ -	\$ 4,429,376	\$ 105,519,484		Cash and cash equivalents
-	7,866,428	8,105,401	23,789,316		Cash and cash equivalents - restricted
					Receivables, net of allowance for uncollectibles:
986,178	-	35,678	6,384,545		Taxes, including penalties
23,145	-	1,354,879	3,733,260		Accounts
136,976	-	-	1,035,225		Lease receivables
-	-	-	12,789,032		Investment in direct financing agreement
359,499	83,795	13,725	5,260,637		Due from other governmental units
-	-	-	525,383		Note receivable
3,609,386	7,950,223	13,939,059	159,036,882		Total assets
3,609,386	7,950,223	13,939,059	159,036,882		Total assets and deferred outflows of resources
					Liabilities
179,009	8,214	22,047	5,029,662		Accounts payable
1,168,610	2,416	8,010	3,570,515		Accrued liabilities
-	-	-	1,303,912		Retainage
-	-	-	951,361		Other liabilities
-	7,620,174	-	11,296,880		Unearned revenue
-	-	194,838	194,838		Escrows
1,347,619	7,630,804	224,895	22,347,168		Total liabilities
					Deferred inflows of resources
130,745	-	-	1,023,538		Leases
177,916	-	12,886	1,256,086		Revenue advances
826,456	-	1,097,135	15,775,418		Unavailable revenue
1,135,117	-	1,110,021	18,055,042		Total deferred inflows of resources
2,482,736	7,630,804	1,334,916	40,402,210		Total liabilities and deferred inflows of resources
					Fund balances
6,232	-	-	14,262		Nonspendable
-	319,419	7,970,218	14,754,839		Restricted
1,120,418	-	4,633,925	46,890,248		Committed
-	-	-	19,848,135		Assigned
-	-	-	37,127,188		Unassigned
1,126,650	319,419	12,604,143	118,634,672		Total fund balances
					Total liabilities, deferred inflows of resources, and fund balances
\$ 3,609,386	\$ 7,950,223	\$ 13,939,059	\$ 159,036,882		



COUNTY OF FAUQUIER, VIRGINIA

Exhibit 4

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
June 30, 2023**

Total fund balance - governmental funds		\$ 118,634,672
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements (excludes \$184,413 for internal service funds)		525,635
Noncurrent assets and deferred outflows of resources are not current financial resources and therefore not reported in the governmental funds.		
Capital assets used in governmental activities (excludes \$177,970 for internal service funds)	117,702,352	
Losses on refunding of debt issuances	333,128	
Deferred outflows of resources related to pensions (excludes \$54,176 for internal service funds)	3,087,069	
Contributions to pension plans (excludes \$90,903 for internal service funds)	5,179,849	
Deferred outflows of resources related to OPEB (excludes \$20,259 for internal service funds)	1,199,669	
Contributions to OPEB plans (excludes \$4,487 for internal service funds)	<u>255,631</u>	127,757,698
Internal service funds are used by management to charge the costs of fleet maintenance and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		13,505,552
Unavailable taxes, grant, proffer and EMS ambulance billing revenue represent amounts that were not available to fund current expenditures and therefore are not reported as revenue in the governmental funds.		15,775,418
Interest on long-term debt and lessee lease arrangements are not accrued in the governmental funds, but are recognized as expenditures when due.		(1,097,351)
Interest on lessor arrangement leases is not accrued in the governmental funds, but is recognized as revenue when earned.		1,191
Long-term liabilities and deferred inflows of resources are not due and payable in the current year and therefore are not reported as such in the governmental funds.		
Lease liabilities (excludes \$16,746 for internal service funds)	(1,084,456)	
Subscription liabilities	(1,273,550)	
Compensated absences (excludes \$118,553 for internal service funds)	(6,370,201)	
Financing agreements	(25,060,351)	
General obligation bonds	(39,700,000)	
Direct bond	(8,475,000)	
Premium on bonds payable	(3,987,632)	
Net pension liability (excludes \$99,874 for internal service funds)	(5,635,651)	
Net OPEB liability (excludes \$89,500 for internal service funds)	(5,260,042)	
Deferred inflows of resources related to pensions (excludes \$86,947 for internal service funds)	(4,954,438)	
Deferred inflows of resources related to OPEB (excludes \$41,585 for internal service funds)	<u>(2,479,803)</u>	(104,281,124)
Net position of governmental activities		\$ <u>170,821,691</u>

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2023

Exhibit 5
Page 1 of 2

	Primary Government			
	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund
Revenues				
General property taxes	\$ 165,214,379	\$ -	\$ -	\$ 22,273,715
Other local taxes	25,995,690	-	-	-
Permits, privilege fees, and regulatory licenses	1,923,754	-	-	-
Fines and forfeitures	421,816	-	-	-
Revenue from use of money and property	3,338,317	715,381	-	216,785
Charges for services	1,192,271	25,641	-	-
Gifts and donations	30,698	-	-	26,600
Recovered costs	460,134	1,087,836	-	689,525
Miscellaneous revenue	442,514	151,134	289,540	58,246
Intergovernmental:				
Contribution from School Board	-	2,994,626	382,429	-
Commonwealth of Virginia	27,448,083	143,526	-	337,083
Federal Government	4,431,660	483,625	400,775	1,357,161
Total revenues	230,899,316	5,601,769	1,072,744	24,959,115
Expenditures				
Current operating:				
General government administration	17,453,561	-	-	-
Judicial administration	4,737,320	-	-	-
Public safety	25,592,870	101,316	-	24,727,708
Public works	5,871,802	4,216,975	-	-
Health and welfare	14,649,069	-	-	-
Education	95,670,774	12,024,134	-	-
Parks, recreation, and cultural	8,203,683	409,839	-	-
Community development	6,471,924	448,343	-	-
Nondepartmental	686,732	-	-	-
Capital outlay	-	7,390,228	-	-
Capital outlay - leases	181,580	-	-	35,451
Capital outlay - subscriptions	223,826	-	-	17,119
Debt service:				
Lease principal	369,537	-	-	37,317
Lease interest	10,289	-	-	272
Subscription principal	627,826	-	-	17,119
Subscription interest	4,546	-	-	-
Principal retirement	-	-	9,012,483	-
Interest charges	-	-	3,308,957	-
Fiscal charges	-	-	5,200	-
Total expenditures	180,755,339	24,590,835	12,326,640	24,834,986
Excess (deficiency) of revenues over (under) expenditures	50,143,977	(18,989,066)	(11,253,896)	124,129
Other financing sources (uses)				
Transfers in	440,498	23,033,303	12,426,013	2,324,451
Transfers (out)	(41,380,264)	(187,247)	(355,140)	(1,885,204)
Leases	181,581	-	-	35,451
Subscriptions	223,823	-	-	17,119
Total other financing sources (uses)	(40,534,362)	22,846,056	12,070,873	491,817
Net change in fund balances	9,609,615	3,856,990	816,977	615,946
Fund balances - beginning, restated	49,948,515	38,469,221	1,883,142	510,704
Fund balances - ending	\$ 59,558,130	\$ 42,326,211	\$ 2,700,119	\$ 1,126,650

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

Primary Government			
American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds	
			Revenues
\$ -	\$ 1,225,528	\$ 188,713,622	General property taxes
-	-	25,995,690	Other local taxes
-	-	1,923,754	Permits, privilege fees, and regulatory licenses
-	44,953	466,769	Fines and forfeitures
229,113	109,052	4,608,648	Revenue from use of money and property
-	2,158,117	3,376,029	Charges for services
-	217,099	274,397	Gifts and donations
-	-	2,237,495	Recovered costs
-	376,246	1,317,680	Miscellaneous revenue
-	-	3,377,055	Intergovernmental:
-	59,200	27,987,892	Contribution from School Board
5,605,904	-	12,279,125	Commonwealth of Virginia
			Federal Government
5,835,017	4,190,195	272,558,156	Total revenues
			Expenditures
-	-	17,453,561	Current operating:
-	-	4,737,320	General government administration
-	1,010,597	51,432,491	Judicial administration
61,404	11,896	10,162,077	Public safety
29,041	11,274	14,689,384	Public works
-	-	107,694,908	Health and welfare
880	49,417	8,663,819	Education
5,409,066	199,609	12,528,942	Parks, recreation, and cultural
-	39,049	725,781	Community development
-	-	7,390,228	Nondepartmental
-	6,552	223,583	Capital outlay
-	-	240,945	Capital outlay - leases
-	-		Capital outlay - subscriptions
-	2,141	408,995	Debt service:
-	119	10,680	Lease principal
-	-	644,945	Lease interest
-	-	4,546	Subscription principal
-	-	9,012,483	Subscription interest
-	-	3,308,957	Principal retirement
-	-	5,200	Interest charges
5,500,391	1,330,654	249,338,845	Fiscal charges
			Total expenditures
334,626	2,859,541	23,219,311	Excess (deficiency) of revenues over (under) expenditures
			Other financing sources (uses)
67,516	504,426	38,796,207	Transfers in
(100,000)	(1,484,194)	(45,392,049)	Transfers (out)
-	6,552	223,584	Leases
-	-	240,942	Subscriptions
(32,484)	(973,216)	(6,131,316)	Total other financing sources (uses)
302,142	1,886,325	17,087,995	Net change in fund balances
17,277	10,717,818	101,546,677	Fund balances - beginning, restated
\$ 319,419	\$ 12,604,143	\$ 118,634,672	Fund balances - ending

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

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
Fiscal Year Ended June 30, 2023**

Net change in fund balance - total governmental funds	\$	17,087,995
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense, which is not a use of current financial resources.		
Capital outlays	18,486,692	
Depreciation/amortization expense (less \$57,526 for internal service funds)	(6,515,488)	11,971,204
Governmental funds reported a capital contribution to the enterprise funds related to the construction of sewer infrastructure. In the government-wide statement of activities, this capital contribution is reported as a transfer out/in from governmental activities and business-type activities, respectively.		
		(164,800)
In the Statement of Activities, only the gain (loss) on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or non-depreciable assets disposed.		
		(3,427,265)
Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements.		
Add current year's prepaid items (excludes \$184,413 for internal service funds)	525,635	
Less prior year's prepaid items (excludes \$175,842 for internal service funds)	(1,124,605)	(598,970)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Add current year's unavailable revenue	15,775,418	
Less prior year's unavailable revenue	(15,994,983)	(219,565)
Internal service funds are used by management to charge the costs of fleet maintenance and health insurance to individual funds. The net revenue of certain activities of internal services is reported with governmental activities.		
		(3,358,963)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Add debt principal repayment	9,012,483	
Add amortization of bond payable premiums	679,097	
Less amortization of deferred loss on refunding	(159,676)	9,531,904
Lessee leasing agreements and subscription agreements provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position. Principal payments on lessee and subscription agreements are expenditures in the governmental funds, but reduce long-term liabilities in the Statement of Net Position.		
Less lease additions	(223,583)	
Add lease principal repayment	408,995	
Less subscription additions	(240,945)	
Add subscription principal repayment	644,945	589,412
Interest on lessor agreements is recognized in governmental funds when received, but in the Statement of Net Position when earned.		
Add current year's interest receivable on lessor agreements	1,191	
Less prior year's interest receivable on lessor agreements	(1,342)	(151)

COUNTY OF FAUQUIER, VIRGINIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
Fiscal Year Ended June 30, 2023

Exhibit 6
Page 2 of 2

Net change in fund balance - total governmental funds (continued)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Less current year's compensated absences (excludes \$118,553 for internal service funds)	\$	(6,370,200)	
Add prior year's compensated absences (excludes \$100,624 for internal service funds)		5,433,087	
Less current year's accrued interest payable		(1,097,351)	
Add prior year's accrued interest payable		<u>1,370,324</u>	(664,140)

Governmental funds do not report net pension and OPEB assets and liabilities and associated deferred outflow of resources and deferred inflow of resources related to pension and OPEB.

Less prior year's net pension asset (excludes \$108,657 for internal service funds)		(4,860,801)	
Add current year's deferred outflow related to pensions (excludes \$54,176 for internal service funds)		3,087,069	
Less prior year's deferred outflow related to pensions (excludes \$94,774 for internal service funds)		(5,370,352)	
Add current year's deferred outflow related to OPEB (excludes \$20,259 for internal service funds)		1,199,669	
Less prior year's deferred outflow related to OPEB (excludes \$28,500 for internal service funds)		(1,491,865)	
Less current year's net pension liability (excludes \$99,874 for internal service funds)		(5,635,651)	
Less current year's net OPEB liability (excludes \$89,500 for internal service funds)		(5,260,042)	
Add prior year's net OPEB liability (excludes \$97,876 for internal service funds)		5,259,742	
Less current year's deferred inflow related to pensions (excludes \$86,947 for internal service funds)		(4,954,438)	
Add prior year's deferred inflow related to pensions (excludes \$319,937 for internal service funds)		18,129,083	
Less current year's deferred inflow related to OPEB (excludes \$41,585 for internal service funds)		(2,479,803)	
Add prior year's deferred inflow related to OPEB (excludes \$58,663 for internal service funds)		<u>3,073,850</u>	696,461

Governmental funds report current year contributions to pension and OPEB plans as expenditures.

In the Statement of Activities, current year contributions are reported as deferred outflow of resources.

Add current year's pension contributions (excludes \$90,903 for internal service funds)		5,179,849	
Less prior year's pension contributions (excludes \$72,612 for internal service funds)		(4,114,554)	
Add current year's OPEB contributions (excludes \$4,487 for internal service funds)		255,631	
Less prior year's OPEB contributions (excludes \$3,990 for internal service funds)		<u>(227,394)</u>	<u>1,093,532</u>

Change in net position of governmental activities \$ 32,536,654

COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2023

Exhibit 7
Page 1 of 4

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
General property taxes	\$ 150,154,164	\$ 150,154,164	\$ 165,214,379	\$ 15,060,215
Other local taxes	21,892,500	21,892,500	25,995,690	4,103,190
Permits, privilege fees, and regulatory licenses	1,509,518	1,509,518	1,923,754	414,236
Fines and forfeitures	356,739	356,739	421,816	65,077
Revenue from use of money and property	403,675	415,038	3,338,317	2,923,279
Charges for services	975,094	1,003,774	1,192,271	188,497
Gifts and donations	11,953	37,395	30,698	(6,697)
Recovered costs	226,867	353,857	460,134	106,277
Miscellaneous revenue	375,670	435,667	442,514	6,847
Intergovernmental:				
Commonwealth of Virginia	27,471,108	27,673,346	27,448,083	(225,263)
Federal Government	3,757,825	4,042,867	4,431,660	388,793
Total revenues	207,135,113	207,874,865	230,899,316	23,024,451
Expenditures				
Current operating:				
General government administration:				
Legislative:				
Board of supervisors	322,318	375,734	357,020	18,714
General and financial administration:				
County administrator	914,698	1,033,058	962,639	70,419
General reassessment	201,081	531,759	287,037	244,722
County attorney	934,750	1,241,917	968,561	273,356
Independent auditor	199,283	215,792	215,792	-
Commissioner of the revenue	1,983,143	2,118,436	2,111,634	6,802
Treasurer	1,624,403	1,770,536	1,769,731	805
Information technology	4,784,216	4,466,878	4,441,260	25,618
Human resources	3,509,667	3,859,920	2,785,188	1,074,732
Finance	1,869,811	1,903,200	1,866,517	36,683
Office of management and budget	648,876	669,743	640,459	29,284
Geographic information systems	499,608	521,486	417,610	103,876
Total general and financial administration	17,169,536	18,332,725	16,466,428	1,866,297
Board of elections:				
Registrar	588,688	683,433	630,113	53,320
Total general government administration	\$ 18,080,542	\$ 19,391,892	\$ 17,453,561	\$ 1,938,331

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 7
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Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Current operating: (continued)				
Judicial administration:				
Courts:				
Circuit court	\$ 145,144	\$ 146,759	\$ 105,159	\$ 41,600
General district court	28,200	24,900	21,385	3,515
Magistrates	85,773	85,773	20,582	65,191
Juvenile and domestic relations district court	9,266	13,026	12,104	922
Clerk of the circuit court	1,538,893	1,653,646	1,569,086	84,560
Adult court services	1,151,296	1,190,165	1,159,532	30,633
Public defenders	42,170	42,170	2,951	39,219
Commissioner of accounts	-	15,600	15,600	-
Total courts	3,000,742	3,172,039	2,906,399	265,640
Commonwealth's attorney:				
Commonwealth's attorney	1,814,917	1,870,880	1,830,921	39,959
Total judicial administration	4,815,659	5,042,919	4,737,320	305,599
Public safety:				
Law enforcement and traffic control:				
Sheriff	13,792,052	15,558,184	15,557,831	353
Joint communications	3,108,699	3,126,851	3,119,420	7,431
Total law enforcement and traffic control	16,900,751	18,685,035	18,677,251	7,784
Correction and detention:				
Detention center	3,640,609	3,937,890	3,937,562	328
Northwest regional jail	2,858,022	2,858,022	2,858,022	-
Probation office	4,359	4,359	3,637	722
Juvenile detention and crime control	305,265	305,265	116,398	188,867
Total correction and detention	6,808,255	7,105,536	6,915,619	189,917
Total public safety	23,709,006	25,790,571	25,592,870	197,701
Public works:				
General buildings and grounds maintenance:				
General services	5,940,116	6,060,546	5,871,802	188,744
Total public works	\$ 5,940,116	\$ 6,060,546	\$ 5,871,802	\$ 188,744

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 7
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Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Current operating: (continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 649,276	\$ 649,276	\$ 649,276	\$ -
Welfare:				
Institutional care	922,809	922,809	922,809	-
Social services	8,591,721	9,112,196	8,558,464	553,732
Children's services act	4,734,350	4,639,239	4,518,520	120,719
Total welfare	14,248,880	14,674,244	13,999,793	674,451
Total health and welfare	14,898,156	15,323,520	14,649,069	674,451
Education:				
Contribution to component unit – School Board	95,857,591	95,857,591	95,594,146	263,445
Community colleges	76,628	76,628	76,628	-
Total education	95,934,219	95,934,219	95,670,774	263,445
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	4,888,214	5,417,879	5,302,199	115,680
Library:				
Public library	2,802,464	2,901,484	2,901,484	-
Total parks, recreation, and cultural	7,690,678	8,319,363	8,203,683	115,680
Community development:				
Planning and community development:				
Community development	5,315,751	5,593,932	5,068,252	525,680
Planning	157,636	157,636	107,370	50,266
Economic development	804,225	825,603	770,057	55,546
Agriculture development	194,278	244,986	109,617	135,369
Total planning and community development	6,471,890	6,822,157	6,055,296	766,861
Environmental management:				
Soil and water conservation district	176,964	176,964	161,986	14,978
Cooperative extension program:				
VPI extension	261,034	270,768	254,642	16,126
Total community development	\$ 6,909,888	\$ 7,269,889	\$ 6,471,924	\$ 797,965

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 7
Page 4 of 4

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Current operating: (continued)				
Nondepartmental:				
Nondepartmental operations	\$ 5,941,813	\$ 2,789,837	\$ 686,732	\$ 2,103,105
Total current operating expenditures	183,920,077	185,922,756	179,337,735	6,585,021
Capital outlay - leases:				
General government administration	-	23,202	23,202	-
Judicial administration	-	48,066	48,066	-
Public safety	-	8,939	8,939	-
Public works	-	5,556	5,556	-
Health and welfare	-	9,697	9,697	-
Community development	-	86,120	86,120	-
Total capital outlay - leases	-	181,580	181,580	-
Capital outlay - subscriptions:				
General government administration	-	223,826	223,826	-
Total capital outlay - subscriptions	-	223,826	223,826	-
Total capital outlay	-	405,406	405,406	-
Debt service:				
Lease principal	731,096	629,131	369,537	259,594
Lease interest	-	10,289	10,289	-
Subscription principal	-	649,713	627,826	21,887
Subscription interest	-	4,546	4,546	-
Total debt service	731,096	1,293,679	1,012,198	281,481
Total expenditures	184,651,173	187,621,841	180,755,339	6,866,502
Excess (deficiency) of revenues over (under) expenditures	22,483,940	20,253,024	50,143,977	29,890,953
Other financing sources (uses)				
Transfers in	358,657	440,498	440,498	-
Transfers (out)	(24,603,831)	(41,380,264)	(41,380,264)	-
Leases	-	181,581	181,581	-
Subscriptions	-	223,826	223,823	(3)
Total other financing sources (uses)	(24,245,174)	(40,534,359)	(40,534,362)	(3)
Net change in fund balances	(1,761,234)	(20,281,335)	9,609,615	29,890,950
Fund balances - beginning	49,948,515	49,948,515	49,948,515	-
Fund balances - ending	\$ 48,187,281	\$ 29,667,180	\$ 59,558,130	\$ 29,890,950

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 8

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Fire and Rescue Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
General property taxes	\$ 21,344,044	\$ 21,344,044	\$ 22,273,715	\$ 929,671
Revenue from use of money and property	14,616	14,616	216,785	202,169
Gifts and donations	-	25,000	26,600	1,600
Recovered costs	-	650,882	689,525	38,643
Miscellaneous revenue	5,000	39,176	58,246	19,070
Intergovernmental:				
Commonwealth of Virginia	300,200	337,083	337,083	-
Federal Government	1,635,507	1,635,507	1,357,161	(278,346)
Total revenues	23,299,367	24,046,308	24,959,115	912,807
Expenditures				
Current operating:				
Public safety	22,578,860	24,727,954	24,727,708	246
Total current operating expenditures	22,578,860	24,727,954	24,727,708	246
Capital outlay - leases:				
Public safety	-	35,451	35,451	-
Total capital outlay - leases	-	35,451	35,451	-
Capital outlay - subscriptions:				
Public safety	-	17,119	17,119	-
Total capital outlay - subscriptions	-	17,119	17,119	-
Total capital outlay	-	52,570	52,570	-
Debt Service:				
Lease principal	50,055	48,247	37,317	10,930
Lease interest	-	272	272	-
Subscription principal	-	17,119	17,119	-
Total debt service	50,055	65,638	54,708	10,930
Total expenditures	22,628,915	24,846,162	24,834,986	11,176
Excess (deficiency) of revenues over (under) expenditures	670,452	(799,854)	124,129	923,983
Other financing sources (uses)				
Transfers in	1,056,927	2,324,451	2,324,451	-
Transfers (out)	(1,727,379)	(1,885,204)	(1,885,204)	-
Leases	-	35,451	35,451	-
Subscriptions	-	17,119	17,119	-
Total other financing sources (uses)	(670,452)	491,817	491,817	-
Net change in fund balances	-	(308,037)	615,946	923,983
Fund balances - beginning	510,704	510,704	510,704	-
Fund balances - ending	\$ 510,704	\$ 202,667	\$ 1,126,650	\$ 923,983

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 9

**Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
American Rescue Plan Fund
Fiscal Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Use of money:				
Interest income	\$ -	\$ -	\$ 229,113	\$ 229,113
Intergovernmental:				
Federal Government	6,917,019	7,334,260	5,605,904	(1,728,356)
Total revenues	6,917,019	7,334,260	5,835,017	(1,499,243)
Expenditures				
Current operating:				
General government administration	-	72,460	-	72,460
Public works	-	361,713	61,404	300,309
Health and welfare	-	411,300	29,041	382,259
Parks, recreation, and cultural	-	880	880	-
Community development	6,917,019	10,737,703	5,409,066	5,328,637
Total expenditures	6,917,019	11,584,056	5,500,391	6,083,665
Excess of revenues over expenditures	-	(4,249,796)	334,626	4,584,422
Other financing (uses)				
Transfers in	-	67,516	67,516	-
Transfers (out)	-	(1,800,000)	(100,000)	1,700,000
Total other financing (uses)	-	(1,732,484)	(32,484)	1,700,000
Net change in fund balances/(deficits)	-	(5,982,280)	302,142	6,284,422
Fund balances - beginning	17,277	17,277	17,277	-
Fund balances/(deficits) - ending	\$ 17,277	\$ (5,965,003)	\$ 319,419	\$ 6,284,422

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit 10
Page 1 of 2

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Catlett Calverton Sewer Fund	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 724,702	\$ 484,331	\$ 2,374,729	\$ 3,583,762	\$ 16,928,290
Cash and cash equivalents - restricted	60,277	10,693,005	355,140	11,108,422	-
Receivables, net of allowance for uncollectibles					
Accounts	104,362	142,098	2,032,399	2,278,859	360,281
Lease receivables	2,126,250	-	-	2,126,250	-
Inventories	45,337	-	-	45,337	300,858
Prepaid items	-	-	-	-	184,413
Due from other governmental units	520,742	-	-	520,742	-
Total current assets	3,581,670	11,319,434	4,762,268	19,663,372	17,773,842
Noncurrent assets:					
Capital assets (non-depreciable/non-amortizable):					
Land	6,612,678	1,446,449	557,540	8,616,667	-
Construction in progress	16,007	6,271,755	7,636	6,295,398	-
Intangible assets	228,836	-	-	228,836	-
Total capital assets (non-depreciable/non-amortizable)	6,857,521	7,718,204	565,176	15,140,901	-
Other capital assets:					
Buildings and improvements	7,933,725	21,741,354	-	29,675,079	349,000
Infrastructure	22,435,300	854,306	10,708,200	33,997,806	-
Machinery and equipment	510,902	2,917,063	-	3,427,965	854,260
Accumulated depreciation/amortization	(14,215,771)	(16,506,029)	(118,980)	(30,840,780)	(1,041,631)
Total other capital assets, net	16,664,156	9,006,694	10,589,220	36,260,070	161,629
Intangible right-to-use assets:					
Lease land	-	225,350	-	225,350	-
Lease buildings	-	-	-	-	81,706
Lease machinery and equipment	60,078	6,029	-	66,107	-
Accumulated amortization	(26,864)	(75,488)	-	(102,352)	(65,365)
Total intangible right-to-use assets, net	33,214	155,891	-	189,105	16,341
Total capital assets (depreciable/amortizable), net	16,697,370	9,162,585	10,589,220	36,449,175	177,970
Total capital assets, net	23,554,891	16,880,789	11,154,396	51,590,076	177,970
Total noncurrent assets	23,554,891	16,880,789	11,154,396	51,590,076	177,970
Total assets	27,136,561	28,200,223	15,916,664	71,253,448	17,951,812
Deferred outflows of resources					
Deferred charge on refunding	-	369,117	-	369,117	-
Items related to measurement of net pension liability	17,623	104,762	-	122,385	54,176
Pension contributions subsequent to measurement date	29,571	175,783	-	205,354	90,903
Items related to measurement of net OPEB liability	7,126	40,090	-	47,216	20,259
OPEB contributions subsequent to measurement date	1,432	8,730	-	10,162	4,487
Total deferred outflows of resources	55,752	698,482	-	754,234	169,825
Total assets and deferred outflows of resources	\$ 27,192,313	\$ 28,898,705	\$ 15,916,664	\$ 72,007,682	\$ 18,121,637

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit 10
Page 2 of 2

	Business-Type Activities – Enterprise Funds				Governmental
	Airport Fund	Landfill and Recycling Fund	Catlett Calverton Sewer Fund	Total	Activities Internal Service Funds
Liabilities					
Current liabilities:					
Accounts payable	\$ 30,544	\$ 762,011	\$ 16,488	\$ 809,043	\$ 900,180
Accrued and other liabilities	12,216	86,781	-	98,997	36,405
Retainage	-	112,004	-	112,004	-
Accrued interest payable	-	158,460	-	158,460	-
Accrued interest payable - leases	27	8,349	-	8,376	-
Unearned revenue	34,381	-	1,343,697	1,378,078	-
Current portion of compensated absences	2,563	21,392	-	23,955	11,855
Current portion of incurred but not reported claims	-	-	-	-	806,574
Current portion of lease liabilities	14,124	46,521	-	60,645	16,746
Current portion of long-term bonds payable	-	969,577	355,140	1,324,717	-
Total current liabilities	93,855	2,165,095	1,715,325	3,974,275	1,771,760
Noncurrent liabilities:					
Accrued closure and postclosure liability	-	36,953,495	-	36,953,495	-
Noncurrent portion of compensated absences	23,062	192,524	-	215,586	106,698
Noncurrent portion of incurred but not reported claims	-	-	-	-	2,419,721
Noncurrent portion of lease liabilities	18,864	105,689	-	124,553	-
Noncurrent portion of long-term bonds payable	-	19,791,398	4,971,960	24,763,358	-
Net pension liability	27,629	192,693	-	220,322	99,874
Net OPEB liability	30,913	176,499	-	207,412	89,500
Total noncurrent liabilities	100,468	57,412,298	4,971,960	62,484,726	2,715,793
Total liabilities	194,323	59,577,393	6,687,285	66,459,001	4,487,553
Deferred inflows of resources					
Leases	2,102,255	-	-	2,102,255	-
Items related to measurement of pension liability	28,284	168,133	-	196,417	86,947
Items related to measurement of OPEB liability	14,884	82,536	-	97,420	41,585
Total deferred inflows of resources	2,145,423	250,669	-	2,396,092	128,532
Total liabilities and deferred inflows of resources	2,339,746	59,828,062	6,687,285	68,855,093	4,616,085
Net position					
Net investment in capital assets	23,521,903	6,805,718	5,827,296	36,154,917	161,224
Restricted for:					
Debt service	-	-	355,140	355,140	-
Donations	60,277	-	-	60,277	-
Unrestricted (deficit)	1,270,387	(37,735,075)	3,046,943	(33,417,745)	13,344,328
Total net position	24,852,567	(30,929,357)	9,229,379	3,152,589	13,505,552
Total liabilities, deferred inflows of resources, and net position	\$ 27,192,313	\$ 28,898,705	\$ 15,916,664	\$ 72,007,682	\$ 18,121,637

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 11

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2023

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Catlett Calverton Sewer Fund	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 332,483	\$ 1,744,547	\$ 2,026,402	\$ 4,103,432	\$ 40,370,305
Recycling revenues	-	546,266	-	546,266	-
Recovered cost	-	-	-	-	841,841
Miscellaneous revenue	-	243,706	-	243,706	84,919
Fuel	660,358	-	-	660,358	-
Total operating revenues	992,841	2,534,519	2,026,402	5,553,762	41,297,065
Operating expenses					
Cost of goods sold	466,883	-	-	466,883	-
Personal services	302,305	2,247,658	-	2,549,963	859,490
Fringe benefits	93,765	765,903	-	859,668	293,218
Claims and benefits paid	-	-	-	-	36,001,667
Premiums	-	-	-	-	429,954
Contractual services	95,778	4,957,861	199,770	5,253,409	3,091,493
Other operating expenses	187,036	275,937	12,692	475,665	3,249,284
Landfill closure and postclosure liability	-	2,494,260	-	2,494,260	-
Depreciation	821,128	840,813	118,980	1,780,921	24,331
Lease amortization	13,903	43,998	-	57,901	33,195
Pension and OPEB expense	29,815	(21,198)	-	8,617	75,528
Total operating expenses	2,010,613	11,605,232	331,442	13,947,287	44,058,160
Operating income (loss)	(1,017,772)	(9,070,713)	1,694,960	(8,393,525)	(2,761,095)
Nonoperating revenues (expenses)					
Interest income (expense)	78,494	(5,918)	200	72,776	449,148
Gain on disposal of capital assets	-	46,332	-	46,332	-
Insurance recoveries	330,962	10,744	-	341,706	-
Operating grants - Commonwealth of Virginia	13,258	26,863	-	40,121	-
Total nonoperating revenues (expenses)	422,714	78,021	200	500,935	449,148
Income (loss) before capital contributions, grants, and transfer:	(595,058)	(8,992,692)	1,695,160	(7,892,590)	(2,311,947)
Capital contributions and grants					
Capital contributions	400	-	164,800	165,200	-
Capital grants - Commonwealth of Virginia	60,570	-	-	60,570	-
Capital grants - Federal Government	192,069	-	-	192,069	-
Total capital contributions and capital grants	253,039	-	164,800	417,839	-
Other financing sources (uses)					
Transfers in	238,920	7,131,309	355,140	7,725,369	39,734
Transfers (out)	-	(67,480)	(15,031)	(82,511)	(1,086,750)
Total financing sources (uses)	238,920	7,063,829	340,109	7,642,858	(1,047,016)
Change in net position	(103,099)	(1,928,863)	2,200,069	168,107	(3,358,963)
Net position - beginning	24,955,666	(29,000,494)	7,029,310	2,984,482	16,864,515
Net position - ending	\$ 24,852,567	\$ (30,929,357)	\$ 9,229,379	\$ 3,152,589	\$ 13,505,552

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2023

Exhibit 12
Page 1 of 2

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Catlett Calverton Sewer Fund	Total	Internal Service Funds
Cash flow from operating activities					
Receipts from customers and users	\$ 1,215,304	\$ 2,563,420	\$ 506,776	\$ 4,285,500	\$ 37,892,618
Receipts from interfund services provided	-	-	-	-	5,174,635
Payments to suppliers and other operating activities	(744,888)	(5,282,979)	(201,975)	(6,229,842)	(42,555,597)
Payments to employees (including fringes)	(435,141)	(3,154,224)	-	(3,589,365)	(1,226,626)
Payments for interfund services used	(8,768)	(97,555)	-	(106,323)	-
Net cash provided by (used for) operating activities	26,507	(5,971,338)	304,801	(5,640,030)	(714,970)
Cash flow from noncapital financing activities					
Transfers in	238,920	7,131,309	355,140	7,725,369	39,734
Transfers (out)	-	(67,480)	(15,031)	(82,511)	(1,086,750)
Proceeds from interfund obligation	-	-	-	-	(104,456)
Repayment of interfund obligation	(824,165)	-	-	(824,165)	-
Operating grants received	13,258	33,522	-	46,780	-
Net cash provided by noncapital financing activities	(571,987)	7,097,351	340,109	6,865,473	(1,151,472)
Cash flow from capital and related financing activities					
Acquisition and construction of capital assets	(56,953)	(3,096,011)	164,800	(2,988,164)	(33,450)
Proceeds from sale of capital assets	-	16,504	-	16,504	-
Proceeds from capital grants	931,328	-	-	931,328	-
Capital contribution	400	-	(164,800)	(164,400)	-
Principal paid on debt	-	(760,000)	(355,140)	(1,115,140)	-
Interest and other fiscal cost on debt	-	(667,097)	-	(667,097)	-
Principal and interest paid on leases	(14,049)	(49,781)	-	(63,830)	488
Proceeds from bonds	-	-	1,246,306	1,246,306	-
Interest on bond proceeds	-	514,877	-	514,877	-
Insurance recoveries	330,962	10,744	-	341,706	-
Net cash provided by (used for) capital and related financing activities	1,191,688	(4,030,764)	891,166	(1,947,910)	(32,962)
Cash flow from investing activities					
Interest income	78,494	119,132	200	197,826	449,148
Net cash provided by investing activities	78,494	119,132	200	197,826	449,148
Net increase (decrease) in cash and cash equivalents	724,702	(2,785,619)	1,536,276	(524,641)	(1,450,256)
Cash and cash equivalents - beginning of the year	60,277	13,962,955	1,193,593	15,216,825	18,378,546
Cash and cash equivalents - end of the year	\$ 784,979	\$ 11,177,336	\$ 2,729,869	\$ 14,692,184	\$ 16,928,290

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2023

Exhibit 12
Page 2 of 2

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Catlett Calverton Sewer Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Cash flows from operations:					
Operating income (loss)	\$ (1,017,772)	\$ (9,070,713)	\$ 1,694,960	\$ (8,393,525)	\$ (2,761,095)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	821,128	840,813	118,980	1,780,921	24,331
Amortization of bond premium and deferred amounts	-	(163,897)	-	(163,897)	-
Gain on disposal of capital assets	-	(46,332)	-	(46,332)	-
Amortization of leases	13,903	43,998	-	57,901	33,195
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	237,788	28,901	292,144	558,833	1,770,188
(Increase) decrease in lease receivables	(1,243,010)	-	-	(1,243,010)	-
(Increase) decrease in lease interest	725	-	-	725	-
(Increase) decrease in inventory	(21,477)	-	-	(21,477)	(23,810)
(Increase) decrease in net pension assets	22,162	44,960	-	67,122	108,657
(Increase) decrease in prepaid items	-	-	-	-	(8,571)
(Increase) decrease in deferred outflows of resources	(3,691)	57,845	-	54,154	30,051
Increase (decrease) in accounts payable	17,493	(30,585)	10,487	(2,605)	146,873
Increase (decrease) in accrued liabilities	(8,068)	43,850	-	35,782	21,472
Increase (decrease) in retainage	-	94,078	-	94,078	-
Increase (decrease) in accrued interest payable-leases	25	-	-	25	(3)
Increase (decrease) in unearned revenue	2,309	-	(1,811,770)	(1,809,461)	-
Increase (decrease) in incurred but not reported claims	-	-	-	-	102,312
Increase (decrease) in landfill closure and postclosure liability	-	2,494,260	-	2,494,260	-
Increase (decrease) in net pension liability	27,629	192,693	-	220,322	99,874
Increase (decrease) in net OPEB liability	7,920	(19,952)	-	(12,032)	(8,376)
Increase (decrease) in deferred inflows of resources	1,169,443	(481,257)	-	688,186	(250,068)
Net cash provided by (used for) operating activities	\$ 26,507	\$ (5,971,338)	\$ 304,801	\$ (5,640,030)	\$ (714,970)

Noncash, investing, capital, and financing activities:

The primary government contributed assets related to the construction of sewer infrastructure to the Sewer Fund during the fiscal year. The project costs were recorded in the Capital Projects Fund, and transferred to the Sewer Fund. This resulted in a non-cash capital and financing activity in the amount of \$164,800 for the assets related to the project. The net amount is reflected as a capital contribution on Exhibit 11.

COUNTY OF FAUQUIER, VIRGINIA**Exhibit 13****Statement of Fiduciary Net Position****Fiduciary Funds****June 30, 2023**

	Other Postemployment Benefit Plans Fund	Custodial Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ -	\$ 201,188
Cash in custody of others	-	149,710
Receivables, net of allowance for uncollectibles:		
Accounts	-	20,218
Loans	-	111,398
Investments at fair value:		
Investments at fair value	-	17,989,309
Investment in pooled funds	<u>2,309,077</u>	<u>-</u>
Total assets	<u><u>2,309,077</u></u>	<u><u>18,471,823</u></u>
Liabilities		
Accounts payable	194,927	-
Accrued liabilities	<u>-</u>	<u>62,564</u>
Total liabilities	<u><u>194,927</u></u>	<u><u>62,564</u></u>
Net position		
Restricted for:		
Postemployment benefits other than pensions	2,114,150	-
Individuals and organizations	<u>-</u>	<u>18,409,259</u>
Total net position	<u><u>\$ 2,114,150</u></u>	<u><u>\$ 18,409,259</u></u>

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 14

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2023

	Other Postemployment Benefit Plans Fund	Custodial Funds
Additions		
Contributions		
For the benefit of employees	\$ 459,656	\$ -
Employees	-	1,612,615
Governments and organizations	-	552,547
On behalf of inmates	-	98,288
Total contributions	459,656	2,263,450
Investment income		
Net increase in the fair value of investments	130,253	1,144,516
Interest and dividends	2,397	825,055
Total investment income	132,650	1,969,571
Less: investment expenses	-	(35,624)
Net investment income	132,650	1,933,947
Miscellaneous revenue:		
Miscellaneous revenue	-	34,581
Total additions	592,306	4,231,978
Deductions		
Distributions	85,078	-
Payments on behalf of beneficiaries and participants	-	2,057,148
Administrative fees	2,802	-
Total deductions	87,880	2,057,148
Net increase (decrease) in net position	504,426	2,174,830
Net position - beginning	1,609,724	16,234,429
Net position - ending	\$ 2,114,150	\$ 18,409,259

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

NOTES TO FINANCIAL STATEMENTS

COUNTY OF FAUQUIER, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Fauquier have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the County's significant accounting principles and policies:

A. The financial reporting entity

The County of Fauquier, Virginia (the County) is organized under the traditional (modified) form of government. The governing body of the County is the Board of Supervisors (the Board), which establishes policies for the administration of the County. The Board appoints a County Administrator to serve as the administrative manager of the County.

The County has two discretely presented component units, the Economic Development Authority of Fauquier County (the Economic Development Authority) and the Fauquier County School Board (the School Board). The County has one blended component unit, the Fauquier County Broadband Authority (the Broadband Authority).

The Economic Development Authority is a political subdivision of the Commonwealth governed by seven directors appointed by the Fauquier County Board of Supervisors. The Economic Development Authority is empowered to acquire, own, lease, and dispose of properties, promote industry, develop trade in the County, and issue tax-exempt revenue bonds in accordance with the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia. As of June 30, 2023, the Economic Development Authority had outstanding industrial development revenue bonds of \$8,641,706. These obligations are considered conduit debt, neither the County nor the Economic Development Authority are obligated to pay the principal, interest, or any other costs associated with the bonds, and thus no associated assets, liabilities, revenues or expenses with respect to these bonds are recognized in the financial statements. A financial benefit/burden relationship exists between the County and the Economic Development Authority and the County acts as fiscal agent for the Economic Development Authority.

The School Board is a legally separate entity for which the County has financial accountability. The School Board is responsible for the elementary and secondary education in the County. School Board members are elected by the voters by magisterial districts. The School Board does not have separate taxing authority and is therefore fiscally dependent upon the County. The County provides significant funding for school operating and capital needs, approves the School Board's budget, levies taxes as necessary, and approves all debt issuances.

The School Board consists of the following governmental funds:

The *School General Fund* accounts for and reports financial resources to operate, maintain, and support the School Board programs. Its primary source of revenues is state and federal aid and contributions from the County's General Fund.

The *School Asset Replacement Fund* accounts for and reports financial resources for major maintenance and systems replacement, renovations, and major asset replacements for the schools.

The *School Grant Fund* accounts for and reports financial resources for revenues and expenditures of funds received for grants and donations.

The *School Textbook Fund* accounts for and reports financial resources for the purchase of student textbooks supported by state revenue and transfers from the School General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *School Nutrition Fund* accounts for and reports financial resources for the provision of student and adult breakfasts, snacks, and lunches. Its primary sources of revenue are state and federal aid and receipts from food sales.

The *School Activity Fund* accounts for and reports financial resources used to support co-curricular and extracurricular student activities. Its primary sources of revenue are from fundraising activities and gifts and donations.

The School Board *Fiduciary Funds* accounts for assets held by the School Board in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. The Crockett Scholarship Private Purpose Trust Fund, accounts for assets held in trust to provide scholarships for higher education for graduating Fauquier County students. Custodial funds include the Mountain Vista Regional Governor's School, a separate entity for which the School Board acts as a fiscal agent and custodian, the Mountain Vista Regional Governor's School Activity Fund, the 457(b) Deferred Compensation Fund, and the 403(b) Deferred Compensation Fund.

The Economic Development Authority and School Board component units are discretely presented in a separate column in the government-wide statements to emphasize that they are legally and operationally separate from the government. Information regarding the Economic Development Authority and School Board are also reported in the other supplementary information section of this document. The Economic Development Authority and the School Board do not issue separate financial statements.

The Broadband Authority was established by ordinance of the Fauquier County Board of Supervisors in order to facilitate increased availability of affordable broadband internet services to citizens in Fauquier County. The Broadband Authority was established pursuant to the Virginia Wireless Service Authorities Act, Chapter 54.1, §§ 15.2-5431.1 and 15.2-5431.23 of the Code of Virginia, 1950 as amended, in order to provide qualifying communications services as authorized by Article 5.1 (§ 56-484.7:1 et seq.) of Chapter 15 of Title 56. The Broadband Authority is blended into the County's financial statements since the governing board of the Broadband Authority consists of the County Board of Supervisors and there are no separately issued financial statements. The governing board of the Broadband Authority serves four-year terms concurrent with the Board of Supervisor's term of office and the County has operational responsibility for the day-to-day operations of the Broadband Authority.

B. Government-wide and fund financial statements

Government-wide financial statements – The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units. Eliminations have been made to avoid the double-counting of interfund activities. Interfund services provided and used are not eliminated during consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely significantly on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Because the primary focus of government is to provide services to its citizens, the government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expenses of individual functions is compared to the revenues generated directly by the function

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(for instance, through user charges or intergovernmental grants). The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment; and 3) capital grants and contributions, including special assessments restricted to meeting operational or capital requirements of a particular function. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Taxes and other revenue, not specific to programs, are reported as general revenues.

Fund financial statements – The accounts of the reporting entity are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a set of self-balancing accounts comprised of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures or expenses, as appropriate. The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for each fund category (governmental funds, proprietary funds, and fiduciary funds). The emphasis of fund financial statements is on major governmental and enterprise fund categories with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial, proprietary, and fiduciary fund statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers the availability period to be within sixty days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes are considered to be available if they are collected within sixty days of the end of the current fiscal period; any property taxes not collected within this period end are reflected as unavailable 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. Revenues related to reimbursement type grants for which the government has a claim to during the availability period are considered to be available for revenue recognition purposes. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following major fund types:

The *General Fund* is the government's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

The *Capital Projects Fund* accounts for and reports financial resources for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

The *Debt Service Fund* accounts for and reports financial resources for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service.

The *Fire and Rescue Fund* accounts for and reports the fire and rescue levy assessed on real estate to support the volunteer fire and rescue companies.

The *American Rescue Plan Fund* accounts for and reports on Federal funds received by the County to address economic and social recovery from the effects of the COVID 19 pandemic.

The *Enterprise Funds* are proprietary funds, which are used to account for and report the financing, construction, and operations of the Airport Fund, the Landfill and Recycling Fund, and the Sewer Fund.

The County reports the following nonmajor fund types:

The *Special Revenue Funds* accounts for and reports the proceeds of specific revenue sources for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the Conservation Easement Service District Fund, the Ambulance Revenue Fund, the Social Services Fund, the Parks and Recreation Fund, the Library Fund, the Marshall Electric Light and Business Improvement District Fund, the Proffer Fund, the Stormwater Management Fund, the Vint Hill Community Enrichment Fund, the Vint Hill Transportation Fund, the Treasurer's E-Summons Fund, the Project Lifesaver Fund, the Working Together Committee Fund, the Fire and Rescue USDA Debt Service Fund, the Coronavirus Aid, Relief, the Economic Security (CARES) Fund, and the Opioid Abatement Fund.

The County reports the following additional fund types:

The *Proprietary Funds* include enterprise funds and internal service funds, and generally account for those operations that are financed and operated in a manner similar to private business enterprises. For proprietary funds, operating revenues generally include charges to customers for sales or services and expenses include cost of sales and service, administrative expenses, and depreciation, while revenues and expenses not meeting these definitions are classified as non-operating. The Internal Service Funds are used to account for goods and services provided to County departments on a cost reimbursement basis. Because the government itself is the primary customer, these funds are included in the governmental activities for government-wide reporting purposes. Any excess revenue over expenses for these funds is allocated to the appropriate functional activity. The operations of these funds are generally intended to be self-supporting.

The County's enterprise funds consist of the Airport Fund, the Landfill and Recycling Fund, and the Sewer Fund. The County's internal service funds consist of the Fleet Maintenance Fund, for the provision of vehicle services to County Departments, and the Health Insurance Fund for the provision of health benefits to County and School employees and/or retirees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *Fiduciary Funds* account for assets held by the government in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. The Other Postemployment Benefit Plans Fund accounts for assets held in trust by the County for the costs of health care and other non-pension benefits offered to retirees. Custodial funds include Volunteer Fire and Rescue Association Fund, Special Welfare Fund, Detention Center Fund, Service to Outside Agencies Fund, and the 457(b) Deferred Compensation Fund.

D. Stewardship, compliance, and accountability

1. Budgetary information

Annual budgets are legally adopted for all governmental funds on a basis consistent with generally accepted accounting principles (GAAP) except for all custodial funds and the following Special Revenue funds: Social Services Fund, Opioid Abatement Fund, Parks and Recreation Fund, Library Fund, Marshall Electric Light and Business Improvement District Fund, Proffer Fund, Stormwater Management Fund, the Vint Hill Transportation Fund, Vint Hill Community Enrichment Fund, Treasurer's E-Summons Fund, Project Lifesaver Fund, Working Together Committee Fund, and the Fire and Rescue USDA Debt Service Fund.

The County Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1st, as well as a five-year capital improvements and asset replacement plan with the related budget for the fiscal year commencing the following July 1st, with the proposed tax rates required to fund such matters. The budget is ordinarily proposed in the month of February of each calendar year, but no later than the first week of March. The operating and capital improvements budget includes proposed expenditures and the means of financing them. At least one public hearing is conducted to obtain citizen comments on the budget, capital improvements plan, and tax rates.

Prior to April 15th, the budget, capital improvements plan, and calendar year tax rates are adopted and appropriated by passage of a Resolution. The Resolution provides for the appropriation of funds either on a time or percentage-based allocation, if not in full, as deemed appropriate by the Board of Supervisors. This may be based on the date of the budget enactment for the Commonwealth of Virginia and other economic considerations whereby the Board of Supervisors may determine it to be fiscally responsible to appropriate the upcoming fiscal year's budget on an allocation methodology other than in full, as allowable by the Code of Virginia. The Resolution places a legal level of budgetary control, the level at which expenditures may not legally exceed appropriations without additional formal action of the Board of Supervisors, at the department level for the General Fund or at the fund level for all other appropriated funds.

To address changes to the fiscal plan, the Board of Supervisors has adopted a policy for processing adjustments to the adopted budget. An intra-departmental transfer moves budget authority from one line item to another line item in the same department. The Office of Management and Budget approves all intra-departmental transfers. Departments must reconcile personnel, operations, and capital budgets with expenditures on a category basis.

An inter-departmental transfer moves budget authority between two departments or agencies in the same fund. The Office of Management and Budget has approval authority for inter-departmental transfers totaling less than \$50,000. The County Administrator has inter-departmental approval authority for transfers equal to or above \$50,000. Transfers between personnel and non-personnel categories are by exception, subject to Office of Management and Budget approval. The Board of Supervisors has approval authority for all transfer requests involving new positions, multi-year commitments, and contingency reserves, based on the recommendations of the Finance Committee, and/or the Personnel, Public Safety, and Facilities Planning Committee(s) specified in Section 15.2-2507 of the *Code of Virginia*.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Supplemental appropriations involve actions that increase or decrease the overall budget appropriation for the County Budget, or a fund contained therein. The County Administrator is provided the administrative authority to accept and appropriate adjustments for grants, insurance recoveries, and other non-reoccurring miscellaneous revenue that do not exceed \$50,000, with the following requirements for grants: 1) local match funding is available within a department's existing budget; 2) the approved scope of the grant remains unchanged; and 3) no ongoing funding requirements are included in a grant acceptance. All requests for supplemental appropriations that do not meet the requirements require Board of Supervisors' approval upon recommendation of the Finance Committee.

The School Board is authorized to transfer budgeted amounts within the School Division's categories. Supplemental appropriations to the School Division and transfers between capital projects require the Board of Supervisors' approval upon recommendation of the School Finance Committee and the County Finance Committee.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds subject to the Board of Supervisors' expenditure authority, and the Capital Projects Fund. The School Funds are integrated only at the level of legal adoption for the School General Fund, School Asset Replacement Fund, School Textbook Fund, and School Nutrition Fund. All budgetary data presented in the accompanying financial statements reflects the originally adopted budget and the amended budget compared to actual results as of June 30th.

2. Excess of expenditures over appropriations

For the year ended June 30, 2023, there were no departments in which expenditures exceeded appropriations.

3. Deficit fund balance/net position

As of June 30, 2023, the Landfill and Recycling Fund and Fleet Maintenance Fund had a deficit net position.

E. Assets, liabilities, deferred outflows and inflows of resources, and fund balance or net position

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The County maintains a single cash and investment pool for use by all funds and its component units, except for the Other Postemployment Benefit Plans Fund, the Working Together Fund, the Special Welfare Fund, the Fire and Rescue Volunteer USDA Debt Service Fund, the Volunteer Fire and Rescue Association Fund, the School Board Crockett Scholarship Private-Purpose Trust Fund, the School Board School Activity Fund, and the Economic Development Authority.

Investments for the government, as well as for its component units, are reported at fair value based on quoted market prices. Each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed quarterly based on average daily balances of specific funds receiving interest income. A "zero balance account" mechanism provides for daily sweeps of deposits made to the County's checking accounts, resulting in an instantaneous transfer to the investment account. Hence, the majority of the County's funds are invested at all times. The State Treasurer's Local Government Investment Pool (LGIP) operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Bond proceeds are maintained to comply with the provisions of the Internal Revenue Tax Code and various bond indentures. Bond proceeds are deposited in the Virginia State Non-Arbitrage Program (SNAP). Values of shares in the SNAP and LGIP are reported at amortized cost in accordance with GASB 79.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)), and external investment pools in accordance with GASB 79 are measured at amortized cost. All other investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2 – Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3 – Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the Act) Section 2.2-4400 of the *Code of Virginia*. See Note 2 for further details on public deposits.

The County has three primary investment objectives: 1) Safety – investing funds to preserve principal and to minimize the potential risk of loss; 2) Liquidity – investing funds to ensure that monies are always available to meet the obligations of the County; and 3) Return – investing funds in an effort to provide a reasonable return within the constraints of the foregoing objectives.

2. Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of the interfund loans). Noncurrent portions of long-term interfund loans receivable and amounts due from other governments are included in nonspendable fund balance which indicates they do not constitute available expendable resources and therefore are not available for appropriation. All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

3. Inventory and prepaid items

In governmental funds, the purchases method is used to account for inventory and payments to vendors reflecting costs applicable to future accounting periods. Costs are recorded as expenditures when purchased, rather than consumed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the proprietary funds, inventories are valued at cost using the first-in, first-out method. These inventories consist of expendable supplies held for consumption. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The consumption method is used to allocate asset costs to current and future periods.

4. Property taxes

Real property is assessed at its value on January 1. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property is assessed at its value on January 1 or when it is acquired or brought into the County. Personal property taxes are due and collected annually on October 5th. The County bills and collects its own property taxes.

5. Allowance for uncollectible accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

6. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Restricted assets

Unspent proceeds of bond issuances are considered restricted for use for identified projects. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

8. Lease receivables

For lease agreements for which the County or School Board is the Lessor, lease receivables are recognized upon the commencement of the lease term unless the lease is a short-term lease, transfers ownership of the underlying asset, is an exception for leases of assets held as investments, or certain regulated leases in governmental fund statements. Lease receivables are measured at the present value of lease payments expected to be received during the lease term.

9. Capital assets

Capital assets, which include property, plant, equipment, intangible assets (e.g., easements, software licenses, and leases), and infrastructure assets (e.g., sidewalks, runways, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

The government defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of at least \$10,000 per unit (amount not rounded) and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital projects are defined as acquisition and improvements of assets with an initial cost of at least \$50,000. Major outlays for capital assets and improvements are capitalized when completed. The cost of

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infrastructure within the County (such as roads, streets, bridges, etc.) is owned and maintained by the Commonwealth of Virginia (Department of Transportation) and is not recorded in the County's financial statements. However, infrastructure that is within the County and is not owned by the Virginia Department of Transportation has been included, is capitalized, and reported in the government-wide financial statements at historical cost. This consists of items such as parks and recreational pathways, airport runways, and ballpark lighting.

Impaired capital assets are reported at the lower of carrying value or fair value. Currently, the County does not have any impaired capital assets. An asset is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life of the capital asset.

For lease agreements where the County or School Board is the lessee, intangible right to use lease assets and lease liabilities are recognized upon commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset in the government wide statements. Lease assets are measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized over the shorter of the lease term or useful life of the asset.

For subscription agreements, where the County or School Board is the lessee, intangible right to use subscription assets and subscription liabilities are recognized upon commencement of the subscription term, unless the subscription is a short-term subscription (twelve months or less), or it transfers ownership of the underlying asset in the government wide statements. Subscription assets are measured at the amount of the initial measurement of the subscription liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are amortized over the shorter of the term or useful life of the asset.

Property, plant, equipment, intangible assets, and infrastructure of the primary government, as well as the component units, are depreciated / amortized using the straight-line method generally over the following estimated useful lives:

<u>Capital assets</u>	<u>Years</u>
Buildings and improvements	40-45
Lease Buildings and improvements	40-45
Infrastructure	15-50
Lease Infrastructure	15-50
Machinery and equipment	5-15
Lease Machinery and equipment	5-15
Vehicles	3-12
Lease Vehicles	3-12
Intangible assets	3-5
Subscription assets	3-5

Certain intangible assets with an indefinite useful life are not amortized.

10. Component unit – School Board capital assets

By law, the School Board does not have taxing authority. As such, it cannot incur debt through general obligation bonds to fund the acquisition of, construction of, or improvements to its capital assets. That responsibility lies with the local governing body, the County, who issues the debt on behalf of the School Board. The School Board holds title to the capital assets (buildings and equipment) and is responsible for maintenance and insurance. The book value of all school capital assets is reflected as an asset in the School Board Statement of Net Position, while the debt is reflected as a liability on the County's Statement of Net Position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In governmental fund types, the cost of vacation and sick pay benefits (compensated absences) is recognized when payments are made to employees. A liability for these amounts is reported in governmental funds only if they have matured (become payable in the near term), for example, as a result of employee resignations and retirements.

A liability for governmental fund type vacation and sick pay benefits is recorded as a noncurrent liability in the governmental activities column of the government-wide Statement of Net Position. All vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements.

12. Long-term obligations

In the government-wide financial statements, debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities column. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method and bonds payable is reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt and premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Lease liabilities are measured at present value of payments expected to be made during the lease term, less any lease incentives using the Incremental Borrowing Rate (IBR). The IBR is the interest rate that, at the beginning of the lease term or renewal date of the lease, the lessee would have incurred if the lessee borrowed, over a similar term, the funds necessary to purchase the lease asset. In governmental fund financial statements using the current financial resources focus, other financing source and outflow of resources are recognized upon commencement of the lease terms. Payments of lease principal and interest are recognized as an outflow of resources once paid. Lease extension and termination options are included in the lease term if it is reasonably certain the renewal options will be exercised.

13. Encumbrances

The County uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to set aside that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Encumbered amounts lapse at year-end, however, after review, they generally are re-appropriated as part of the following year's budget.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With the implementation of GASB Statement No. 54, encumbrances are no longer separately reported as a component of the fund balance of the fund statements. Significant encumbrances as of June 30, 2023 are:

Primary government

General Fund	\$ 697,970
Capital Projects Fund	7,158,149
Fire and Rescue Fund	47,492
Other Governmental Funds	7,818,876
Airport Fund	32,343
Landfill and Recycling Fund	<u>6,126,883</u>
Total primary government encumbrances	<u>21,881,713</u>

Component unit - School Board

School General Fund	151,144
School Asset Replacement Fund	2,808,416
Other School Funds	<u>1,077,405</u>
Total component unit - School Board encumbrances	\$ <u>4,036,965</u>

14. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The County has four items that qualify for reporting in this category:

- Deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded or refunding debt, whichever is shorter.
- Certain items related to measurement of the net pension and OPEB assets or liabilities. These can include differences between expected and actual experience and net difference between projected and actual earning pension plan and OPEB plan investments.
- Contributions to the pension and OPEB plans made during the current year and subsequent to the net pension and OPEB asset or liability measurement date, which will be recognized as a reduction of the net pension and OPEB asset or liability next fiscal year.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category:

- Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid on the 2nd half installments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

available. Under the accrual basis, amounts prepaid on the 2nd half installments are reported as deferred inflows of resources.

- Certain items related to the measurement of the net pension and OPEB assets or liabilities are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension plan and OPEB plan investments.
- Deferred inflows related to the recognition of lease receivables at the inception of a lease agreement in which the County or School Board is the lessor. Deferred inflow of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods and recognized as inflow of resources in a systematic and rational manner over the term of the lease.

15. Fund balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The County’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- *Nonspendable fund balance* - Amounts that cannot be spent because they are not in spendable form (e.g., inventory and prepaids) or are required to remain intact legally or contractually (e.g., corpus of a permanent fund).
- *Restricted fund balance* - Amounts constrained to a specific purpose by their providers (e.g., grantors, bond holders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Amounts constrained to specific purposes by a government, using its highest level of decision-making authority (e.g., Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned fund balance* - Amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body itself or by an official, or body, to which the governing body delegates the authority.
- *Unassigned fund balance* - Amounts that are available for any purpose. Positive amounts are only reported in the General fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse, is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purposes (such as purchase of capital assets, construction, debt service, or other purposes).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the General Fund, the County sets a portion of unassigned fund balance equivalent to ten percent or 10% of general operating revenues. It is identified as the minimum amount needed to safeguard the County's financial stability, and when combined with committed and assigned balances, provides the County with sufficient funds to operate in excess of two months without interrupting service levels. The remaining unassigned fund balance is for future uses to be determined by the Board of Supervisors.

16. Net position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is comprised of three categories: net investment in capital assets, restricted, and unrestricted. The first category reflects the portion of net position which is associated with non-liquid capital assets, less the outstanding debt related to these capital assets. The related debt is the debt less the unspent bond proceeds and any associated unamortized costs. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Restricted net position relates to assets whose use is subject to constraints that are either externally imposed by creditors or imposed by law. Examples include proffers, grant funds, and contributions for a specific purpose. Net position which is neither restricted nor related to capital assets is reported as unrestricted net position.

The County issues debt to finance the construction of school facilities for the School Board because the School Board does not have borrowing or taxing authority. The County reports this debt, whereas the School Board reports the related capital assets. As a result, in the Statement of Net Position (Exhibit 1), the debt reduces *unrestricted net position* for the primary government, while the capital assets are reported in *net investment in capital assets* for the School Board. Because this debt is related to capital assets of the reporting entity as a whole, the debt amount of \$51,590,000 is reclassified to present the total reporting entity column of Exhibit 1.

17. Flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

18. Pensions and other postemployment benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Virginia Retirement System (VRS) and additions to/deductions from VRS's fiduciary net position have been determined on the same basis as they are reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

F. Governmental Accounting Standards Board (GASB) Statements

The County implemented the following GASB Statement in fiscal year 2023:

Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), effective for the reporting periods after June 15, 2022. The objective of this Statement is to improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. This definition and uniform guidance will result in greater consistency in practice. The capitalization criteria for implementation costs also will reduce diversity and improve

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of the government's financial statements by requiring reporting for a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of the government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The County will implement the following GASB Statements in fiscal year 2024:

Statement No. 101, *Compensated Absences*, effective for the reporting periods after December 15, 2023. The objective of this Statement is to provide and align the recognition and measurement guidance for Compensated Absences to be under one unified model of measurement. Establishing a unified recognition and measurement to reflect an obligation more appropriately will eliminate comparability issues as well as enhance relevance and reliability of the information concerning liabilities for compensated absences. The Statement requires that liabilities for compensated absences be recognized for leave that has not been used, leave used but not paid, and the guidance for the measurement of such liability. This Statement amends the existing requirement for compensated absences.

G. Beginning balance adjustments

Implementation of GASB Statement No. 96 – The implementation of GASB Statement 96 requires the calculation of right to use intangible Subscription Based Information Technology Arrangements (SBITA) assets and liabilities for subscription agreements in which the County or School Board are lessees. For subscription agreements in place prior to July 1, 2022, the subscription assets and liabilities reflect the balance based on the remaining term as of July 1, 2022.

Coronavirus, Aid, Relief, and Economic Security (CARES) Fund – The beginning balance has been restated to correct prior year grant accruals.

School General Fund and School Grant Fund – The beginning balances have been restated to correct prior year grant accruals and to reclassify the School Grant Fund as a separate fund from the School General Fund.

The charts below summarize the beginning balances in these accounts at July 1, 2022:

	Governmental Activities	School Board	Total Reporting Entity
Subscription assets	1,677,551	327,354	2,004,905
Total assets and deferred outflow of resources	1,677,551	327,354	2,004,905
Subscription liabilities	1,677,551	327,354	2,004,905
Total liabilities and deferred inflow of resources	1,677,551	327,354	2,004,905

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	Coronavirus Aid, Relief, and Economic Security (CARES) Fund		
	As Reported 6/30/2022	Grant revenue adjustment	Restated 6/30/2022
Revenues and transfers in	619,153	(56,069)	563,084
Expenditures and transfers out	<u>495,287</u>	<u>-</u>	<u>495,287</u>
Change in fund balance	123,866	(56,069)	67,797
Beginning fund balance	<u>12,636</u>	<u>-</u>	<u>12,636</u>
Ending fund balance	136,502	(56,069)	80,433

	Governmental Activities		
	As Reported 6/30/2022	Grant revenue adjustment	Restated 6/30/2022
Revenues and transfers in	243,764,769	(56,070)	243,708,699
Expenses and transfers out	<u>206,228,339</u>	<u>-</u>	<u>206,228,339</u>
Change in net position	37,536,430	(56,070)	37,480,360
Beginning net position	<u>100,804,677</u>	<u>-</u>	<u>100,804,677</u>
Ending net position	138,341,107	(56,070)	138,285,037

	School General Fund			
	As Reported 6/30/2022	School Grant Fund reclassification	Grant revenue adjustment	Restated 6/30/2022
Revenues and transfers in	163,506,545	(10,764,514)	(40,709)	152,701,322
Expenditures and transfers out	<u>162,411,582</u>	<u>(9,839,246)</u>	<u>-</u>	<u>152,572,336</u>
Change in fund balance	1,094,963	(925,268)	(40,709)	128,986
Beginning fund balance	<u>416,446</u>	<u>(400,725)</u>	<u>-</u>	<u>15,721</u>
Ending fund balance	1,511,409	(1,325,993)	(40,709)	144,707

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	School Grant Fund			
	As Reported 6/30/2022	School Grant Fund reclassification	Grant revenue adjustment	Restated 6/30/2022
Revenues and transfers in	-	10,764,514	(856,022)	9,908,492
Expenditures and transfers out	-	9,839,246	-	9,839,246
Change in fund balance	-	925,268	(856,022)	69,246
Beginning fund balance	-	400,725	-	400,725
Ending fund balance	-	1,325,993	(856,022)	469,971

	School Asset Replacement Fund		
	As Reported 6/30/2022	Grant revenue adjustment	Restated 6/30/2022
Revenues and transfers in	7,501,219	(91,679)	7,409,540
Expenditures and transfers out	7,089,237	-	7,089,237
Change in fund balance	411,982	(91,679)	320,303
Beginning fund balance	5,565,201	-	5,565,201
Ending fund balance	5,977,183	(91,679)	5,885,504

	School Board		
	As Reported 6/30/2022	Grant revenue adjustment	Restated 6/30/2022
Revenues and transfers in	174,084,583	(988,410)	173,096,173
Expenses and transfers out	164,297,399	-	164,297,399
Change in net position	9,787,184	(988,410)	8,798,774
Beginning net position	26,230,726	-	26,230,726
Ending net position	36,017,910	(988,410)	35,029,500

	Total Reporting Entity		
	As Reported 6/30/2022	Grant revenue adjustment	Restated 6/30/2022
Revenues and transfers in	430,100,634	(1,044,480)	429,056,154
Expenses and transfers out	399,791,396	-	399,791,396
Change in net position	30,309,238	(1,044,480)	29,264,758
Beginning net position	147,239,481	-	147,239,481
Ending net position	177,548,719	(1,044,480)	176,504,239

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits – Deposits with banks are covered by the Federal Depository Insurance Corporation (FDIC) and deposits, apart from deposits of the School Activity Funds, are collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and, depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

The Act provides for a pooling of collateral pledged with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for any one public depositor and public depositors are prohibited from holding collateral in their name as security for deposits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and notifying local governments of compliance by banks and savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool’s collateral is inadequate to cover the loss, additional amounts would be assessed on a pro rata basis to the members of the pool.

Funds deposited in accordance with the requirements of the Act are considered fully secured and thus are not categorized below.

The School Board’s School Activity funds are deposited in bank accounts at the discretion of each school principal and are not under the control and management of the Fauquier County Treasurer.

Authorized 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 other states not in default, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, bankers’ acceptances, repurchase agreements, the State Treasurer’s Local Government Investment Pool (LGIP), and the Virginia State Non-Arbitrage Program (SNAP). SNAP is an external investment pool and is not SEC-registered. Bond proceeds subject to arbitrage rebate are invested in the SNAP (See Note 1). Proceeds from Financing Agreements are held in escrow and invested in money market funds.

The County invests in an externally managed investment pool, the LGIP, which is not SEC-registered. Pursuant to Section 2.2-4605 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and regulatory oversight of the pools rests with the Virginia State Treasury. The LGIP reports to the Treasury Board at their regularly scheduled meetings and the fair value of the position in the LGIP is the same as the value of the pool shares.

Investments authorized by the LGIP are the same as those authorized for local governments in Section 2.2-4500 et seq. of the *Code of Virginia*.

Other postemployment benefits (OPEB) – The primary government’s OPEB trust fund and the School Board component unit’s OPEB trust fund, through an agreement with the county, participate in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and invested in the name of the Virginia Pooled OPEB Trust. The County shares in this pool are reported on the face of the OPEB trust fund statements as found in Exhibit 13 of this report. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy to achieve a compounded annualized total rate of return over a market cycle, including current income and capital appreciation, in excess of 7.5% after inflation, consistent with prudent risk-taking. Investment decisions for the funds’ assets are made by the Board of Trustees.

The Board of Trustees establishes investment objectives, risk tolerance, and asset allocation policies in light of market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments through the appointment and oversight of investment managers and ensures adherence

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

to the adopted policies and guidelines. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

The County and its discretely presented component units' investments are subject to interest rate, credit, concentration of credit, and custodial credit risk as described below.

Interest rate risk – As a means of limiting its exposure to fair value losses arising from decreasing interest rates, the County's investment policy for non-restricted pooled cash and investments states that no security shall have a maturity exceeding seven years. The weighted average maturity for the portfolio shall be less than 180 days. The County's investment policy for restricted accounts states that the securities will have a maximum maturity consistent with the nature of the restricted accounts.

The following reflects the fair value and the weighted average maturity (WAM) of the County's investments as of June 30, 2023. WAM expresses investment time horizons, the time when investments become due and payable, weighted to reflect the dollar size of the individual investments within an investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type. For purposes of the WAM calculation, the County assumes that all its investments will be held to maturity.

Fair value and weighted average maturity of investments at June 30, 2023:

	<u>Measurement Method</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>
Money Market/Money Market Mutual Funds:			
Pooled Investments:			
U.S. Government Agency Securities	Fair Value (Level 1)	\$ 2,005,625	4.0027
Demand deposit account	Amortized Cost	<u>88,055,681</u>	0.0027
Other Investments:			
Virginia State Non-Arbitrage Program (SNAP)			
Debt-Related - Restricted Account	Amortized Cost	15,966,496	0.0027
State Treasurer's Local Government Investment Pool (LGIP)	Amortized Cost	<u>74,972,343</u>	0.0027
 Total Investment		 \$ <u>181,000,145</u>	 0.0471

Credit risk – State statutes authorize the County to invest in various instruments as described above. The County's investment policy, however, does not provide for investments in obligations of other states and political subdivisions outside of the Commonwealth of Virginia. To minimize credit risk, the County's investment policy seeks to diversify its portfolio by limiting the percentage of the portfolio that may be invested in any one type of instrument. It is the County's policy to invest in time deposits and savings accounts in banks and savings and loan associations organized under the laws of Virginia approved for the deposit of other funds of the Commonwealth and of other political subdivisions doing business in and situated in the state. The Commonwealth's approved list is partially based on a rating of A-1 by Standard and Poor's and Aa by Moody's Investor Services. The County will only invest in money market or mutual funds with a rating of AAA or equivalent by at least two nationally recognized statistical rating organizations pursuant to County practice. In addition, the County's investment policy authorizes the purchase of "prime quality" commercial paper or "high quality" corporate notes of U.S. corporations having at least two of the following three ratings: A-1, P-1, and F-1, as rated by Standard & Poor's, Moody's and Fitch Investor's Service rating services; banker's acceptances that are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of AA or better; and tax exempt obligations of the state and its various local governments with a rating of A or less with insurance through MBIA or an equivalent company or issues rated A+ with or without insurance backing. The County's policy exempts investments in the SNAP in which the County invests pursuant to bond documents from this rating requirement.

Concentration of credit risk – The County places a limit on the amount it may invest with any one issuer as follows: 25% certificates of deposit and municipal securities; 35% commercial paper; 40% bankers' acceptances; 50% repurchase agreements; and up to 100% for state investment pools, US treasury bills and notes, and other U.S. Government agencies.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The County's ratings and policy limits as of June 30, 2023, are as follows:

Investment Type	Investment Policy Limit	Credit Quality (Rating)	Credit Exposure as a % of Total Investment
Money Market/Money Market Mutual Funds:			
U.S. Government Agency Securities	100%	AAA	1%
Demand deposit account	50%	AAA	16%
Other Investments:			
Virginia State Non-Arbitrage Program (SNAP)	100%	AAAm	16%
State Treasurer's Local Government Investment Pool (LGIP)	100%	AAAm	67%
			<u>100%</u>

Custodial credit risk – Custodial credit risk is the risk that in the event of the failure of the counter party, the County will not be able to recover the value or collateral securities that are in the possession of an outside party. However, the County's investment policy requires that all securities purchased by the County be properly and clearly labeled as an asset of Fauquier County and held in safekeeping by a third-party custodial bank or institution in compliance with Section 2.2-4514 of the *Code of Virginia*. Therefore, the County has no outside credit risk.

Restricted cash and investments, consisting of amounts for restricted donations, bond covenants, arbitrage rebate, grant funding and unspent debt proceeds, required to be used for capital projects are as follows:

Restricted cash and investments at June 30, 2023:

Primary Government

Governmental Activities:

General Fund:

Grant and contractual obligations	\$ 1,932,519
Restricted catastrophic fund	<u>48,373</u>
Total General Fund	<u>1,980,892</u>

Capital Projects Fund:

Debt proceeds	2,727,132
Restricted donations	54,165
Performance bonds	238,607
Revenue share projects	176,020
Grant funds	1,336,759
Retainage	<u>1,303,912</u>
Total Capital Projects Fund	<u>5,836,595</u>

American Rescue Plan Fund

Federal funds for American Rescue Plan response	<u>7,866,428</u>
Total American Rescue Plan Fund	<u>7,866,428</u>

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Other Governmental Funds:	
Social Services Board	\$ 43,521
Parks, Recreation, and Cultural donations	78,346
Library	417,137
Marshall Electric Light and Business Improvement District	131,352
Proffers	5,431,736
Stormwater Management	204,152
Vint Hill Community Enrichment	153,929
Vint Hill Transportation	350,714
Treasurer's E-Summons	213,103
Project Lifesaver	3,074
Working Together	43,445
Fire and Rescue USDA Debt Service	666,942
Opiod Abatement	367,950
Total Other Governmental Funds	8,105,401
Total Governmental Activities Restricted Cash and Investments	23,789,316
Business-Type Activities:	
Airport Fund:	
Restricted donations	60,277
Total Airport Fund	60,277
Landfill and Recycling Fund:	
Debt proceeds	10,581,002
Retainage	112,004
Total Landfill and Recycling Fund	10,693,005
Sewer Fund:	
Debt service reserve	355,140
Total Sewer Fund	355,140
Total Business-Type Activities Restricted Cash and Investments	11,108,422
Total Primary Government Restricted Cash and Investments	34,897,738
Component unit - School Board	
School General Fund:	
Grant funds	364,255
Total School General Fund	364,255
Total Component Unit - School Board	364,255
Total Restricted Cash and Investments	\$ 35,261,993

NOTE 3 – RECEIVABLES

Receivables at June 30, 2023 consist of the following:

Primary Government

	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	American Rescue Plan	Nonmajor Governmental Funds	Business-Type Activities - Enterprise Funds	Internal Service Funds	Total
Gross receivables:									
Property taxes	\$ 7,332,039	\$ -	\$ -	\$ 1,349,915	\$ -	\$ 48,675	\$ -	\$ -	\$ 8,730,629
Accounts	2,276,956	78,280	-	23,145	-	1,579,903	3,952,259	360,281	8,270,824
Gross receivables	9,608,995	78,280	-	1,373,060	-	1,628,578	3,952,259	360,281	17,001,453
Allowance for uncollectibles:									
Property taxes	(1,969,350)	-	-	(363,737)	-	(12,997)	-	-	(2,346,084)
Accounts	-	-	-	-	-	(225,024)	(1,673,400)	-	(1,898,424)
Total allowance for uncollectibles	(1,969,350)	-	-	(363,737)	-	(238,021)	(1,673,400)	-	(4,244,508)
Net receivables	7,639,645	78,280	-	1,009,323	-	1,390,557	2,278,859	360,281	12,756,945
Lease receivable	419,585	478,664	-	136,976	-	-	2,126,250	-	3,161,475
Investment in direct financing agreement	-	-	12,789,032	-	-	-	-	-	12,789,032
Due from other governmental units	4,633,805	169,813	-	359,499	83,795	13,725	520,742	-	5,781,379
Note receivable	-	525,383	-	-	-	-	-	-	525,383
Total receivables	\$ 12,693,035	\$ 1,252,140	\$ 12,789,032	\$ 1,505,798	\$ 83,795	\$ 1,404,282	\$ 4,925,851	\$ 360,281	\$ 35,014,214

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All funds also report unearned revenue in connection with resources that have been received, but not yet earned. Tax revenues received in advance of the due date are recorded as revenue advances. At the end of the current fiscal year, the various components of unavailable revenue, unearned revenue, and revenue advances of the primary government were as follows:

Receivables at June 30, 2023 consist of the following:

	Deferred inflow of resources				
	Unearned Revenue	Leases	Revenue Advances	Unavailable Revenue	Total Deferred Inflow of Resources
Governmental					
Tax revenue	\$ -	\$ -	\$ 1,256,086	\$ 4,822,726	\$ 6,078,812
Intergovernmental revenue	25,826	-	-	-	-
EMS ambulance billing revenue	-	-	-	493	493
Other revenue	7,621,650	-	-	-	-
Parks and recreation facility rentals	220,285	-	-	-	-
Investment in direct financing agreements	3,309,032	-	-	9,480,000	9,480,000
Note receivable	120,087	-	-	405,296	405,296
Opioid abatement settlement	-	-	-	1,066,903	1,066,903
Leases	-	1,023,538	-	-	1,023,538
Total governmental	11,296,880	1,023,538	1,256,086	15,775,418	18,055,042
Business-Type					
Airport hangar deposits	34,381	-	-	-	-
Airport leases	-	2,102,255	-	-	2,102,255
Sewer connection fee	1,343,697	-	-	-	-
Total business-type	1,378,078	2,102,255	-	-	2,102,255
Total	\$ 12,674,958	\$ 3,125,793	\$ 1,256,086	\$ 15,775,418	\$ 20,157,297

NOTE 3 – RECEIVABLES (CONTINUED)

A. Opioid abatement

In June 2022, Fauquier County adopted and joined the settlement allocation Memorandum of Understanding with the Commonwealth of Virginia's Office of the Attorney General for distribution of funds resulting from settlement of lawsuits against pharmaceutical companies for harm caused to states and localities by licit and illicit opioid use and distribution. The County is expected to receive settlement payments as follows:

Scheduled Settlement Payments	
Fiscal Year	Expected Payment
2024	\$ 64,722
2025	64,722
2026	74,657
2027	74,657
2028	86,056
Thereafter	702,089
Total	\$ 1,066,903

Settlement payments are recorded as deferred inflow of resources and will be recognized as inflows in the fiscal year received.

GOVERNMENTAL ACTIVITIES:**B. Lease receivable**

Fauquier County and the School Board enter various lessor arrangements with outside entities for rental of County owned property, including office space, infrastructure spaces for technology and communication. GASB Statement No 87, Leases requires lessors to measure and recognize lease receivables and deferred inflow of resources for these type agreements.

The following is a summary of lease receivables of the governmental activities for the year ended June 30, 2023:

	Balance as of			Balance as of	Amount Due
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Within One</u>
					<u>Year</u>
Lease Receivable:					
Buildings	\$ 1,665,805	\$ 48,264	\$ 773,004	\$ 941,065	\$ 343,473
Infrastructure	119,432	-	25,272	94,160	25,446
Total lease receivables	\$ <u>1,785,237</u>	\$ <u>48,264</u>	\$ <u>798,276</u>	\$ <u>1,035,225</u>	\$ <u>368,919</u>

The following shows the scheduled minimum payments due related to lessor lease agreements:

Scheduled Minimum Lease Payments at June 30, 2023			
Fiscal Year	Principal	Interest	Total
2024	\$ 368,919	\$ 12,080	\$ 380,999
2025	352,075	5,959	358,034
2026	112,817	2,560	115,377
2027	89,751	1,643	91,394
2028	35,938	1,065	37,003
2029-2033	75,725	1,374	77,099
Total	\$ 1,035,225	\$ 24,681	\$ 1,059,906

NOTE 3 – RECEIVABLES (CONTINUED)

Details of lease receivables are outlined below:

Lease receivables:	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, the County was under a lessor agreement to lease office space for a term of 120 months. The lease receivable at 07/01/2021 was \$242,658.18 and as of 06/30/2023, the value of the lease receivable is \$196,178.47. Payments are due monthly for \$2,141.65 and the lease has an interest rate of 1.1700%. The value of the deferred inflow of resources as of 06/30/2023 was \$194,126.54, and the County recognized lease revenue of \$24,265.82 during the fiscal year.	\$ 196,178	\$ 23,530
At 12/01/2021, the County was under a lessor agreement to lease office space for a term of 72 months. The lease receivable at 12/01/2021 was \$147,717.78 and as of 06/30/2023, the value of the lease receivable is \$111,824.19. Payments are due monthly for \$1,950.00 and the lease has an interest rate of 0.8037%. The value of the deferred inflow of resources as of 06/30/2023 was \$108,736.70, and the County recognized lease revenue of \$24,619.63 during the fiscal year. The lessee has 2 extension option(s), each for 24 months.	111,824	23,712
At 07/01/2021, the County was under a lessor agreement to lease office space for a term of 66 months. The lease receivable at 07/01/2021 was \$96,942.31 and as of 06/30/2023, the value of the lease receivable is \$63,903.25. Payments are due monthly for \$1,380.20 and the lease has an interest rate of 0.7033%. The value of the deferred inflow of resources as of 06/30/2023 was \$61,690.56, and the County recognized lease revenue of \$17,625.87 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.	63,904	17,441
At 07/01/2021, the County was under a lessor agreement to lease office space for a term of 66 months. The lease receivable at 07/01/2021 was \$21,467.96 and as of 06/30/2023, the value of the lease receivable is \$14,124.76. Payments are due monthly for \$309.00 and the lease has an interest rate of 0.7033%. The value of the deferred inflow of resources as of 06/30/2023 was \$13,661.43, and the County recognized lease revenue of \$3,903.27 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.	14,125	3,876
At 05/01/2022, the County was under a lessor agreement to lease office space for a term of 42 months. The lease receivable at 05/01/2022 was \$30,401.50 and as of 06/30/2023, the value of the lease receivable is \$20,478.14. Payments are due monthly for \$750.00 and the lease has an interest rate of 2.0927%. The value of the deferred inflow of resources as of 06/30/2023 was \$20,267.67, and the County recognized lease revenue of \$8,686.14 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.	20,478	8,654
At 05/16/2022, the County was under a lessor agreement to lease office space for a term of 36 months. The lease receivable at 05/16/2022 was \$728,413.56 and as of 06/30/2023, the value of the lease receivable is \$478,663.82. Payments are due for \$0.00 and the lease has an interest rate of 2.0147%. The value of the deferred inflow of resources as of 06/30/2023 was \$481,237.60, and the County recognized lease revenue of \$248,577.66 during the fiscal year. The lessee has 4 extension option(s), each for 6 months.	478,664	247,433
At 07/01/2021, the County was under a lessor agreement to telecommunications tower space for a term of 70 months. The lease receivable at 07/01/2021 was \$55,992.16 and as of 06/30/2023, the value of the lease receivable is \$42,816.01. Payments are due monthly for \$851.22 and the lease has an interest rate of 0.8330%. The value of the deferred inflow of resources as of 06/30/2023 was \$36,958.00, and the County recognized lease revenue of \$9,517.08 during the fiscal year.	42,816	10,574

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
At 03/01/2022, the County was under a lessor agreement to lease telecommunications tower space for a term of 60 months. The lease receivable at 03/01/2022 was \$127,890.34 and as of 06/30/2023, the value of the lease receivable is \$94,160.05. Payments are due monthly for \$2,167.64 and the lease has an interest rate of 0.6860%. The value of the deferred inflow of resources as of 06/30/2023 was \$93,786.25, and the County recognized lease revenue of \$25,578.07 during the fiscal year.	94,160	25,446
On 02/01/2023, Fauquier County, VA entered into a 24 month lease as Lessor for the use of Fauquier Enterprise Center Unit #104. An initial lease receivable was recorded in the amount of \$16,512.42. As of 06/30/2023, the value of the lease receivable is \$13,076.22. The lessee is required to make monthly fixed payments of \$689.59. The lease has an interest rate of 0.2383%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$13,072.33, and Fauquier County, VA recognized lease revenue of \$3,440.09 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.	13,076	8,253
Total lease receivable	\$ 1,035,225	\$ 368,919

C. Investment in direct financing agreements

The County has investments in direct financing agreements, consisting of financing arrangements with three volunteer fire and rescue companies operating within the County. Under the terms of these financing arrangements, the County obtained leasehold interests in specific property of the volunteer fire and rescue companies and used those leasehold interests as collateral to obtain debt-financing from the Virginia Resources Authority (VRA). The County used the proceeds from the VRA financings to either refund certain debts incurred during renovation projects for the improvement of volunteer fire and rescue stations, or to reimburse a volunteer fire and rescue company for capital expenses related to the construction of a new fire station. In separate-but-related agreements, the County subleased the original leasehold interests and any existing and future improvements back to the volunteer fire and rescue companies; the subleases contain a clause which transfers title of the properties, as well as any existing and future improvements to the properties, back to the volunteer fire and rescue companies at the time the debts are fully extinguished.

The following shows the net investment in direct financing agreements:

Note and Interest Receivable at June 30, 2023				
	Orlean	Catlett	Remington	Total
Total minimum payments to be received	\$ 5,286,459	\$ 4,258,141	\$ 3,244,432	\$ 12,789,032
Less: Unearned revenue	1,391,459	1,088,141	829,432	3,309,032
Net investment in direct financing agreements	\$ 3,895,000	\$ 3,170,000	\$ 2,415,000	\$ 9,480,000

NOTE 3 – RECEIVABLES (CONTINUED)

The following shows the scheduled minimum payments due related to the direct financing agreements:

Scheduled Minimum Payments at June 30, 2023			
Fiscal Year	Principal	Interest	Total
2024	\$ 390,000	\$ 382,806	\$ 772,806
2025	405,000	362,434	767,434
2026	430,000	341,038	771,038
2027	450,000	318,488	768,488
2028	480,000	294,656	774,656
Thereafter	7,325,000	1,609,610	8,934,610
Total	\$ 9,480,000	\$ 3,309,032	\$ 12,789,032

D. Note receivable

On May 22, 2020, the County issued a note to Rappahannock–Rapidan Community Service Board (RRCSB) in association with the County’s purchase of the North Hill Building, which will be used by both the County and the RRCSB. The note requires payments of principal and interest at a rate of 3.2% and is to be paid monthly beginning July 1, 2020 and continuing monthly thereafter until June 1, 2040. Payment in whole or in part at any time is without any penalty.

The following shows the note and interest receivable, unearned revenue with respect to the interest and the unavailable revenue as of June 30, 2023:

Note and Interest Receivable at June 30, 2023		RRCSB
Total principal and interest to be received	\$	525,383
Less: Unearned revenue		<u>120,087</u>
Net note and interest receivable	\$	<u><u>405,296</u></u>

The following shows the scheduled minimum note receivable payments due related to the note receivable:

Scheduled Minimum Note Receivable Payments at June 30, 2023			
Fiscal Year	Principal	Interest	Total
2024	\$ 16,802	\$ 11,666	\$ 28,468
2025	18,900	12,156	31,056
2026	19,514	11,542	31,056
2027	20,147	10,909	31,056
2028	20,801	10,255	31,056
Thereafter	309,132	63,559	372,691
Total	\$ 405,296	\$ 120,087	\$ 525,383

E. Contingency gain

During fiscal year 2020, the County entered into various security interest agreements with a third party to secure payments in the amount of \$2,386,000 to the third party for the installation of telecommunication equipment to provide Broadband Services to County residents. The County received a security interest in the property installed on various towers throughout the County, with events of default outlined in the agreements. Upon default, the County may declare the obligations immediately due and payable.

NOTE 3 – RECEIVABLES (CONTINUED)

In fiscal year 2022, the County and a third party were in a dispute regarding a Memorandum of Understanding between the parties with regards to the provision of broadband services, for which litigation is pending. Outcome of the collection of \$2,386,000 owed to the county as outlined in the security interest agreements is contingent upon the resolution of the ongoing litigation.

BUSINESS-TYPE ACTIVITIES

The Warrenton-Fauquier Airport enters various lessor arrangements with outside entities for rental of hangars, tie down space for aircrafts, and for office and building space at the Airport.

The following is a summary of lease receivables of the business-type activities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Lease Receivable:					
Land	\$ 664,544	\$ 38,130	\$ 64,915	\$ 637,759	\$ 68,214
Buildings	<u>218,696</u>	<u>1,438,454</u>	<u>168,659</u>	<u>1,488,491</u>	<u>170,480</u>
Total Lease Receivable	<u>\$ 883,240</u>	<u>\$ 1,476,584</u>	<u>\$ 233,574</u>	<u>\$ 2,126,250</u>	<u>\$ 238,694</u>

The following shows the scheduled minimum payments due related to lessor lease agreements:

Scheduled Minimum Lease Payments at June 30, 2023			
Fiscal Year	Principal	Interest	Total
2024	\$ 238,694	\$ 45,709	\$ 284,403
2025	239,399	40,768	280,167
2026	227,451	35,821	263,272
2027	228,485	30,819	259,304
2028	218,137	25,758	243,895
2029-2033	925,216	51,503	976,719
2034-2035	48,868	529	49,397
Total	\$ 2,126,250	\$ 230,907	\$ 2,357,157

NOTE 3 – RECEIVABLES (CONTINUED)

Details of lease receivables are outlined below:

Lease receivables:	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 156 months. The lease receivable at 07/01/2021 was \$202,987.44 and as of 06/30/2023, the value of the lease receivable is \$174,795.88. Payments are due monthly for \$1,212.82 and the lease has an interest rate of 1.2923%. The value of the deferred inflow of resources as of 06/30/2023 was \$171,944.33, and the Warrenton-Fauquier Airport recognized lease revenue of \$15,521.55 during the fiscal year.	\$ 174,796	\$ 14,764
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 69 months. The lease receivable at 07/01/2021 was \$97,832.01 and as of 06/30/2023, the value of the lease receivable is \$64,702.72. The lease has an interest rate of 0.7033%. The value of the deferred inflow of resources as of 06/30/2023 was \$64,032.08, and the Warrenton-Fauquier Airport recognized lease revenue of \$16,899.96 during the fiscal year.	64,703	16,711
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 137 months. The lease receivable at 07/01/2021 was \$209,147.52 and as of 06/30/2023, the value of the lease receivable is \$211,381.94. The lease has an interest rate of 1.2173%. The value of the deferred inflow of resources as of 06/30/2023 was \$209,650.97, and the Warrenton-Fauquier Airport recognized lease revenue of \$19,305.57 during the fiscal year.	211,382	21,315
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 166 months. The lease receivable at 07/01/2021 was \$213,173.52 and as of 06/30/2023, the value of the lease receivable is \$185,371.52. Payments are due monthly for \$1,212.82 and the lease has an interest rate of 1.3270%. The value of the deferred inflow of resources as of 06/30/2023 was \$182,353.25, and the Warrenton-Fauquier Airport recognized lease revenue of \$15,410.13 during the fiscal year.	185,372	14,563
At 01/01/2022, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 48 months. The lease receivable at 01/01/2022 was \$7,153.68 and as of 06/30/2023, the value of the lease receivable is \$4,480.87. Payments are due monthly for \$150.00 and the lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of 06/30/2023 was \$4,471.05, and the Warrenton-Fauquier Airport recognized lease revenue of \$1,788.42 during the fiscal year.	4,481	1,788
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 82 months. The lease receivable at 07/01/2021 was \$21,231.75 and as of 06/30/2023, the value of the lease receivable is \$15,096.77. Payments are due monthly for \$264.00 and the lease has an interest rate of 0.5773%. The value of the deferred inflow of resources as of 06/30/2023 was \$15,017.58, and the Warrenton-Fauquier Airport recognized lease revenue of \$3,107.08 during the fiscal year.	15,097	3,089

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
At 09/25/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease airplane tie down space for a term of 48 months. The lease receivable at 09/25/2021 was \$3,455.59 and as of 06/30/2023, the value of the lease receivable is \$1,939.07. Payments are due monthly for \$72.00 and the lease has an interest rate of 0.2177%. The value of the deferred inflow of resources as of 06/30/2023 was \$1,935.70, and the Warrenton-Fauquier Airport recognized lease revenue of \$860.31 during the fiscal year.	\$ 1,939	\$ 861
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 81 months. The lease receivable at 07/01/2021 was \$24,931.22 and as of 06/30/2023, the value of the lease receivable is \$17,727.25. Payments are due monthly for \$310.00 and the lease has an interest rate of 0.5773%. The value of the deferred inflow of resources as of 06/30/2023 was \$17,565.41, and the Warrenton-Fauquier Airport recognized lease revenue of \$3,682.90 during the fiscal year.	17,727	3,627
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease t-hangar space for a term of 46 months. The lease receivable at 07/01/2021 was \$14,201.97 and as of 06/30/2023, the value of the lease receivable is \$6,805.80. Payments are due monthly for \$310.00 and the lease has an interest rate of 0.2177%. The value of the deferred inflow of resources as of 06/30/2023 was \$6,792.24, and the Warrenton-Fauquier Airport recognized lease revenue of \$3,704.86 during the fiscal year.	6,806	3,709
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease airplane tie-down space for a term of 45 months. The lease receivable at 07/01/2021 was \$3,213.01 and as of 06/30/2023, the value of the lease receivable is \$1,505.68. Payments are due monthly for \$72.00 and the lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of 06/30/2023 was \$1,499.41, and the Warrenton-Fauquier Airport recognized lease revenue of \$856.80 during the fiscal year.	1,506	859
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease office space for a term of 45 months. The lease receivable at 07/01/2021 was \$40,162.65 and as of 06/30/2023, the value of the lease receivable is \$18,821.07. Payments are due monthly for \$900.00 and the lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of 06/30/2023 was \$18,742.57, and the Warrenton-Fauquier Airport recognized lease revenue of \$10,710.04 during the fiscal year.	18,821	10,735
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease office space for a term of 110 months. The lease receivable at 07/01/2021 was \$136,706.21 and as of 06/30/2023, the value of the lease receivable is \$107,324.94. Payments are due monthly for \$1,268.75 and the lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of 06/30/2023 was \$106,879.40, and the Warrenton-Fauquier Airport recognized lease revenue of \$14,913.40 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.	107,325	14,765

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 401. An initial lease receivable was recorded in the amount of \$34,899.47. As of 06/30/2023, the value of the lease receivable is \$31,772.99. The lessee is required to make monthly fixed payments of \$335.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$31,409.52, and Fauquier County, VA recognized lease revenue of \$3,489.95 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 31,773	\$ 3,132
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 408. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 63. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 64. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272
On 07/01/2022, Fauquier County, VA entered into a 119 month lease as lessor for the use of Tie Down T03 - T04 - T05 - T06. An initial lease receivable was recorded in the amount of \$29,787.60. As of 06/30/2023, the value of the lease receivable is \$27,093.91. The lessee is required to make monthly fixed payments of \$288.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$26,783.81, and Fauquier County, VA recognized lease revenue of \$3,003.79 during the fiscal year. The lessee has 9 extension option(s), each for 12 months. The lessee had a termination period of 1 month as of the lease commencement.	27,094	2,698

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Tie Down C21. An initial lease receivable was recorded in the amount of \$7,500.78. As of 06/30/2023, the value of the lease receivable is \$6,828.82. The lessee is required to make monthly fixed payments of \$72.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$6,750.70, and Fauquier County, VA recognized lease revenue of \$750.08 during the fiscal year. The lessee has 9 extension option(s), each for 12 months. The lessee had a termination period of 1 month as of the lease commencement.	\$ 6,829	\$ 673
On 03/01/2023, Fauquier County, VA entered into a 120 month lease as lessor for the use of Tie Down N23. An initial lease receivable was recorded in the amount of \$7,285.73. As of 06/30/2023, the value of the lease receivable is \$7,061.27. The lessee is required to make monthly fixed payments of \$72.00. The lease has an interest rate of 3.5490%. The value of the deferred inflow of resources as of 06/30/2023 was \$7,042.87, and Fauquier County, VA recognized lease revenue of \$242.86 during the fiscal year. The lessee has 9 extension option(s), each for 12 months. The lessee had a termination period of 1 month as of the lease commencement.	7,061	623
On 02/01/2023, Fauquier County, VA entered into a 120 month lease as lessor for the use of Hanger 101-1. An initial lease receivable was recorded in the amount of \$7,285.73. As of 06/30/2023, the value of the lease receivable is \$7,010.15. The lessee is required to make monthly fixed payments of \$72.00. The lease has an interest rate of 3.5490%. The value of the deferred inflow of resources as of 06/30/2023 was \$6,982.16, and Fauquier County, VA recognized lease revenue of \$303.57 during the fiscal year. The lessee has 9 extension option(s), each for 12 months. The lessee had a termination period of 1 month as of the lease commencement.	7,010	625
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Hanger 208. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee has 9 extension option(s), each for 12 months. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 309. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702

NOTE 3 – RECEIVABLES (CONTINUED)

	Amount Outstanding	Amount Due Within One Year
Lease receivables: (continued)		
On 01/01/2023, Fauquier County, VA entered into a 120 month lease as lessor for the use of Tie Down N21. An initial lease receivable was recorded in the amount of \$7,253.98. As of 06/30/2023, the value of the lease receivable is \$6,929.46. The lessee is required to make monthly fixed payments of \$72.00. The lease has an interest rate of 3.6430%. The value of the deferred inflow of resources as of 06/30/2023 was \$6,891.28, and Fauquier County, VA recognized lease revenue of \$362.70 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 6,929	\$ 622
On 11/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Soft Sided Hanger AUR5. An initial lease receivable was recorded in the amount of \$15,178.61. As of 06/30/2023, the value of the lease receivable is \$14,283.15. The lessee is required to make monthly fixed payments of \$150.00. The lease has an interest rate of 3.5490%. The value of the deferred inflow of resources as of 06/30/2023 was \$14,166.70, and Fauquier County, VA recognized lease revenue of \$1,011.91 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	14,283	1,314
On 01/01/2023, Fauquier County, VA entered into a 120 month lease as lessor for the use of Tie Down N20. An initial lease receivable was recorded in the amount of \$7,253.98. As of 06/30/2023, the value of the lease receivable is \$6,929.46. The lessee is required to make monthly fixed payments of \$72.00. The lease has an interest rate of 3.6430%. The value of the deferred inflow of resources as of 06/30/2023 was \$6,891.28, and Fauquier County, VA recognized lease revenue of \$362.70 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	6,929	622
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Soft Sided Hanger AUR4. An initial lease receivable was recorded in the amount of \$15,626.63. As of 06/30/2023, the value of the lease receivable is \$14,226.71. The lessee is required to make monthly fixed payments of \$150.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$14,063.96, and Fauquier County, VA recognized lease revenue of \$1,562.66 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	14,227	1,402
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 206. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 301. An initial lease receivable was recorded in the amount of \$34,899.47. As of 06/30/2023, the value of the lease receivable is \$31,772.99. The lessee is required to make monthly fixed payments of \$335.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$31,409.52, and Fauquier County, VA recognized lease revenue of \$3,489.95 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 31,773	\$ 3,132
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 303. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 304. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 308. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 305. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 409. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 27,410	\$ 2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 410. An initial lease receivable was recorded in the amount of \$34,899.47. As of 06/30/2023, the value of the lease receivable is \$31,772.99. The lessee is required to make monthly fixed payments of \$335.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$31,409.52, and Fauquier County, VA recognized lease revenue of \$3,489.95 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	31,773	3,132
On 11/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 402. An initial lease receivable was recorded in the amount of \$29,244.12. As of 06/30/2023, the value of the lease receivable is \$27,518.87. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 3.5490%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,294.51, and Fauquier County, VA recognized lease revenue of \$1,949.61 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,519	2,532
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 68. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 69. An initial lease receivable was recorded in the amount of \$36,144.97. As of 06/30/2023, the value of the lease receivable is \$33,464.02. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,560.34, and Fauquier County, VA recognized lease revenue of \$3,584.62 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,464	3,264

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 05/01/2023, Fauquier County, VA entered into a 24 month lease as lessor for the use of 5075 Key West Trading. An initial lease receivable was recorded in the amount of \$8,147.49. As of 06/30/2023, the value of the lease receivable is \$7,468.33. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 3.2070%. The value of the deferred inflow of resources as of 06/30/2023 was \$7,468.53, and Fauquier County, VA recognized lease revenue of \$678.96 during the fiscal year.	\$ 7,468	\$ 4,019
On 01/01/2023, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 62. An initial lease receivable was recorded in the amount of \$35,470.37. As of 06/30/2023, the value of the lease receivable is \$34,077.21. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 3.5490%. The value of the deferred inflow of resources as of 06/30/2023 was \$33,711.51, and Fauquier County, VA recognized lease revenue of \$1,758.86 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	34,077	3,040
On 02/01/2023, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 102. An initial lease receivable was recorded in the amount of \$29,244.12. As of 06/30/2023, the value of the lease receivable is \$28,138.04. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 3.5490%. The value of the deferred inflow of resources as of 06/30/2023 was \$28,025.61, and Fauquier County, VA recognized lease revenue of \$1,218.50 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	28,138	2,510
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 103. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 104. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 105. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 27,410	\$ 2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 106. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 107 - 117. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 67. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 202. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 204. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 27,410	\$ 2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 207. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 210. An initial lease receivable was recorded in the amount of \$34,899.47. As of 06/30/2023, the value of the lease receivable is \$31,772.99. The lessee is required to make monthly fixed payments of \$335.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$31,409.52, and Fauquier County, VA recognized lease revenue of \$3,489.95 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	31,773	3,132
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 302. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 307. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702

NOTE 3 – RECEIVABLES (CONTINUED)

Lease receivables: (continued)	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 66. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 33,196	\$ 3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 403. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 405. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of T-Hanger 406. An initial lease receivable was recorded in the amount of \$30,107.30. As of 06/30/2023, the value of the lease receivable is \$27,410.13. The lessee is required to make monthly fixed payments of \$289.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,096.57, and Fauquier County, VA recognized lease revenue of \$3,010.73 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	27,410	2,702
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 70. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272

NOTE 3 – RECEIVABLES (CONTINUED)

	Amount Outstanding	Amount Due Within One Year
Lease receivables: (continued)		
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 60. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	\$ 33,196	\$ 3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 65. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 73. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 71. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,196	3,272
On 07/01/2022, Fauquier County, VA entered into a 120 month lease as lessor for the use of Condo 72. An initial lease receivable was recorded in the amount of \$36,462.13. As of 06/30/2023, the value of the lease receivable is \$33,195.64. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 06/30/2023 was \$32,815.92, and Fauquier County, VA recognized lease revenue of \$3,646.21 during the fiscal year. The lessee had a termination period of 1 month as of the lease commencement.	33,195	3,272
Total receivables	\$ 2,126,250	\$ 238,694

NOTE 3 – RECEIVABLES (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNITS

	Economic Development Authority	School Board						Total
		School General Fund	School Asset Replacement Fund	School Grant Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	
Accounts	\$ -	\$ 71,683	\$ 7,487	\$ 59,479	\$ 426	\$ 1,111	\$ 26,027	\$ 166,213
Loans	29,715	-	-	-	-	-	-	29,715
Due from other funds	-	18,848	1,494,590	-	-	-	-	1,513,438
Due from other governmental units	-	<u>2,564,862</u>	<u>828,478</u>	<u>2,393,745</u>	-	<u>278,503</u>	-	<u>6,065,588</u>
Net receivables	\$ <u>29,715</u>	\$ <u>2,655,393</u>	\$ <u>2,330,555</u>	\$ <u>2,453,224</u>	\$ <u>426</u>	\$ <u>279,614</u>	\$ <u>26,027</u>	\$ <u>7,745,239</u>

The Economic Development Authority administers a microloan program for the purposes of making low interest, short term loans to businesses in the County to assist with startup and business initiatives, and to foster economic development within the County. This program was established with funding support from the Economic Development Authority along with five local banks.

The School Board's receivables are all short-term. They are considered fully collectible and therefore an allowance for uncollectible accounts is not applicable to those receivables.

At the end of the current fiscal year, the various components of unearned revenue reported by component units were as follows:

	Unearned Revenue
School General Fund	\$ 364,255
School Nutrition Fund	<u>116,193</u>
Total	\$ <u>480,448</u>

NOTE 4 – INTERFUND AND INTER-ENTITY RECEIVABLES AND PAYABLES

The following is a summary of interfund obligations as of June 30, 2023:

Current:

Due to / from other funds

Component Units

Receivable Fund	Payable Fund	Amount
School General Fund	School Activity Fund	\$ 18,848
School Asset Replacement Fund	School Grants Fund	<u>1,494,590</u>
Total		\$ <u>1,513,438</u>

Interfund receivables and payables are recorded when funds overdraw their share of pooled cash. All amounts are considered short term receivables of the General Fund. Interfund receivables and payables are reported as internal balances on Exhibit 1.

NOTE 5 – INTERFUND TRANSFERS

The primary purpose of interfund transfers is to (1) move revenue from the fund that statute or budget requires to collect it to the fund that statute or budget requires to expend it and (2) use unassigned revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

Routine transfers between County funds include:

- Transfers from the General Fund to the Capital Projects Fund to fund projects approved by the Board of Supervisors and to fund capital reserve.
- Transfers from the General Fund to the Debt Service Fund to fund the cost of debt service each fiscal year.
- Transfers from the General Fund to the Enterprise Funds to fund operational costs in the Landfill and Recycling Fund.
- Transfers from the Fire and Rescue Fund to the Debt Service Fund to fund the cost of debt service related to fire station projects in each fiscal year.
- Transfers from the Ambulance Recovery Fund to the Fire and Rescue Fund to fund the cost of fire personnel operating ambulance transports.

Routine transfers between School Board funds include transfers from the School General Fund to the Asset Replacement Fund to cover the cost of projects as approved by the School Board.

During the fiscal year ending June 30, 2023, the following significant and non-routine transfers were made between County funds:

- Transfer from the Fire and Rescue Fund to the Capital Projects Fund to fund fire related projects for which costs were incurred in the Capital Projects Fund.
- Transfer from the American Rescue Plan Fund to the Capital Projects Fund to support the Marshall Streetscape project being funded with American Rescue Plan funds.
- Transfer from the Debt Service Fund to the Enterprise Funds to fund the cost of debt service for debt related to the Catlett Calverton Sewer Project.
- Transfer from the Internal Service Funds to the Capital Projects Fund for costs related to the Employee Health Cottage project for which costs for the project were incurred in the Capital Project Fund.

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Primary Government	Transfers in:								
	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	American Rescue Plan Fund	Other Governmental Funds	Enterprise Funds	Internal Service Funds	Total
Transfers out:									
General Fund	\$ -	\$ 21,151,717	\$ 11,653,731	\$ 1,267,524	\$ -	\$ 14,329	\$ 7,253,229	\$ 39,734	\$ 41,380,264
Capital Projects Fund	70,247	-	-	-	-	-	117,000	-	187,247
Debt Service Fund	-	-	-	-	-	-	355,140	-	355,140
Fire and Rescue Fund	-	622,825	772,282	-	-	490,097	-	-	1,885,204
American Rescue Plan Fund	-	100,000	-	-	-	-	-	-	100,000
Other Governmental Funds	359,751	-	-	1,056,927	67,516	-	-	-	1,484,194
Enterprise Funds	-	82,511	-	-	-	-	-	-	82,511
Internal Service Funds	10,500	1,076,250	-	-	-	-	-	-	1,086,750
Total	\$ 440,498	\$ 23,033,303	\$ 12,426,013	\$ 2,324,451	\$ 67,516	\$ 504,426	\$ 7,725,369	\$ 39,734	\$ 46,561,310

NOTE 5 – INTERFUND TRANSFERS (CONTINUED)

Component Units	Transfers in:					
	School General Fund	School Asset Replacement Fund	School Grant Fund	School Textbook Fund	School Activity Fund	Total
Transfers out:						
School General Fund	\$ -	\$ 1,804,235	\$ 176,160	\$ 819,588	\$ 14,499	\$ 2,814,482
School Asset Replacement Fund	327,467	-	31,000	-	-	358,467
School Activity Fund	532,766	-	-	-	-	532,766
Total	\$ <u>860,233</u>	\$ <u>1,804,235</u>	\$ <u>207,160</u>	\$ <u>819,588</u>	\$ <u>14,499</u>	\$ <u>3,705,715</u>

NOTE 6 – DUE FROM OTHER GOVERNMENTAL UNITS

The following is a summary of amounts due from other governmental units at June 30, 2023:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	\$ 2,408,229	\$ -
State sales tax	-	2,564,862
Shared expenses	496,982	-
Comprehensive services	633,926	-
Miscellaneous grants	790,214	476,467
Airport grants	349,857	-
Federal Government:		
School fund grants	-	3,024,259
Airport grants	170,885	-
Other federal grants	917,561	-
Total	\$ <u>5,767,654</u>	\$ <u>6,065,588</u>

Amounts reported in Receivables (Note 3) will not match this note by \$13,725 due to funds from a prior year deemed uncollectible and written off.

NOTE 7 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

	Balance June 30, 2022*	Additions	Deletions	Transfers	Balance June 30, 2023
Primary government – governmental activities					
Capital assets (non-depreciable/non-amortizable):					
Land	\$ 23,755,885	\$ -	\$ (3,424,804)	\$ -	\$ 20,331,081
Construction in progress	15,431,022	16,128,378	-	(495,724)	31,063,676
Intangible assets	853,884	-	-	-	853,884
Total capital assets (non-depreciable/non-amortizable)	40,040,791	16,128,378	(3,424,804)	(495,724)	52,248,641
Other capital assets:					
Buildings and improvements	63,478,336	24,755	-	208,672	63,711,763
Infrastructure	32,362,017	-	-	-	32,362,017
Machinery and equipment	34,916,646	1,866,570	(575,612)	122,252	36,329,856
Intangible assets	1,460,946	-	-	-	1,460,946
Total other capital assets	132,217,945	1,891,325	(575,612)	330,924	133,864,582
Less accumulated depreciation/amortization for:					
Buildings and improvements	(29,509,998)	(1,811,011)	-	-	(31,321,009)
Infrastructure	(14,288,082)	(1,048,266)	-	-	(15,336,348)
Machinery and equipment	(20,500,179)	(2,647,950)	575,612	-	(22,572,517)
Intangible assets	(1,387,674)	(48,838)	-	-	(1,436,512)
Total accumulated depreciation/amortization	(65,685,933)	(5,556,065)	575,612	-	(70,666,386)
Total other capital assets, net	66,532,012	(3,664,740)	-	330,924	63,198,196
Intangible right-to-use assets:					
Lease buildings and improvements	1,212,818	196,937	(81,267)	-	1,328,488
Lease infrastructure	109,625	-	-	-	109,625
Lease machinery and equipment	360,709	132,741	(50,121)	-	443,329
Subscription assets	1,677,551	240,945	-	-	1,918,496
Total intangible right-to-use assets	3,360,703	570,623	(131,388)	-	3,799,938
Less accumulated amortization for:					
Lease buildings and improvements	(276,419)	(283,953)	24,149	-	(536,223)
Lease infrastructure	(20,835)	(20,835)	-	-	(41,670)
Lease machinery and equipment	(114,846)	(137,977)	37,410	-	(215,413)
Subscription assets	-	(573,147)	-	-	(573,147)
Total accumulated amortization	(412,100)	(1,015,912)	61,559	-	(1,366,453)
Total intangible right-to-use assets, net	2,948,603	(445,289)	(69,829)	-	2,433,485
Total capital assets (depreciable/amortizable), net	69,480,615	(4,110,029)	(69,829)	330,924	65,631,681
Governmental activities capital assets, net	109,521,406	12,018,349	(3,494,633)	(164,800)	117,880,322
Primary government – business-type activities					
Airport Fund:					
Capital assets (non-depreciable/non-amortizable):					
Land	6,612,678	-	-	-	6,612,678
Construction in progress	3,814,935	38,217	(4,853)	(3,832,292)	16,007
Intangible assets	228,836	-	-	-	228,836
Total capital assets (non-depreciable/non-amortizable)	10,656,449	38,217	(4,853)	(3,832,292)	6,857,521
Other capital assets:					
Buildings and improvements	8,003,725	-	(70,000)	-	7,933,725
Infrastructure	18,603,008	-	-	3,832,292	22,435,300
Machinery and equipment	487,313	23,589	-	-	510,902
Total other capital assets	27,094,046	23,589	(70,000)	3,832,292	30,879,927
Less accumulated depreciation/amortization for:					
Buildings and improvements	(2,115,435)	(396,151)	70,000	-	(2,441,586)
Infrastructure	(10,934,792)	(410,788)	-	-	(11,345,580)
Machinery and equipment	(414,416)	(14,189)	-	-	(428,605)
Total accumulated depreciation/amortization	(13,464,643)	(821,128)	70,000	-	(14,215,771)
Total other capital assets, net	13,629,403	(797,539)	-	3,832,292	16,664,156

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2022*	Additions	Deletions	Transfers	Balance June 30, 2023
Primary government – business-type activities (continued)					
Airport Fund: (continued)					
Intangible right-to-use assets:					
Lease machinery and equipment	\$ 60,078	\$ -	\$ -	\$ -	\$ 60,078
Total intangible right-to-use assets	60,078	-	-	-	60,078
Less accumulated amortization for:					
Lease machinery and equipment	(12,961)	(13,903)	-	-	(26,864)
Total accumulated depreciation/amortization	(12,961)	(13,903)	-	-	(26,864)
Total intangible right-to-use assets, net	47,117	(13,903)	-	-	33,214
Total capital assets (depreciable/amortizable), net	13,676,520	(811,442)	-	3,832,292	16,697,370
Airport Fund capital assets, net	24,332,969	(773,225)	(4,853)	-	23,554,891
Landfill and Recycling Fund:					
Capital assets (non-depreciable/non-amortizable):					
Landfill site	1,446,449	-	-	-	1,446,449
Construction in progress	3,081,941	3,189,814	-	-	6,271,755
Total capital assets (non-depreciable/non-amortizable)	4,528,390	3,189,814	-	-	7,718,204
Other capital assets:					
Buildings and improvements	21,741,354	-	-	-	21,741,354
Infrastructure	854,306	-	-	-	854,306
Machinery and equipment	3,308,261	-	(391,198)	-	2,917,063
Total other capital assets	25,903,921	-	(391,198)	-	25,512,723
Less accumulated depreciation/amortization for:					
Buildings and improvements	(12,967,983)	(725,877)	-	-	(13,693,860)
Infrastructure	(854,306)	-	-	-	(854,306)
Machinery and equipment	(2,217,783)	(114,936)	374,856	-	(1,957,863)
Total accumulated depreciation/amortization	(16,040,072)	(840,813)	374,856	-	(16,506,029)
Total other capital assets, net	9,863,849	(840,813)	(16,342)	-	9,006,694
Intangible right-to-use assets:					
Lease land	131,548	93,802	-	-	225,350
Lease machinery and equipment	6,029	-	-	-	6,029
Total intangible right-to-use assets	137,577	93,802	-	-	231,379
Less accumulated amortization for:					
Lease land	(28,856)	(41,365)	-	-	(70,221)
Lease machinery and equipment	(2,634)	(2,633)	-	-	(5,267)
Total accumulated amortization	(31,490)	(43,998)	-	-	(75,488)
Total intangible right-to-use assets, net	106,087	49,804	-	-	155,891
Total capital assets (depreciable/amortizable), net	9,969,936	(791,009)	(16,342)	-	9,162,585
Landfill and Recycling Fund capital assets, net	14,498,326	2,398,805	(16,342)	-	16,880,789
Sewer Fund:					
Capital assets (non-depreciable/non-amortizable)					
Land	557,540	-	-	-	557,540
Construction in progress	10,551,036	164,800	(10,708,200)	-	7,636
Total capital assets (non-depreciable/non-amortizable)	11,108,576	164,800	(10,708,200)	-	565,176
Other capital assets:					
Infrastructure	-	10,708,200	-	-	10,708,200
Total other capital assets, net	-	10,708,200	-	-	10,708,200
Less accumulated depreciation/amortization for:					
Infrastructure	-	(118,980)	-	-	(118,980)
Total accumulated depreciation/amortization	-	(118,980)	-	-	(118,980)
Total capital assets (depreciable/amortizable), net	-	10,589,220	-	-	10,589,220
Sewer Fund capital assets, net	11,108,576	10,754,020	(10,708,200)	-	11,154,396
Total business-type activities capital assets, net	49,939,871	12,379,600	(10,729,395)	-	51,590,076

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2022*	Additions	Deletions	Transfers	Balance June 30, 2023
Component unit – School Board					
Capital assets (non-depreciable/non-amortizable):					
Land	\$ 5,579,720	\$ -	\$ (36,200)	\$ -	\$ 5,543,520
Construction in progress	557,490	1,120,213	-	(501,046)	1,176,657
Total capital assets (non-depreciable/non-amortizable)	6,137,210	1,120,213	(36,200)	(501,046)	6,720,177
Other capital assets:					
Buildings and improvements	256,588,385	-	-	167,160	256,755,545
Infrastructure	5,482,079	345,356	(13,100)	-	5,814,335
Machinery and equipment	39,469,237	2,322,343	(539,641)	333,886	41,585,825
Intangible assets	-	-	-	-	-
Total other capital assets	301,539,701	2,667,699	(552,741)	501,046	304,155,705
Less accumulated depreciation/amortization for:					
Buildings and improvements	(124,988,448)	(6,376,421)	-	-	(131,364,869)
Infrastructure	(3,781,773)	(339,388)	13,100	-	(4,108,061)
Machinery and equipment	(22,485,237)	(2,555,049)	535,874	-	(24,504,412)
Intangible assets	-	-	-	-	-
Total accumulated depreciation/amortization	(151,255,458)	(9,270,858)	548,974	-	(159,977,342)
Total other capital assets, net	150,284,243	(6,603,159)	(3,767)	501,046	144,178,363
Intangible right-to-use assets:					
Lease machinery and equipment	1,011,390	598,611	(386,863)	-	1,223,138
Subscription assets	327,354	98,298	-	-	425,652
Total intangible right-to-use assets	1,338,744	696,909	(386,863)	-	1,648,790
Less accumulated amortization for:					
Lease machinery and equipment	(341,647)	(360,978)	196,151	-	(506,474)
Subscription assets	-	(191,166)	-	-	(191,166)
Total accumulated amortization	(341,647)	(552,144)	196,151	-	(697,640)
Total intangible right-to-use assets, net	997,097	144,765	(190,712)	-	951,150
Total capital assets (depreciable/amortizable), net	151,281,340	(6,458,394)	(194,479)	501,046	145,129,513
School Board capital assets, net	\$ 157,418,550	\$ (5,338,181)	\$ (230,679)	\$ -	\$ 151,849,690

*Beginning balances have been restated to reflect lease and subscription assets due to the implementation of GASB 87 and 96.

Lease amortization and depreciation expense was charged to functions/programs of the primary government and the Component Unit – School Board as follows:

	Amortization	Depreciation
Primary government – governmental activities		
General government administration	\$ 587,390	\$ 724,089
Judicial administration	65,357	249,465
Public safety	69,808	2,284,728
Public works	1,651	336,566
Health and welfare	11,626	39,875
Education	-	750
Parks, recreation, and cultural	91,821	1,790,729
Community development	188,259	129,863
Total governmental activities	1,015,912	5,556,065
Primary government – business-type activities		
Landfill and Recycling Fund	43,998	840,813
Airport Fund	13,903	821,128
Sewer Fund	-	118,980
Total business-type activities	57,901	1,780,921
Component unit – School Board	\$ 552,144	\$ 9,270,858

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Net Investment in capital assets for the primary government and the Component Unit – School Board is calculated as follows:

	Primary Government		Component Unit	Reporting Entity
	Governmental	Business-Type	Component Unit	Reporting Entity
	Activities	Activities	- School Board	Total
Total capital assets	\$ 117,880,322	\$ 51,590,076	\$ 151,849,690	\$ 321,320,088
Long-term obligations applicable to capital assets:				
General obligation bonds	-	-	39,700,000	39,700,000
Financing agreements	21,284,344	7,290,000	11,009,238	39,583,582
Revenue bonds	-	17,277,100	-	17,277,100
Direct bond	-	-	8,475,000	8,475,000
Premium/discount on bonds payable	1,456,652	1,520,976	2,290,050	5,267,678
Lease liabilities	1,101,201	185,198	721,499	2,007,898
Subscription liabilities	1,273,550	-	227,425	1,500,975
Deferred charge on refunding	-	(369,118)	(161,057)	(530,175)
Retainage and accounts payable	4,766,845	112,004	-	4,878,849
Less unspent proceeds as of June 30, 2023	(2,727,132)	(10,581,001)	-	(13,308,133)
Subtotal long-term obligations applicable to capital assets	27,155,460	15,435,159	62,262,155	104,852,774
Net investment in capital assets	\$ 90,724,862	\$ 36,154,917	\$ 89,587,535	\$ 216,467,314

Certain financing agreements reported in Note 8 for the primary government – governmental activities are not included in the above reconciliation because the financing agreements were issued in support of capital projects capitalized by other entities. Only a portion of the deferred amount on refunding from Note 8 is included in this reconciliation; the balance is related to the afore-mentioned financing agreements.

NOTE 8 – LONG-TERM OBLIGATIONS

The County issues general obligation bonds and financing agreements in order to provide funding for long-term capital improvements and acquisitions of capital assets. In most instances, the full faith and credit of the County are pledged to secure the debt, while leasehold interests in the property being financed act as security for financing agreements.

In addition, the County has long term obligations related to compensated absences which represent obligations to employees for unused leave balances and incurred, but not reported, claims related to employee utilization of the County's health insurance program. General Fund revenues are used to liquidate compensated absence balances and other long-term obligations.

Section 15.2-2659 of the Code of Virginia outlines remedies with respect to events of default for localities in Virginia on general obligation bonds, including bonds issued through the Virginia Public School Authority and the Virginia Resources Authority.

In the event of default, the owner(s) or paying agent for the bonds submits an affidavit to the Governor of Virginia. The Governor of Virginia would make a summary investigation into the facts set forth in the affidavit. If established to the satisfaction of the Governor that a default has occurred, the Governor would direct the Comptroller of Virginia to withhold all further payment of the locality of all or any funds payable to the locality until the default is cured and make payment directly to the bondholders on behalf of the locality. This practice is commonly referred to as state aid intercept. For those debts, for which collateral or a leasehold interest has been pledged, the most likely remedy in the event of default would be state aid intercept, though other possible remedies include acceleration of all unpaid payments on the debt, possession of pledged property by the debtor, writ of mandamus compelling the County to

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

levy taxes to obtain the funds to meet the debt requirements, and any necessary legal actions against the County to cure the default.

In prior years, the County has refunded certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the County's financial statements. At June 30, 2023, \$18,485,000 of outstanding debt is considered defeased. Certain amounts that were paid during refunding are capitalized and amortized over the life of the debt and are reported as deferred amounts on refunding.

GOVERNMENTAL ACTIVITIES

The following is a summary of long-term obligations of the governmental activities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
General long-term obligations:					
General obligation bonds	\$ 2,110,000	\$ -	\$ 2,110,000	\$ -	\$ -
Direct borrowings:					
Financing agreements	27,237,834	-	2,177,483	25,060,351	2,166,807
Direct placements:					
General obligation bonds	44,315,000	-	4,615,000	39,700,000	4,790,000
Direct bond	8,585,000	-	110,000	8,475,000	2,190,000
Premium/discount on bonds payable	4,666,729	-	679,097	3,987,632	562,148
Lease liabilities	1,282,275	315,033	496,106	1,101,202	403,916
Subscription liabilities	1,677,551	240,944	644,945	1,273,550	615,483
Compensated absences	5,533,712	5,995,284	5,040,242	6,488,754	648,875
Incurred but not reported claims	3,123,983	31,314,018	31,211,706	3,226,295	806,574
Total general long-term obligations	\$ <u>98,532,084</u>	\$ <u>37,865,279</u>	\$ <u>47,084,579</u>	\$ <u>89,312,784</u>	\$ <u>12,183,803</u>
	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Deferred amount on refunding	\$ <u>(492,804)</u>	\$ <u>-</u>	\$ <u>(159,676)</u>	\$ <u>(333,128)</u>	\$ <u>(114,742)</u>

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Details of long-term obligations are outlined below. Unless otherwise noted, the full faith and credit of the County has been irrevocably pledged to secure the debt.

	Amount Outstanding	Amount Due Within One Year
Direct borrowings:		
<u>Financing agreements</u>		
\$785,606 Ambulance Lease, Series 2015, issued July 15, 2016, due in annual installments beginning October 15, 2016 through July 15, 2023, with interest payable annually at 1.532%. Three ambulances costing \$782,757, are pledged as security for the debt. Accumulated depreciation at June 30, 2023 was \$726,843.	\$ 14,764	\$ 14,764
\$806,659 School Bus Lease Series 2015, issued July 30, 2018, due in semiannual installments beginning January 30, 2019 through July 30, 2025, with interest payable quarterly at 3.030%. Eight school buses costing \$776,884 are pledged as security for the debt. Accumulated depreciation at June 30, 2023 was \$207,144	307,766	120,337
\$3,700,000 Public Safety Radio System Lease, Series 2016, issued on September 30, 2016 to fund upgrades to the public safety radio system, due in quarterly installments beginning December 30, 2016 through September 30, 2026, with interest payable quarterly at 1.644%. The radio system infrastructure and subscriber units are pledged as security for the debt. Accumulated depreciation at June 30, 2023 was \$0 as the project is still in progress.	1,269,704	383,491
\$865,400 School Bus Lease, Series 2015, issued July 19, 2019, due in semiannual installments beginning January 19, 2020 through July 19, 2026, with interest payable semiannually at 2.090%. Eight school buses costing \$747,131 are pledged as security for the debt. Accumulated depreciation at June 30, 2023 was \$149,409.	448,438	124,813
\$782,232 School Bus Lease, Addendum to Series 2015, issued August 19, 2020, due in semiannual installments beginning February 19, 2021 through August 19, 2027, with interest payable semiannually at 1.9600%. Eight school buses costing \$782,235 are pledged as security for the debt. Accumulated depreciation at June 30, 2023 was \$104,288.	515,040	110,579
\$2,820,000 Public Safety Radio System, Lease Series 2016, issued on August 9, 2019 to fund upgrades to the public safety radio system, due in semiannual installments beginning February 9, 2020 through August 9, 2029, with interest payable quarterly at 2.318%. The radio system infrastructure and subscriber units are pledged as security for the debt. Accumulated depreciation at June 30, 2023 was \$0 as the project is still in progress.	1,906,025	274,970
\$1,153,000 Public Safety Radio System, Lease Series 2016, issued on April 30, 2020 to fund upgrades to the public safety radio system, due in semiannual installments beginning October 30, 2020 through April 30, 2030, with interest payable semiannually at 1.382%. The radio system infrastructure and subscriber units are pledged as security for the debt. Accumulated depreciation at June 30, 2023 was \$0 as the project is still in progress.	823,614	112,853

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Direct borrowings: (continued)	Amount Outstanding	Amount Due Within One Year
\$2,775,000 Vint Hill 2016C Virginia Resources Authority Financing Lease, issued November 16, 2016, maturing annually beginning October 1, 2023 through October 1, 2029, with interest payable semiannually at a rate of 5.125%. A leasehold interest in the Vint Hill Sewer Treatment Plant, owned by Fauquier County Water and Sewer Authority secures the debt.	\$ 2,490,000	\$ 300,000
\$4,490,000 Virginia Resource Authority Financing Lease, Series 2018, issued on May 23, 2018, maturing semiannually from October 1, 2018 to October 1, 2038, with interest payable semiannually at rates from 3.125% to 5.125%. A volunteer fire facility is pledged as security for the debt.	3,895,000	170,000
\$9,000,000 Virginia Resource Authority Financing Lease, Series 2019A, issued on May 8, 2019, maturing semiannually from October 1, 2019 to April 1, 2039, with interest payable semiannually at rates from 2.862% to 5.125%. The Central Sports Complex is pledged as security for the debt.	7,805,000	335,000
\$3,620,000 Virginia Resource Authority Financing Lease, Series 2019A, issued on May 8, 2019, maturing semiannually from October 1, 2019 to April 1, 2040, with interest payable semiannually at rates from 2.869% to 5.125%. A leasehold interest in a volunteer fire facility is pledged as security for the debt.	3,170,000	125,000
\$2,760,000 Virginia Resource Authority Financing Lease, Series 2019A, issued on May 8, 2019, maturing semiannually from October 1, 2019 to April 1, 2040, with interest payable semiannually at rates from 2.871% to 5.125%. A leasehold interest in volunteer fire facility is pledged as security for the debt.	2,415,000	95,000
Total direct borrowings	25,060,351	2,166,807
Direct placements:		
<u>General obligation bonds</u>		
\$11,630,000 Virginia Public School Authority Bonds, Series 2003A, issued November 6, 2003, maturing annually from July 15, 2004 through July 15, 2023, with interest payable semiannually at rates from 3.10% to 5.35%.	580,000	580,000
\$3,720,000 Virginia Public School Authority Bonds, Series 2004A, issued November 10, 2004, maturing annually from July 15, 2005 through July 15, 2024, with interest payable semiannually at rates from 4.10% to 5.60%.	370,000	185,000
\$11,540,000 Virginia Public School Authority Bonds, Series 2005A, issued November 10, 2005, maturing annually from July 15, 2006 through July 15, 2025, with interest payable semiannually at rates from 4.60% to 5.10%.	1,725,000	575,000
\$34,075,000 Virginia Public School Authority Bonds, Series 2007A, issued November 8, 2007, maturing annually from July 15, 2008 through July 15, 2027, with interest payable semiannually at rates from 4.35% to 5.10%. Acceleration of the debt can only occur with the County's consent.	8,500,000	1,700,000

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Direct placements: (continued)	Amount Outstanding	Amount Due Within One Year
\$10,000,000 Virginia Public School Authority Qualified School Construction Bonds, Series 2011-2, issued December 15, 2011, maturing annually from June 1, 2012 through December 1, 2030, with interest payable semiannually at 4.125%. Initially, 100% of the interest paid on the debt was to be refunded through a Federal Refundable Credit, however subsequent to the issuance of the debt, the federal government reduced the refundable credit for interest paid to 93.8%.	\$ 4,440,000	\$ 555,000
\$9,880,000 Virginia Public School Authority Bonds, Series 2012B, issued May 10, 2012, maturing annually from July 15, 2013 through July 15, 2032, with interest payable semiannually at rates from 2.55% to 5.05%.	6,110,000	495,000
\$3,305,000 Virginia Public School Authority Bonds, Series 2013A, issued April 29, 2013, maturing annually from January 15, 2014 through January 15, 2034, with interest payable semiannually at rates from 3.05% to 5.05%.	2,185,000	155,000
\$16,180,000 Virginia Public School Authority Bonds, Series 2021B, issued April 29, 2021, maturing annually from January 15, 2023 through January 15, 2042, with interest payable semiannually at rates from 1.925% to 5.05%.	15,790,000	545,000
<u>Direct bonds</u>		
\$8,805,000 JP Morgan Direct Bond, Series 2019, issued October 11, 2019, maturing semiannually from January 15, 2020 through January 15, 2026, with interest payable semiannually at 1.72%.	8,475,000	2,190,000
Total direct placements	48,175,000	6,980,000

Lease liabilities:

At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 43 months. The lease liability at 07/01/2021 was \$349,484.79 and as of 06/30/2023, the value of the lease liability is \$155,070.26. Payments are due monthly for \$8,192.71 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$349,484.79 with accumulated amortization of \$195,061.28.	155,070	97,809
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 30 months. The lease liability at 07/01/2021 was \$83,986.50 and as of 06/30/2023, the value of the lease liability is \$17,011.32. Payments are due monthly for \$2,742.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$83,986.50 with accumulated amortization of \$67,189.20. The lease has 1 extension option, for 24 months.	17,011	17,011
On 07/01/2022, Fauquier County, VA entered into a 27 month lease as lessee for the use of 8452 Renalds Ave. Main Space. An initial lease liability was recorded in the amount of \$39,127.36. As of 06/30/2023, the value of the lease liability is \$22,026.17. Fauquier County, VA is required to make monthly fixed payments of \$1,500.00. The lease has an interest rate of 3.2070%. The value of the right to use asset as of 06/30/2023 is \$39,127.36 with accumulated amortization of \$17,389.94.	22,026	17,550

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities: (continued)	Amount Outstanding	Amount Due Within One Year
On 03/01/2023, Fauquier County, VA entered into a 24 month lease as lessee for the use of 8452 Renalds Ave. - Office Spaces Units 104 & 108. An initial lease liability was recorded in the amount of \$25,621.64. As of 06/30/2023, the value of the lease liability is \$21,406.23. Fauquier County, VA is required to make monthly fixed payments of \$1,100.00. The lease has an interest rate of 3.1440%. The value of the right to use asset as of 06/30/2023 is \$25,621.64 with accumulated amortization of \$4,270.27. Fauquier County, VA has 1 extension option(s), each for 12 months.	\$ 21,406	\$ 12,709
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 113 months. The lease liability at 07/01/2021 was \$601,873.22 and as of 06/30/2023, the value of the lease liability is \$491,158.95. Payments are due monthly for \$3,939.28 and the lease has an interest rate of 1.0953%. The value of the right to use asset as of 06/30/2023 is \$601,873.22 with accumulated amortization of \$127,831.48. The lease has 1 extension option(s), each for 60 months.	491,159	58,722
At 12/15/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 12/15/2021 was \$8,819.46 and as of 06/30/2023, the value of the lease liability is \$4,294.26. Payments are due monthly for \$253.20 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$8,819.46 with accumulated amortization of \$4,540.39.	4,294	3,029
At 07/01/2021, the County was under a lessee agreement for the use of mailing equipment for a term of 59 months. The lease liability at 07/01/2021 was \$14,187.09 and as of 06/30/2023, the value of the lease liability is \$8,260.14. Payments are due quarterly for \$757.44 and the lease has an interest rate of 0.5773%. The value of the right to use asset as of 06/30/2023 is \$14,187.09 with accumulated amortization of \$5,693.82.	8,260	2,989
At 11/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 11/01/2021 was \$30,555.09 and as of 06/30/2023, the value of the lease liability is \$12,757.34. Payments are due quarterly for \$2,557.74 and the lease has an interest rate of 0.3277%. The value of the right to use asset as of 06/30/2023 is \$30,555.09 with accumulated amortization of \$16,975.05.	12,757	10,202
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 48 months. The lease liability at 07/01/2021 was \$5,718.76 and as of 06/30/2023, the value of the lease liability is \$2,871.36. Payments are due monthly for \$120.21 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$5,718.76 with accumulated amortization of \$2,859.38.	2,871	1,432
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 28 months. The lease liability at 07/01/2021 was \$5,208.40 and as of 06/30/2023, the value of the lease liability is \$745.55. Payments are due monthly for \$186.47 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$5,208.40 with accumulated amortization of \$4,464.34.	746	746

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 29 months. The lease liability at 07/01/2021 was \$5,175.53 and as of 06/30/2023, the value of the lease liability is \$894.11. Payments are due monthly for \$178.92 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$5,175.53 with accumulated amortization of \$4,283.20.	\$ 894	\$ 894
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 07/01/2021 was \$5,343.76 and as of 06/30/2023, the value of the lease liability is \$1,786.39. Payments are due monthly for \$149.12 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$5,343.76 with accumulated amortization of \$3,562.51.	1,786	1,786
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 26 months. The lease liability at 07/01/2021 was \$6,607.64 and as of 06/30/2023, the value of the lease liability is \$509.14. Payments are due monthly for \$254.63 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$6,607.64 with accumulated amortization of \$6,099.36. The lease has 1 extension option(s), each for 12 months.	509	509
At 01/12/2022, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 01/12/2022 was \$9,434.71 and as of 06/30/2023, the value of the lease liability is \$4,863.58. Payments are due monthly for \$270.90 and the lease has an interest rate of 0.3277%. The value of the right to use asset as of 06/30/2023 is \$9,434.71 with accumulated amortization of \$4,621.26.	4,864	3,240
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 25 months. The lease liability at 07/01/2021 was \$5,298.25 and as of 06/30/2023, the value of the lease liability is \$212.39. Payments are due monthly for \$212.43 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$5,298.25 with accumulated amortization of \$4,934.98.	212	212
At 02/03/2022, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 02/03/2022 was \$7,190.26 and as of 06/30/2023, the value of the lease liability is \$3,896.88. Payments are due monthly for \$195.57 and the lease has an interest rate of 0.4257%. The value of the right to use asset as of 06/30/2023 is \$7,190.26 with accumulated amortization of \$3,382.09.	3,897	2,335
On 01/01/2023, Fauquier County, VA entered into a 24 month lease as lessee for the use of 3243 Old Catlett Road. An initial lease liability was recorded in the amount of \$35,451.33. As of 06/30/2023, the value of the lease liability is \$17,451.33. Fauquier County, VA is required to make annual fixed payments of \$18,000.00. The lease has an interest rate of 3.1440%. The value of the right to use asset as of 06/30/2023 is \$35,451.33 with accumulated amortization of \$8,862.83. Fauquier County, VA has 1 extension option(s), each for 12 months.	17,451	17,451
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 51 months. The lease liability at 07/01/2021 was \$81,578.96 and as of 06/30/2023, the value of the lease liability is \$44,454.01. Payments are due monthly for \$1,500.00 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$81,578.96 with accumulated amortization of \$38,390.10. The lease has 1 extension option(s), each for 24 months.	44,454	19,735

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 50 months. The lease liability at 07/01/2021 was \$7,608.38 and as of 06/30/2023, the value of the lease liability is \$3,974.44. Payments are due monthly for \$153.65 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$7,608.38 with accumulated amortization of \$3,652.02.	\$ 3,974	\$ 1,830
At 04/29/2022, the County was under a lessee agreement for the use of mailing equipment for a term of 60 months. The lease liability at 04/29/2022 was \$10,459.87 and as of 06/30/2023, the value of the lease liability is \$7,492.83. Payments are due quarterly for \$506.40 and the lease has an interest rate of 0.6857%. The value of the right to use asset as of 06/30/2023 is \$10,459.87 with accumulated amortization of \$2,452.26.	7,493	1,979
On 04/06/2023, Fauquier County, VA entered into a 36 month lease as lessee for the use of Sheriff's Prof Xerox Versa Link C405. An initial lease liability was recorded in the amount of \$2,152.80. As of 06/30/2023, the value of the lease liability is \$1,973.58. Fauquier County, VA is required to make monthly fixed payments of \$59.99. The lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$2,152.80 with accumulated amortization of \$170.22.	1,974	716
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 07/01/2021 was \$4,889.37 and as of 06/30/2023, the value of the lease liability is \$1,634.49. Payments are due monthly for \$136.44 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$4,889.37 with accumulated amortization of \$3,259.58.	1,635	1,635
On 12/02/2022, Fauquier County, VA entered into a 32 month lease as lessee for the use of Gen. Registrar PB. An initial lease liability was recorded in the amount of \$7,803.61. As of 06/30/2023, the value of the lease liability is \$6,387.09. Fauquier County, VA is required to make quarterly fixed payments of \$712.59. The lease has an interest rate of 0.3280%. The value of the right to use asset as of 06/30/2023 is \$7,803.61 with accumulated amortization of \$1,698.91.	6,387	2,833
On 04/18/2023, Fauquier County, VA entered into a 36 month lease as lessee for the use of Clerk of Court 3 - Xerox. An initial lease liability was recorded in the amount of \$16,089.92. As of 06/30/2023, the value of the lease liability is \$14,768.05. Fauquier County, VA is required to make monthly fixed payments of \$468.34. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$16,089.92 with accumulated amortization of \$1,087.56.	14,768	5,219
At 07/01/2021, the County was under a lessee agreement for the use of mailing equipment for a term of 51 months. The lease liability at 07/01/2021 was \$11,173.45 and as of 06/30/2023, the value of the lease liability is \$5,941.92. Payments are due quarterly for \$663.99 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$11,173.45 with accumulated amortization of \$5,176.89.	5,942	2,633

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, the County was under a lessee agreement for the use of mailing equipment for a term of 41 months. The lease liability at 07/01/2021 was \$9,206.76 and as of 06/30/2023, the value of the lease liability is \$3,552.16. Payments are due quarterly for \$712.11 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$9,206.76 with accumulated amortization of \$5,269.37.	\$ 3,552	\$ 2,841
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 28 months. The lease liability at 07/01/2021 was \$7,278.66 and as of 06/30/2023, the value of the lease liability is \$1,042.05. Payments are due monthly for \$260.63 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$7,278.66 with accumulated amortization of \$6,231.43.	1,042	1,042
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 27 months. The lease liability at 07/01/2021 was \$5,789.08 and as of 06/30/2023, the value of the lease liability is \$644.60. Payments are due monthly for \$214.95 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$5,789.08 with accumulated amortization of \$5,058.42.	645	645
At 10/05/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 10/05/2021 was \$3,497.17 and as of 06/30/2023, the value of the lease liability is \$1,460.78. Payments are due monthly for \$97.59 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$3,497.17 with accumulated amortization of \$2,027.06.	1,461	1,168
At 10/05/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 10/05/2021 was \$3,398.97 and as of 06/30/2023, the value of the lease liability is \$1,460.78. Payments are due monthly for \$97.59 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$3,398.97 with accumulated amortization of \$1,970.14.	1,461	1,168
At 10/05/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 10/05/2021 was \$3,497.17 and as of 06/30/2023, the value of the lease liability is \$1,460.78. Payments are due monthly for \$97.59 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$3,497.17 with accumulated amortization of \$2,027.06.	1,461	1,168
At 10/05/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 10/05/2021 was \$3,497.17 and as of 06/30/2023, the value of the lease liability is \$1,460.78. Payments are due monthly for \$97.59 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$3,497.17 with accumulated amortization of \$2,027.06.	1,461	1,168
On 07/01/2022, Fauquier County, VA entered into a 18 month lease as lessee for the use of Clerk of Court VBS SN3490. An initial lease liability was recorded in the amount of \$2,885.74. As of 06/30/2023, the value of the lease liability is \$1,123.09. Fauquier County, VA is required to make monthly fixed payments of \$160.54. The lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$2,885.74 with accumulated amortization of \$1,878.60.	1,123	1,123

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 07/01/2021 was \$7,163.74 and as of 06/30/2023, the value of the lease liability is \$2,591.08. Payments are due monthly for \$199.53 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$7,163.74 with accumulated amortization of \$4,775.82.	\$ 2,591	\$ 2,591
At 07/01/2021, the County was under a lessee agreement for the use of telecommunications tower space for a term of 67 months. The lease liability at 07/01/2021 was \$49,290.86 and as of 06/30/2023, the value of the lease liability is \$31,837.77. Payments are due monthly for \$750.00 and the lease has an interest rate of 0.7033%. The value of the right to use asset as of 06/30/2023 is \$49,290.86 with accumulated amortization of \$17,656.43. The lease has 1 extension option(s), each for 60 months.	31,838	8,805
At 07/01/2021, the County was under a lessee agreement for the use of building space for the Employee Wellness Center for a term of 30 months. The lease liability at 07/01/2021 was \$81,706.39 and as of 06/30/2023, the value of the lease liability is \$16,745.51. Payments are due monthly for \$2,632.38 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$81,706.39 with accumulated amortization of \$65,365.11. The lease has 1 extension option, for 12 months.	16,746	16,746
At 02/24/2022, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 02/24/2022 was \$9,940.09 and as of 06/30/2023, the value of the lease liability is \$5,407.65. Payments are due monthly for \$285.36 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$9,940.09 with accumulated amortization of \$4,482.24.	5,408	3,412
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 65 months. The lease liability at 07/01/2021 was \$17,523.69 and as of 06/30/2023, the value of the lease liability is \$10,970.69. Payments are due monthly for \$293.15 and the lease has an interest rate of 0.5773%. The value of the right to use asset as of 06/30/2023 is \$17,523.69 with accumulated amortization of \$6,404.60. The lease has 5 extension option(s), each for 12 months.	10,971	3,189
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 52 months. The lease liability at 07/01/2021 was \$3,498.94 and as of 06/30/2023, the value of the lease liability is \$1,892.42. Payments are due monthly for \$67.96 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$3,498.94 with accumulated amortization of \$1,598.50. The lease has 3 extension option(s), each for 12 months.	1,892	809
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 30 months. The lease liability at 07/01/2021 was \$15,175.89 and as of 06/30/2023, the value of the lease liability is \$3,048.67. Payments are due monthly for \$508.79 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$15,175.89 with accumulated amortization of \$11,941.68. The lease has 1 extension option(s), each for 12 months.	3,049	3,049
On 08/10/2022, Fauquier County, VA entered into a 36 month lease as lessee for the use of Mtce VBS Copier. An initial lease liability was recorded in the amount of \$5,556.11. As of 06/30/2023, the value of the lease liability is \$4,004.56. Fauquier County, VA is required to make monthly fixed payments of \$164.00. The lease has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$5,556.11 with accumulated amortization of \$1,651.40.	4,005	1,900

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
On 12/12/2022, Fauquier County, VA entered into a 36 month lease as lessee for the use of Com Dev C8170 Planning. An initial lease liability was recorded in the amount of \$8,337.13. As of 06/30/2023, the value of the lease liability is \$6,963.17. Fauquier County, VA is required to make monthly fixed payments of \$249.95. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$8,337.13 with accumulated amortization of \$1,536.19.	\$ 6,963	\$ 2,815
On 12/12/2022, Fauquier County, VA entered into a 36 month lease as lessee for the use of Com Dev C8170 Dev Srvcs. An initial lease liability was recorded in the amount of \$8,337.13. As of 06/30/2023, the value of the lease liability is \$6,963.17. Fauquier County, VA is required to make monthly fixed payments of \$249.95. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$8,337.13 with accumulated amortization of \$1,536.19.	6,963	2,815
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 24 months. The lease liability at 07/01/2021 was \$3,734.12 and as of 06/30/2023, the value of the lease liability is \$149.41. Payments are due monthly for \$149.95 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$3,734.12 with accumulated amortization of \$3,603.98.	149	149
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 35 months. The lease liability at 07/01/2021 was \$4,754.18 and as of 06/30/2023, the value of the lease liability is \$1,634.49. Payments are due monthly for \$136.44 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$4,754.18 with accumulated amortization of \$3,260.01.	1,635	1,635
At 02/01/2022, the County was under a lessee agreement for the use of copier equipment for a term of 60 months. The lease liability at 02/01/2022 was \$9,018.19 and as of 06/30/2023, the value of the lease liability is \$6,490.62. Payments are due monthly for \$152.85 and the lease has an interest rate of 0.6857%. The value of the right to use asset as of 06/30/2023 is \$9,018.19 with accumulated amortization of \$2,555.15.	6,491	1,795
At 12/15/2021, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 12/15/2021 was \$13,707.78 and as of 06/30/2023, the value of the lease liability is \$6,674.42. Payments are due monthly for \$393.54 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$13,707.78 with accumulated amortization of \$7,056.97.	6,674	4,708
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 33 months. The lease liability at 07/01/2021 was \$4,483.69 and as of 06/30/2023, the value of the lease liability is \$1,498.48. Payments are due monthly for \$136.44 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$4,483.69 with accumulated amortization of \$3,260.86.	1,499	1,499
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 46 months. The lease liability at 07/01/2021 was \$12,102.10 and as of 06/30/2023, the value of the lease liability is \$5,094.64. Payments are due monthly for \$357.59 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$12,102.10 with accumulated amortization of \$6,232.84.	5,095	2,774

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 39 months. The lease liability at 07/01/2021 was \$8,234.72 and as of 06/30/2023, the value of the lease liability is \$3,176.77. Payments are due monthly for \$337.23 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$8,234.72 with accumulated amortization of \$4,999.16.	\$ 3,177	\$ 2,540
On 08/10/2022, Fauquier County, VA entered into a 36 month lease as lessee for the use of Circuit Ct 100-21100 VBS Copier. An initial lease liability was recorded in the amount of \$5,636.05. As of 06/30/2023, the value of the lease liability is \$3,945.71. Fauquier County, VA is required to make monthly fixed payments of \$161.59. The lease has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$5,636.05 with accumulated amortization of \$1,675.16.	3,945	1,872
At 07/01/2021, the County was under a lessee agreement for the use of mailing equipment for a term of 33 months. The lease liability at 07/01/2021 was \$7,658.15 and as of 06/30/2023, the value of the lease liability is \$2,095.14. Payments are due quarterly for \$699.48 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$7,658.15 with accumulated amortization of \$5,530.46.	2,095	2,095
On 11/15/2022, Fauquier County, VA entered into a 36 month lease as lessee for the use of Treasurer Pitney Bowes. An initial lease liability was recorded in the amount of \$6,679.12. As of 06/30/2023, the value of the lease liability is \$5,508.38. Fauquier County, VA is required to make quarterly fixed payments of \$637.08. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$6,679.12 with accumulated amortization of \$1,397.67.	5,508	2,399
At 02/01/2022, the County was under a lessee agreement for the use of mailing equipment for a term of 36 months. The lease liability at 02/01/2022 was \$7,188.41 and as of 06/30/2023, the value of the lease liability is \$3,602.93. Payments are due quarterly for \$602.73 and the lease has an interest rate of 0.4260%. The value of the right to use asset as of 06/30/2023 is \$7,188.41 with accumulated amortization of \$3,394.53.	3,603	2,399
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 34 months. The lease liability at 07/01/2021 was \$6,498.38 and as of 06/30/2023, the value of the lease liability is \$1,950.66. Payments are due monthly for \$185.20 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2023 is \$6,498.38 with accumulated amortization of \$4,587.09. The lease has 1 extension option(s), each for 12 months.	1,951	1,951
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 26 months. The lease liability at 07/01/2021 was \$6,604.85 and as of 06/30/2023, the value of the lease liability is \$509.08. Payments are due monthly for \$254.61 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2023 is \$6,604.85 with accumulated amortization of \$6,096.79.	509	509

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
On 01/01/2023, Fauquier County, VA entered into a 36 month lease as lessee for the use of DSS Ricoh Copier MC600 Copy. An initial lease liability was recorded in the amount of \$9,696.74. As of 06/30/2023, the value of the lease liability is \$8,141.41. Fauquier County, VA is required to make monthly fixed payments of \$282.99. The lease has an interest rate of 3.2690%. The value of the right to use asset as of 06/30/2023 is \$9,696.74 with accumulated amortization of \$1,616.12.	\$ 8,141	\$ 3,177
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 60 months. The lease liability at 07/01/2021 was \$60,334.62 and as of 06/30/2023, the value of the lease liability is \$40,221.97. Payments are due annually for \$10,200.96 and the lease has an interest rate of 0.5770%. The value of the right to use asset as of 06/30/2023 is \$60,334.62 with accumulated amortization of \$24,013.78.	40,222	9,969
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 60 months. The lease liability at 07/01/2021 was \$29,657.76 and as of 06/30/2023, the value of the lease liability is \$17,794.27. Payments are due annually for \$6,000.00 and the lease has an interest rate of 0.5770%. The value of the right to use asset as of 06/30/2023 is \$29,657.76 with accumulated amortization of \$11,863.10.	17,794	5,897
On 11/18/2022, Fauquier County, VA entered into a 48 month lease as lessee for the use of General District Court Ricoh MP4055. An initial lease liability was recorded in the amount of \$11,951.62. As of 06/30/2023, the value of the lease liability is \$10,178.06. Fauquier County, VA is required to make monthly fixed payments of \$255.40. The lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2023 is \$11,951.62 with accumulated amortization of \$1,850.84.	10,178	3,046
At 07/01/2022, the County was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 07/01/2022 was \$8,719.63 and as of 06/30/2023, the value of the lease liability is \$5,865.59. Payments are due monthly for \$250.00 and the lease has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 is \$8,719.63 with accumulated amortization of \$2,906.54.	5,866	2,901
On 03/01/2023, Fauquier County, VA entered into a 36 month lease as lessee for the use of Comm. Att. Xerox Copier 03.01.23. An initial lease liability was recorded in the amount of \$11,502.47. As of 06/30/2023, the value of the lease liability is \$10,251.16. Fauquier County, VA is required to make monthly fixed payments of \$334.81. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$11,502.47 with accumulated amortization of \$1,278.05.	10,251	3,741
On 07/01/2022, Fauquier County, VA entered into a 36 month lease as lessee for the use of Agr Dev Xerox Copier. An initial lease liability was recorded in the amount of \$6,551.53. As of 06/30/2023, the value of the lease liability is \$4,410.41. Fauquier County, VA is required to make monthly fixed payments of \$188.33. The lease has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2023 is \$6,551.53 with accumulated amortization of \$2,183.84.	4,410	2,179

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 24 month lease as lessee for the use of Econ Dev MP Copier CS2554. An initial lease liability was recorded in the amount of \$4,697.13. As of 06/30/2023, the value of the lease liability is \$2,563.53. Fauquier County, VA is required to make monthly fixed payments of \$199.53. The lease has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 is \$4,697.13 with accumulated amortization of \$2,348.56.	\$ 2,564	\$ 2,563
On 09/30/2022, Fauquier County, VA entered into a 36 month lease as lessee for the use of Sheriff PB Copier. An initial lease liability was recorded in the amount of \$6,786.45. As of 06/30/2023, the value of the lease liability is \$4,972.73. Fauquier County, VA is required to make quarterly fixed payments of \$636.96. The lease has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$6,786.45 with accumulated amortization of \$1,749.88.	4,973	2,458
Total lease liabilities	1,101,202	403,916
Subscription liabilities:		
On 07/01/2022, Fauquier County, VA entered into a 60 month subscription for the use of Sierra - Innovative. An initial subscription liability was recorded in the amount of \$270,687.15. As of 06/30/2023, the value of the subscription liability is \$217,216.18. Fauquier County, VA is required to make annual fixed payments of \$53,470.97. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2023 is \$270,687.15 with accumulated amortization of \$54,137.43.	217,216	49,936
On 07/01/2022, Fauquier County, VA entered into a 36 month subscription for the use of LexisNexis Subscription. An initial subscription liability was recorded in the amount of \$31,608.19. As of 06/30/2023, the value of the subscription liability is \$21,260.99. Fauquier County, VA is required to make annual fixed payments of \$10,980.00. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$31,608.19.	21,261	10,516
On 07/01/2022, Fauquier County, VA entered into a 31 month subscription for the use of KNOW iNK - MDM & VA SVR Software. An initial subscription liability was recorded in the amount of \$21,955.86. As of 06/30/2023, the value of the subscription liability is \$11,009.55. Fauquier County, VA is required to make annual fixed payments of \$11,250.00. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$21,955.86.	11,010	11,010
On 03/31/2023, Fauquier County, VA entered into a 24 month subscription for the use of Fifth Asset - DebtBook. An initial subscription liability was recorded in the amount of \$63,945.74. As of 06/30/2023, the value of the subscription liability is \$38,945.74. Fauquier County, VA is required to make annual fixed payments of \$25,000.00. The subscription has an interest rate of 2.7070%. The value of the right to use asset as of 06/30/2023 is \$63,945.74.	38,946	38,946

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Subscription liabilities (continued):	Amount Outstanding	Amount Due Within One Year
On 07/01/2022, Fauquier County, VA entered into a 36 month subscription for the use of SHI International - MS Ent. An initial subscription liability was recorded in the amount of \$1,111,263.53. As of 06/30/2023, the value of the subscription liability is \$732,811.24. Fauquier County, VA is required to make annual fixed payments of \$378,452.29. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$1,111,263.53.	\$ 732,811	\$ 362,448
On 07/01/2022, Fauquier County, VA entered into a 33 month subscription for the use of CDWG-Smart Net. An initial subscription liability was recorded in the amount of \$65,038.24. As of 06/30/2023, the value of the subscription liability is \$32,717.47. Fauquier County, VA is required to make annual fixed payments of \$33,525.60. The subscription has an interest rate of 2.4700%. The value of the right to use asset as of 06/30/2023 is \$65,038.24.	32,717	32,717
On 12/01/2022, Fauquier County, VA entered into a 36 month subscription for the use of ESRI - GIS - Population . An initial subscription liability was recorded in the amount of \$159,878.98. As of 06/30/2023, the value of the subscription liability is \$104,878.98. Fauquier County, VA is required to make annual fixed payments of \$55,000.00. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$159,878.98.	104,879	51,604
On 07/01/2022, Fauquier County, VA entered into a 36 month subscription for the use of Civic Plus, Inc.. An initial subscription liability was recorded in the amount of \$36,182.26. As of 06/30/2023, the value of the subscription liability is \$23,861.47. Fauquier County, VA is required to make annual fixed payments of \$12,322.99. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$36,182.26.	23,861	11,802
On 07/01/2022, Fauquier County, VA entered into a 35 month subscription for the use of Cott Systems, Inc.. An initial subscription liability was recorded in the amount of \$108,093.48. As of 06/30/2023, the value of the subscription liability is \$71,679.10. Fauquier County, VA is required to make monthly fixed payments of \$3,185.00. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$108,093.48.	71,679	37,024
On 07/01/2022, Fauquier County, VA entered into a 35 month subscription for the use of CoStar Realty. An initial subscription liability was recorded in the amount of \$28,550.13. As of 06/30/2023, the value of the subscription liability is \$19,169.74. Fauquier County, VA is required to make annual fixed payments of \$9,900.00. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$28,550.13.	19,170	9,480
Total subscription liabilities	1,273,550	615,483
Premium/discount on bonds payable	3,987,632	562,148
Compensated absences	6,488,754	648,875
Incurred but not reported claims	3,226,295	806,574
Total governmental activities long-term obligations	\$ 89,312,784	\$ 12,183,803

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

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

Fiscal Year	Direct Borrowings		Direct Placements			
	Financing Agreements		General Obligation Bonds		Direct Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,166,807	\$ 915,375	\$ 4,790,000	\$ 1,796,418	\$ 2,190,000	\$ 126,936
2025	2,224,840	838,709	4,280,000	1,597,134	2,145,000	89,655
2026	2,243,745	758,793	4,155,000	1,413,613	2,095,000	53,191
2027	1,890,687	679,488	3,640,000	1,250,960	2,045,000	17,587
2028	1,745,262	604,537	3,705,000	1,101,351	-	-
2029-2033	6,694,010	1,969,066	10,005,000	3,144,227	-	-
2034-2038	6,275,000	819,166	4,960,000	735,966	-	-
2039-2043	1,820,000	43,341	4,165,000	193,662	-	-
Total	\$ 25,060,351	\$ 6,628,475	\$ 39,700,000	\$ 11,233,331	\$ 8,475,000	\$ 287,369

Fiscal Year	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2024	\$ 403,916	\$ 9,995	\$ 615,483	\$ 29,243
2025	248,718	6,138	543,557	14,861
2026	119,914	4,173	55,720	2,709
2027	85,869	3,130	58,790	1,391
2028	67,956	2,320	-	-
2029-2033	174,829	2,427	-	-
Total	\$ 1,101,202	\$ 28,183	\$ 1,273,550	\$ 48,204

BUSINESS-TYPE ACTIVITIES

The following is a summary of long-term obligations of the business-type activities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Business-type activities long-term obligations:					
Direct borrowings:					
Financing agreements	\$ 7,590,000	\$ -	\$ 300,000	\$ 7,290,000	\$ 385,000
Direct placements:					
Revenue bonds	16,845,934	1,246,306	815,140	17,277,100	765,140
Premium/discount on bonds payable	1,715,217	-	194,242	1,520,975	174,577
Lease liabilities	155,225	93,804	63,831	185,198	60,645
Compensated absences	223,670	200,446	184,575	239,541	23,955
Landfill closure and postclosure liability	34,459,235	2,494,260	-	36,953,495	-
Total business-type activities long-term obligations	\$ 60,989,281	\$ 4,034,816	\$ 1,557,788	\$ 63,466,309	\$ 1,409,317

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Deferred loss on refunding	\$ (399,461)	\$ -	\$ (30,343)	\$ (369,118)	\$ (29,795)

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Details of long-term obligations are outlined below. Unless otherwise noted, the full faith and credit of the County was pledged to secure the debt.

	Amount Outstanding	Amount Due Within One Year
Direct borrowings:		
<u>Financing agreements</u>		
\$7,130,000 Virginia Resources Authority Financing agreement, Series 2015A, issued May 28, 2015, maturing annually from October 1, 2015 through October 1, 2039, with interest payable semiannually at rates from 3.062% to 5.125%. An interest in the Alice Jane Childs administrative building is pledged as security for the debt.	\$ 1,955,000	\$ 230,000
\$5,500,000 Virginia Resources Authority Financing agreement, Series 2021A, issued May 13, 2021, maturing annually from October 1, 2021 through October 1, 2039, with interest payable semiannually at rates from .599% to 2.789%. An interest in the Alice Jane Childs administrative building is pledged as security for the debt.	5,335,000	155,000
Total direct borrowings	7,290,000	385,000
Direct placements:		
<u>Revenue bonds</u>		
\$7,102,800 Virginia Water Facilities Revolving Fund bond, issued on May 15, 2018, maturing annually from April 1, 2020 through April 1, 2039, with an interest rate of 0%.	5,327,100	355,140
\$12,340,000 Virginia Resources Authority Revenue bonds, Series 2021C, issued on November 7, 2021, maturing annually from October 1, 2022 through October 1, 2041, with interest payable semiannually at rates from 2.125% to 5.125%.	11,950,000	410,000
Total direct placements	17,277,100	765,140
Lease liabilities:		
At 07/01/2021, Fauquier County Landfill was under a lessee agreement for the use of land for a recycling convenience site for a term of 54 month(s). The lease liability at 07/01/2021 was \$33,187.11 and as of 06/30/2023, the value of the lease liability is \$17,135.73. Payments are due annually for \$8,026.00 and the lease has an interest rate of 0.5773%. The value of the right to use asset as of 06/30/2023 is \$33,187.11 with accumulated amortization of \$14,749.83.	17,136	8,416
At 07/01/2021, Fauquier County Landfill was under a lessee agreement for the use of land for a recycling convenience site for a term of 54 month(s). The lease liability at 07/01/2021 was \$41,772.88 and as of 06/30/2023, the value of the lease liability is \$25,755.57. Payments are due annually for \$8,026.00 and the lease has an interest rate of 0.5773%. The value of the right to use asset as of 06/30/2023 is \$41,772.88 with accumulated amortization of \$18,565.73.	25,756	8,366
At 07/01/2021, Fauquier County Landfill was under a lessee agreement for the use of land for a recycling convenience site for a term of 54 month(s). The lease liability at 07/01/2021 was \$41,772.88 and as of 06/30/2023, the value of the lease liability is \$25,755.57. Payments are due annually for \$8,026.00 and the lease has an interest rate of 0.5773%. The value of the right to use asset as of 06/30/2023 is \$41,772.88 with accumulated amortization of \$18,565.73.	25,756	8,366
At 07/01/2021, Fauquier County Landfill was under a lessee agreement for the use of land for a recycling convenience site for a term of 60 month(s). The lease liability at 07/01/2021 was \$14,814.63 and as of 06/30/2023, the value of the lease liability is \$8,897.13. Payments are due annually for \$3,000.00 and the lease has an interest rate of 0.5770%. The value of the right to use asset as of 06/30/2023 is \$14,814.63 with accumulated amortization of \$5,831.89.	8,896	2,949

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

	Amount Outstanding	Amount Due Within One Year
Lease liabilities (continued):		
At 07/01/2021, the Fauquier County Landfill was under a lessee agreement for the use of copier Equipment for a term of 27 months. The lease liability at 07/01/2021 was \$6,028.73 and as of 06/30/2023, the value of the lease liability is \$862.72. Payments are due monthly for \$215.76 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$6,028.73 with accumulated amortization of \$5,267.82. The lease has 1 extension option(s), each for 12 months.	\$ 863	\$ 863
At 12/01/2021, the Warrenton-Fauquier Airport was under a lessee agreement for the use of copier equipment for a term of 36 months. The lease liability at 12/01/2021 was \$6,781.54 and as of 06/30/2023, the value of the lease liability is \$3,209.84. Payments are due monthly for \$189.26 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$6,781.54 with accumulated amortization of \$3,579.15.	3,210	2,264
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessee agreement for the use of vehicle refueling Equipment for a term of 54 months. The lease liability at 07/01/2021 was \$53,296.86 and as of 06/30/2023, the value of the lease liability is \$29,778.07. Payments are due monthly for \$1,000.00 and the lease has an interest rate of 0.5773%. The value of the right to use asset as of 06/30/2023 is \$53,296.86 with accumulated amortization of \$23,285.04. The lease has 2 extension option(s), each for 60 months.	29,778	11,860
On 11/01/2022, Fauquier County, VA entered into a 60 month lease as lessee for the use of New Baltimore Fallow-Solis Store Road Old Alex . An initial lease liability was recorded in the amount of \$93,802.92. As of 06/30/2023, the value of the lease liability is \$73,802.92. Fauquier County, VA is required to make annual fixed payments of \$20,000.00. The lease has an interest rate of 3.3050%. The value of the right to use asset as of 06/30/2023 is \$93,802.92 with accumulated amortization of \$12,507.06. Fauquier County, VA had a termination period of 12 months as of the lease commencement.	73,803	17,561
Total lease liabilities	185,198	60,645
Premium/discount on bonds payable	1,520,975	174,577
Compensated absences	239,541	23,955
Landfill closure and postclosure liability	36,953,495	-
Total business-type activities long-term obligations	\$ 63,466,309	\$ 1,409,317

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

Fiscal Year	Direct Borrowings		Direct Placements		Lease Liabilities	
	Financing Agreements		Revenue Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 385,000	\$ 186,921	\$ 765,140	437,113	\$ 60,645	\$ 3,034
2025	395,000	173,568	785,140	415,588	60,040	2,217
2026	410,000	159,274	805,140	393,038	45,153	1,387
2027	415,000	149,307	830,140	369,334	19,360	640
2028	430,000	141,168	855,140	344,350	-	-
2029-2033	2,295,000	538,365	4,700,700	1,301,521	-	-
2034-2038	2,055,000	260,880	5,340,700	661,197	-	-
2039-2042	905,000	25,379	3,195,001	185,969	-	-
Total	\$ 7,290,000	\$ 1,634,862	\$ 17,277,100	\$ 4,108,110	\$ 185,198	\$ 7,278

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

The following is a summary of long-term obligations of the School Board for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Component unit long-term obligations:					
Direct borrowing:					
Financing agreements	\$ 10,342,157	\$ -	\$ 618,926	\$ 9,723,231	\$ 639,582
Lease liabilities	671,699	598,611	548,811	721,499	278,800
Subscription liabilities	327,354	98,298	198,227	227,425	194,464
Compensated absences	3,794,599	11,017,874	10,823,348	3,989,125	398,912
Total component unit long-term obligations	\$ 15,135,809	\$ 11,714,783	\$ 12,189,312	\$ 14,661,280	\$ 1,511,758

Details of long-term obligations are outlined below:

	Amount Outstanding	Amount Due Within One Year
Direct borrowings:		
<u>Financing agreements</u>		
\$10,672,434 financing agreement, Series 2019, issued February 18, 2019 to fund energy saving projects across the school system, due in semiannual installments beginning April 1, 2021 through October 1, 2035, with interest payable semiannually at 3.31%. Equipment purchased for energy saving projects is pledged as security for the debt. Accumulated depreciation at June 30, 2019 was \$0 as the project is still in progress.	\$ 9,723,231	\$ 639,582
Total financing agreements	9,723,231	639,582
Lease liabilities:		
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 26 months. The lease liability at 07/01/2021 was \$6,626.90 and as of 06/30/2023, the value of the lease liability is \$510.79. Payments are due monthly for \$255.46 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2023 is \$6,626.90 with accumulated amortization of \$6,117.14. The lease has 1 extension option(s), each for 1 months.	511	511
At 10/31/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 24 months. The lease liability at 10/31/2021 was \$4,270.98 and as of 06/30/2023, the value of the lease liability is \$534.90. Payments are due monthly for \$178.38 and the lease has an interest rate of 0.2477%. The value of the right to use asset as of 06/30/2023 is \$4,270.98 with accumulated amortization of \$3,714.70.	535	535
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$17,017.33 and as of 06/30/2023, the value of the lease liability is \$6,287.63. Payments are due monthly for \$450.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$17,017.33 with accumulated amortization of \$10,747.79.	6,288	5,388

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$10,662.89 and as of 06/30/2023, the value of the lease liability is \$3,940.25. Payments are due monthly for \$282.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$10,662.89 with accumulated amortization of \$6,652.75.	\$ 3,940	\$ 3,376
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$13,498.76 and as of 06/30/2023, the value of the lease liability is \$4,988.18. Payments are due monthly for \$357.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$13,498.76 with accumulated amortization of \$8,422.10.	4,988	4,274
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 25 months. The lease liability at 07/01/2021 was \$2,613.55 and as of 06/30/2023, the value of the lease liability is \$104.77. Payments are due monthly for \$104.77 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2023 is \$2,613.55 with accumulated amortization of \$2,509.01. The lease has 1 extension option(s), each for 1 months.	105	105
agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2023, the value of the lease liability is \$4,450.83. Payments are due monthly for \$343.00 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$12,631.23 with accumulated amortization of \$8,193.23. The lease has 1 extension option(s), each for 1 months.	4,451	4,108
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 26 months. The lease liability at 07/01/2021 was \$10,168.93 and as of 06/30/2023, the value of the lease liability is \$783.79. Payments are due monthly for \$392.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$10,168.93 with accumulated amortization of \$9,386.70.	784	784
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$13,498.76 and as of 06/30/2023, the value of the lease liability is \$4,988.18. Payments are due monthly for \$357.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$13,498.76 with accumulated amortization of \$8,422.10.	4,988	4,274
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$13,498.76 and as of 06/30/2023, the value of the lease liability is \$4,988.18. Payments are due monthly for \$357.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$13,498.76 with accumulated amortization of \$8,422.10.	4,988	4,274

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$4,235.42 and as of 06/30/2023, the value of the lease liability is \$1,564.91. Payments are due monthly for \$112.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$4,235.42 with accumulated amortization of \$2,675.00.	\$ 1,565	\$ 1,341
At 09/30/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of mailing Equipment for a term of 48 months. The lease liability at 09/30/2021 was \$2,513.30 and as of 06/30/2023, the value of the lease liability is \$1,260.95. Payments are due quarterly for \$158.43 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$2,513.30 with accumulated amortization of \$1,123.95.	1,261	629
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$11,483.00 and as of 06/30/2023, the value of the lease liability is \$1,988.12. Payments are due monthly for \$533.08 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$11,483.00 with accumulated amortization of \$9,503.18.	1,988	1,988
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$16,267.68 and as of 06/30/2023, the value of the lease liability is \$2,810.37. Payments are due monthly for \$891.49 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$16,267.68 with accumulated amortization of \$13,462.91.	2,810	2,810
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$6,570.65 and as of 06/30/2023, the value of the lease liability is \$1,135.13. Payments are due monthly for \$502.15 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$6,570.65 with accumulated amortization of \$5,437.78.	1,135	1,135
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$5,809.89 and as of 06/30/2023, the value of the lease liability is \$1,003.70. Payments are due monthly for \$328.85 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$5,809.89 with accumulated amortization of \$4,808.18.	1,004	1,004
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$4,500.96 and as of 06/30/2023, the value of the lease liability is \$777.58. Payments are due monthly for \$320.60 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$4,500.96 with accumulated amortization of \$3,724.93.	778	778

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$6,206.97 and as of 06/30/2023, the value of the lease liability is \$2,291.33. Payments are due monthly for \$163.89 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$6,206.97 with accumulated amortization of \$3,920.19.	\$ 2,291	\$ 1,964
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 26 months. The lease liability at 07/01/2021 was \$8,080.81 and as of 06/30/2023, the value of the lease liability is \$623.40. Payments are due monthly for \$311.82 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$8,080.81 with accumulated amortization of \$7,459.21.	623	623
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 26 months. The lease liability at 07/01/2021 was \$3,320.47 and as of 06/30/2023, the value of the lease liability is \$255.94. Payments are due monthly for \$128.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$3,320.47 with accumulated amortization of \$3,065.05.	256	256
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$11,968.43 and as of 06/30/2023, the value of the lease liability is \$4,217.25. Payments are due monthly for \$325.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$11,969.12 with accumulated amortization of \$7,763.64.	4,217	3,892
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 26 months. The lease liability at 07/01/2021 was \$10,168.93 and as of 06/30/2023, the value of the lease liability is \$783.79. Payments are due monthly for \$392.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$10,168.93 with accumulated amortization of \$9,386.70.	784	784
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 28 months. The lease liability at 07/01/2021 was \$8,268.75 and as of 06/30/2023, the value of the lease liability is \$1,183.83. Payments are due monthly for \$296.09 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$8,268.75 with accumulated amortization of \$7,087.50.	1,184	1,184
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 28 months. The lease liability at 07/01/2021 was \$8,268.75 and as of 06/30/2023, the value of the lease liability is \$1,183.83. Payments are due monthly for \$296.09 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$8,268.75 with accumulated amortization of \$7,087.50.	1,184	1,184

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2023, the value of the lease liability is \$4,450.83. Payments are due monthly for \$343.00 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$12,631.23 with accumulated amortization of \$8,193.23. The lease has 1 extension option(s), each for 1 months.	\$ 4,451	\$ 4,108
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2023, the value of the lease liability is \$4,450.83. Payments are due monthly for \$343.00 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$12,631.23 with accumulated amortization of \$8,193.23. The lease has 1 extension option(s), each for 1 months.	4,451	4,108
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 30 months. The lease liability at 07/01/2021 was \$10,208.41 and as of 06/30/2023, the value of the lease liability is \$2,047.59. Payments are due monthly for \$341.58 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$10,208.41 with accumulated amortization of \$8,166.73.	2,048	2,048
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$11,225.08 and as of 06/30/2023, the value of the lease liability is \$4,142.56. Payments are due monthly for \$296.24 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$11,225.08 with accumulated amortization of \$7,089.52.	4,143	3,550
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$9,454.07 and as of 06/30/2023, the value of the lease liability is \$3,493.11. Payments are due monthly for \$250.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$9,454.07 with accumulated amortization of \$5,970.99.	3,493	2,993
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$19,149.39 and as of 06/30/2023, the value of the lease liability is \$6,747.59. Payments are due monthly for \$520.00 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$19,149.39 with accumulated amortization of \$12,421.23. The lease has 1 extension option(s), each for 1 months.	6,748	6,228
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2023, the value of the lease liability is \$4,450.83. Payments are due monthly for \$343.00 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$12,631.23 with accumulated amortization of \$8,193.23. The lease has 1 extension option(s), each for 1 months.	4,451	4,108

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of mailing Equipment for a term of 52 months. The lease liability at 07/01/2021 was \$7,002.50 and as of 06/30/2023, the value of the lease liability is \$3,509.14. Payments are due quarterly for \$391.44 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$7,002.50 with accumulated amortization of \$3,231.93.	\$ 3,509	\$ 1,557
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 27 months. The lease liability at 07/01/2021 was \$18,099.09 and as of 06/30/2023, the value of the lease liability is \$2,142.14. Payments are due monthly for \$647.98 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$18,099.09 with accumulated amortization of \$15,795.57.	2,591	2,591
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 28 months. The lease liability at 07/01/2021 was \$4,669.88 and as of 06/30/2023, the value of the lease liability is \$668.45. Payments are due monthly for \$332.19 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$4,669.88 with accumulated amortization of \$4,002.75.	668	668
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of mailing Equipment for a term of 42 months. The lease liability at 07/01/2021 was \$15,016.09 and as of 06/30/2023, the value of the lease liability is \$6,462.42. Payments are due quarterly for \$1,081.38 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$15,016.09 with accumulated amortization of \$8,580.62. The lease has 1 extension option(s), each for 1 months.	6,462	4,303
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$4,528.73 and as of 06/30/2023, the value of the lease liability is \$782.38. Payments are due monthly for \$251.56 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$4,528.73 with accumulated amortization of \$3,747.92.	782	782
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$10,438.12 and as of 06/30/2023, the value of the lease liability is \$1,803.27. Payments are due monthly for \$495.85 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$10,438.12 with accumulated amortization of \$8,638.45.	1,803	1,803
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$6,570.65 and as of 06/30/2023, the value of the lease liability is \$1,135.13. Payments are due monthly for \$502.15 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$6,570.65 with accumulated amortization of \$5,437.78.	1,135	1,135

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
On 07/01/2022, Fauquier County Public Schools, VA entered into a 36 month lease as lessee for the use of Taylor MS Ricoh PB. An initial lease liability was recorded in the amount of \$1,704.57. As of 06/30/2023, the value of the lease liability is \$1,142.48. Fauquier County Public Schools, VA is required to make quarterly fixed payments of \$146.34. The lease has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$1,704.57 with accumulated amortization of \$568.19.	\$ 1,142	\$ 565
On 01/01/2023, Fauquier County Public Schools, VA entered into a 60 month lease as lessee for the use of Transportation monitoring - Synovia. An initial lease liability was recorded in the amount of \$417,396.88. As of 06/30/2023, the value of the lease liability is \$377,609.10. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$7,524.00. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$417,396.88 with accumulated amortization of \$41,739.69. Fauquier County Public Schools, VA has 2 extension option(s), each for 12 months.	377,609	79,230
On 07/01/2022, Fauquier County Public Schools, VA entered into a 103 month lease as lessee for the use of Facilities Ricoh MTO Laser. An initial lease liability was recorded in the amount of \$29,369.46. As of 06/30/2023, the value of the lease liability is \$25,981.64. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$288.97. The lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$29,369.46 with accumulated amortization of \$3,421.68. Fauquier County Public Schools, VA has 5 extension option(s), each for 12 months.	25,982	3,391
On 07/01/2022, Fauquier County Public Schools, VA entered into a 25 month lease as lessee for the use of MMS Sharp Copier MX-M3071. An initial lease liability was recorded in the amount of \$3,257.45. As of 06/30/2023, the value of the lease liability is \$1,769.54. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$128.00. The lease has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 is \$3,257.45 with accumulated amortization of \$1,503.44.	1,770	1,514
On 07/01/2022, Fauquier County Public Schools, VA entered into a 26 month lease as lessee for the use of MWES PB. An initial lease liability was recorded in the amount of \$389.35. As of 06/30/2023, the value of the lease liability is \$216.61. Fauquier County Public Schools, VA is required to make quarterly fixed payments of \$43.50. The lease has an interest rate of 0.5520%. The value of the right to use asset as of 06/30/2023 is \$389.35 with accumulated amortization of \$179.70.	217	173
At 07/01/2021, Fauquier County Public Schools, VA was under a agreement for the use of copier Equipment for a term of 40 months. The initial lease liability was \$14,591.91. As of 06/30/2023, the value of the lease liability is \$4,513.93. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$357.00. The lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$12,154.28 with accumulated amortization of \$7,711.02.	4,514	3,384
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 40 months. The lease liability at 07/01/2021 was \$14,560.52 and as of 06/30/2023, the value of the lease liability is \$4,782.71. Payments are due monthly for \$357.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$12,396.19 with accumulated amortization of \$7,723.20.	4,783	3,374
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of mailing Equipment for a term of 36 months. The lease liability at 07/01/2021 was \$6,744.15 and as of 06/30/2023, the value of the lease liability is \$2,079.82. Payments are due quarterly for \$520.98 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$6,744.15 with accumulated amortization of \$4,496.10.	2,080	2,080

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 28 months. The lease liability at 07/01/2021 was \$10,481.60 and as of 06/30/2023, the value of the lease liability is \$1,000.98. Payments are due monthly for \$510.26 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$8,487.00 with accumulated amortization of \$7,488.28.	\$ 1,001	\$ 1,001
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 40 months. The lease liability at 07/01/2021 was \$12,113.37 and as of 06/30/2023, the value of the lease liability is \$7,559.72. Payments are due monthly for \$297.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$16,413.29 with accumulated amortization of \$8,996.82.	7,560	5,333
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 38 months. The lease liability at 07/01/2021 was \$17,100.00 and as of 06/30/2023, the value of the lease liability is \$6,300.00. Payments are due monthly for \$450.00 and the lease has an interest rate of 0.0000%. The value of the right to use asset as of 06/30/2023 is \$17,100.00 with accumulated amortization of \$10,800.00. The lease has 1 extension option(s), each for 1 months.	6,300	5,400
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$1,735.04 and as of 06/30/2023, the value of the lease liability is \$579.26. Payments are due quarterly for \$145.29 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2023 is \$1,734.17 with accumulated amortization of \$1,124.96. The lease has 1 extension option(s), each for 1 months.	579	579
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of mailing Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$896.16 and as of 06/30/2023, the value of the lease liability is \$179.72. Payments are due quarterly for \$179.82 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2023 is \$1,077.14 with accumulated amortization of \$854.24.	180	180
At 01/01/2022, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 36 months. The lease liability at 01/01/2022 was \$18,251.89 and as of 06/30/2023, the value of the lease liability is \$4,308.17. Payments are due monthly for \$645.15 and the lease has an interest rate of 0.4257%. The value of the right to use asset as of 06/30/2023 is \$10,198.80 with accumulated amortization of \$5,904.71.	4,308	2,869
At 11/04/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 36 months. The lease liability at 11/04/2021 was \$18,311.18 and as of 06/30/2023, the value of the lease liability is \$8,151.58. Payments are due monthly for \$510.26 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$18,311.18 with accumulated amortization of \$10,122.01.	8,152	6,111

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
At 11/04/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 36 months. The lease liability at 11/04/2021 was \$18,312.62 and as of 06/30/2023, the value of the lease liability is \$8,152.23. Payments are due monthly for \$510.30 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$18,312.62 with accumulated amortization of \$10,122.81.	\$ 8,152	\$ 6,112
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 28 months. The lease liability at 07/01/2021 was \$14,236.83 and as of 06/30/2023, the value of the lease liability is \$2,039.71. Payments are due monthly for \$510.26 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$14,236.83 with accumulated amortization of \$12,203.00.	2,040	2,040
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 37 months. The lease liability at 07/01/2021 was \$11,968.43 and as of 06/30/2023, the value of the lease liability is \$4,217.25. Payments are due monthly for \$325.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$11,969.12 with accumulated amortization of \$7,763.64.	4,217	3,892
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$14,765.65 and as of 06/30/2023, the value of the lease liability is \$2,550.11. Payments are due monthly for \$510.26 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2023 is \$9,824.06 with accumulated amortization of \$8,731.67.	2,550	2,550
At 09/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 36 months. The lease liability at 09/01/2021 was \$17,407.37 and as of 06/30/2023, the value of the lease liability is \$4,901.00. Payments are due monthly for \$485.76 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2023 is \$13,912.15 with accumulated amortization of \$9,024.66.	4,901	4,200
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 30 months. The lease liability at 07/01/2021 was \$8,730.03 and as of 06/30/2023, the value of the lease liability is \$2,103.18. Payments are due monthly for \$485.75 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$12,121.16 with accumulated amortization of \$10,020.78.	2,103	2,103
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$10,413.54 and as of 06/30/2023, the value of the lease liability is \$1,799.01. Payments are due monthly for \$360.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$10,413.54 with accumulated amortization of \$8,618.10.	1,799	1,799

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
On 03/01/2023, Fauquier County Public Schools, VA entered into a 48 month lease as lessee for the use of Greenville - VBS 4 Konica Copiers. An initial lease liability was recorded in the amount of \$75,063.92. As of 06/30/2023, the value of the lease liability is \$70,462.44. Fauquier County Public Schools, VA is required to make quarterly fixed payments of \$5,010.45. The lease has an interest rate of 3.2690%. The value of the right to use asset as of 06/30/2023 is \$75,063.92 with accumulated amortization of \$6,255.33.	\$ 70,462	\$ 17,957
On 07/01/2022, Fauquier County Public Schools, VA entered into a 27 month lease as lessee for the use of LHS Principal Copier 40874. An initial lease liability was recorded in the amount of \$3,758.35. As of 06/30/2023, the value of the lease liability is \$2,206.01. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$139.86. The lease has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 is \$3,758.35 with accumulated amortization of \$1,610.72.	2,206	1,649
On 07/01/2022, Fauquier County Public Schools, VA entered into a 34 month lease as lessee for the use of Pierce ES Ricoh 2 Copiers 67846 and 47. An initial lease liability was recorded in the amount of \$20,355.25. As of 06/30/2023, the value of the lease liability is \$13,290.10. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$616.82. The lease has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$20,355.25 with accumulated amortization of \$7,184.21.	13,290	7,183
On 11/30/2022, Fauquier County Public Schools, VA entered into a 31 month lease as lessee for the use of Pierce ES Ricoh Copier 69127. An initial lease liability was recorded in the amount of \$7,995.96. As of 06/30/2023, the value of the lease liability is \$5,964.04. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$264.99. The lease has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$7,995.96 with accumulated amortization of \$1,872.53.	5,964	3,081
At 09/22/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 48 months. The lease liability at 09/22/2021 was \$39,771.09 and as of 06/30/2023, the value of the lease liability is \$21,624.66. Payments are due monthly for \$836.00 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$39,771.09 with accumulated amortization of \$17,648.42.	21,625	9,954
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of mailing Equipment for a term of 42 months. The lease liability at 07/01/2021 was \$2,033.63 and as of 06/30/2023, the value of the lease liability is \$874.55. Payments are due quarterly for \$146.34 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2023 is \$2,033.63 with accumulated amortization of \$1,162.08.	875	582
lease as lessee for the use of CLMS Xerox 4 Copiers. An initial lease liability was recorded in the amount of \$30,073.15. As of 06/30/2023, the value of the lease liability is \$25,191.36. Fauquier County Public Schools, VA is required to make monthly fixed payments of \$875.29. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$30,073.15 with accumulated amortization of \$5,689.52.	25,191	9,834

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Lease liabilities (continued):	Amount Outstanding	Amount Due Within One Year
At 07/01/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 29 months. The lease liability at 07/01/2021 was \$2,907.69 and as of 06/30/2023, the value of the lease liability is \$502.32. Payments are due monthly for \$125.52 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2023 is \$2,907.69 with accumulated amortization of \$2,406.36.	\$ 502	\$ 502
At 11/22/2021, Fauquier County Public Schools, VA was under a lessee agreement for the use of copier Equipment for a term of 60 months. The lease liability at 11/22/2021 was \$15,008.69 and as of 06/30/2023, the value of the lease liability is \$10,053.09. Payments are due monthly for \$254.05 and the lease has an interest rate of 0.6320%. The value of the right to use asset as of 06/30/2023 is \$14,957.23 with accumulated amortization of \$4,816.08.	10,052	2,995
Total lease liabilities	721,499	278,800
Subscription liabilities:		
On 07/01/2022, Fauquier County Public Schools, VA entered into a 24 month subscription for the use of Cloud Choice Application. An initial subscription liability was recorded in the amount of \$228,586.18. As of 06/30/2023, the value of the subscription liability is \$113,323.98. Fauquier County Public Schools, VA is required to make annual fixed payments of \$115,262.20. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$228,586.18 with accumulated amortization of \$114,293.09.	113,324	113,324
On 09/01/2022, Fauquier County Public Schools, VA entered into a 24 month subscription for the use of Learn - Org & Com Sub. An initial subscription liability was recorded in the amount of \$98,297.72. As of 06/30/2023, the value of the subscription liability is \$48,732.12. Fauquier County Public Schools, VA is required to make annual fixed payments of \$49,565.60. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$98,297.72 with accumulated amortization of \$40,957.38.	48,732	48,732
On 07/01/2022, Fauquier County Public Schools, VA entered into a 33 month subscription for the use of Cisco - SmartNet. An initial subscription liability was recorded in the amount of \$98,768.31. As of 06/30/2023, the value of the subscription liability is \$65,369.41. Fauquier County Public Schools, VA is required to make annual fixed payments of \$33,525.60. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 is \$98,768.31 with accumulated amortization of \$35,915.75.	65,369	32,408
Total subscription liabilities	227,425	194,464
Compensated absences	3,989,125	398,912
Total component unit long-term obligations	\$ 14,661,280	\$ 1,511,758

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

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

Fiscal Year	Direct Borrowing Financing Agreement		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 639,582	\$ 316,590	\$ 278,800	\$ 14,679	\$ 194,464	\$ 3,890
2025	660,928	295,244	161,699	10,550	32,961	564
2026	682,986	273,187	117,397	6,764	-	-
2027	705,779	250,393	106,528	3,275	-	-
2028	729,334	226,838	48,154	457	-	-
2029-2033	4,028,440	752,422	8,921	37	-	-
2034-2036	2,276,182	114,250	-	-	-	-
Total	\$ 9,723,231	\$ 2,228,924	\$ 721,499	\$ 35,762	\$ 227,425	\$ 4,454

NOTE 9 – COMMITMENTS

A. Long-term USDA

Fauquier County provides annual operating and capital contributions for nine separately incorporated Volunteer Fire and Rescue Companies through a special Fire and Rescue levy. Two volunteer fire and rescue facilities have outstanding loans through the United States Department of Agriculture Rural Development program (USDA) to fund construction and renovations. The County has provided USDA moral obligation letters guaranteeing funding support for each of the two volunteer fire and rescue companies. All assets are owned by the respective volunteer fire and rescue companies. Payment for annual debt service is made from the Fire and Rescue Fund as a contribution to the individual stations. The required debt service reserve of 10% annually for 10 years will accumulate in cash accounts in a fiduciary fund. The reserve may be used for capital improvements in the future if approved by USDA in accordance with the loan agreements.

The following is a summary of long-term commitments of the County for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
General long-term commitments:					
USDA Loans	\$ 7,391,962	\$ -	\$ 198,943	\$ 7,193,019	\$ 206,721

NOTE 9 – COMMITMENTS (CONTINUED)

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
USDA Loans:		
\$2,900,000 issued to Warrenton Volunteer Fire Company, Inc., on March 12, 2007, due in annual installments for principal and interest beginning March 12, 2010 through March 12, 2047, with interest payable annually at 4.125%.	\$ 2,294,212	\$ 57,817
\$985,000 issued to Warrenton Volunteer Fire Company, Inc., on February 20, 2008, due in annual installments for principal and interest beginning February 20, 2011 through February 20, 2048, with interest payable annually at 4.375%.	805,457	18,395
\$5,703,000 issued to New Baltimore Volunteer Fire and Rescue Company, Inc., on December 21, 2010, due in annual installments for principal and interest beginning December 21, 2013 through December 21, 2045, at 3.750%.	<u>4,093,350</u>	<u>130,509</u>
Total long-term commitments	\$ <u>7,193,019</u>	\$ <u>206,721</u>

Annual requirements to amortize long-term commitments and related interest have been estimated according to information provided by USDA and are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 206,721	\$ 283,376
2025	214,805	275,292
2026	223,206	266,891
2027	231,937	258,160
2028	241,010	249,087
2029-2033	1,354,110	1,096,375
2034-2038	1,640,741	809,744
2039-2043	1,988,272	462,213
2044-2048	<u>1,092,217</u>	<u>102,300</u>
Total	\$ <u><u>7,193,019</u></u>	\$ <u><u>3,803,438</u></u>

B. Construction commitments

At June 30, 2023, the County had several major projects under construction which are summarized below:

<u>Project Name</u>	<u>Contractor</u>	<u>Contract Amount</u>	<u>Expended to Date</u>	<u>Balance</u>
Cedar Lee Middle School Expansion & Renovation	Taft Construction	\$ 18,205,536	\$ 16,798,161	\$ 1,407,375
Landfill 2020 GCCS Expansion Services	SCS Field Services	358,656	358,515	141
Marshall Main Street	Shirley Contracting Co	5,553,133	4,657,638	895,495
Catlett-Calverton Wastewater Treatment System	English Construction	9,364,974	9,280,088	84,886
149 Landfill Closure Project	Harnden Group	8,086,872	2,240,080	5,846,792
		<u> </u>	<u> </u>	<u> </u>
Total		\$ <u><u>41,569,171</u></u>	\$ <u><u>33,334,482</u></u>	\$ <u><u>8,234,689</u></u>

NOTE 9 – COMMITMENTS (CONTINUED)

C. Commitments and contingent liabilities

Federal programs in which the County and School Board participate were audited in accordance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Title 2, Code of Federal Regulations, Part 200 (2 CFR 200)). 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 the audit, the Federal Government may subject grant programs to additional compliance tests that may result in disallowed expenses. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

NOTE 10 – TAX ABATEMENT DISCLOSURES

Fauquier County, in accordance with §58.1-3651 and §58.1-3651B of the Code of Virginia, sets forth the process and procedure by which a locality may designate property as tax exempt and that requires prior adoption of any Ordinance exempting property from local taxation, the Board of Supervisors shall hold a public hearing on any proposed application and, upon consideration, can determine that a proposed exemption from taxation can be granted.

On February 14, 2013, Fauquier County entered into a tax abatement agreement under the authority and through resolution of the County Board of Supervisors with a not-for-profit organization for the construction of affordable housing units within the County. The purpose of the abatement was to encourage successful and timely completion of the project and to provide more affordable housing options for the citizens of the County. Under the agreement, the not-for-profit organization will provide a thirty-unit affordable housing development within Fauquier County. In support of this project, the County agreed to provide a tax abatement or waiver of \$240,000 in County real estate taxes over an eight-year period. The County committed to provide a letter in support of the organization's application for state tax credits from the Virginia Housing Development Authority. Real estate taxes are paid for each tax year and rebates are made on an annual basis once requested by the not-for-profit organization.

On November 8, 2018, Fauquier County, through ordinance of the County Board of Supervisors, agreed to provide a donation to a not-for-profit organization in the amount of the annual real estate taxes assessed for the building occupied by the not-for-profit organization within thirty days of receipt of the payment of real estate taxes by the not-for-profit organization's leaseholder. The purpose of the agreement was continued support of the services and activities the not-for-profit organization provides for youths throughout the County. The agreement is in effect for as long as the not-for-profit organization occupies the leaseholder's building, is subject to lawful appropriation of the Board of Supervisors and may be terminated at the discretion of the Board of Supervisors.

Fauquier County, in accordance with §58.1-3506 of the Code of Virginia, abates personal property taxes on one motor vehicle owned or leased by members (including auxiliary members) of a volunteer emergency medical services agency or volunteer fire department operating within Fauquier County. The purpose of the abatement is to encourage and acknowledge service provided to the citizens of the County by members of the companies volunteer public safety programs they provide. In order to qualify for the abatement, members must regularly respond to emergency calls and auxiliary members must regularly perform duties for the emergency medical service agency or volunteer fire department, and the member must identify the motor vehicle regularly used for such purpose. Certification by the chief of the volunteer emergency medical services agency or volunteer fire department is made to the Commissioner of Revenue by January 31st of each year. Members and auxiliary members pay a reduced rate of \$0.25 per \$100 of assessed value on motor vehicles meeting the criteria noted above. The amount of reduced rate is determined by the County Board of Supervisors as a part of the annual budget adoption process.

Fauquier County enters into tax abatement agreements in accordance with §58.1-3850 through §58.1-3853, of the Code of Virginia which allows any city, county, or town to establish by ordinance, local technology, tourism, defense production zones, and incentives for green roofing and to grant tax incentives and regulatory flexibility in a zone. These zones are established within §8-113 through §8-128 of the Fauquier County Code. The purpose of these

NOTE 10 – TAX ABATEMENT DISCLOSURES (CONTINUED)

abatement agreements are to encourage economic development and growth by attracting and retaining businesses within the County.

Qualified local technology businesses in a local technology zone are businesses whose primary purpose is the design research, development, utilization or production of technology services, software, or products.

Qualified tourism businesses in tourism zones are businesses whose primary purpose is to establish a desirable destination to attract tourists from outside the community and create an environment for those visitors that will deliver a memorable experience or promote educational opportunities while increasing travel related revenue.

Qualified defense production businesses are businesses engaged in the design, development or production of materials, components, or equipment required to meet the needs of national defense, including any business that performs functions ancillary to or in support of the design, development, or production of such materials, components, or equipment. Defense contractors are businesses other than a defense production business that are primarily engaged in providing services of national defense including but not limited to logistics and technical support.

Abatements are granted to new or existing businesses within a zone who commit to the following arrangements:

- Capital investment of a minimum of \$500,000 for new businesses and \$250,000 for existing businesses in land, building and/or machinery unless otherwise authorized by the Board of Supervisors.
- The creation of ten (10) new full-time jobs for new businesses and three (3) new jobs for existing businesses. These jobs must have salaries at least 10% above the average county wage level as listed by the Virginia Employment Commission for the previous fiscal year and be created within the first calendar year of operation.

Qualified businesses receive tax incentives of a one hundred percent (100%) rebate on business professional, and occupational license tax, tangible personal property and machinery and tools taxes imposed by the County and rebates of permit fees paid to the County for site plan, building, and zoning permits. Rebates are made at the end of each tax year on an annual basis and are rebated for only those taxes and fees that have actually been paid to the County. No interest is paid on any funds rebated.

Abatements within these zones apply for three (3) years from the later of:

- a) the date the business is determined to be a qualified business,
- b) the date the business commences operations, or
- c) the date an existing business completes a qualifying expansion.

If a qualified business ceases to be qualified, ceases to meet the minimum employment and capital investment criteria, or removes itself from operation in the County during any year in the three-year incentive period or such longer period, it is required to repay the total amount of incentives received and must sign an agreement to this effect before receiving any incentives.

For certain agreements, the County has committed to facilitate the entry of new businesses into the County by agreeing to finance and construct infrastructure such as public and private utility extensions for water, sewer, fiber optic and other technology infrastructure and to obtain state incentives to further support the economic development goals of the tax abatement agreement. The most significant agreement to date is the County's commitment to build fiber optic infrastructure at an estimated cost of \$1,000,000.

NOTE 10 – TAX ABATEMENT DISCLOSURES (CONTINUED)

For fiscal year ended June 30, 2023, the County had abated taxes as follows:

Tax Abatement Area	Taxes Abated during the fiscal year
<u>Affordable Housing</u>	
Real Estate Taxes	\$ 30,000
<u>Community Organizations</u>	
Real Estate Taxes	\$ 24,067
<u>Volunteer Emergency Services Agencies/Volunteer Fire Departments</u>	
Personal Property Taxes	\$ 146,680

NOTE 11 – LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The County of Fauquier, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$36,953,495 reported as landfill closure/post-closure care liability at June 30, 2023, represents the cumulative amount reported based on the use of 100% of the estimated capacity of the old landfill, the use of 75.11% of the estimated capacity of the new landfill, and the closure costs for the Construction and Demolition Recycling facility, including Corrective Action, of \$6,315 and the Transfer Station of \$4,315. The County will recognize the remaining estimated cost of closure and post-closure care of \$3,425,749 on the new landfill as the remaining estimated capacity is used. These amounts are based on what it would cost to perform all closure and post-closure care in 2023.

The county is currently engaged in a capital project to close the old landfill, which has reached 100% capacity. The County completed construction of an additional cell to the new landfill, which added disposal capacity and deferred closure for a minimum of 10 years, but potentially up to 30+ years. In addition, the County has transitioned operations to a transfer station whereby residential and commercial waste is transported to another landfill entity outside of the County, which further defers closure of the new landfill.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN

The County demonstrated financial assurance requirements for closure and post-closure care costs through the submission of a local government Financial Test to the Virginia Department of Environment Quality, in accordance with Section 9VAC20-70 of the *Virginia Administrative Code*.

A. Plan descriptions

Agent multiple employer retirement plan: The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. All full-time, salaried, permanent employees of Fauquier County and non-professional salaried, permanent employees of the Fauquier County School Board are automatically covered by the VRS Retirement Plan upon employment.

Cost sharing retirement plan: The VRS Teacher Retirement Plan is a multiple employer, cost sharing plan. All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment.

These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. The System issues a publicly available annual comprehensive

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior public service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active-duty military service, certain periods of leave, and previously refunded service.

The system administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criterion. The specific information for each plan and the eligibility for covered groups within each plan are set out in the following table:

About Plan 1	Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.
Eligible Members	Employees are in Plan 1 if their membership date is before July 1, 2010 and they were vested as of January 1, 2013, and they have not taken a refund.
Hybrid Opt-In Election	VRS non-hazardous duty covered Plan 1 members could make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP. <i>This does not apply to the VRS Teacher Retirement Plan.</i>
Retirement Contribution	Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.
Service Credit	Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
Vesting	Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.
Calculating the Benefit	The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.
Average Final Compensation	A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Service Retirement Multiplier	VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.
Normal Retirement Age	VRS: Age 65. Political subdivisions hazardous duty employees: Age 60.
Earliest Unreduced Retirement Eligibility	VRS: Age 65 with at least five years (60 months) of service credit or age 50 with at least 30 years of service credit. Political subdivisions hazardous duty employees: Age 60 with at least five years (60 months) of service credit or age 50 with at least 25 years of service credit.
Earliest Reduced Retirement Eligibility	VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. Political subdivisions hazardous duty employees: Age 50 with at least five years (60 months) of service credit.
Cost-of-Living Adjustment (COLA) in Retirement	The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.
Disability Coverage	Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.
Purchase of Prior Service	Members may be eligible to purchase service from previous public employment, active-duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.
About Plan 2	Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.
Eligible Members	Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Hybrid Opt-In Election	Eligible Plan 2 members could make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP. <i>This does not apply to the VRS Teacher Retirement Plan.</i>
Retirement Contributions	Same as Plan 1.
Service Credit	Same as Plan 1.
Vesting	Same as Plan 1.
Calculating the Benefit	See definition under Plan 1.
Average Final Compensation	A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
Service Retirement Multiplier	VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. Sheriffs and regional jail superintendents: Same as Plan 1. Political subdivision hazardous duty employees: Same as Plan 1.
Normal Retirement Age	VRS: Normal Social Security retirement age. Political subdivisions hazardous duty employees: Same as Plan 1.
Earliest Unreduced Retirement Eligibility	VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. Political subdivisions hazardous duty employees: Same as Plan 1.
Earliest Reduced Retirement Eligibility	VRS: Age 60 with at least five years (60 months) of service credit. Political subdivisions hazardous duty employees: Same as Plan 1.
Cost of Living Adjustment (COLA) in Retirement	The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. Eligibility: Same as Plan 1. Exceptions to COLA Effective Dates: Same as Plan 1.
Disability Coverage	Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.
Purchase of Prior Service	Same as Plan 1.
About Hybrid Retirement Plan	The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Eligible Members	Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision or school division employees. * • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. *Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP. This does not apply to the VRS Teacher Retirement Plan.
Retirement Contributions	A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit	<u>Defined Benefit Component:</u> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement if the employer offers the health insurance credit. <u>Defined Contributions Component:</u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Vesting	<u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. <u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.
Calculating the Benefit	<u>Defined Benefit Component:</u> See definition under Plan 1. <u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation	Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Service Retirement Multiplier	Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. Sheriffs and regional jail superintendents: Not applicable. Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Not applicable.
Normal Retirement Age	Defined Benefit Component: VRS: Same as Plan 2. Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility	Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90. Political subdivisions hazardous duty employees: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility	Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of service credit. Political subdivisions hazardous duty employees: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost of Living Adjustment (COLA) in Retirement	Defined Benefit Component: Same as Plan 2. Defined Contribution Component: Not Applicable. Eligibility: Same as Plan 1 and Plan 2. Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.
Disability Coverage	Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service	Defined Benefit Component: Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

B. Summary of significant accounting policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS Political Subdivision and Teacher Retirement Plans, and the additions to/deductions from the plans' net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

C. Actuarial assumptions

The net pension liabilities for Fauquier County and the Fauquier County School Board Retirement Plans were measured as of June 30, 2022. The total pension liability for the general employees, public safety employees, and non-professional employees of the School Board in the Political Subdivision Retirement Plan and professional employees of the School Board in the Teacher Retirement Plan used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

	County		School Board	
	General employees	Public safety employees	Non-professional employees	Professional employees
Inflation	2.5%			
Salary increases, including inflation	3.5% - 5.35%	3.5% - 4.75%	3.5% - 5.35%	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*			

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

A key demographic risk for all retirement systems is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions anticipate some improvements in mortality experience over time and these assumptions are refined every experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could quickly increase liabilities. Likewise, as we have recently seen with COVID-19, a public health crisis can result in a significant number of additional deaths in a short period of time, which can influence plan liabilities and future funding needs. While we have seen that either of these events could happen, it represents a smaller probability and thus represents much less risk than the volatility associated with investment returns.

Mortality Rates:**General and School Board non-professional employees**

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service-related

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service-related

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Public safety employees with hazardous duty benefits

Largest 10 – Hazardous Duty: 70% of deaths are assumed to be service-related

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

All Others (Non-10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service-related

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years.

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Teachers

Pre-retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General and School Board non-professional employeesLargest 10 – Non-Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1: set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80; Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service

All Others (Non 10 Largest) – Non-Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1: set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80; Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service

Public safety employees with hazardous duty benefitsLargest 10 – Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates

All Others (Non 10 Largest) – Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.

Teachers

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fix experience for Plan 1:

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

set separate rates based on experience for Plan 2/Hybrid: and changed final retirement age from 75 to 80 for all; Adjusted termination rates to better fit experience at each age and service through 9 years of service

D. Long-term expected rate of return

The long-term expected rate of return on System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Agent Multiple Employer Plan

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP- Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		*Expected arithmetic normal return	7.83%

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not consider the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation; at that time, providing a median return of 7.11%, including expected inflation.

E. Discount rate

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between the actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate.

Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers and School Boards are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net positions were projected to be available to make all projected future benefit

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine total pension liabilities.

F. Employees covered by the benefit terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the Fauquier County Plan and the School Board Non-professional Plan.

	<u>Fauquier County Plan</u>	<u>School Board Non- professional Plan</u>
Inactive members or their beneficiaries currently receiving benefits	397	222
Inactive members entitled to but not yet receiving benefits		
Vested	139	62
Non-vested	285	210
Active elsewhere in the VRS	250	118
Total inactive members	<u>674</u>	<u>390</u>
Active members	<u>700</u>	<u>328</u>
Total	<u>1,771</u>	<u>940</u>

G. Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions and School Boards by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

Fauquier County: The County's contractually required contribution rate for the year ended June 30, 2023 was 11.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

School Board: The contractually required contribution rate for the year ended June 30, 2023 was 4.34% of covered employee compensation for Non-professional School Employee Retirement Plan.

For the VRS Teacher Retirement Plan, the contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school division by the Virginia General Assembly. Each school divisions' contractually required contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

In June 2022, the Commonwealth made a special contribution of approximately \$44.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

The chart below summarizes the contribution requirements for each plan:

	Primary Government		School Board			
	Retirement Plan		Non-professional Retirement Plan		Teacher Retirement Plan	
Annual Covered Payroll	\$	49,880,023	\$	9,747,612	\$	86,755,601
Employer contribution rates		11.61%		4.34%		16.62%
Employee contribution rates		5.00%		5.00%		5.00%
Total contribution rates		16.61%		9.34%		21.62%
Contributions recognized, June 30, 2023		5,476,106		331,202		13,781,376
Contributions recognized, June 30, 2022	\$	4,348,043	\$	361,832	\$	12,605,268

H. Changes in the net pension liability and sensitivity of the net pension liability to changes in the discount rate

Fauquier County:

The following table presents the changes in the net pension liability and the sensitivity of the net pension liability to changes in the discount rate. The net pension liability uses a discount rate of 6.75% and the sensitivity calculates the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Schedule of Changes in the Net Pension Liability (Asset)
Primary Government

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2021	\$ 163,701,095	\$ 168,737,675	\$ (5,036,580)
Changes for the Year			
Service cost	5,563,354	-	5,563,354
Interest	11,201,272	-	11,201,272
Changes of assumptions	-	-	-
Difference between expected and actual experience	413,436	-	413,436
Contributions- employer	-	4,348,015	(4,348,015)
Contributions- employee	-	2,169,812	(2,169,812)
Net investment income	-	(231,914)	231,914
Benefit payments, including refunds of employee contributions	(6,639,366)	(6,639,366)	-
Administrative expense	-	(104,232)	104,232
Other changes	-	3,954	(3,954)
Net changes	10,538,696	(453,731)	10,992,427
Balances at June 30, 2022	\$ 174,239,791	\$ 168,283,944	\$ 5,955,847
Sensitivity of the Net Pension Liability to Changes in Discount Rate	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
	\$ 31,687,474	\$ 5,955,847	\$ (14,802,858)

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

School Board:

The total pension liability is calculated by the System's actuary and each plan's fiduciary net positions is reported in the System's financial statements. The net pension liability is disclosed with the requirements of GASB Statement No. 67 in the system's notes to the financial statements and required supplementary information. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The School Board's proportion of the net pension liability for the Teacher Retirement Plan was based on the School Board's actuarially determined contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined contributions for all participating employers. At June 30, 2022, the School Board's proportion was .84851% as compared to .86917% at June 30, 2021.

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No 67, less that system's fiduciary net position. As of June 30, 2021, net pension liability for the VRS Teacher Employee Retirement plans is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	54,732,329
Plan Fiduciary Net Position		<u>45,211,731</u>
Employer's Net Pension Liability (Asset)	\$	9,520,598
Plan Fiduciary Net Position as Percentage of the Total Pension Liability (Asset)		82.61%

The following table presents the changes in the net pension liability and the sensitivity of the net pension liability to changes in the discount rate for Non-professional Retirement Plan and the School Board's proportionate share of the total pension liability, plan fiduciary net position and the net pension liability of the Teacher Employee Retirement Plan.

**Schedule of Changes in the Net Pension Liability (Asset)
School Board (non-professional)**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2021	\$ 30,134,116	\$ 34,753,283	\$ (4,619,167)
Changes for the Year			
Service cost	697,830	-	697,830
Interest	2,026,231	-	2,026,231
Changes of assumptions	-	-	-
Difference between expected and actual experience	(690,927)	-	(690,927)
Contributions- employer	-	351,244	(351,244)
Contributions- employee	-	373,204	(373,204)
Net investment income	-	(31,447)	31,447
Benefit payments, including refunds of employee contributions	(1,627,414)	(1,627,414)	-
Administrative expense	-	(21,722)	21,722
Other changes	-	794	(794)
Net changes	<u>405,720</u>	<u>(955,341)</u>	<u>1,361,061</u>
Balances at June 30, 2022	\$ <u>30,539,836</u>	\$ <u>33,797,942</u>	\$ <u>(3,258,106)</u>

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Teacher Cost Sharing Plan			
Proportionate share .84851% of the collective pension liability, fiduciary net position, and net pension liability	\$ 464,409,288	\$ 383,625,569	\$ 80,783,232
Total School Board Balances at June 30, 2022	\$ 494,949,124	\$ 417,423,511	\$ 77,525,126
	1% Decrease 5.75%	Discount Rate 6.75%	1% increase 7.75%
Sensitivity of the Net Pension Liability to Changes in Discount Rate			
School Board (non-professional) net pension liability	\$ 458,084	\$ (3,258,106)	\$ (6,311,524)
School Board (teacher cost sharing pool) proportionate share of the collective net pension liability	\$ 144,285,036	\$ 80,783,232	\$ 29,078,799

I. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended June 30, 2023, the County recognized pension expense totaling \$3,831,858. For the Non-professional Retirement Plan, the School Board recognized pension expense of (\$372,992) and for the Teacher Retirement Plan the School Board recognized \$2,003,086 for its share of the total pension expense.

At June 30, 2023, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		School Board			
	Retirement Plan		Non-professional Retirement Plan		Teacher Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 429,507	\$ (540,752)	\$ -	\$ (488,642)	\$ -	\$ (5,570,323)
Net difference between projected and actual earnings on pension plan investments	-	(4,697,050)	-	(1,004,267)	-	(10,532,442)
Changes in assumptions	2,834,123	-	176,264	-	7,616,232	-
Changes in proportion and differences between employer contributions and the proportionate share of contributions	-	-	-	-	1,825	(4,833,028)
Contributions subsequent to the measurement date	5,476,106	-	331,202	-	13,781,376	-
Total	\$ 8,739,736	\$ (5,237,802)	\$ 507,466	\$ (1,492,909)	\$ 21,399,433	\$ (20,935,793)

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Primary Government</u>	<u>School Board</u>		<u>Total</u>
	<u>Retirement Plan</u>	<u>Non-professional Retirement Plan</u>	<u>Teacher Retirement Plan</u>	
2024	\$ (251,568)	\$ (585,255)	\$ (4,327,309)	\$ (4,912,564)
2025	(925,893)	(523,994)	(4,995,554)	(5,519,548)
2026	(3,119,556)	(676,617)	(8,300,013)	(8,976,630)
2027	2,322,845	469,221	4,305,140	4,774,361

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM

A. Plan descriptions and provisions

Other Postemployment benefits consist of the following programs for Fauquier County and Fauquier County School Board:

Fauquier County

- Fauquier County and School Board Postretirement Medical Plan (“Continuation Plan”)
- Fauquier County and School Board Retirement Health Insurance Credit Plan (“Credit Plan”)
- Virginia Retirement System Group Life Insurance Program (“VRS GLI Program”)

Fauquier County School Board

- Fauquier County and School Board Postretirement Medical Plan (“Continuation Plan”)
- Fauquier County and School Board Retirement Health Insurance Credit Plan (“Credit Plan”)
- Fauquier County School Board Health Coverage Plan (“Health Coverage Plan”)
- Virginia Retirement System Group Life Insurance Program (“VRS GLI Program”)
- Virginia Retirement System Teacher Employee Health Insurance Credit Program (“VRS Teachers HIC Program”)
- Virginia Retirement System Non-Professional Health Insurance Credit Program (“VRS NP HIC Program”)

Continuation plan: The Fauquier County and School Board Postretirement Medical Program (“Continuation Plan”) is a single-employer defined benefit healthcare plan which offers eligible retired employees the option to continue coverage as a member of the group along with active employees in accordance with §15.2-1517.C.1 of the Code of Virginia.

General and public safety employees are eligible to retire at age 50 with 15 years of service. School employees are eligible for retiree health benefits until Medicare eligibility once they meet Virginia Retirement System (VRS) pension eligibility requirements. VRS pension eligibility requirements are for those hired prior to July 1, 2010 and vested before January 1, 2013, earlier of age 55 with 5 years of service or age 50 with 10 years of service. For employees hired on/after July 1, 2010 and not vested before January 1, 2013, eligibility is the earlier of age 60 with 5 years of service; or sum of age plus years of service is at least 90. Spouses of retirees can remain on the plan as long as the retiree is alive. If the spouse is named beneficiary, they would receive life insurance payments and money from the VRS employee contribution amount.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

The published insurance rates are based primarily on the healthcare usage of active employees. Retirees pay 100% of the published rates. Since it is generally assumed that retirees use healthcare at a rate much higher than active employees, using these blended rates creates a presumed subsidy for the retiree group. Employees who terminate prior to employment eligibility are not eligible to participate in the plan. Dependents, including surviving spouses, are permitted access to plan coverage. Disabilities must meet service retirement eligibilities to gain access to the plan.

The Continuation Plan is administered by Fauquier County and Fauquier County School Board and has no stand-alone financial report. The benefit terms are established and can be amended by the Fauquier County Board of Supervisors or the Fauquier County School Board.

Credit plan: The Credit Plan, effective January 1, 2018 and established by the Fauquier County Board of Supervisors, is a single-employer defined benefit healthcare plan which offers eligible retired employees the option to receive a cash payment (“credit”) to use to offset the cost of health and dental insurance costs during retirement in accordance with §15.2-1517.C.1 of the Code of Virginia. Benefits are available to Fauquier County employees who retire after January 1, 2018. The Fauquier County School Board adopted the plan for its employees in April 2022.

The Credit Plan is administered by the Fauquier County and School Board and has no separate financial report. The benefit terms are established and can be amended by the Fauquier County Board of Supervisors.

About the Credit Plan	
Eligible Members	Eligible members include Fauquier County employees who: • Attain age 50. • Participated in the County’s Health care program for the 5 years immediately prior to retirement. • Have 20 years of consecutive service with the County, except for grandfathered current employees (those hired prior to October 12, 2017) who had a break in service prior to the date of adoption of the program. • Retire with an unreduced benefit through VRS and not on VRS Medical Disability.
Benefit Amounts	• Pre-65: Portable monthly health credit of \$16.67 per year or service with Fauquier County up to 30 years (\$500 per month subsidy maximum). • Post-65: Portable monthly health credit of \$5.50 per year of service up to 30 years (\$165 per month subsidy maximum). • Retirees are not required to have health coverage with the County to receive the stated benefits. • All benefits are provided for the employee only (credit not provided for dependents).

Health coverage plan: The Health Coverage Plan, effective July 9, 2018 and established by the Fauquier County School Board, is a single employer defined benefit health care plan which provides health and dental coverage for retired administrative employees upon retirement from the Fauquier County Public Schools until Medicare eligibility is met. The entire cost of the coverage is born by the Fauquier County School Board. The Health Coverage Plan is closed to new entrants.

The benefit terms of the Health Coverage Plan are established and may be amended under authority of Fauquier County School Board. The Health Coverage Plan is administered by the Fauquier County School Board and the School Board determines the number of contributions to the OPEB trust with concurrence of the Fauquier County OPEB Trust Committee. The plan does not issue a stand-alone financial report.

OPEB Trust Fund: Fauquier County and School Board participate in the Virginia Other Postemployment Benefits Program Trust Fund (Trust Fund), an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions, in the form set forth in the Virginia Pooled OPEB Trust Fund

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Agreement. The Trust Fund is governed by a Board of Trustees composed of nine members who are elected by participants in the pooled trust, with votes weighted according to each participating employer's share of total fund assets.

The Trustees establish investment objectives, risk tolerance and asset allocation policies for the Fund in light of the purposes of the Fund, market and economic conditions, and generally prevailing prudent investment practices. The Trustees monitor the Trust Fund to ensure adherence to the Investment Policy & Guidelines and review, monitor, and evaluate the performance of the Fund and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance. If necessary, the Trustees are responsible for making changes to achieve the objectives.

The investment objective of the Trust Fund is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The Trust Fund is segregated and managed as two distinct portfolios that are referred to as Portfolio I and Portfolio II. Portfolio I is structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5%. Portfolio II is structured to achieve an expected rate of return of 6.5%. The investment performance of each Portfolio will be reviewed quarterly and compared on a rolling three-year basis and over other relevant time periods to the following: (a) a composite benchmark comprised of each asset classes' market index benchmarks, weighted by each Portfolio's long-term policy allocations, and (b) a peer group of other similar size fund sponsors.

The Trustees are responsible for setting each Portfolio's long-term asset allocation, after taking into consideration expectations for asset class returns and volatility, risk tolerance and liquidity needs. The Trust Fund's assets are separately managed by professional investment managers or invested in professionally managed investment vehicles. Each Portfolio is invested in a broadly diversified manner by asset class, style and capitalization, which will control volatility levels.

The Trustees monitor the asset allocation of each Portfolio on a quarterly basis to ensure that each Portfolio remains within the range of targeted asset allocations. Consideration will be given annually, or more often if deemed appropriate, to actively rebalance a Portfolio. Rebalancing is back to the neutral policy target unless otherwise directed by the Trustees.

The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML) at P.O. Box 12164, Richmond, Virginia 23241.

The Fauquier County OPEB Trust Finance Committee meets quarterly to monitor the OPEB Trust and the OPEB plan. The OPEB Trust Finance Committee consists of County Administrator, Finance Director, Treasurer, Office of Management and Budget Director, and School Board Assistant Superintendent of Business and Planning who each serve a two-year term.

VRS GLI program: The VRS GLI Program is a multiple employer, cost-sharing plan. It is a defined benefit plan that provides a basic group life insurance benefit for state employees, teachers, and employees of participating political subdivisions. The VRS GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended.

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the VRS GLI Program OPEB.

Specific information for VRS GLI Program OPEB, including eligibility, coverage and benefits is set out in the table below:

About the VRS GLI Program	
Eligible Employees	The VRS GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.
Benefit Amounts	The benefits payable under the VRS GLI Program have several components. • Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit – The accidental death benefit is double the natural death benefit. • Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: – Accidental dismemberment benefit – Safety belt benefit – Repatriation benefit – Felonious assault benefit Accelerated death benefit option
Reduction in Benefit Amounts	The benefit amounts provided to members covered under the VRS GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost of Living Adjustment (COLA)	For covered members with at least 30 years of service credit, there is a minimum benefit payable under the VRS GLI Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,984 effective June 30, 2023.

Detailed information about the VRS GLI Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Financial Report (AFR). A copy of the 2022 VRS AFR may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

VRS teachers HIC program: The VRS Teachers HIC Program is a multiple-employer, cost-sharing plan. It is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. The VRS Teachers HIC Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teachers HIC is a defined benefit plan that provides a credit towards the cost of health insurance coverage for retired teachers.

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teachers' HIC Program. This plan is administered by the VRS along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums. Retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

The specific information for the VRS Teachers HIC Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

About the VRS Teachers HIC Program	
Eligible Employees	The VRS Teachers HIC Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
Benefit Amounts	The VRS Teachers HIC Program provides the following benefits for eligible employees: • At Retirement – For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • Disability Retirement – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: • \$4.00 per month, multiplied by twice the amount of service credit, or • \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.
Notes	• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Detailed information about the Teachers HIC Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Financial Report (AFR). A copy of the 2022 VRS AFR may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

VRS NP HIC program: The VRS NP HIC Program is a multiple-employer agent is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired non-professional employees of Fauquier County Public Schools. The VRS NP HIC Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended.

All full-time, salaried permanent (non-professional) employees of Fauquier County Public Schools are automatically covered by the VRS NP HIC Program. This plan is administered by the VRS along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the VRS NP HIC Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

About the VRS Non-Professional HIC Program	
Eligible Employees	The VRS NP HIC Program was established July 1, 1993 for retired Non-Professional Employees covered under VRS who retire with at least 15 years of service credit. The School Board established its plan on July 1, 2020. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (non-professional) salaried employees of Fauquier County Public School divisions covered under VRS.
Benefit Amounts	The VRS NP HIC Program provides the following benefits for eligible employees: • At Retirement – For NP school employees who retire with at least 15 years of service credit, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00. • Disability Retirement – For NP school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
Notes	• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree. • No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit premiums paid for other qualified health plans.

Detailed information about the Non-Professional HIC Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Financial Report (AFR). A copy of the 2022 VRS AFR may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Summary of significant accounting policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan or by VRS. For this purpose, benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

C. Actuarial assumptions

Continuation, credit, and health coverage plans: The net OPEB liability for the Continuation, Credit, and Health Coverage Plans was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed on June 30, 2022, using the Entry Age Normal Level % of Salary method. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021–June 30, 2022.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

The following assumptions, as applied to all periods included at the measurement date of June 30, 2023 are noted in the table below:

	Continuation Plan	Credit Plan	Health Coverage Plan
Inflation	2.50%	2.50%	2.50%
Salary increases, including inflation	3.50%	3.50%	3.50%
Investment rate of return	4.13%	7.50%	6.75%
Health care cost trend rates	7.50%, decreasing to an ultimate rate of 4.50%	7.50%, decreasing to an ultimate rate of 4.50%	7.50%, decreasing to an ultimate rate of 4.50%

Mortality rates for participants were based on the following:

Healthy general participants	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Healthy Police participants	SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Disabled General Participants	SOA Pub-2010 Non-Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Disabled Police Participants	SOA Pub-2010 Public Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Surviving Spouses	SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020.

VRS GLI, teachers' HIC and NP HIC programs: The total OPEB liability used to calculate the net OPEB liability was based on by an actuarial valuation performed on June 30, 2021, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

	County		School Board	
	General employees	Public safety employees	Non-professional employees	Professional employees (Teachers)
Inflation	2.5%			
Salary increases, including inflation	3.5% - 5.35%	3.5% - 4.75%	3.5% - 5.35%	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*			

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Mortality rates:**General state employees**

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Teachers

Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

SPORS employees

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years Beneficiaries and

Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

ValORS employees

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

JRS employees

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

General employees

Largest 10 Locality Employers

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Non-Largest 10 Locality Employers

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Hazardous duty employees**Largest 10 Locality Employers**

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Non-Largest 10 Locality Employers

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General state employees

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

Teachers

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

SPORS employees

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70; Decreased withdrawal rate for 0 years of service and increased rates for 1 to 6 years of service

ValORS employees

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70; Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

JRS employees

Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Decreased retirement rates for ages 60-66 and 70-72; Reduce salary scale increase across all ages by 0.50%

General employees**Largest 10 Locality Employers**

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

Non-Largest 10 Locality Employers

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Hazardous duty employeesLargest 10 Locality Employers

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates

Non-Largest 10 Locality Employers

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty

D. Long term expected rate of return

Continuation and credit plans: The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Long Term Arithmetic Average Nominal Return ¹	Long Term Arithmetic Average Real Return ²	Long Term
				Arithmetic Average Weighted Average Real Return
Core Bonds	5%	5.33%	3%	0.13%
Core Plus	11%	5.63%	3%	0.32%
Liquid Absolute Return	4%	6.00%	3%	0.13%
U.S. Large Cap Equity	21%	9.88%	7%	1.50%
U.S. Small Cap Equity	10%	11.28%	9%	0.85%
International Developed Equity	13%	10.74%	8%	1.04%
Emerging Market Equity	5%	11.98%	9%	0.46%
Long/Short Equity	6%	8.43%	6%	0.34%
Private Equity	10%	13.22%	10%	1.05%
Core Real Estate	10%	9.35%	7%	0.66%
Opportunistic Real Estate	5%	12.35%	10%	0.48%
	100%			6.96%
		Inflation		2.75%
		Expected arithmetic nominal return		9.71%

1) Long-Term Arithmetic Average Nominal Return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.

2) Long-Term Arithmetic Average Real Return is the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.

The money-weighted rate of return on OPEB plan investments for the fiscal year ending June 30, 2023 was 4.64%. A money weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts invested.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

VRS, GLI, teachers' HIC and the new VRS NP HIC: The long-term expected rate of return for the VRS, GLI, teachers HIC, and VRS NP HIC programs is the same as the long term expected rate of return for the VRS Pension Plans. Please refer to Section D, of Note 12 Virginia Retirement System Pension Plan for further information.

E. Discount rate

Continuation, credit, and health coverage plans: For the current valuation, the discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments is selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

The final equivalent single discount rate used for this year's valuation is shown in the table below with the expectation that the County will continue paying the pay-go cost from the OPEB Trust until the Trust balance is exhausted. At that point, the plan will become unfunded (i.e., financed on a pay-as-you-go basis).

	Bond Buyer Go 20-Bond Municipal Index	S&P Municipal 20 Year High Grade Rate Index	Fidelity 20-Year Go Municipal Bond Index	Bond Index Range	Actual Discount Rate Used
Continuation Plan					
Yield as of July 1, 2022	3.54%	4.09%	3.69%	3.54%-4.09%	4.09%
Yield as of June 30, 2023	3.65%	4.13%	3.86%	3.65%-4.13%	4.09%
Credit Plan					
Yield as of July 1, 2022	2.16%	2.19%	1.94%	1.94%-2.19%	7.50%
Yield as of June 30, 2023	2.16%	2.19%	1.94%	1.94%-2.19%	7.50%
Health Coverage Plan					
Yield as of July 1, 2022	3.54%	4.09%	3.69%	3.54%-4.09%	4.09%
Yield as of June 30, 2023	3.67%	4.13%	3.86%	3.65%-4.13%	4.09%

VRS, GLI, teachers' HIC, and VRS NP HIC programs: The discount rate used to measure the total GLI and HIC liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between the actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the entity for the GLI and HIC OPEB will be subject to the portion of the VRS Board-Certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and School Boards are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI and HIC OPEB's fiduciary net positions were projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine total GLI and HIC liabilities.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

F. Employees covered by the benefit

The following employees were covered by the benefit terms of the Continuation, Credit, and Health Coverage Plans:

	Continuation Plan	Credit Plan	Health Coverage Plan
Retiree's currently receiving benefit payments	28	48	1
Active employees	2,522	739	-
Total	2,550	787	1

G. Contributions

Continuation plan: Benefit levels, employee contributions, and employer contributions are governed by the County and may be amended by the County. The County establishes employer contribution rates for plan participants and determines annual funding for the plan as part of the budgetary process each year. For participating retirees and their dependents, including surviving spouses, the retiree contributes 100% of the published rates.

Because the nature of the Continuation Plan creates an implicit rate subsidy, the County Board of Supervisors and School Board have adopted a pay-as-you-go funding methodology and therefore, did not make any contributions to the Trust Fund for the Contribution Plan. Beginning in fiscal year 2018, assets that have been previously accumulated in the Trust Fund for the implicit rate subsidy are being used toward the OPEB liability Credit Plan.

Credit plan: Contributions for the Credit Plan were determined based on an actuarially determined contribution (ADC) from an actuarial valuation dated June 30, 2022. The ADC is the target or recommended contribution, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. The County contributed the ADC in the amount of \$114,676 in fiscal year 2023 and \$107,632 in fiscal year 2022.

Health coverage plan: Contributions for the Health Coverage Plan were determined based on an actuarially determined contribution (ADC) from an actuarial valuation dated June 30, 2022. The ADC is the target or recommended contribution, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. Fauquier County School Board contributed to the ADC in the amount of \$990 in fiscal year 2023 and \$41,795 in fiscal year 2022.

VRS GLI program: The contribution requirements for the VRS GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Fauquier County contributed \$270,280 and \$240,350 to the VRS GLI Program for the years ended June 30, 2023 and June 30, 2022, respectively. For the year ending June 30, 2022, Fauquier County School Board contributed \$427,493 for the teachers and \$45,916 for the non-professional employees to the VRS GLI program. For the year ending June 30, 2023, Fauquier County School Board contributed \$469,674 for the teachers and \$52,968 for the non-professional employees to the VRS GLI program.

VRS teachers HIC program: The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Fauquier County School Board contributed \$1,049,743 and \$953,970 to the VRS Teachers HIC Program for the years ended June 30, 2023 and June 30, 2022, respectively.

VRS NP HIC program: The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 0.90% (includes .54% basic and .36% enhanced) of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by non-professional employees during the year, with an additional amount to finance any unfunded accrued liability. Fauquier County Non-Professional Schools contributed \$52,637 to the VRS NP HIC Program for the year ended June 30, 2023.

H. Changes in the net OPEB liability - credit and continuation plans, and VRS NP HIC plan

The following table presents the changes in the net OPEB liability for the Continuation and Credit Plans:

	Schedule of Changes in the Net OPEB Liability					
	Primary Government					
	Continuation Plan			Credit Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2022	\$ 2,602,387	\$ -	\$ 2,602,387	\$ 2,166,833	\$ 1,568,321	\$ 598,512
Changes for the Year						
Service cost	164,124	-	164,124	70,314	-	70,314
Interest	110,661	-	110,661	165,192	-	165,192
Changes in assumptions	(9,879)	-	(9,879)	-	-	-
Difference between expected and actual experience	(197,576)	-	(197,576)	15,301	-	15,301
Contributions- employer	-	122,982	(122,982)	-	185,125	(185,125)
Contributions- employee	-	-	-	-	-	-
Net investment income	-	-	-	-	119,914	(119,914)
Benefit payments, including refunds of employee	(122,982)	(122,982)	-	(70,449)	(70,449)	-
Administrative expense	-	-	-	-	(2,117)	2,117
Other changes	-	-	-	-	-	-
Net changes	(55,652)	-	(55,652)	180,358	232,473	(52,115)
Balances at June 30, 2023	\$ 2,546,735	\$ -	\$ 2,546,735	\$ 2,347,191	\$ 1,800,794	\$ 546,397

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Schedule of Changes in the Net OPEB Liability School Board									
	Continuation Plan			Credit Plan			Health Coverage Plan		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)
Balances at June 30, 2022	\$ 3,726,348	\$ -	\$ 3,726,348	\$ 3,486,852	\$ -	\$ 3,486,852	\$ 138,125	\$ 151,252	\$ (13,127)
Changes for the Year									
Service cost	300,562	-	300,562	121,235	-	121,235	7,722	-	7,722
Interest	160,668	-	160,668	270,068	-	270,068	10,939	-	10,939
Changes in assumptions	(7,282)	-	(7,282)	-	-	-	-	-	-
Difference between expected and actual experience	(328,979)	-	(328,979)	(44,907)	-	(44,907)	(10,940)	-	(10,940)
Contributions - employer	-	199,191	(199,191)	-	358,620	(358,620)	-	990	(990)
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	1,227	(1,227)	-	11,511	(11,511)
Benefit payments, including refunds of employee	(199,191)	(199,191)	-	(14,630)	(14,630)	-	-	-	-
Administrative expense	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	(686)	686
Net changes	(74,222)	-	(74,222)	331,766	345,217	(13,451)	7,721	11,815	(4,094)
Balances at June 30, 2023	\$ 3,652,126	\$ -	\$ 3,652,126	\$ 3,818,618	\$ 345,217	\$ 3,473,401	\$ 145,846	\$ 163,067	\$ (17,221)
VRS NP HIC Program									
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability						
Balances at June 30, 2021	\$ 475,621	\$ 44,166	\$ 431,455						
Changes for the Year									
Service Cost	9,971	-	9,971						
Interest	32,118	-	32,118						
Changes in assumptions	93,899	-	93,899						
Change in Benefit Terms	260,895	-	260,895						
Difference between expected and actual experience	(65,262)	-	(65,262)						
Contributions - employer	-	71,848	(71,848)						
Contributions - employee	-	-	-						
Net investment income	-	(1,365)	1,365						
Benefit payments, including refunds of employee									
contributions	(19,535)	(19,535)	-						
Administrative expense	-	(180)	180						
Other changes	-	266	(266)						
Net changes	312,086	51,034	261,052						
Balances at June 30, 2022	\$ 787,707	\$ 95,200	\$ 692,507						

I. Net OPEB liability – VRS, GLI, teachers HIC, and VRS NP HIC programs

The net OPEB liability for the VRS, GLI, teachers HIC, and VRS NP HIC programs represent the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, net OPEB liability amounts for the programs are as follows (amounts expressed in thousands):

	VRS GLI Program	VRS Teachers HIC Program
Total OPEB Liability	\$ 3,672,085	\$ 1,470,891
Plan Fiduciary Net Position	2,467,989	221,845
Net GLI OPEB Liability	\$ 1,204,096	\$ 1,249,046
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	67.21%	15.08%

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

The total OPEB liability is calculated by VRS’s actuary, and each plan’s fiduciary net position is reported in VRS’s financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

The County and School Board’s proportionate shares of the VRS GLI Program and the VRS Teachers’ HIC Program net OPEB Liabilities were based on actuarially determined employer contributions to VRS for the year ended June 30, 2019, relative to the total of the actuarially determined employer contributions for all participating employers.

The table below outlines the proportionate share of the total OPEB liability, fiduciary net position and net OPEB liabilities for the VRS, GLI, teachers HIC, and VRS NP HIC programs at June 30, 2023:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
VRS GLI Program			
Fauquier County proportionate share (.20409%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	\$ 7,513,821	\$ 5,049,999	\$ 2,463,822
Fauquier County School Board (non-professional) proportionate share (.03909%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	1,435,418	964,737	470,681
Fauquier County School Board (teachers) proportionate share (.36394%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	13,364,187	8,981,999	4,382,188
VRS Teachers Retirement HIC Program			
Fauquier County School Board (teachers) proportionate share (.84591%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	\$ 671,171	\$ (9,894,638)	\$ 10,565,809

J. Sensitivity of the net OPEB liability to changes in the discount rate and in the healthcare cost trend

The following tables present the sensitivity of the net OPEB liability to changes in the discount rate and the healthcare cost trend rate using rates that are one percentage point lower and one percentage point higher than the current rate.

	Credit Plan			Continuation Plan		
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%	1% Decrease 3.13%	Current Rate 4.13%	1% Increase 5.13%
Primary Government						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 866,413	\$ 546,397	\$ 276,560	\$ 2,804,585	\$ 2,546,735	\$ 2,311,581
Sensitivity of the Net OPEB Liability to changes in Health Care Trend Rate				\$ 2,195,770	\$ 2,546,735	\$ 2,972,278

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

	Credit Plan			Continuation Plan			Health Coverage Plan		
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%	1% Decrease 3.13%	Current Rate 4.13%	1% Increase 5.13%	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
School Board									
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 3,892,685	\$ 3,473,401	\$ 3,109,524	\$ 3,834,098	\$ 3,652,126	\$ 3,471,095	\$ (12,060)	\$ (17,221)	\$ (22,146)
				1% Decrease 3.50%	Current Rate 4.50%	1% Increase 5.50%	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Sensitivity of the Net OPEB Liability to changes in Health Care Trend Rate				\$ 3,264,330	\$ 3,652,126	\$ 4,099,038	\$ (23,423)	\$ (17,221)	\$ (10,766)
				VRS GLI Program					
				1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%			
Primary Government									
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 3,585,150	\$ 2,463,822	\$ 1,557,636						
				VRS GLI Program			VRS NP HIC Program		
School Board				1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Non Professional									
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 684,896	\$ 470,681	\$ 297,566	\$ 779,534	\$ 692,507	\$ 618,791			
				VRS GLI Program			VRS Teachers HIC Program		
				1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Teachers									
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 6,376,597	\$ 4,382,188	\$ 2,770,433	\$ 11,907,789	\$ 10,565,809	\$ 9,428,248			

K. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2023, the County recognized OPEB expense as follows:

	Continuation Plan	Credit Plan	Health Coverage Plan	VRS GLI Program			VRS HIC Program		Total
				General employees	Non- professional	Teachers	Non- professional	Teachers	
Primary Government	\$ 113,419	\$ 23,175	\$ -	\$ 131,543	\$ -	\$ -	\$ -	\$ -	\$ 268,137
School Board	(62,828)	372,850	11,552	-	14,471	47,855	306,389	671,171	1,361,460
	<u>\$ 50,591</u>	<u>\$ 396,025</u>	<u>\$ 11,552</u>	<u>\$ 131,543</u>	<u>\$ 14,471</u>	<u>\$ 47,855</u>	<u>\$ 306,389</u>	<u>\$ 671,171</u>	<u>\$ 1,629,597</u>

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB were from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Continuation Plan				
Differences between expected and actual experience	\$ 439,177	\$ (440,376)	\$ 218,665	\$ (1,170,768)
Changes in assumptions	374,772	(1,085,075)	275,227	(753,227)
Total	\$ 813,949	\$ (1,525,451)	\$ 493,892	\$ (1,923,995)
Credit Plan				
Differences between expected and actual experience	\$ 16,304	\$ (455,108)	\$ -	\$ (92,287)
Changes in assumptions	14,833	(144,177)	-	-
Net difference between projected and actual earnings on OPEB plan investments	26,095	-	9,151	-
Total	\$ 57,232	\$ (599,285)	\$ 9,151	\$ (92,287)
Health Coverage Plan				
Differences between expected and actual experience			\$ -	\$ (5,470)
Changes in assumptions			-	-
Net difference between projected and actual earnings on OPEB plan investments			7,864	-
Total			\$ 7,864	\$ (5,470)

	Primary Government		School Board			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Non- Professional		Teachers	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
VRS GLI Program						
Differences between expected and actual experience	\$ 195,104	\$ (98,843)	\$ 37,272	\$ (18,883)	\$ 347,014	\$ (175,803)
Changes in assumptions	91,897	(239,986)	17,556	(45,846)	163,449	(426,843)
Net difference between projected and actual earnings on OPEB plan investments	-	(153,953)	-	(29,411)	-	(273,822)
Proportionate share impact	108,962	(1,290)	25,381	(31,838)	9,097	(280,435)
Contributions subsequent to the measurement date	270,280	-	52,968	-	469,674	-
Total	\$ 666,243	\$ (494,072)	\$ 133,177	\$ (125,978)	\$ 989,234	\$ (1,156,903)

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

	School Board			
	Non- Professional		Teachers	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
VRS Teachers HIC Program				
Differences between expected and actual experience	\$ -	\$ (53,608)	\$ -	\$ (430,679)
Changes in assumptions	87,123	-	308,681	(26,982)
Net difference between projected and actual earnings on OPEB plan investments	2,521	-	-	(10,605)
Proportionate share impact	-	-	-	(700,978)
Contributions subsequent to the measurement date	52,637	-	1,049,743	-
Total	<u>\$ 142,281</u>	<u>\$ (53,608)</u>	<u>\$ 1,358,424</u>	<u>\$ (1,169,244)</u>

Deferred outflows of resources related to the VRS GLI Program and the VRS Teachers' HIC Program resulting from contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liabilities in the fiscal year ending June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plans will be recognized in OPEB expense in future reporting periods as follows:

<u>Year ended June 30:</u>	<u>Continuation Plan</u>	<u>Credit Plan</u>	<u>VRS GLI Program</u>
<u>Primary Government</u>			
2024	\$ (161,366)	\$ (96,449)	\$ 7,575
2025	(161,363)	(102,544)	(2,995)
2026	(66,722)	(48,427)	(109,781)
2027	(55,175)	(90,677)	24,277
2028	(49,309)	(91,041)	(17,185)
Thereafter	(217,567)	(112,915)	-

<u>Year ended June 30:</u>	<u>Continuation Plan</u>	<u>Credit Plan</u>	<u>Health Coverage Plan</u>	<u>VRS GLI Program</u>		<u>VRS HIC Program</u>	
				<u>Non-professional</u>	<u>Teachers</u>	<u>Non-professional</u>	<u>Teachers</u>
<u>School Board</u>							
2024	\$ (524,057)	\$ (5,787)	\$ (3,408)	\$ (10,295)	\$ (160,990)	\$ 8,240	\$ (205,474)
2025	(309,374)	(5,787)	1,522	(9,438)	(132,492)	8,240	(188,555)
2026	(276,103)	(5,787)	4,312	(26,848)	(272,418)	8,240	(150,691)
2027	(107,245)	(5,788)	(32)	1,274	(17,440)	8,249	(97,134)
2028	(213,324)	(8,075)	-	(462)	(54,003)	3,067	(128,162)
Thereafter	-	(51,912)	-	-	-	-	(90,547)

NOTE 14 – FUND BALANCES

The following is a summary of fund balances as of June 30, 2023:

Primary government	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Leases	\$ 8,030	\$ -	\$ -	\$ 6,232	\$ -	\$ -	\$ 14,262
Total nonspendable	8,030	-	-	6,232	-	-	14,262
Restricted:							
Public safety	-	-	-	-	319,419	896,844	1,216,263
Public works	-	-	-	-	-	350,714	350,714
Health and welfare	-	-	-	-	-	419,660	419,660
Parks, recreation, and cultural	-	-	-	-	-	494,577	494,577
Community development	-	-	-	-	-	356,385	356,385
Proffers	-	-	-	-	-	5,236,898	5,236,898
Grants	1,932,519	-	-	-	-	-	1,932,519
Capital projects	-	4,532,683	-	-	-	-	4,532,683
Other purposes	-	-	-	-	-	215,140	215,140
Total restricted	1,932,519	4,532,683	-	-	319,419	7,970,218	14,754,839
Committed:							
General government	1,854,855	-	-	-	-	-	1,854,855
Public safety	403,000	-	-	1,120,418	-	1,346,324	2,869,742
Public works	474,476	-	-	-	-	3,287,601	3,762,077
Health and welfare	85,000	-	-	-	-	-	85,000
Budgeted use of fund balance	525,046	-	-	-	-	-	525,046
Capital projects	-	37,793,528	-	-	-	-	37,793,528
Total committed	3,342,377	37,793,528	-	1,120,418	-	4,633,925	46,890,248
Assigned:							
General government administration	10,997,324	-	-	-	-	-	10,997,324
Public safety	29,232	-	-	-	-	-	29,232
Public works	14,710	-	-	-	-	-	14,710
Health and welfare	6,000,000	-	-	-	-	-	6,000,000
Parks, recreation, and cultural	106,750	-	-	-	-	-	106,750
Other purposes	-	-	2,700,119	-	-	-	2,700,119
Total assigned	17,148,016	-	2,700,119	-	-	-	19,848,135
Unassigned:	37,127,188	-	-	-	-	-	37,127,188
Total	\$ 59,558,130	\$ 42,326,211	\$ 2,700,119	\$ 1,126,650	\$ 319,419	\$ 12,604,143	\$ 118,634,672
Component unit – School Board	School General Fund	School Asset Replacement Fund	School Grant Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Component Unit School Board
Fund Balances:							
Nonspendable:							
Inventories	\$ -	\$ -	\$ -	\$ -	\$ 169,085	\$ -	\$ 169,085
Assigned:							
Other purposes	152,494	6,488,456	341,647	1,880,378	2,461,512	1,935,526	13,260,013
Total	\$ 152,494	\$ 6,488,456	\$ 341,647	\$ 1,880,378	\$ 2,630,597	\$ 1,935,526	\$ 13,429,098

NOTE 15 – RISK MANAGEMENT

A. County government

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The identification and analysis of exposures to risk, implementation of risk control techniques, and utilization of appropriate risk financing alternatives accomplish management of these risks.

The County Government is a member of the Virginia Association of Counties Risk Pool (VACoRP) insurance programs for its property, automobile, liability, public officials, and workers' compensation coverage. This pool is a non-profit, tax-exempt association. Each Association member jointly and severally agrees to assume, pay, and discharge any liability. The County pays VACoRP contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County carries commercial insurance for all other risks of loss, including airport liability. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

B. Component unit – School Board

The School Board is a member of the Virginia Association of Counties Risk Pool (VACoRP) for its property, automobile, and workers' compensation coverage.

The public officials' liability coverage is provided through the Commonwealth of Virginia – VA Risk2 program. The School Board carries commercial insurance for the athletic accident policy and each high school is a member of the Virginia High School League for liability catastrophe insurance.

In the event the pool, VACoRP, incurs a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

C. Fire and Rescue Association

The Fire and Rescue Association (Association) contract administration is handled through the Department of Fire, Rescue, and Emergency Management. The Association carries commercial insurance for the property, automobile, and liability coverage. The Virginia Association of Counties Risk Pool (VACoRP) covers the workers' compensation policy and VFIS carries the accident and sickness policy.

D. Health and dental benefit program

The group medical and dental insurance programs for the County and the School Board are combined into one overall funding program. Anthem Blue Cross Blue Shield administers the group health insurance program and Delta Dental administers the group dental insurance for employees, their dependents, and retirees.

The Anthem plans are self-insured by the County and the School Board. Payroll medical insurance deductions, and the employer's contribution, are deposited in the Health Insurance Fund. Anthem processes claims from the hospitals, doctors, and other health care providers. The employer is then billed for these paid claims and Anthem is reimbursed for these costs from the Health Insurance Fund. The program is a minimum premium design subject to an aggregate attachment point and a specific stop loss of \$150,000. The Prescription coverage is also administered by Anthem Blue Cross Blue Shield and prescription claims are also paid from the Health Insurance Fund.

NOTE 15 – RISK MANAGEMENT (CONTINUED)

The stop loss coverage was also carved out of the Anthem policy and is administered by Symetra. Symetra insures both medical and prescription claims that are in excess of \$150,000. Symetra reimburses the County or School Board for the amount. The premiums are based on covered employees at the rate of \$126.57 per person.

The Delta Dental Plans are fully insured by Delta Dental. Payroll dental insurance deductions, and the employer's share of the premiums are deposited in the Health Insurance Fund. Delta Dental processes claims, from dentists and other dental providers, and pays these claims. The employer is only responsible for the premiums set by Delta Dental.

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

Changes in the balances of claims liability during the past two fiscal years are as follows:

	2022	2023
Unpaid claims, beginning of fiscal year	\$ 2,984,533	\$ 3,123,983
Incurred claims, (including IBNR)	27,483,287	31,314,018
Claim payments	<u>(27,343,837)</u>	<u>(31,211,706)</u>
Unpaid claims, end of fiscal year	\$ <u>3,123,983</u>	\$ <u>3,226,295</u>

NOTE 16– RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS

Northwestern Regional Adult Detention Center

The Clarke-Fauquier-Frederick-Winchester Jail Board was created in 1987 to construct and operate the Clarke-Fauquier-Frederick-Winchester Regional Adult Detention Center, renamed the Northwestern Regional Adult Detention Center (Center) in fiscal year 2006. The Center charges, on an inmate per diem basis, other localities and the Federal Government for their prisoners placed in the jail. The fourteen-member board consists of four members from the County of Frederick and City of Winchester and three each from the Counties of Clarke and Fauquier. In fiscal year 2006, the Northwestern Regional Jail Authority was created for the purpose of issuing revenue bonds for the construction of a new facility. The County and other participants have no equity interest in the jail. The County made operating contributions for 17.47% of the regional jail's operating expenses, including debt service, totaling \$2,858,022 in fiscal year 2023.

Additional information may be obtained by writing to the Northwestern Regional Adult Detention Center at 141 Fort Collier Road, Winchester, Virginia 22603 or visiting the website at www.nradc.com.

Fauquier County Water and Sanitation Authority

The Fauquier County Water and Sanitation Authority (Authority) is authorized under the Virginia Water and Waste Authorities Act, Section 15.2-5100 of the *Code of Virginia*. The Authority is governed by a five-member board appointed by the Fauquier County Board of Supervisors to serve a four-year term; however, the Board of Supervisors does not have the ability to direct the members of the Authority with respect to carrying out the Authority's fiscal and management functions. The Authority is authorized to acquire, construct, operate, and maintain an integrated water and sewer system in the County and set the rates and charges for these services. User charges and bond issues principally finance the Authority's operations and capital funds. The Authority is not fiscally dependent on the County and is solely responsible for all of its outstanding debt.

Additional information, including financial reports, may be obtained by writing to the Fauquier County Water and Sanitation Authority at 7172 Kennedy Drive, Warrenton, Virginia 20187 or visiting the website at www.fcwsa.org.

NOTE 16 – RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

Northern Virginia Health Center Commission

The Northern Virginia Health Center Commission (NVHCC) is a legal entity established in 1987 by five Northern Virginia jurisdictions (Fauquier County, Fairfax County, Prince William County, Loudoun County, and the City of Alexandria) to develop and operate a nursing facility. Each of the five jurisdictions contributes annually to Birmingham Green Nursing Center and Birmingham Green Assisted Living Unit based on budgeted utilization for a percentage of nursing home beds for low-income residents of each locality. In fiscal year 2023, Fauquier County contributed a total of \$190,259.

Additional information may be obtained by writing to the Northern Virginia Health Center Commission at 8605 Centreville Road, Manassas, Virginia 20110-8426 or visiting the website at www.birminghamgreen.org.

Birmingham Green Adult Care Residence

The Birmingham Green Adult Care Residence (Residence) was established in 1997 by five Virginia jurisdictions (Fauquier County, Fairfax County, Loudoun County, Prince William County, and the City of Alexandria) to provide housing and long-term care for the benefit of low-income persons. The Residence operates a sixty-four-bed assisted living facility. In fiscal year 2023, Fauquier County contributed a total of \$332,681.

Additional information may be obtained by writing to the Northern Virginia Health Center Commission at 8605 Centreville Road, Manassas, Virginia 20110-8426 or visiting the website at www.birminghamgreen.org.

Mountain Vista Regional Governor's School

The Mountain Vista Regional Governor's School was established in 2007. Currently seven divisions (Clarke County, Culpeper County, Fauquier County, Frederick County, Rappahannock County, Warren County, and the City of Winchester) jointly own and operate a regional Governor's School. The governing board has appointed Fauquier County to serve as fiscal agent of the governor's school. Each of the seven school divisions contribute annually based on the number of students each school board proposes to send to the governor's school. In fiscal year 2023, the Fauquier County School Board contributed a total of \$397,665, with \$794,944 contributed from the other participating counties.

Additional information may be obtained by writing to the Mountain Vista Regional Governor's School at Laurel Ridge Community College, 6480 College Street, Warrenton, Virginia 20187 or Laurel Ridge Community College, 173 Skirmisher Lane, Middletown, Virginia 22645 or visiting the website at www.mvgshome.org/mvgs.

Rappahannock-Rapidan Regional Commission

The Rappahannock-Rapidan Regional Commission was created by resolution pursuant to state statute and is considered a jointly governed organization. The County appoints two of the twenty-one board members; however, the County cannot impose its will on the board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the board. The board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

Additional information may be obtained by writing to the Rappahannock-Rapidan Regional Commission at 420 Southridge Parkway, Suite 106, Culpeper, Virginia 22701 or visiting the website at www.rrregion.org.

Rappahannock-Rapidan Community Services Board and Area Agency on Aging

The Rappahannock-Rapidan Community Services Board and Area Agency on Aging was created by resolution pursuant to state statute and is considered a jointly governed organization. The County appoints three of the fifteen board members; however, the County cannot impose its will on the board since it does not have the ability to modify

NOTE 16 – RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

or approve the budget or overrule or modify the decisions of the board. The board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

Additional information, including financial reports, may be obtained by writing to the Rappahannock-Rapidan Community Services Board and Area Agency on Aging at P.O. Box 1568, Culpeper, Virginia 22701 or visiting the website at www.rrcsb.org.

NOTE 17 – SURETY BONDS

Commonwealth of Virginia Faithful Performance of Duty Bond Plan (Obligee) by and through
Travelers Casualty and Surety Company of America of Hartford, Connecticut – Surety

	<u>Amount</u>
Gail H. Barb, Clerk of the Circuit Court	\$ 480,000
Tanya Remson Wilcox, Treasurer	750,000
Eric Maybach, Commissioner of the Revenue	3,000
Jeremy Falls, Sheriff	30,000
Above constitutional officers' employees – blanket bond	500,000

Virginia Association of Counties Group Self Insurance Risk Pool – Public Employees Dishonesty
Coverage

All County employees and volunteers	\$ 500,000

Virginia Association of Counties Group Self Insurance Risk Pool

All School employees including Clerk of the School Board	\$ 500,000

NOTE 18 – CLAIMS AND LITIGATION

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. There is one pending claim that could potentially have a material effect on the County financial statements against Fauquier County Government and/or the Constitutional Officers of Fauquier County during Fiscal Year 2023. The matter is a case filed in the Fauquier County Circuit Court against the Fauquier County Board of Supervisors and Fauquier County Broadband Authority related to a contract dispute with Data Stream Technologies, Inc. (Data Stream) in which tort allegations were also made. The amount claimed in the contract issue is approximately \$750,000 and a claim for \$25 million was made in tort. The County and Broadband Authority both retained outside counsel to pursue counterclaims against Data Stream and had counsel appointed by VACorp to vigorously defend the disputed tort and contract claims. Subsequent to the end of the fiscal year this litigation has been settled, refer to Note 19 for additional information.

NOTE 19 – SUBSEQUENT EVENTS

In October 2023, bond proceeds of \$1,970,981 were received from the Virginia Public School Authority bond, which was issued by the County in October 2021. The bond proceeds were received in reimbursement of costs the County incurred for the Cedar Lee Middle School Renovation. The amount of the bond proceeds is considered outstanding to the end of the fiscal year.

On November 9, 2023, a settlement was reached between the parties involved in the litigation noted in Note 18 that requires the performance of various terms and conditions that are anticipated to be completed on or before December 31, 2023; with dismissal of the matters occurring shortly thereafter.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 15

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2023

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Virginia Retirement System

Primary Government:

Retirement Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
June 30, 2023	\$ 5,476,106	\$ 5,476,106	\$ -	\$ 49,880,023	10.37%
June 30, 2022	4,348,043	4,348,043	-	44,389,906	9.80%
June 30, 2021	4,134,958	4,134,958	-	41,992,386	9.85%
June 30, 2020	3,522,727	3,522,727	-	41,986,707	8.39%
June 30, 2019	3,382,113	3,382,113	-	39,528,477	8.56%
June 30, 2018	3,023,056	3,023,056	-	36,454,515	8.29%
June 30, 2017	2,834,313	2,834,313	-	34,194,157	8.29%
June 30, 2016	3,337,679	3,337,679	-	33,188,587	10.06%
June 30, 2015*	3,199,599	3,199,599	-	31,789,387	10.06%

Group Life Insurance Program

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
June 30, 2023	\$ 270,280	\$ 270,280	\$ -	\$ 50,051,912	0.54%
June 30, 2022	240,350	240,350	-	44,509,270	0.54%
June 30, 2021	227,537	227,537	-	42,136,454	0.54%
June 30, 2020	216,120	216,120	-	41,561,614	0.52%
June 30, 2019	205,987	205,987	-	39,612,916	0.52%
June 30, 2018	190,027	190,027	-	36,543,557	0.52%
June 30, 2017	178,438	178,438	-	34,315,054	0.52%
June 30, 2016	159,225	159,225	-	33,171,876	0.48%
June 30, 2015	153,056	153,056	-	31,886,605	0.48%
June 30, 2014	146,870	146,870	-	30,597,915	0.48%

School Board:

Non-Professional Retirement Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
June 30, 2023	\$ 331,202	\$ 331,202	\$ -	\$ 9,747,612	3.40%
June 30, 2022	361,832	361,832	-	8,468,533	4.27%
June 30, 2021	330,784	330,784	-	7,662,372	4.32%
June 30, 2020	325,377	325,377	-	8,077,614	4.03%
June 30, 2019	334,943	334,943	-	7,932,127	4.22%
June 30, 2018	370,305	370,305	-	7,450,252	4.97%
June 30, 2017	369,812	369,812	-	7,425,942	4.98%
June 30, 2016	450,349	450,349	-	6,978,640	6.45%
June 30, 2015*	428,328	428,328	-	6,626,519	6.46%

Teacher Retirement Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ 13,781,376	\$ 13,781,376	\$ -	\$ 86,755,601	16.62%
June 30, 2022	12,605,268	12,605,268	-	78,840,487	15.99%
June 30, 2021	12,296,392	12,296,392	-	76,644,277	16.04%
June 30, 2020	11,960,052	11,960,052	-	78,772,804	15.18%
June 30, 2019	11,554,803	11,554,803	-	75,619,472	15.28%
June 30, 2018	11,676,725	11,676,725	-	72,884,547	16.02%
June 30, 2017	10,507,620	10,507,620	-	72,875,794	14.42%
June 30, 2016	10,108,697	10,108,697	-	72,441,305	13.95%
June 30, 2015*	10,199,271	10,199,271	-	70,248,727	14.52%

*Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 15
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Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2023

School Board (continued):

Group Life Insurance Program

Non-Professional

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ 52,968	\$ 52,968	\$ -	\$ 9,808,834	0.54%
June 30, 2022	45,916	45,916	-	8,502,934	0.54%
June 30, 2021	42,108	42,108	-	7,797,838	0.54%
June 30, 2020	42,442	42,442	-	8,161,958	0.52%
June 30, 2019	41,600	41,600	-	8,000,043	0.52%
June 30, 2018	38,884	38,884	-	7,477,675	0.52%
June 30, 2017	38,836	38,836	-	7,468,390	0.52%
June 30, 2016	34,034	34,034	-	7,090,446	0.48%
June 30, 2015	31,957	31,957	-	6,657,743	0.48%
June 30, 2014	33,725	33,725	-	7,026,010	0.48%

Teachers

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ 469,674	\$ 469,674	\$ -	\$ 86,976,629	0.54%
June 30, 2022	427,493	427,493	-	79,165,295	0.54%
June 30, 2021	415,988	415,988	-	77,034,820	0.54%
June 30, 2020	410,920	410,920	-	79,023,163	0.52%
June 30, 2019	393,231	393,231	-	75,621,380	0.52%
June 30, 2018	379,887	379,887	-	73,055,143	0.52%
June 30, 2017	380,267	380,267	-	73,128,237	0.52%
June 30, 2016	346,512	346,512	-	72,190,017	0.48%
June 30, 2015	338,777	338,777	-	70,578,532	0.48%
June 30, 2014	337,143	337,143	-	70,238,198	0.48%

Health Insurance Program

Non-Professional

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ 52,637	\$ 52,637	\$ -	\$ 9,747,612	0.54%
June 30, 2022	43,190	43,190	-	8,468,533	0.51%
June 30, 2021*	39,078	39,078	-	7,662,372	0.51%

Teachers

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ 1,049,743	\$ 1,049,743	\$ -	\$ 86,755,601	1.21%
June 30, 2022	953,970	953,970	-	78,840,487	1.21%
June 30, 2021	927,396	927,396	-	76,644,277	1.21%
June 30, 2020	945,274	945,274	-	78,772,804	1.20%
June 30, 2019	906,889	906,889	-	75,574,076	1.20%
June 30, 2018	897,633	897,633	-	72,978,293	1.23%
June 30, 2017	809,357	809,357	-	72,915,076	1.11%
June 30, 2016	762,107	762,107	-	71,896,849	1.06%
June 30, 2015	745,602	745,602	-	70,339,798	1.06%
June 30, 2014	778,824	778,824	-	70,164,352	1.11%

*Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Funding Progress and Employer Contributions
 Virginia Retirement System Pension and Other Postemployment Benefits Programs
 Fauquier County Other Postemployment Benefits Plans
 Fiscal Year Ended June 30, 2023

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Primary Government:

Continuation Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ -	\$ -	\$ -	\$ 51,431,836	0.00%
June 30, 2022	-	-	-	49,692,595	0.00%
June 30, 2021	-	-	-	42,362,379	0.00%
June 30, 2020	-	-	-	48,888,690	0.00%
June 30, 2019	-	-	-	42,074,311	0.00%
June 30, 2018	-	-	-	40,961,221	0.00%
June 30, 2017	96,604	-	96,604	39,576,059	0.00%
June 30, 2016	225,865	78,487	147,378	31,426,727	0.25%
June 30, 2015	277,095	277,095	-	32,415,086	0.85%
June 30, 2014	271,169	271,169	-	31,318,924	0.87%

Credit Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ 114,676	\$ 185,125	\$ (70,449)	\$ 51,431,836	0.4%
June 30, 2022	107,632	107,632	-	49,692,595	0.2%
June 30, 2021	157,477	157,477	-	42,362,379	0.4%
June 30, 2020	152,361	152,361	-	48,888,690	0.3%
June 30, 2019	138,432	138,432	-	42,074,311	0.3%
June 30, 2018*	132,797	715,474	(582,677)	40,961,221	1.7%

School Board:

Continuation Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ -	\$ -	\$ -	\$ 91,509,405	0.00%
June 30, 2022	-	-	-	88,414,884	0.00%
June 30, 2021	-	-	-	84,335,149	0.00%
June 30, 2020	-	-	-	89,642,029	0.00%
June 30, 2019	-	-	-	88,435,009	0.00%
June 30, 2018	-	-	-	81,301,110	0.00%
June 30, 2017	191,742	-	191,742	78,551,797	0.00%
June 30, 2016	448,359	155,804	292,555	62,384,399	0.25%
June 30, 2015	550,053	550,053	-	64,346,366	0.85%
June 30, 2014	538,290	538,290	-	62,170,402	0.87%

Health Coverage Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2023	\$ 990	\$ 990	\$ -	\$ 208,333	0.50%
June 30, 2022	41,795	41,795	-	201,288	20.8%
June 30, 2021	33,836	33,836	-	180,274	18.8%
June 30, 2020	34,468	34,468	-	186,584	18.5%
June 30, 2019*	32,608	32,608	-	180,274	18.1%

*Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2023

Virginia Retirement System:

Political Subdivision Pension Plan

Changes of benefit terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1: set separate rates based on experience for Plan 2/Hybrid; changed final retirement age. Adjusted rates to better fit experience at each year age and service through 9 years of service.

All Others (Non 10 Largest) - Non- Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1: set separate rates based on experience for Plan 2/Hybrid; changed final retirement age. Adjusted rates to better fit experience at each year age and service through 9 years of service.

Largest 10 - Hazardous Duty:

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70. Decreased withdrawal rates.

All Others (Non 10 Largest) - Hazardous Duty:

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.

Teacher Retirement Pension Plan

Changes of benefit terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; and changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2023

Group Life Insurance and Health Insurance Credit Programs

Changes of benefit terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.

Teachers:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

SPORS Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70; Decreased withdrawal rate for 0 years of service and increased rates for 1 to 6 years of service.

VaLORS Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70; Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.

JRS Employees:

Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Decreased retirement rates for ages 60-66 and 70-72; Reduce salary scale increase across all ages by 0.50%.

Largest Ten Locality Employers - General Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

Non-Largest Ten Locality Employers - General Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2023

Group Life Insurance and Health Insurance Credit Programs (continued)

Changes of assumptions (continued)

Largest Ten Locality Employers - Hazardous Duty Employees:

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates

Fauquier County:

Continuation Plan - County

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2023:

The discount rate assumption has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2023. The discount rate is 4.09% as of July 1, 2022 and 4.13% as of June 30, 2023.

The termination and retirement rate assumptions have been updated based on the VRS actuarial valuation as of June 30, 2022.

Health care trend rates have been updated to an initial rate of 7.5% decreasing by 0.5% per year to an ultimate rate of 4.5%.

Credit Plan

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2023:

The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions. The Total OPEB Liability as of June 30, 2022 are based on an actuarial valuation date of July 1, 2022 with no adjustments to get to the June 30, 2022 measurement date.

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

The termination and retirement rate assumptions have been updated based on the VRS actuarial valuation as of June 30, 2022.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2023

Continuation Plan - Schools

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2023:

The discount rate assumption has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2023. The discount rate is 4.09% as of June 30, 2022 and 4.13% as of June 30, 2023.

The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions. The Total OPEB Liability as of June 30, 2022 are based on an actuarial valuation date of July 1, 2022 with no adjustments to get to the June 30, 2022 measurement date.

Health care trend rates have been updated to an initial rate of 7.5% decreasing by 0.5% per year to an ultimate rate of 4.5%.

Credit Plan

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The first valuation for the credit Plan as it was established during fiscal year 2023:

The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions. The Total OPEB Liability as of June 30, 2022 are based on an actuarial valuation date of July 1, 2022 with no adjustments to get to the June 30, 2022 measurement date.

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

Health Coverage Plan - Schools

Changes of benefit terms

There have been no changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2023:

The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions. The Total OPEB Liability as of June 30, 2022 are based on an actuarial valuation date of July 1, 2022 with no adjustments to get to the June 30, 2022 measurement date.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 16

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Schedule of Changes in Net Pension Liability (Asset)
and Related Ratios
Last Eight Fiscal Years
Fiscal Year Ended June 30, 2023

Primary Government:

	2014*	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 3,665,747	\$ 3,813,094	\$ 3,885,984	\$ 3,978,825	\$ 4,150,641
Interest	6,300,846	6,765,656	7,184,529	7,609,870	8,118,250
Changes of assumptions	-	-	-	(662,813)	-
Differences between expected and actual experience	-	(1,032,433)	(1,139,622)	498,300	580,157
Benefit payments, including refunds of employee contributions	(3,159,348)	(3,493,529)	(3,631,336)	(4,077,843)	(4,245,375)
Net change in total pension liability	6,807,245	6,052,788	6,299,555	7,346,339	8,603,673
Total pension liability – beginning	91,591,756	98,399,001	104,451,789	110,751,344	118,097,683
Total pension liability – ending (a)	98,399,001	104,451,789	110,751,344	118,097,683	126,701,356
Plan fiduciary net position					
Contributions – employer	3,555,225	3,177,007	3,284,574	2,752,121	2,911,388
Contributions – employee	1,530,920	1,623,124	1,635,553	1,675,382	1,797,746
Net investment income	12,271,193	4,210,671	1,745,781	12,180,445	8,300,573
Benefit payments, including refunds of employee contributions	(3,159,349)	(3,493,529)	(3,631,336)	(4,077,843)	(4,245,375)
Administrative expense	(63,910)	(55,473)	(58,461)	(10,918)	(69,894)
Other	647	(895)	(727)	(68,588)	(7,473)
Net change in plan fiduciary net position	14,134,726	5,460,905	2,975,384	12,450,599	8,686,965
Plan fiduciary net position – beginning	76,694,287	90,829,013	96,289,918	99,265,302	111,715,901
Plan fiduciary net position – ending (b)	\$ 90,829,013	\$ 96,289,918	\$ 99,265,302	\$ 111,715,901	\$ 120,402,866
Net pension (asset) / liability – ending (a) - (b)	\$ 7,569,988	\$ 8,161,871	\$ 11,486,042	\$ 6,381,782	\$ 6,298,490
Plan fiduciary net position as a percentage of the total pension liability	92.3%	92.2%	89.6%	94.6%	95.0%
Covered payroll	\$ 30,748,986	\$ 31,789,387	\$ 33,188,587	\$ 34,194,157	\$ 36,454,515
Net pension (asset) / liability as a percentage of covered payroll	24.6%	25.7%	34.6%	18.7%	17.3%

* Schedule is intended to show information for 10 years. Information prior to 2014 is not available. Additional years will be included as they become available.

Primary Government:				
2019	2020	2021	2022	
\$ 4,430,044	\$ 4,916,247	\$ 5,036,308	\$ 5,563,354	Total pension liability
8,715,293	9,259,856	9,897,408	11,201,272	Service cost
4,327,503	-	6,269,424	-	Interest
77,578	877,642	(1,196,210)	413,436	Changes of assumptions
(4,394,344)	(5,348,771)	(5,868,239)	(6,639,366)	Differences between expected and actual experience
13,156,074	9,704,974	14,138,691	10,538,696	Benefit payments, including refunds of employee contributions
				Net change in total pension liability
126,701,356	139,857,430	149,562,404	163,701,095	Total pension liability – beginning
139,857,430	149,562,404	163,701,095	174,239,791	Total pension liability – ending (a)
				Plan fiduciary net position
3,382,111	3,518,753	4,137,390	4,348,015	Contributions – employer
1,915,523	2,062,946	2,029,973	2,169,812	Contributions – employee
8,165,891	2,492,136	36,494,625	(231,914)	Net investment income
(4,394,344)	(5,348,771)	(5,868,239)	(6,639,366)	Benefit payments, including refunds of employee contributions
(77,623)	(82,757)	(88,127)	(104,232)	Administrative expense
(5,164)	(2,977)	3,463	3,954	Other
8,986,394	2,639,330	36,709,085	(453,731)	Net change in plan fiduciary net position
120,402,866	129,389,260	132,028,590	168,737,675	Plan fiduciary net position – beginning
\$ 129,389,260	\$ 132,028,590	\$ 168,737,675	\$ 168,283,944	Plan fiduciary net position – ending (b)
\$ 10,468,170	\$ 17,533,814	\$ (5,036,580)	\$ 5,955,847	Net pension (asset) / liability – ending (a) - (b)
92.5%	88.3%	103.1%	96.6%	Plan fiduciary net position as a percentage of the total pension liability
\$ 39,528,477	\$ 41,986,707	\$ 41,992,386	\$ 44,389,906	Covered payroll
26.5%	41.8%	-12.0%	13.4%	Net pension (asset) / liability as a percentage of covered payroll

* Schedule is intended to show information for 10 years. Information prior to 2014 is not available. Additional years will be included as they become available.

Schedule of Changes in Net Pension Liability
and Related Ratios
Last Eight Fiscal Years
Fiscal Year Ended June 30, 2023

Component Unit - School Board - Non-professional:

	2014*	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 790,454	\$ 779,639	\$ 723,642	\$ 745,093	\$ 727,239
Interest	1,314,303	1,397,986	1,485,311	1,568,963	1,628,956
Changes in assumptions	-	-	-	(242,307)	-
Differences between expected and actual experience	-	76,425	28,543	(111,788)	173,636
Benefit payments, including refunds of employee contributions	(821,036)	(997,534)	(1,015,580)	(1,069,340)	(1,136,517)
Net change in total pension liability	<u>1,283,721</u>	<u>1,256,516</u>	<u>1,221,916</u>	<u>890,621</u>	<u>1,393,314</u>
Total pension liability – beginning	<u>19,186,281</u>	<u>20,470,002</u>	<u>21,726,518</u>	<u>22,948,434</u>	<u>23,839,055</u>
Total pension liability – ending (a)	<u><u>20,470,002</u></u>	<u><u>21,726,518</u></u>	<u><u>22,948,434</u></u>	<u><u>23,839,055</u></u>	<u><u>25,232,369</u></u>
Plan fiduciary net position					
Contributions – employer	634,627	422,140	448,949	346,567	340,240
Contributions – employee	367,367	326,614	345,096	355,536	351,153
Net investment income	3,029,074	1,016,928	401,377	2,817,301	1,886,650
Benefit payments, including refunds of employee contributions	(821,036)	(997,534)	(1,015,580)	(1,069,340)	(1,136,517)
Administrative expense	(16,035)	(13,964)	(14,272)	(16,287)	(16,342)
Other	160	(215)	(170)	(2,508)	(1,681)
Net change in plan fiduciary net position	<u>3,194,157</u>	<u>753,969</u>	<u>165,400</u>	<u>2,431,269</u>	<u>1,423,503</u>
Plan fiduciary net position – beginning	<u>19,118,695</u>	<u>22,312,852</u>	<u>23,066,821</u>	<u>23,232,221</u>	<u>25,663,490</u>
Plan fiduciary net position – ending (b)	<u><u>\$ 22,312,852</u></u>	<u><u>\$ 23,066,821</u></u>	<u><u>\$ 23,232,221</u></u>	<u><u>\$ 25,663,490</u></u>	<u><u>\$ 27,086,993</u></u>
Net pension (asset) / liability – ending (a) - (b)	\$ (1,842,850)	\$ (1,340,303)	\$ (283,787)	\$ (1,824,435)	\$ (1,854,624)
Plan fiduciary net position as a percentage of the total pension liability	109.0%	106.2%	101.2%	107.7%	107.4%
Covered payroll	\$ 6,610,884	\$ 6,626,519	\$ 6,978,640	\$ 7,425,942	\$ 7,450,252
Net pension (asset) / liability as a percentage of covered payroll	-27.9%	-20.2%	-4.1%	-24.6%	-24.9%

* Schedule is intended to show information for 10 years. Information prior to 2014 is not available. Additional years will be included as they become available.

				Component Unit - School Board - Non-professional:
2019	2020	2021	2022	
\$ 703,953	\$ 708,963	\$ 701,598	\$ 697,830	Total pension liability
1,722,409	1,791,476	1,881,376	2,026,231	Service cost
725,682	-	926,324	-	Interest
121,516	347,733	(443,583)	(690,927)	Changes in assumptions
(1,253,057)	(1,424,961)	(1,607,682)	(1,627,414)	Differences between expected and actual experience
2,020,503	1,423,211	1,458,033	405,720	Benefit payments, including refunds of employee contributions
				Net change in total pension liability
25,232,369	27,252,872	28,676,083	30,134,116	Total pension liability – beginning
<u>27,252,872</u>	<u>28,676,083</u>	<u>30,134,116</u>	<u>30,539,836</u>	Total pension liability – ending (a)
				Plan fiduciary net position
333,665	325,318	330,783	351,244	Contributions – employer
373,811	369,844	349,451	373,204	Contributions – employee
1,796,186	535,400	7,594,348	(31,447)	Net investment income
(1,253,057)	(1,424,961)	(1,607,682)	(1,627,414)	Benefit payments, including refunds of employee contributions
(17,904)	(18,584)	(19,277)	(21,722)	Administrative expense
(1,130)	(634)	713	794	Other
1,231,571	(213,617)	6,648,336	(955,341)	Net change in plan fiduciary net position
27,086,993	28,318,564	28,104,947	34,753,283	Plan fiduciary net position – beginning
<u>\$ 28,318,564</u>	<u>\$ 28,104,947</u>	<u>\$ 34,753,283</u>	<u>\$ 33,797,942</u>	Plan fiduciary net position – ending (b)
\$ (1,065,692)	\$ 571,136	\$ (4,619,167)	\$ (3,258,106)	Net pension (asset) / liability – ending (a) - (b)
103.9%	98.0%	115.3%	110.7%	Plan fiduciary net position as a percentage of the total pension liability
\$ 7,932,127	\$ 8,077,614	\$ 7,662,372	\$ 8,468,533	Covered payroll
-13.4%	7.1%	-60.3%	-38.5%	Net pension (asset) / liability as a percentage of covered payroll

* Schedule is intended to show information for 10 years. Information prior to 2014 is not available. Additional years will be included as they become available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Seven Fiscal Years
Fiscal Year Ended June 30, 2023Primary Government:
Continuation Plan

	2017*	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	\$ 224,155	\$ 127,610	\$ 120,931	\$ 132,455	\$ 157,886	\$ 243,556	\$ 164,124
Interest	80,071	80,443	88,806	79,615	68,513	82,591	110,661
Changes in assumptions	(477,330)	(68,613)	96,731	213,242	360,255	(1,258,714)	(9,879)
Differences between expected and actual experience	(348,615)	(35,324)	(290,442)	(88,012)	617,023	71,384	(197,576)
Benefit payments	(85,558)	(42,129)	(57,513)	(50,394)	(60,158)	(127,617)	122,982
Net change in total pension liability	<u>(607,277)</u>	<u>61,987</u>	<u>(41,487)</u>	<u>286,906</u>	<u>1,143,519</u>	<u>(988,800)</u>	<u>190,312</u>
Total OPEB liability – beginning	<u>2,747,539</u>	<u>2,140,262</u>	<u>2,202,249</u>	<u>2,202,249</u>	<u>2,447,668</u>	<u>3,591,187</u>	<u>2,602,387</u>
Total OPEB liability – ending (a)	<u><u>2,140,262</u></u>	<u><u>2,202,249</u></u>	<u><u>2,160,762</u></u>	<u><u>2,489,155</u></u>	<u><u>3,591,187</u></u>	<u><u>2,602,387</u></u>	<u><u>2,792,699</u></u>
Plan fiduciary net position							
Contributions – employer	-	(152,232)	57,513	50,394	60,158	127,617	122,982
Net investment income	125,779	-	-	-	-	-	-
Benefit payments	(1,174,592)	(42,129)	(57,513)	(50,394)	(60,158)	(127,617)	(122,982)
Administrative expenses	(1,655)	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(1,050,468)</u>	<u>(194,361)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – beginning	<u>1,244,829</u>	<u>194,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – ending (b)	<u><u>\$ 194,361</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net OPEB (asset) / liability – ending (a) - (b)	<u>\$ 1,945,901</u>	<u>\$ 2,202,249</u>	<u>\$ 2,160,762</u>	<u>\$ 2,489,155</u>	<u>\$ 3,591,187</u>	<u>\$ 2,602,387</u>	<u>\$ 2,792,699</u>
Fiduciary net position as a percentage of the total OPEB liability	9.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	<u>\$ 39,576,059</u>	<u>\$ 40,961,221</u>	<u>\$ 42,074,311</u>	<u>\$ 48,888,690</u>	<u>\$ 42,362,379</u>	<u>\$ 49,692,595</u>	<u>\$ 51,431,836</u>
Net OPEB (asset) / liability as a percentage of covered employee payroll	4.9%	5.4%	5.1%	5.1%	8.5%	5.2%	5.0%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Six Fiscal Years
Fiscal Year Ended June 30, 2023

Exhibit 17
Page 2 of 6

Primary Government:
Credit Plan

	2018*	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 48,350	\$ 51,437	\$ 59,565	\$ 61,649	\$ 60,861	\$ 70,314
Interest	149,998	163,406	182,687	197,302	172,831	165,192
Changes in benefit terms	1,952,876	27,193	-	-	-	-
Changes in assumptions	-	-	-	(5,547)	(180,614)	-
Differences between expected and actual experience	5,008	42,249	(29,894)	(537,787)	(99,331)	15,301
Benefit payments	(2,545)	(53,743)	(16,226)	(23,056)	(59,836)	(70,449)
Net change in total pension liability	<u>2,153,687</u>	<u>230,542</u>	<u>196,132</u>	<u>(307,439)</u>	<u>(106,089)</u>	<u>180,358</u>
Total OPEB liability – beginning	<u>-</u>	<u>2,153,687</u>	<u>2,384,229</u>	<u>2,384,229</u>	<u>2,272,922</u>	<u>2,166,833</u>
Total OPEB liability – ending (a)	<u><u>2,153,687</u></u>	<u><u>2,384,229</u></u>	<u><u>2,580,361</u></u>	<u><u>2,076,790</u></u>	<u><u>2,166,833</u></u>	<u><u>2,347,191</u></u>
Plan fiduciary net position						
Contributions – employer	715,474	192,175	152,361	157,477	107,632	185,125
Net investment income	55,579	35,259	44,949	359,437	(88,721)	119,914
Benefit payments	(2,545)	(53,743)	(16,226)	(23,056)	(59,836)	(70,449)
Administrative expenses	(1,151)	(1,304)	(1,512)	(1,738)	(2,190)	(2,117)
Net change in plan fiduciary net position	<u>767,357</u>	<u>172,387</u>	<u>179,572</u>	<u>492,120</u>	<u>(43,115)</u>	<u>232,473</u>
Plan fiduciary net position – beginning	<u>-</u>	<u>767,357</u>	<u>939,744</u>	<u>939,744</u>	<u>1,611,436</u>	<u>1,568,321</u>
Plan fiduciary net position – ending (b)	<u><u>\$ 767,357</u></u>	<u><u>\$ 939,744</u></u>	<u><u>\$ 1,119,316</u></u>	<u><u>\$ 1,431,864</u></u>	<u><u>\$ 1,568,321</u></u>	<u><u>\$ 1,800,794</u></u>
Net OPEB (asset) / liability – ending (a) - (b)	<u>\$ 1,386,330</u>	<u>\$ 1,444,485</u>	<u>\$ 1,461,045</u>	<u>\$ 644,926</u>	<u>\$ 598,512</u>	<u>\$ 546,397</u>
Fiduciary net position as a percentage of the total OPEB liability	35.6%	39.4%	43.4%	68.9%	72.4%	76.7%
Covered employee payroll	<u>\$ 40,961,221</u>	<u>\$ 42,074,311</u>	<u>\$ 48,888,690</u>	<u>\$ 42,362,379</u>	<u>\$ 49,692,595</u>	<u>\$ 51,431,836</u>
Net OPEB (asset) / liability as a percentage of covered employee payroll	3.4%	3.4%	3.0%	1.5%	1.2%	1.1%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Seven Fiscal Years
Fiscal Year Ended June 30, 2023School Board:
Continuation Plan

	2017*	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	\$ 444,910	\$ 338,678	\$ 329,960	\$ 300,491	\$ 344,149	\$ 450,012	\$ 300,562
Interest	158,926	160,918	174,942	120,609	99,448	105,827	160,668
Changes in assumptions	(947,418)	(87,092)	(332,143)	162,294	359,927	(667,482)	(7,282)
Differences between expected and actual experience	(691,941)	(179,110)	(1,033,734)	(149,150)	382,663	(433,523)	(328,979)
Benefit payments	(169,819)	(185,321)	(213,308)	(173,877)	(176,565)	(220,324)	(199,191)
Net change in total pension liability	(1,205,342)	48,073	(1,074,283)	260,367	1,009,622	(765,490)	(74,222)
Total OPEB liability – beginning	5,453,401	4,248,059	4,296,132	3,221,849	3,482,216	4,491,838	3,726,348
Total OPEB liability – ending (a)	4,248,059	4,296,132	3,221,849	3,482,216	4,491,838	3,726,348	3,652,126
Plan fiduciary net position							
Contributions – employer	-	(200,450)	213,308	173,877	176,565	220,324	199,191
Contributions – retired members	-	-	-	-	-	-	-
Net investment income	249,649	-	-	-	-	-	-
Benefit payments	(2,331,368)	(185,321)	(213,308)	(173,877)	(176,565)	(220,324)	(199,191)
Administrative expenses	(3,285)	-	-	-	-	-	-
Net change in plan fiduciary net position	(2,085,004)	(385,771)	-	-	-	-	-
Plan fiduciary net position – beginning	2,470,775	385,771	-	-	-	-	-
Plan fiduciary net position – ending (b)	\$ 385,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB (asset) / liability – ending (a) - (b)	\$ 3,862,288	\$ 4,296,132	\$ 3,221,849	\$ 3,482,216	\$ 4,491,838	\$ 3,726,348	\$ 3,652,126
Fiduciary net position as a percentage of the total OPEB liability	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 78,551,797	\$ 81,301,110	\$ 88,435,009	\$ 89,642,029	\$ 84,335,149	\$ 88,414,884	\$ 91,509,405
Net OPEB (asset) / liability as a percentage of covered employee payroll	4.9%	5.3%	3.6%	3.9%	5.3%	4.2%	4.0%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Two Fiscal Years
Fiscal Year Ended June 30, 2023

School Board:

Credit Plan

	2022*	2023
Total OPEB liability		
Service cost	\$ 121,235	\$ 121,235
Interest	247,461	270,068
Changes in benefit terms	-	-
Changes in assumptions	-	-
Differences between expected and actual experience	(60,076)	(44,907)
Benefit payments	-	(14,630)
Net change in total pension liability	308,620	331,766
Total OPEB liability – beginning	3,178,232	3,486,852
Total OPEB liability – ending (a)	3,486,852	3,818,618
Plan fiduciary net position		
Contributions – employer	-	358,620
Net investment income	-	1,227
Benefit payments	-	(14,630)
Administrative expenses	-	-
Net change in plan fiduciary net position	-	345,217
Plan fiduciary net position – beginning	-	-
Plan fiduciary net position – ending (b)	\$ -	\$ 345,217
Net OPEB (asset) / liability – ending (a) - (b)	\$ 3,486,852	\$ 3,473,401
Fiduciary net position as a percentage of the total OPEB liability	0.0%	9.0%
Covered employee payroll	\$ 88,414,884	\$ 91,509,405
Net OPEB (asset) / liability as a percentage of covered employee payroll	3.9%	3.8%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Four Fiscal Years
Fiscal Year Ended June 30, 2023

Exhibit 17
Page 5 of 6

School Board:

Health Coverage Plan

	2019*	2020	2021	2022	2023
Total OPEB liability					
Service cost	\$ 11,028	\$ 10,688	\$ 10,652	\$ 11,524	7,722
Interest	6,657	7,977	9,056	12,113	10,939
Changes in assumptions	76,691	-	5,974	(60,493)	-
Differences between expected and actual experience	1,290	(4,235)	14,204	24,999	(10,940)
Benefit payments	-	-	-	-	-
Net change in total pension liability	95,666	14,430	39,886	(11,857)	7,721
Total OPEB liability – beginning	-	95,666	110,096	149,982	138,125
Total OPEB liability – ending (a)	95,666	110,096	149,982	138,125	145,846
Plan fiduciary net position					
Contributions – employer	32,610	34,468	33,836	41,795	990
Contributions – active members	-	-	-	-	-
Net investment income	-	991	20,264	(11,117)	11,511
Benefit payments	-	-	-	-	-
Administrative expenses	-	(404)	(570)	(621)	(686)
Net change in plan fiduciary net position	32,610	35,055	53,530	30,057	11,815
Plan fiduciary net position – beginning	-	32,610	67,665	121,195	151,252
Plan fiduciary net position – ending (b)	\$ 32,610	\$ 67,665	\$ 121,195	\$ 151,252	163,067
Net OPEB (asset) / liability – ending (a) - (b)	\$ 63,056	\$ 42,431	\$ 28,787	\$ (13,127)	(17,221)
Fiduciary net position as a percentage of the total OPEB liability	34.1%	61.5%	80.8%	109.5%	111.8%
Covered employee payroll	\$ 180,274	\$ 186,584	\$ 180,274	\$ 201,288	208,333
Net OPEB (asset) / liability as a percentage of covered employee payroll	35.0%	22.7%	16.0%	-6.5%	-8.3%

	2017	2018	2019	2020	2021	2022	2023
Money-weighted rate of return on OPEB Plan Investments	12.06%	9.30%	4.39%	2.84%	29.85%	-9.38%	5.33%

A money weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Two Fiscal Years
Fiscal Year Ended June 30, 2023

Exhibit 17
Page 6 of 6

School Board:

VRS Health Insurance Credit Plan
Non-Professional

	2021*	2022	2023
Total OPEB liability			
Service cost	\$ -	\$ 11,804	\$ 9,971
Interest	-	28,356	32,118
Changes in Assumptions	-	-	93,899
Current-period benefit changes	420,083	15,378	-
Differences between expected and actual experience	-	-	(65,262)
Benefit Change	-	-	260,895
Benefit payments	-	-	(19,535)
Net change in total pension liability	420,083	55,538	312,086
Total OPEB liability – beginning	-	420,083	475,621
Total OPEB liability – ending (a)	<u>420,083</u>	<u>475,621</u>	<u>787,707</u>
Plan fiduciary net position			
Contributions – employer	-	39,076	71,848
Contributions – retired members	-	-	-
Net investment income	-	5,263	(1,365)
Benefit payments	-	-	(19,535)
Administrative expenses	-	(173)	(180)
Other changes	-	(173)	266
Net change in plan fiduciary net position	-	43,993	51,034
Plan fiduciary net position – beginning	-	-	44,166
Plan fiduciary net position – ending (b)	<u>-</u>	<u>43,993</u>	<u>95,200</u>
Net OPEB (asset) / liability – ending (a) - (b)	\$ 420,083	\$ 431,628	\$ 692,507
Fiduciary net position as a percentage of the total OPEB liability	0.00%	9.25%	12.09%
Covered payroll	\$ 7,662,372	\$ 8,468,533	\$ 9,747,612
Net OPEB (asset) / liability as a percentage of covered payroll	5.48%	5.10%	7.10%

* Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Schedule of the Proportionate Share
Virginia Retirement System's
Net Pension and Net OPEB Liability
Fiscal Year Ended June 30, 2023

Net Pension Liability

School Board:

Teacher Retirement Plan

Date*	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.84851%	\$ 80,783,232	\$ 86,755,601	93.12%	82.61%
2022	0.86663%	67,474,513	78,840,487	85.58%	85.46%
2021	0.86664%	130,980,912	76,644,277	170.89%	71.47%
2020	0.90164%	118,661,000	78,772,804	150.64%	73.51%
2019	0.90285%	106,175,000	75,619,472	140.41%	74.81%
2018	0.92342%	113,561,000	72,884,547	155.81%	72.92%
2017	0.94296%	132,147,499	72,875,794	181.33%	68.28%
2016	0.94607%	117,860,528	72,441,305	162.70%	70.68%
2015	0.95944%	114,805,836	70,248,727	163.43%	70.88%

Net OPEB Liability

Primary Government:

Group Life Insurance Program

Date*	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.20462%	\$ 2,463,822	\$ 50,051,912	4.92%	67.21%
2022	0.20409%	2,376,161	44,509,270	5.34%	67.45%
2021	0.20409%	3,370,214	42,136,454	8.00%	54.00%
2020	0.20207%	3,288,000	41,561,614	7.91%	52.00%
2019	0.19219%	2,919,000	39,612,916	7.37%	51.22%
2018	0.18604%	2,800,000	36,543,557	7.66%	48.86%

School Board:

Group Life Insurance Program

Non-Professional

Date*	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.03909%	\$ 470,681	\$ 9,808,834	4.80%	67.21%
2022	0.03777%	439,745	8,502,934	5.17%	67.45%
2021	0.03777%	661,861	7,797,838	8.49%	54.00%
2020	0.40810%	664,000	8,161,958	8.14%	52.00%
2019	0.39330%	598,000	8,000,043	7.47%	51.22%
2018	0.04049%	609,000	7,477,675	8.14%	48.86%

Teachers

Date*	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (asset) as a Percentage of its Covered- Employee Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.36394%	\$ 4,382,188	\$ 86,976,629	5.04%	67.21%
2022	0.37312%	4,344,130	79,165,295	5.49%	67.45%
2021	0.38397%	6,407,831	77,034,820	8.32%	54.00%
2020	0.38576%	6,277,000	79,023,163	7.94%	52.00%
2019	0.38420%	5,835,000	75,621,380	7.72%	51.22%
2018	0.39646%	5,967,000	73,055,143	8.17%	48.86%

Health Insurance Program

Teachers

Date*	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.84591%	\$ 10,565,809	\$ 86,755,601	12.18%	15.08%
2022	0.86663%	11,123,796	78,840,487	14.11%	13.15%
2021	0.86663%	11,721,602	76,644,277	15.29%	9.95%
2020	0.90101%	11,796,000	78,772,804	14.97%	8.97%
2019	0.90237%	11,458,000	75,574,076	15.16%	8.08%
2018	0.92391%	11,721,000	72,978,293	16.06%	7.04%

Schedule is intended to show information for 10 years. Since 2015 and 2018 were the first year for this presentation for pensions and OPEB, respectively, no other data is available. Additional years will be included as the information becomes available.

*The amounts presented have a measurement date of the previous fiscal year end.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS



CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for and report financial resources for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Capital Projects Fund
Fiscal Year Ended June 30, 2023

Exhibit 19
Page 1 of 2

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Revenue from use of money and property	\$ -	\$ 566,343	\$ 715,381	\$ 149,038
Charges for services	23,000	23,000	25,641	2,641
Gifts and donations	456,526	456,526	-	(456,526)
Recovered costs	-	46,706	1,087,836	1,041,130
Bond Proceeds	35,917,469	-	-	-
Miscellaneous revenue	-	117,740	151,134	33,394
Intergovernmental:				
Contribution from School Board	2,744,998	5,739,624	2,994,626	(2,744,998)
Commonwealth of Virginia	17,808	428,668	143,526	(285,142)
Federal Government	1,271,124	1,271,124	483,625	(787,499)
Total revenues	40,430,925	8,649,731	5,601,769	(3,047,962)
Expenditures				
Current operating:				
Capital projects:				
Public safety:				
Radio system	241,016	281,016	101,316	179,700
Bealeton fire Station	300,000	300,000	-	300,000
Southern fire station	300,000	300,000	-	300,000
Total public safety	841,016	881,016	101,316	779,700
Public works:				
Landfill Expansion	3,695	3,695	-	3,695
Midland service district improvements	617,318	617,318	-	617,318
Marshall water system	500,000	500,000	-	500,000
Marshall Main Street	3,089,632	4,058,687	4,043,744	14,943
Catlett/Calverton sewer	200,547	215,578	173,231	42,347
Greenville/Kettle Run second entrance	300,000	300,000	-	300,000
Total public works	4,711,192	5,695,278	4,216,975	1,478,303
Education:				
Construction elementary school #12	1,000,000	1,000,000	-	1,000,000
Taylor Middle School	36,642,904	5,233,446	1,587,829	3,645,617
Cedar Lee Middle School	12,398,936	12,398,936	10,436,305	1,962,631
Total education	50,041,840	18,632,382	12,024,134	6,608,248
Parks, recreation, and cultural:				
Palmer extension	56,404	107,844	63,470	44,374
Woods of Warrenton	305,983	305,983	-	305,983
Grace Miller safe routes to school	678,075	678,075	71,509	606,566
Rappahannock Station	671,007	671,007	-	671,007
Timber fence trail	34,655	34,655	-	34,655
Tin Pot trail connector	17,074	17,074	7,302	9,772
Elk Run Church Museum	25,000	25,000	-	25,000
Northern swimming pool	22,750	22,750	-	22,750
VDOT Charge - Central	219,447	219,447	-	219,447
Non-Grant Phase 2	520,000	520,000	167,696	352,304
Marshall Community Center	24,791	24,791	-	24,791
Northern sports complex	118,352	120,335	63,995	56,340
Central library	506,190	506,190	-	506,190
New Baltimore Library	-	35,868	35,867	1
Total parks, recreation, and cultural	\$ 3,199,728	\$ 3,289,019	\$ 409,839	\$ 2,879,180

Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Capital Projects Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Community development				
Vint Hill Public Streets Network	\$ 363,382	\$ 363,382	\$ -	\$ 363,382
Salem Avenue	212,199	329,939	313,590	16,349
Whiting Road	60,089	60,089	-	60,089
Broadband Authority projects	-	134,753	134,753	-
Total community development	635,670	888,163	448,343	439,820
Total current operating expenditures	59,429,446	29,385,858	17,200,607	12,185,251
Capital outlay:				
General government administration	3,933,659	8,818,756	925,555	7,893,201
Judicial administration	14,996	14,996	-	14,996
Public safety	7,709,851	7,599,590	773,721	6,825,869
Public works	5,883,371	13,532,223	1,633,877	11,898,346
Health and welfare	100,000	100,000	-	100,000
Education	259,592	4,134,803	3,364,756	770,047
Parks, recreation, and cultural	2,150,062	2,150,062	291,579	1,858,483
Community development	-	485,870	400,740	85,130
Total capital outlay	20,051,531	36,836,300	7,390,228	29,446,072
Debt service:				
Debt covenant	58,853	58,853	-	58,853
Total debt service	58,853	58,853	-	58,853
Total expenditures	79,539,830	66,281,011	24,590,835	41,690,176
Excess (deficiency) of revenues over (under) expenditures	(39,108,905)	(57,631,280)	(18,989,066)	38,642,214
Other financing sources (uses)				
Transfers in	6,450,551	24,733,303	23,033,303	(1,700,000)
Transfers (out)	(50,000)	(187,247)	(187,247)	-
Issuance of debt	35,917,469	-	-	-
Total other financing sources (uses)	42,318,020	24,546,056	22,846,056	(1,700,000)
Net change in fund balances	3,209,115	(33,085,224)	3,856,990	36,942,214
Fund balances - beginning	38,469,221	38,469,221	38,469,221	-
Fund balances - ending	\$ 41,678,336	\$ 5,383,997	\$ 42,326,211	\$ 36,942,214



DEBT SERVICE FUND

The Debt Service Fund is used to account for and report financial resources for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service.



**Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Debt Service Fund
Fiscal Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Miscellaneous revenue	\$ 197,713	\$ 197,713	\$ 289,540	\$ 91,827
Intergovernmental:				
Contribution from School Board	382,429	382,429	382,429	-
Federal Government	393,975	393,975	400,775	6,800
Total revenues	974,117	974,117	1,072,744	98,627
Expenditures				
Debt service:				
Principal retirement	9,367,624	9,012,484	9,012,483	1
Interest charges	4,027,306	4,027,306	3,308,957	718,349
Fiscal charges	5,000	5,200	5,200	-
Total expenditures	13,399,930	13,044,990	12,326,640	718,350
Excess (deficiency) of revenues over (under) expenditures	(12,425,813)	(12,070,873)	(11,253,896)	816,977
Other financing sources (uses)				
Transfers in	12,425,813	12,426,013	12,426,013	-
Transfers (out)	-	(355,140)	(355,140)	-
Total other financing sources (uses)	12,425,813	12,070,873	12,070,873	-
Net change in fund balances	-	-	816,977	816,977
Fund balances - beginning	1,883,142	1,883,142	1,883,142	-
Fund balances (deficits) - ending	\$ 1,883,142	\$ 1,883,142	\$ 2,700,119	\$ 816,977

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *Conservation Easement Service District Fund* is used to account for and report a special levy on assessed real estate to support the County's Purchase of Development Rights Program.

The *Ambulance Revenue Fund* is used to account for and report transactions related to ambulance services.

The *Social Services Fund* is used to account for donations from individuals and organizations to the Department of Social Services to support clients and programs.

The *Parks and Recreation Fund* is used to account for and report private donations to support parks and recreation facilities and programs.

The *Library Fund* is used to account for and report private donations to support library facilities and programs.

The *Marshall Electric Light and Business Improvement District Fund* is used to account for and report an annual tax assessed on real property within the Marshall Electric Light and Business Improvement District to (i) provide for the design, construction, repair, maintenance, operation, and replacement of infrastructure improvements and (ii) promote the district, Marshall generally, and the businesses located therein.

The *Proffer Fund* is used to account for and report contributions from developers to support the impact on infrastructure from new housing growth.

The *Stormwater Management Fund* is used to account for and report on stormwater fees collected to be used to support a State-mandated stormwater management program.

The *Vint Hill Community Enrichment Fund* is used to account for and report on donations required as a covenant to a real estate agreement between parties external to the County. The donations are to be utilized for the purposes of enriching community development within the Vint Hill area.

The *Vint Hill Transportation Fund* is used to account for and report contributions from developers to support the expansion of roads in the Vint Hill area.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

The *Treasurer's E-Summons Fund* is used to account for fees collected on each criminal and traffic case within the County to be used to implement and maintain an electronic summons (e-summons) system.

The *Project Lifesaver Fund* is used to account for and provide police, fire/rescue and other first responders with a comprehensive program on the use of specialized electronic search and rescue equipment, technology and procedures, as well as teaching rescuers how to effectively communicate with people afflicted with cognitive conditions, all of which are essential to a successful rescue.

The *Working Together Fund* is used to account for and report proceeds from County and School employee fundraising activities to support service and social activities.

The *Fire and Rescue Volunteer USDA Debt Service Fund* is used to account for the required debt service reserve of 10% annually for 10 years which will accumulate in restricted cash accounts in the fund. The reserve may be used for capital improvements in the future if approved by USDA in accordance with the loan agreements.

The *Coronavirus Aid, Relief, and Economic Security (CARES) Fund* accounts for and reports on Federal funds received by the County to address economic, public health, and safety issues related to the COVID-19 outbreak and resulting pandemic.

The *Opioid Abatement Fund* accounts for and reports on funds received by the County as a result of the settlement of lawsuits against pharmaceutical companies for harm caused to states and localities by licit and illicit opioid use and distribution.

	Special Revenue Funds			
	Conservation Easement Service District Fund	Ambulance Revenue Fund	Social Services Board Fund	Parks and Recreation Fund
Assets				
Cash and cash equivalents	\$ 3,291,662	\$ 1,137,714	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	43,521	78,346
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	35,239	-	-	-
Accounts	740	231,422	-	-
Total assets	<u>3,327,641</u>	<u>1,369,136</u>	<u>43,521</u>	<u>78,346</u>
Total assets and deferred outflows of resources	<u>3,327,641</u>	<u>1,369,136</u>	<u>43,521</u>	<u>78,346</u>
Liabilities				
Accounts payable	80	19,356	1,639	-
Accrued liabilities	4,141	2,963	-	906
Escrows	-	-	-	-
Total liabilities	<u>4,221</u>	<u>22,319</u>	<u>1,639</u>	<u>906</u>
Deferred inflows of resources				
Revenue advances	6,357	-	-	-
Unavailable revenue	29,462	493	-	-
Total deferred inflows of resources	<u>35,819</u>	<u>493</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>40,040</u>	<u>22,812</u>	<u>1,639</u>	<u>906</u>
Fund balances				
Restricted	-	-	41,882	77,440
Committed	3,287,601	1,346,324	-	-
Total fund balances	<u>3,287,601</u>	<u>1,346,324</u>	<u>41,882</u>	<u>77,440</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,327,641</u>	<u>\$ 1,369,136</u>	<u>\$ 43,521</u>	<u>\$ 78,346</u>

Special Revenue Funds				
Library Fund	Marshall Electric Light and Business Improvement District Fund	Proffer Fund	Stormwater Management Fund	
\$ -	\$ -	\$ -	\$ -	Assets
417,137	131,352	5,431,736	204,152	Cash and cash equivalents
-	439	-	-	Cash and cash equivalents - restricted
-	163	-	3,895	Receivables, net of allowance for uncollectibles:
				Taxes, including penalties
				Accounts
417,137	131,954	5,431,736	208,047	Total assets
417,137	131,954	5,431,736	208,047	Total assets and deferred outflows of resources
-	972	-	-	Liabilities
-	-	-	-	Accounts payable
-	-	194,838	-	Accrued liabilities
				Escrows
-	972	194,838	-	Total liabilities
-	938	-	5,591	Deferred inflows of resources
-	277	-	-	Revenue advances
				Unavailable revenue
-	1,215	-	5,591	Total deferred inflows of resources
-	2,187	194,838	5,591	Total liabilities and deferred inflows of resources
417,137	129,767	5,236,898	202,456	Fund balances
-	-	-	-	Restricted
				Committed
417,137	129,767	5,236,898	202,456	Total fund balances
\$ 417,137	\$ 131,954	\$ 5,431,736	\$ 208,047	Total liabilities, deferred inflows of resources, and fund balances

	Special Revenue Funds			
	Vint Hill Community Enrichment Fund	Vint Hill Transportation Fund	Treasurer's E- Summons Fund	Project Lifesaver Fund
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents - restricted	153,929	350,714	213,103	3,074
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	-	-	-	-
Accounts	-	-	-	-
Due from other governmental units	-	-	-	-
Total assets	<u>153,929</u>	<u>350,714</u>	<u>213,103</u>	<u>3,074</u>
Total assets and deferred outflows of resources	<u>153,929</u>	<u>350,714</u>	<u>213,103</u>	<u>3,074</u>
Liabilities				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Escrows	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Revenue advances	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted	153,929	350,714	213,103	3,074
Committed	-	-	-	-
Total fund balances	<u>153,929</u>	<u>350,714</u>	<u>213,103</u>	<u>3,074</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 153,929</u>	<u>\$ 350,714</u>	<u>\$ 213,103</u>	<u>\$ 3,074</u>

Special Revenue Funds

Working Together Committee Fund	Fire and Rescue USDA Debt Service Fund	Coronavirus Aid, Relief, and Economic Security (CARES) Fund	Opioid Abatement Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ 4,429,376	Assets
43,445	666,942	-	367,950	8,105,401	Cash and cash equivalents
-	-	-	-	35,678	Cash and cash equivalents - restricted
46	-	-	1,118,613	1,354,879	Receivables, net of allowance for uncollectibles
-	-	13,725	-	13,725	Taxes, including penalties
43,491	666,942	13,725	1,486,563	13,939,059	Accounts
43,491	666,942	13,725	1,486,563	13,939,059	Due from other governmental units
-	-	-	-	22,047	Total assets
-	-	-	-	8,010	Total assets and deferred outflows of resources
-	-	-	-	194,838	Liabilities
-	-	-	-	224,895	Accounts payable
-	-	-	-		Accrued liabilities
-	-	-	-		Escrows
-	-	-	-		Total liabilities
-	-	-	-	12,886	Deferred inflows of resources
-	-	-	1,066,903	1,097,135	Revenue advances
-	-	-	1,066,903	1,110,021	Unavailable revenue
-	-	-	1,066,903	1,334,916	Total deferred inflows of resources
-	-	-	1,066,903	1,334,916	Total liabilities and deferred inflows of resources
43,491	666,942	13,725	419,660	7,970,218	Fund balances
-	-	-	-	4,633,925	Restricted
43,491	666,942	13,725	419,660	12,604,143	Committed
43,491	666,942	13,725	419,660	12,604,143	Total fund balances
\$ 43,491	\$ 666,942	\$ 13,725	\$ 1,486,563	\$ 13,939,059	Total liabilities, deferred inflows of resources, and fund balances

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2023

	Special Revenue Funds			
	Conservation Easement Service District Fund	Ambulance Revenue Fund	Social Services Board Fund	Parks and Recreation Fund
Revenues				
General property taxes	\$ 796,280	\$ -	\$ -	\$ -
Revenue from use of money and property	-	-	1,015	2,086
Charges for services	-	2,158,117	-	-
Gifts and donations	-	-	-	27,149
Miscellaneous revenue	-	-	13,056	-
Intergovernmental:				
Commonwealth of Virginia	59,200	-	-	-
Total revenues	855,480	2,158,117	14,071	29,235
Expenditures				
Current operating:				
Public safety	-	507,088	-	-
Public works	-	-	-	-
Health and welfare	-	-	11,274	-
Parks, recreation, and cultural	-	-	-	29,859
Community development	199,609	-	-	-
Total current operating expenditures	199,609	507,088	11,274	29,859
Capital outlay - leases				
Community Development	6,552	-	-	-
Total capital outlay	6,552	-	-	-
Debt service:				
Lease principal	2,141	-	-	-
Lease interest	119	-	-	-
Total debt service	2,260	-	-	-
Total expenditures	208,421	507,088	11,274	29,859
Excess (deficiency) of revenues over (under) expenditures	647,059	1,651,029	2,797	(624)
Other financing sources (uses)				
Transfers in	9,991	4,338	-	-
Transfers (out)	(1,094)	(1,056,927)	-	-
Leases	6,552	-	-	-
Total other financing sources (uses)	15,449	(1,052,589)	-	-
Net change in fund balances (deficits)	662,508	598,440	2,797	(624)
Fund balances - beginning, restated	2,625,093	747,884	39,085	78,064
Fund balances - ending	\$ 3,287,601	\$ 1,346,324	\$ 41,882	\$ 77,440

Special Revenue Funds				
Library Fund	Marshall Electric Light and Business Improvement District Fund	Proffer Fund	Stormwater Management Fund	
\$ -	\$ 63,521	\$ -	\$ 365,727	Revenues
10,287	-	77,916	-	General property taxes
-	-	-	-	Revenue from use of money and property
42,999	-	53,789	-	Charges for services
-	-	-	-	Gifts and donations
-	-	-	-	Miscellaneous revenue
-	-	-	-	Intergovernmental:
-	-	-	-	Commonwealth of Virginia
53,286	63,521	131,705	365,727	Total revenues
-	-	-	-	Expenditures
-	-	-	-	Current operating:
-	11,896	-	-	Public safety
-	-	-	-	Public works
19,558	-	-	-	Health and welfare
-	-	-	-	Parks, recreation, and cultural
-	-	-	-	Community development
19,558	11,896	-	-	Total current operating expenditures
-	-	-	-	Capital outlay - leases
-	-	-	-	Community Development
-	-	-	-	Total capital outlay
-	-	-	-	Debt service:
-	-	-	-	Lease principal
-	-	-	-	Lease interest
-	-	-	-	Total debt service
19,558	11,896	-	-	Total expenditures
33,728	51,625	131,705	365,727	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	Other financing sources (uses)
-	-	-	-	Transfers in
-	-	-	(358,657)	Transfers (out)
-	-	-	-	Leases
-	-	-	(358,657)	Total other financing sources (uses)
33,728	51,625	131,705	7,070	Net change in fund balances (deficits)
383,409	78,142	5,105,193	195,386	Fund balances - beginning, restated
\$ 417,137	\$ 129,767	\$ 5,236,898	\$ 202,456	Fund balances - ending

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2023

	Special Revenue Funds			
	Vint Hill Community Enrichment Fund	Vint Hill Transportation Fund	Treasurer's E- Summons Fund	Project Lifesaver Fund
Revenues				
General property taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	44,953	-
Revenue from use of money and property	-	8,601	-	-
Charges for services	-	-	-	-
Gifts and donations	-	53,156	-	200
Miscellaneous revenue	-	-	-	-
Intergovernmental:				
Commonwealth of Virginia	-	-	-	-
Total revenues	-	61,757	44,953	200
Expenditures				
Current operating:				
Public safety	-	-	13,412	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Community development	-	-	-	-
Nondepartmental	-	-	-	-
Total current operating expenditures	-	-	13,412	-
Capital outlay - leases				
Community development	-	-	-	-
Total capital outlay	-	-	-	-
Debt service:				
Lease principal	-	-	-	-
Lease interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	13,412	-
Excess (deficiency) of revenues over (under) expenditures	-	61,757	31,541	200
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Leases	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances (deficits)	-	61,757	31,541	200
Fund balances - beginning, restated	153,929	288,957	181,562	2,874
Fund balances - ending	\$ 153,929	\$ 350,714	\$ 213,103	\$ 3,074

Special Revenue Funds

Working Together Committee Fund	Fire and Rescue USDA Debt Service Fund	Coronavirus Aid, Relief, and Economic Security (CARES) Fund	Opioid Abatement Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ 1,225,528	Revenues
-	-	-	-	44,953	General property taxes
252	820	808	7,267	109,052	Fines and forfeitures
-	-	-	-	2,158,117	Revenue from use of money and property
39,806	-	-	-	217,099	Charges for services
-	-	-	363,190	376,246	Gifts and donations
-	-	-	-	59,200	Miscellaneous revenue
-	-	-	-	-	Intergovernmental:
-	-	-	-	-	Commonwealth of Virginia
40,058	820	808	370,457	4,190,195	Total revenues
-	490,097	-	-	1,010,597	Expenditures
-	-	-	-	11,896	Current operating:
-	-	-	-	11,274	Public safety
-	-	-	-	49,417	Public works
-	-	-	-	199,609	Health and welfare
39,049	-	-	-	39,049	Parks, recreation, and cultural
39,049	490,097	-	-	1,321,842	Community development
-	-	-	-	6,552	Nondepartmental
-	-	-	-	6,552	Total current operating expenditures
-	-	-	-	6,552	Capital outlay - leases
-	-	-	-	6,552	Community development
-	-	-	-	2,141	Total capital outlay
-	-	-	-	119	Debt service:
-	-	-	-	2,260	Lease principal
39,049	490,097	-	-	1,330,654	Lease interest
-	-	-	-	2,260	Total debt service
39,049	490,097	-	-	1,330,654	Total expenditures
1,009	(489,277)	808	370,457	2,859,541	Excess (deficiency) of revenues over (under) expenditures
-	490,097	-	-	504,426	Other financing sources (uses)
-	-	(67,516)	-	(1,484,194)	Transfers in
-	-	-	-	6,552	Transfers (out)
-	490,097	(67,516)	-	(973,216)	Leases
1,009	820	(66,708)	370,457	1,886,325	Total other financing sources (uses)
42,482	666,122	80,433	49,203	10,717,818	Net change in fund balances (deficits)
\$ 43,491	\$ 666,942	\$ 13,725	\$ 419,660	\$ 12,604,143	Fund balances - beginning, restated
					Fund balances - ending

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 23

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds – Conservation Easement Service District Fund
Fiscal Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
General property taxes	\$ 776,459	\$ 776,459	\$ 796,280	\$ 19,821
Intergovernmental:				
Commonwealth of Virginia	160,000	390,676	59,200	(331,476)
Total revenues	936,459	1,167,135	855,480	(311,655)
Expenditures				
Current operating:				
Community development	932,712	3,791,855	199,609	3,592,246
Total current operating expenditures	932,712	3,791,855	199,609	3,592,246
Capital Outlay - Leases				
Community development	-	13,104	6,552	6,552
Total capital outlay	-	13,104	6,552	6,552
Debt service:				
Lease principal	3,747	2,599	2,141	458
Lease interest	-	119	119	-
Total debt service	3,747	2,718	2,260	458
Total expenditures	936,459	3,807,677	208,421	3,599,256
Excess (deficiency) of revenues over (under) expenditures	-	(2,640,542)	647,059	3,287,601
Other financing sources (uses)				
Transfers in	-	9,991	9,991	-
Transfers (out)	-	(1,094)	(1,094)	-
Leases	-	6,552	6,552	-
Total other financing sources (uses)	-	15,449	15,449	-
Net change in fund balances (deficits)	-	(2,630,551)	662,508	3,287,601
Fund balances - beginning	2,625,093	2,625,093	2,625,093	-
Fund balances (deficits) - ending	\$ 2,625,093	\$ (5,458)	\$ 3,287,601	\$ 3,287,601

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 24

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds – Ambulance Revenue Fund
Fiscal Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Charges for services	\$ 1,573,678	\$ 1,573,678	\$ 2,158,117	\$ 584,439
Total revenues	<u>1,573,678</u>	<u>1,573,678</u>	<u>2,158,117</u>	<u>584,439</u>
Expenditures				
Current operating:				
Public safety	<u>516,751</u>	<u>521,089</u>	<u>507,088</u>	<u>14,001</u>
Total expenditures	<u>516,751</u>	<u>521,089</u>	<u>507,088</u>	<u>14,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,056,927</u>	<u>1,052,589</u>	<u>1,651,029</u>	<u>598,440</u>
Other financing sources (uses)				
Transfers in	-	4,338	4,338	-
Transfers (out)	<u>(1,056,927)</u>	<u>(1,056,927)</u>	<u>(1,056,927)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,056,927)</u>	<u>(1,052,589)</u>	<u>(1,052,589)</u>	<u>-</u>
Net change in fund balances	-	-	598,440	598,440
Fund balances - beginning	<u>747,884</u>	<u>747,884</u>	<u>747,884</u>	<u>-</u>
Fund balances - ending	<u>\$ 747,884</u>	<u>\$ 747,884</u>	<u>\$ 1,346,324</u>	<u>\$ 598,440</u>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 25

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Nonmajor Governmental Funds – Coronavirus Aid, Relief, and Economic Security (CARES) Fund
Fiscal Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 808	\$ 808
Total revenues	-	-	808	808
Excess (deficiency) of revenues over (under) expenditures	-	-	808	808
Other financing sources (uses)				
Transfers (out)	-	(67,516)	(67,516)	-
Total other financing sources (uses)	-	(67,516)	(67,516)	-
Net change in fund balances (deficits)	-	(67,516)	(66,708)	808
Fund balance - beginning, restated	136,502	136,502	80,433	(56,069)
Fund balances - ending	<u>\$ 136,502</u>	<u>\$ 68,986</u>	<u>\$ 13,725</u>	<u>\$ (55,261)</u>

PROPRIETARY FUNDS

The Internal Service Funds are used to account for and report the financing of goods and/or services provided by a department to another department on a cost reimbursement basis.

The *Fleet Maintenance Fund* is used to account for and report the operations of the County and School garage. It receives revenues through charges to local public agencies and County and School departments for vehicle repairs and fuel.

The *Health Insurance Fund* is used to account for and report the provision of a comprehensive health benefits program for County and School employees.

COUNTY OF FAUQUIER, VIRGINIA

Combining Statement of Net Position
Internal Service Funds
June 30, 2023

Exhibit 26
Page 1 of 2

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 767	\$ 16,927,523	\$ 16,928,290
Receivables, net of allowance for uncollectibles	23,759	336,522	360,281
Inventories	300,858	-	300,858
Prepaid items	-	184,413	184,413
Total current assets	325,384	17,448,458	17,773,842
Noncurrent assets:			
Other capital assets:			
Buildings and improvements	349,000	-	349,000
Machinery and equipment	816,739	37,521	854,260
Accumulated depreciation/amortization	(1,012,151)	(29,480)	(1,041,631)
Total other capital assets, net	153,588	8,041	161,629
Intangible right-to-use assets:			
Lease buildings	-	81,706	81,706
Accumulated amortization	-	(65,365)	(65,365)
Total intangible right-to-use assets, net	-	16,341	16,341
Total depreciable capital assets, net	153,588	24,382	177,970
Total noncurrent assets	153,588	24,382	177,970
Total assets	478,972	17,472,840	17,951,812
Deferred outflow of resources			
Items related to measurement of net pension liability	54,176	-	54,176
Pension contributions subsequent to measurement date	90,903	-	90,903
Items related to measurement of net OPEB liability	20,259	-	20,259
OPEB contributions subsequent to measurement date	4,487	-	4,487
Total deferred outflow of resources	169,825	-	169,825
Total assets and deferred outflows of resources	\$ 648,797	\$ 17,472,840	\$ 18,121,637

COUNTY OF FAUQUIER, VIRGINIA

Combining Statement of Net Position
Internal Service Funds
June 30, 2023

Exhibit 26
Page 2 of 2

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 154,427	\$ 745,753	\$ 900,180
Accrued and other liabilities	36,405	-	36,405
Current portion of compensated absences	11,855	-	11,855
Current portion of incurred but not reported claims	-	806,574	806,574
Current portion of lease liabilities	-	16,746	16,746
Total current liabilities	202,687	1,569,073	1,771,760
Noncurrent liabilities:			
Noncurrent portion of compensated absences	106,698	-	106,698
Noncurrent portion of incurred but not reported claims	-	2,419,721	2,419,721
Net pension liability	99,874	-	99,874
Net OPEB liability	89,500	-	89,500
Total noncurrent liabilities	296,072	2,419,721	2,715,793
Total liabilities	498,759	3,988,794	4,487,553
Deferred inflow of resources			
Items related to measurement of pension liability	86,947	-	86,947
Items related to measurement of OPEB liability	41,585	-	41,585
Total deferred inflow of resources	128,532	-	128,532
Total liabilities and deferred inflows of resources	627,291	3,988,794	4,616,085
Net position			
Net investment in capital assets	153,588	7,636	161,224
Unrestricted (deficit)	(132,082)	13,476,410	13,344,328
Total net position	21,506	13,484,046	13,505,552
Total liabilities, deferred inflows of resources, and net position	\$ 648,797	\$ 17,472,840	\$ 18,121,637

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 27

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2023**

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Operating revenues			
Charges for services	\$ 4,727,353	\$ 35,642,952	\$ 40,370,305
Recovered cost	141,614	700,227	841,841
Miscellaneous revenue	1,188	83,731	84,919
Total operating revenues	4,870,155	36,426,910	41,297,065
Operating expenses			
Personal services	859,490	-	859,490
Fringe benefits	293,218	-	293,218
Claims and benefits paid	-	36,001,667	36,001,667
Premiums	-	429,954	429,954
Contractual services	375,036	2,716,457	3,091,493
Other operating expenses	3,248,682	602	3,249,284
Depreciation	18,971	5,360	24,331
Lease amortization	-	33,195	33,195
Pension and OPEB expense	75,528	-	75,528
Total operating expenses	4,870,925	39,187,235	44,058,160
Operating income (loss)	(770)	(2,760,325)	(2,761,095)
Nonoperating revenues (expenses)			
Interest income (expense)	-	449,148	449,148
Total nonoperating revenues	-	449,148	449,148
Income (loss)	(770)	(2,311,177)	(2,311,947)
Transfers			
Transfers in	39,734	-	39,734
Transfers (out)	-	(1,086,750)	(1,086,750)
Total transfers	39,734	(1,086,750)	(1,047,016)
Change in net position	38,964	(3,397,927)	(3,358,963)
Net position - beginning	(17,458)	16,881,973	16,864,515
Net position - ending	\$ 21,506	\$ 13,484,046	\$ 13,505,552

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 28

Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2023

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Cash flow from operating activities			
Receipts from customers and users	\$ 360,843	\$ 37,531,775	\$ 37,892,618
Receipts from interfund services provided	4,517,718	656,917	5,174,635
Payment to suppliers and other operating activities	(3,586,446)	(38,969,151)	(42,555,597)
Payment to employees (including fringes)	(1,226,626)	-	(1,226,626)
Net cash provided by (used for) operating activities	65,489	(780,459)	(714,970)
Cash flow from noncapital financing activities			
Transfers in	39,734	-	39,734
Transfers (out)	-	(1,086,750)	(1,086,750)
Proceeds from interfund obligation	(104,456)	-	(104,456)
Net cash provided by noncapital financing activities	(64,722)	(1,086,750)	(1,151,472)
Cash flow from capital and related financing activities			
Acquisition and construction of capital assets	-	(33,450)	(33,450)
Principal and interest paid on leases	-	488	488
Net cash provided by (used in) capital and related financing activities	-	(32,962)	(32,962)
Cash flow from investing activities			
Interest income	-	449,148	449,148
Net cash provided by investing activities	-	449,148	449,148
Net increase (decrease) in cash and cash equivalents	767	(1,451,023)	(1,450,256)
Cash and cash equivalents - beginning of the year	-	18,378,546	18,378,546
Cash and cash equivalents - end of the year	767	16,927,523	16,928,290
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Cash flows from operations:			
Operating income (loss)	(770)	(2,760,325)	(2,761,095)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	18,971	5,360	24,331
Amortization of leases	-	33,195	33,195
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	8,406	1,761,782	1,770,188
(Increase) decrease in inventory	(23,810)	-	(23,810)
(Increase) decrease in net pension assets	108,657	-	108,657
(Increase) decrease in prepaid items	-	(8,571)	(8,571)
(Increase) decrease in deferred outflows of resources	30,051	-	30,051
Increase (decrease) in accounts payable	61,082	85,791	146,873
Increase (decrease) in accrued liabilities	21,472	-	21,472
Increase (decrease) in accrued interest payable - lease	-	(3)	(3)
Increase (decrease) in incurred but not reported claims	-	102,312	102,312
Increase (decrease) in net pension liability	99,874	-	99,874
Increase (decrease) in net OPEB liability	(8,376)	-	(8,376)
Increase (decrease) in deferred inflows of resources	(250,068)	-	(250,068)
Net cash provided by (used for) operating activities	\$ 65,489	\$ (780,459)	\$ (714,970)

FIDUCIARY FUNDS

The Fiduciary Funds account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Pension (and other employee benefit) trust funds account for assets held by the County under terms of a formal trust agreement. Custodial Funds are custodial in nature and are maintained to account for funds received and disbursed by the County on behalf of various organizations.

Pension and Employer Benefit Trust Fund:

The *Other Postemployment Benefit Plans Fund* is used to account for and report the costs of health care and other non-pension benefits offered to retirees. No combining statement is presented because this fund is the only Pension and Employee Benefit Trust fund.

Custodial Funds:

The *Volunteer Fire and Rescue Association Fund* is used to account for funds of the Volunteer Fire and Rescue Association that are managed and administered by the Treasurer of Fauquier County.

The *Volunteer Fire and Rescue Operations Fund* is used to account for funds on behalf of Upperville Volunteer Fire and Rescue Company, for which the County has assumed financial management and accounting activities.

The *Special Welfare Fund* is used to account for and report regular assistance payments to recipients in the Aid to Dependent Children Program. Revenue sources include payments from the Commonwealth, individuals, organizations, and churches.

The *Detention Center Fund* is used to account for and report personal funds belonging to inmates upon their arrest, funds on account for inmates to purchase items, and funds collected from inmates who participate in the work release program.

The *Service to Outside Agencies Fund* is used to account for and report reimbursements from John Marshall Water and Sewer and the Vint Hill Economic Development Authority to support salaries and benefits for their employees.

FIDUCIARY FUNDS (CONTINUED)

Custodial Funds (continued):

The *457(b) Deferred Compensation Plan Fund* is used to account for funds contributed by employees for the purpose of investment for retirement. The plan is offered by the County and School Board to employees on a voluntary basis. The funds are administered by an external contracted vendor, Voya Financial. Employee contributions are deducted from paychecks and deposited with Voya for investment and administration. The County plays an active role in working with Voya to monitor performance and make investment decisions for the benefit of participating employees in the 457(b) Deferred Compensation Plan.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 29

Combining Statement of Fiduciary Net Position

Page 1 of 2

Custodial Funds**June 30, 2023**

	Custodial Funds		
	Volunteer Fire and Rescue Association Fund	Special Welfare Fund	Detention Center Fund
Assets			
Cash and cash equivalents	\$ 138,435	\$ 17,954	\$ -
Cash in custody of others	-	-	149,710
Receivables, net of allowance for uncollectibles:			
Accounts	-	-	-
Loans	-	-	-
Investments at fair value	-	-	-
Total assets	<u>138,435</u>	<u>17,954</u>	<u>149,710</u>
Liabilities			
Accrued liabilities	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for:			
Individuals and organizations	<u>138,435</u>	<u>17,954</u>	<u>149,710</u>
Total net position	<u>138,435</u>	<u>17,954</u>	<u>149,710</u>
Total liabilities and net position	\$ <u>138,435</u>	\$ <u>17,954</u>	\$ <u>149,710</u>

Custodial Funds			
Service to Outside Agencies Fund	457(b) Deferred Compensation Plan Fund	Total Custodial Funds	
			Assets
\$ 44,799	\$ -	\$ 201,188	Cash and cash equivalents
-	-	149,710	Cash in custody of others
20,218	-	20,218	Receivables, net of allowance for uncollectibles:
-	111,398	111,398	Accounts
-	17,989,309	17,989,309	Loans
			Investments at fair value
<u>65,017</u>	<u>18,100,707</u>	<u>18,471,823</u>	Total assets
			Liabilities
<u>62,564</u>	<u>-</u>	<u>62,564</u>	Accrued liabilities
<u>62,564</u>	<u>-</u>	<u>62,564</u>	Total liabilities
			Net Position
<u>2,453</u>	<u>18,100,707</u>	<u>18,409,259</u>	Restricted for:
			Individuals and organizations
<u>2,453</u>	<u>18,100,707</u>	<u>18,409,259</u>	Total net position
\$ <u>65,017</u>	\$ <u>18,100,707</u>	\$ <u>18,471,823</u>	Total liabilities and net position

COUNTY OF FAUQUIER, VIRGINIA

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Fiscal Year Ended June 30, 2023**

**Exhibit 30
Page 1 of 2**

	Custodial Funds		
	Volunteer Fire and Rescue Association Fund	Special Welfare Fund	Detention Center Fund
Additions			
Contributions:			
Employees	\$ -	\$ -	\$ -
Governments and organizations	100	61,987	-
On behalf of inmates	-	-	98,288
Total contributions	100	61,987	98,288
Investment income:			
Net increase (decrease) in the fair value of the investments	-	-	-
Interest and dividends	213	22	-
Less: investment expenses	-	-	-
Total investment income	213	22	-
Miscellaneous revenue:			
Miscellaneous revenue	-	-	-
Total miscellaneous revenue	-	-	-
Total additions	313	62,009	98,288
Deductions			
Benefits paid to or on behalf of beneficiaries or participants:			
Personal services	-	-	-
Fringe benefits	-	-	-
Inmate expenses	-	-	99,504
Aid to dependent children	-	60,306	-
Distributions	-	-	-
Total deductions	-	60,306	99,504
Net increase (decrease) in net position	313	1,703	(1,216)
Net position - beginning	138,122	16,251	150,926
Net position - ending	\$ 138,435	\$ 17,954	\$ 149,710

Custodial Funds			
Service to Outside Agencies Fund	457(b) Deferred Compensation Plan Fund	Total Custodial Funds	
			Additions
\$ -	\$ 1,612,615	\$ 1,612,615	Contributions:
490,460	-	552,547	Employees
-	-	98,288	Governments and organizations
490,460	1,612,615	2,263,450	On behalf of inmates
			Total contributions
-	1,144,516	1,144,516	Investment income:
-	824,820	825,055	Net increase (decrease) in the fair value of the investments
-	(35,624)	(35,624)	Interest and dividends
-	1,933,712	1,933,947	Less: investment expenses
			Total investment income
-	34,581	34,581	Miscellaneous revenue:
-	34,581	34,581	Miscellaneous revenue
490,460	3,580,908	4,231,978	Total miscellaneous revenue
			Total additions
			Deductions
359,696	-	359,696	Benefits paid to or on behalf of beneficiaries or participants:
132,650	-	132,650	Personal services
-	-	99,504	Fringe benefits
-	-	60,306	Inmate expenses
-	1,404,992	1,404,992	Aid to dependent children
492,346	1,404,992	2,057,148	Distributions
			Total deductions
(1,886)	2,175,916	2,174,830	Net increase (decrease) in net position
4,339	15,924,791	16,234,429	Net position - beginning
\$ 2,453	\$ 18,100,707	\$ 18,409,259	Net position - ending



COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY

The Fauquier County Economic Development Authority (Authority) is empowered to issue bonds to finance facilities qualifying under the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia. The Authority is a political subdivision of the Commonwealth governed by seven directors appointed by the Fauquier County Board of Supervisors. The Authority is empowered to, among other things, issue tax-exempt revenue bonds in accordance with the Act, acquire, own, lease, and dispose of properties, promote industry, and develop trade in the County.

The Board approves the issuance of industrial development bonds solely to qualify such bonds for tax-exemption. These bonds do not constitute indebtedness of the County and are secured solely as revenues received from the borrowers.



COUNTY OF FAUQUIER, VIRGINIA**Exhibit 31****Statement of Net Position****Discretely Presented Component Unit - Economic Development Authority****June 30, 2023**

Assets

Current assets:

Cash and cash equivalents	\$	170,993
Receivables, net of allowance for uncollectibles:		
Loan		<u>29,715</u>
Total current assets		<u>200,708</u>
Total assets		<u><u>200,708</u></u>

Liabilities

Current liabilities:

Accrued and other liabilities	<u>2,181</u>
Total current liabilities	<u>2,181</u>
Total liabilities	<u>2,181</u>

Net Position

Unrestricted (deficit)	<u>198,527</u>
Total net position	<u>198,527</u>
Total liabilities and net position	<u><u>\$ 200,708</u></u>

COUNTY OF FAUQUIER, VIRGINIA**Exhibit 32****Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Economic Development Authority
Fiscal Year Ended June 30, 2023**

Operating revenues

Charges for services \$ 10,862

Total operating revenues 10,862

Operating expenses

Personal services 6,200

Fringe benefits 474

Other operating expenses 13,936

Total operating expenses 20,610

Operating income (loss) (9,748)

Nonoperating revenues (expenses)

Interest income (expense) 3,055

Total nonoperating revenues (expenses) 3,055

Income (loss) before capital contributions, grants, and transfers (6,693)

Change in net position (6,693)

Net position - beginning 205,220

Net position - ending \$ 198,527

COUNTY OF FAUQUIER, VIRGINIA**Exhibit 33****Statement of Cash Flows****Discretely Presented Component Unit - Economic Development Authority****Fiscal Year Ended June 30, 2023**

Cash Flow from Operating Activities

Receipts from customers and users	\$ 10,862
Payments to grantees	(13,209)
Payments to board members	<u>(6,674)</u>
Net cash provided by (used for) operating activities	<u>(9,021)</u>

Cash Flow from Investing Activities

Receipts from loan recipients	20,980
Interest income	<u>3,055</u>
Net cash provided by investing activities	<u>24,035</u>

Net increase (decrease) in cash and cash equivalents 15,014

Cash and cash equivalents - beginning of the year, restated 155,979

Cash and cash equivalents - end of the year 170,993

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by (Used for) Operating Activities**

Cash flows from operations:	
Operating income (loss)	<u>(9,748)</u>

Changes in operating assets and liabilities:	
Increase (decrease) in accrued liabilities	<u>727</u>

Net cash provided by (used for) operating activities \$ (9,021)

COMPONENT UNIT – SCHOOL BOARD

The School Board is responsible for the elementary and secondary education in the County. The County provides significant funding for school operating and capital needs through the School Board Governmental Funds.

The *School General Fund* is used to account for and report financial resources to operate, maintain, and support the School Board programs. Its primary sources of revenues are state and federal aid and contributions from the County's General Fund.

The *School Asset Replacement Fund* is used to account for and report financial resources for major maintenance and systems replacement, renovations and major asset replacements for the schools.

The *School Grant Fund* accounts for and reports financial resources for revenues and expenditures of funds received for grants and donations.

The *School Textbook Fund* is used to account for and report financial resources for the purchase of student textbooks supported by state revenue and transfers from the School General Fund.

The *School Nutrition Fund* is used to account for and report financial resources for the provision of student and adult breakfasts, snacks, and lunches. Primary sources of revenues are state and federal aid and receipts from food sales.

The *School Activity Fund* is used to account for, and report funds collected at the schools in connection with student athletics, clubs, fundraising activities, and private donations.

Trust and Custodial Funds account for principal and income which benefit individuals, and monies collected at the schools in connection with student athletics, clubs, various fundraising activities, and private donations.

The *Crockett Scholarship Private-Purpose Trust Fund* is a private-purpose trust fund established by a private donation. It is used to account for and report principal and income available to provide benefits for scholarships.

The *Mountain Vista Regional Governor's School Fund* is used to account for and report funds collected from six school divisions for the purpose of operating the Mountain Vista Governor's School. The County serves as the fiscal agent for these funds.

COMPONENT UNIT – SCHOOL BOARD (CONTINUED)

The *Mountain Vista Regional Governor’s School Activity Fund* is used to account for and report funds collected at the schools in connection with student athletics, clubs, fundraising activities, and private donations.

The *457(b) Deferred Compensation Plan Fund* is used to account for funds contributed by employees for the purpose of investment for retirement. The plan is offered by the County and School Board to employees on a voluntary basis. The funds are administered by an external contracted vendor, Voya Financial. Employee contributions are deducted from paychecks and deposited with Voya for investment and administration. The County plays an active role in working with Voya to monitor performance and make investment decisions for the benefit of participating employees in the 457(b) Deferred Compensation Plan.

The *403(b) Deferred Compensation Plan Fund* is used to account for funds contributed by employees for the purpose of investment for retirement. The plan is offered by the County and School Board to employees on a voluntary basis. The funds are administered by an external contracted vendor, Voya Financial. Employee contributions are deducted from paychecks and deposited with Voya for investment and administration. The County plays an active role in working with Voya to monitor performance and make investment decisions for the benefit of participating employees in the 403(b) Deferred Compensation Plan.

COUNTY OF FAUQUIER, VIRGINIA

Combining Balance Sheet
Discretely Presented Component Unit – School Board
June 30, 2023

Exhibit 34
Page 1 of 2

	Governmental Funds		
	School General Fund	School Asset Replacement Fund	School Grant Fund
Assets			
Cash and cash equivalents (1)	\$ 10,826,931	\$ 4,229,727	\$ -
Cash and cash equivalents - restricted (1)	-	-	364,255
Cash and cash equivalents - activity funds	-	-	-
Accounts receivable	71,683	7,487	59,479
Inventories	-	-	-
Due from other funds	18,848	1,494,590	-
Due from other governmental units	2,564,862	828,478	2,393,745
Total assets	<u>13,482,324</u>	<u>6,560,282</u>	<u>2,817,479</u>
Liabilities			
Accounts payable	741,310	71,826	69,460
Accrued liabilities	12,588,520	-	547,527
Due to other funds	-	-	1,494,590
Unearned revenue	-	-	364,255
Total liabilities	<u>13,329,830</u>	<u>71,826</u>	<u>2,475,832</u>
Fund balances			
Nonspendable	-	-	-
Assigned	152,494	6,488,456	341,647
Total fund balances	<u>152,494</u>	<u>6,488,456</u>	<u>341,647</u>
Total liabilities and fund balances	<u>\$ 13,482,324</u>	<u>\$ 6,560,282</u>	<u>\$ 2,817,479</u>

(1) Cash and cash equivalents on deposit with County of Fauquier, Virginia.

Governmental Funds				
School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Governmental Funds	
Assets				
\$ 1,908,304	\$ 2,570,660	\$ -	\$ 19,535,622	Cash and cash equivalents (1)
-	-	-	364,255	Cash and cash equivalents - restricted (1)
-	-	1,946,470	1,946,470	Cash and cash equivalents - activity funds
426	1,111	26,027	166,213	Accounts receivable
-	169,085	-	169,085	Inventories
-	-	-	1,513,438	Due from other funds
-	278,503	-	6,065,588	Due from other governmental units
<u>1,908,730</u>	<u>3,019,359</u>	<u>1,972,497</u>	<u>29,760,671</u>	Total assets
Liabilities				
28,352	2,602	18,123	931,673	Accounts payable
-	269,967	-	13,406,014	Accrued liabilities
-	-	18,848	1,513,438	Due to other funds
-	116,193	-	480,448	Unearned revenue
<u>28,352</u>	<u>388,762</u>	<u>36,971</u>	<u>16,331,573</u>	Total liabilities
Fund balances				
-	169,085	-	169,085	Nonspendable
<u>1,880,378</u>	<u>2,461,512</u>	<u>1,935,526</u>	<u>13,260,013</u>	Assigned
<u>1,880,378</u>	<u>2,630,597</u>	<u>1,935,526</u>	<u>13,429,098</u>	Total fund balances
<u>\$ 1,908,730</u>	<u>\$ 3,019,359</u>	<u>\$ 1,972,497</u>	<u>\$ 29,760,671</u>	Total liabilities and fund balances

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 35

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
Discretely Presented Component Unit – School Board
June 30, 2023**

Total fund balances - discretely presented component unit - School Board **\$ 13,429,098**

Amounts reported for governmental activities in the Statement of Net Position
(Exhibit 1) are different because:

Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements. 333,757

Noncurrent assets and deferred outflows of resources are not current financial resources and therefore not reported in the governmental funds.

Capital assets used in governmental activities	151,849,690	
Net pension asset	3,258,106	
Net OPEB asset	17,221	
Items related to measurement of the net pension liability	7,794,321	
Items related to measurement of the net OPEB liability	1,509,001	
Contributions to pension plans	14,112,578	
Contributions to OPEB plans	<u>1,625,022</u>	180,165,939

Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. (84,789)

Long-term liabilities and deferred inflows of resources are not due and payable in the current year and therefore not reported as such in the governmental funds.

Lease liabilities	(721,499)	
Subscription liabilities	(227,425)	
Compensated absences	(3,989,125)	
Financing agreements	(9,723,231)	
Net pension liability	(80,783,232)	
Net OPEB liability	(23,236,712)	
Deferred inflows of resources related to pensions	(22,428,702)	
Deferred inflows of resources related to OPEB	<u>(4,527,485)</u>	<u>(145,637,411)</u>

Net position of governmental activities **\$ 48,206,594**



COUNTY OF FAUQUIER, VIRGINIA

Exhibit 36

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

Page 1 of 2

Discretely Presented Component Unit – School Board

Fiscal Year Ended June 30, 2023

	Governmental Funds		
	School General Fund	School Asset Replacement Fund	School Grant Fund
Revenues			
Revenue from use of money and property	\$ 10,370	\$ 14,544	\$ -
Charges for services	165,690	-	-
Gifts and donations	1,820	-	75
Recovered costs	14,466	55,665	-
Miscellaneous revenue	4,925	73,488	849,334
Intergovernmental:			
Contribution from primary government	95,540,146	3,287,400	54,000
Commonwealth of Virginia	59,412,945	3,228,225	541,938
Federal Government	1,109,757	1,507,416	7,998,193
Total revenues	<u>156,260,119</u>	<u>8,166,738</u>	<u>9,443,540</u>
Expenditures			
Current operating:			
Education	153,788,297	4,676,327	9,728,824
Contribution to primary government	-	3,377,055	-
Capital outlay - leases	589,364	-	-
Capital outlay - subscriptions	-	-	98,298
Debt Service:			
Lease principal	353,193	-	626
Lease interest	7,805	-	8
Subscription principal	148,661	-	49,566
Subscription interest	127	-	-
Principal retirement	-	618,926	-
Interest charges	-	337,246	-
Total expenditures	<u>154,887,447</u>	<u>9,009,554</u>	<u>9,877,322</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,372,672</u>	<u>(842,816)</u>	<u>(433,782)</u>
Other financing sources (uses)			
Transfers in	860,233	1,804,235	207,160
Transfers (out)	(2,814,482)	(358,467)	-
Leases	589,364	-	-
Subscriptions	-	-	98,298
Total other financing sources (uses)	<u>(1,364,885)</u>	<u>1,445,768</u>	<u>305,458</u>
Net change in fund balances/(deficits)	7,787	602,952	(128,324)
Fund balances - beginning, restated	144,707	5,885,504	469,971
Fund balances - ending	<u>\$ 152,494</u>	<u>\$ 6,488,456</u>	<u>\$ 341,647</u>

Governmental Funds				
School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Governmental Funds	
\$ -	\$ 275	\$ 223,847	\$ 249,036	Revenues
-	2,473,825	35	2,639,550	Revenue from use of money and property
-	-	272,695	274,590	Charges for services
-	-	2,282	72,413	Gifts and donations
3,601	295,150	2,773,496	3,999,994	Recovered costs
-	-	-	98,881,546	Miscellaneous revenue
582,375	177,710	-	63,943,193	Intergovernmental:
-	3,568,366	-	14,183,732	Contribution from primary government
585,976	6,515,326	3,272,355	184,244,054	Commonwealth of Virginia
				Federal Government
				Total revenues
				Expenditures
1,041,821	6,597,274	2,755,969	178,588,512	Current operating:
-	-	-	3,377,055	Education
-	-	-	589,364	Contribution to primary government
-	-	-	98,298	Capital outlay - leases
-	2,923	-	356,742	Capital outlay - subscriptions
-	72	-	7,885	Debt Service:
-	-	-	198,227	Lease principal
-	-	-	127	Lease interest
-	-	-	618,926	Subscription principal
-	-	-	337,246	Subscription interest
1,041,821	6,600,269	2,755,969	184,172,382	Principal retirement
				Interest charges
				Total expenditures
(455,845)	(84,943)	516,386	71,672	Excess (deficiency) of revenues
				over (under) expenditures
				Other financing sources (uses)
819,588	-	14,499	3,705,715	Transfers in
-	-	(532,766)	(3,705,715)	Transfers (out)
-	-	-	589,364	Leases
-	-	-	98,298	Subscriptions
819,588	-	(518,267)	687,662	Total other financing sources (uses)
363,743	(84,943)	(1,881)	759,334	Net change in fund balances
1,516,635	2,715,540	1,937,407	12,669,764	Fund balances - beginning, restated
\$ 1,880,378	\$ 2,630,597	\$ 1,935,526	\$ 13,429,098	Fund balances - ending

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 37
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**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities**
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2023

Net change in fund balances - discretely presented component unit - School Board	\$	759,334
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:		
Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements.		
Add current year's prepaid items	333,757	
Less prior year's prepaid items	<u>(122,495)</u>	211,262
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense, which is not a use of current financial resources.		
Capital outlays	4,475,574	
Depreciation/amortization expense	<u>(9,821,646)</u>	(5,346,072)
Governmental funds report only proceeds from the sale of capital assets. However, in the Statement of Activities, gains or losses resulting from the sale or disposal of capital assets is reported. This amount reflects the gain (loss) related to the disposal of capital assets.		
		(39,967)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Add debt principal repayment		618,926
Lessee leasing and subscription agreements provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position. Lease principal payments on lessee and subscription agreements are expenditures in the governmental funds, but reduce long term liabilities in the Statement of Net Position. Interest on lessor agreements is recognized in governmental funds when received, but in the Statement of Net Position when earned.		
Less lease additions	(589,364)	
Add lease principal repayment	356,742	
Less subscription additions	(98,298)	
Add subscription principal repayment	<u>198,227</u>	(132,693)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount reflects the change in compensated absences in the current year.		
Less current year's compensated absences	(3,989,125)	
Add prior year's compensated absences	3,794,599	
Less current year's accrued interest payable	(84,789)	
Add prior year's accrued interest payable	<u>84,832</u>	(194,483)

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 37
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**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities**
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2023

Net change in fund balances - discretely presented component unit - School Board (continued)

Governmental funds do not report net pension and OPEB assets and liabilities and associated deferred outflow of resources and deferred inflow of resources related to pension and OPEB.

Add current year's net pension asset	3,258,106	
Less prior year's net pension asset	(4,619,167)	
Add current year's net OPEB asset	17,221	
Less prior year's net OPEB asset	(13,127)	
Add current year's deferred outflow related to pensions	7,794,321	
Less prior year's deferred outflow related to pensions	(12,445,497)	
Less current year's deferred inflow related to OPEB	(4,527,485)	
Less prior year's deferred outflow related to OPEB	(1,792,191)	
Less current year's net pension liability	(80,783,232)	
Add prior year's net pension liability	67,474,513	
Less current year's net OPEB liability	(23,236,712)	
Add prior year's net OPEB liability	23,552,336	
Less current year's deferred inflow related to pensions	(22,428,702)	
Add prior year's deferred inflow related to pensions	56,829,639	
Add current year's deferred outflow related to OPEB	1,509,001	
Add prior year's deferred inflow related to OPEB	5,411,832	16,000,856

Governmental funds report current year contributions to pension and OPEB plans as expenditures. However, In the Statement of Activities, current year contributions are reported as deferred outflow of resources.

Add current year's pension contributions	14,112,578	
Less prior year's pension contributions	(12,967,100)	
Add current year's OPEB contributions	1,625,022	
Less prior year's OPEB contributions	(1,470,569)	1,299,931

Change in net position of governmental activities **\$ 13,177,094**

COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2023

Exhibit 38
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	School General Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 10,370	\$ 10,370
Charges for services	479,269	530,872	165,690	(365,182)
Gifts and donations	-	-	1,820	1,820
Recovered costs	15,000	15,000	14,466	(534)
Miscellaneous revenue	435,563	436,363	4,925	(431,438)
Intergovernmental:				
Contribution from primary government	95,803,591	95,803,591	95,540,146	(263,445)
Commonwealth of Virginia	58,954,001	59,515,581	59,412,945	(102,636)
Federal Government	-	1,108,422	1,109,757	1,335
Total revenues	155,687,424	157,409,829	156,260,119	(1,149,710)
Expenditures				
Current operating:				
Education:				
Instruction	114,753,266	116,646,451	116,646,451	-
Administration, attendance, and health	8,285,093	7,625,527	7,625,527	-
Pupil transportation services	10,960,232	12,036,594	12,036,594	-
Operation and maintenance services	12,281,783	13,165,121	13,165,121	-
Technology	4,750,589	4,314,606	4,314,604	2
Total education	151,030,963	153,788,299	153,788,297	2
Capital outlay - leases				
Education	-	589,364	589,364	-
Total capital outlay - leases	-	589,364	589,364	-
Total capital outlay	-	589,364	589,364	-
Debt service:				
Lease principal	386,936	376,487	353,193	23,294
Lease interest	-	7,805	7,805	-
Subscription principal	-	148,661	148,661	-
Subscription interest	-	127	127	-
Total debt service	386,936	533,080	509,786	23,294
Total expenditures	151,417,899	154,910,743	154,887,447	23,296
Excess (deficiency) of revenues over (under) expenditures	4,269,525	2,499,086	1,372,672	(1,126,414)
Other financing sources (uses)				
Transfers in	-	327,467	860,233	532,766
Transfers (out)	(4,269,525)	(3,599,983)	(2,814,482)	785,501
Leases	-	589,364	589,364	-
Total other financing sources (uses)	(4,269,525)	(2,683,152)	(1,364,885)	1,318,267
Net change in fund balance (deficit)	-	(184,066)	7,787	191,853
Fund balances - beginning, restated	144,707	144,707	144,707	-
Fund balances (deficits) - ending	\$ 144,707	\$ (39,359)	\$ 152,494	\$ 191,853

COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2023

Exhibit 38
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	School Asset Replacement Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Revenue from use of money and property	\$ 25,000	\$ 33,640	\$ 14,544	\$ (19,096)
Gifts and donations	-	7,577	-	(7,577)
Recovered costs	75,000	111,381	55,665	(55,716)
Miscellaneous revenue	30,000	113,633	73,488	(40,145)
Intergovernmental:				
Contribution from primary government	-	3,287,400	3,287,400	-
Commonwealth of Virginia	25,000	3,509,118	3,228,225	(280,893)
Federal Government	-	1,507,515	1,507,416	(99)
Total revenues	155,000	8,570,264	8,166,738	(403,526)
Expenditures				
Current operating:				
Education:				
Instruction	65,000	257,923	31,840	226,083
Pupil transportation services	905,000	797,914	257,654	540,260
Operation and maintenance services	752,242	7,896,375	4,131,451	3,764,924
School food services	150,000	427,444	243,082	184,362
Technology	50,000	264,360	12,300	252,060
District-wide	75,000	395,570	-	395,570
Total education	1,997,242	10,039,586	4,676,327	5,363,259
Contribution to primary government	322,362	3,377,055	3,377,055	-
Total contribution to primary government	322,362	3,377,055	3,377,055	-
Debt Service:				
Principal retirement	598,938	618,927	618,926	1
Interest charges	357,235	337,246	337,246	-
Total debt service	956,173	956,173	956,172	1
Total expenditures	3,275,777	14,372,814	9,009,554	5,363,260
Excess (deficiency) of revenues over (under) expenditures	(3,120,777)	(5,802,550)	(842,816)	4,959,734
Other financing sources (uses)				
Transfers in	3,120,777	2,604,235	1,804,235	(800,000)
Transfers (out)	-	(358,467)	(358,467)	-
Total other financing sources (uses)	3,120,777	2,245,768	1,445,768	(800,000)
Net change in fund balance (deficit)	-	(3,556,782)	602,952	4,159,734
Fund balances - beginning, restated	5,885,504	5,885,504	5,885,504	-
Fund balances - ending	\$ 5,885,504	\$ 2,328,722	\$ 6,488,456	\$ 4,159,734

COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2023

Exhibit 38
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	School Grant Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Gifts and donations	\$ 650	\$ 57,314	\$ 75	\$ (57,239)
Recovered costs	-	-	-	-
Miscellaneous revenue	769,597	1,149,742	849,334	(300,408)
Intergovernmental:				
Contribution from primary government	54,000	54,000	54,000	-
Commonwealth of Virginia	570,000	1,757,024	541,938	(1,215,086)
Federal Government	3,901,917	12,667,073	7,998,193	(4,668,880)
Total revenues	5,296,164	15,685,153	9,443,540	(6,241,613)
Expenditures				
Current operating:				
Education:				
Instruction	4,005,629	13,034,258	8,351,183	4,683,075
Administration, attendance, and health	719,035	1,190,224	869,406	320,818
School food services	-	36,536	33,895	2,641
Technology	570,000	1,629,795	474,340	1,155,455
Total education	5,294,664	15,890,813	9,728,824	6,161,989
Capital outlay - subscriptions:				
Education	-	98,298	98,298	-
Total capital outlay - SBITA	-	98,298	98,298	-
Total capital outlay	-	98,298	98,298	-
Debt service:				
Lease principal	1,500	1,492	626	866
Lease interest	-	8	8	-
Subscription principal	-	49,566	49,566	-
Total debt service	1,500	51,066	50,200	866
Total expenditures	5,296,164	16,040,177	9,877,322	6,162,855
Excess (deficiency) of revenues over (under) expenditures	-	(355,024)	(433,782)	(78,758)
Other financing sources (uses)				
Transfers in	-	207,160	207,160	-
Subscriptions	-	98,298	98,298	-
Total other financing sources (uses)	-	305,458	305,458	-
Net change in fund balance (deficit)	-	(49,566)	(128,324)	(78,758)
Fund balances - beginning, restated	469,971	469,971	469,971	-
Fund balances (deficits) - ending	\$ 469,971	\$ 420,405	\$ 341,647	\$ (78,758)

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 38
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Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2023

	School Textbook Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Miscellaneous revenue	\$ -	\$ 695	\$ 3,601	\$ 2,906
Intergovernmental:				
Commonwealth of Virginia	587,671	587,671	582,375	(5,296)
Total revenues	587,671	588,366	585,976	(2,390)
Expenditures				
Current operating:				
Education:				
Instruction	1,407,259	2,924,590	1,041,821	1,882,769
Total education	1,407,259	2,924,590	1,041,821	1,882,769
Total expenditures	1,407,259	2,924,590	1,041,821	1,882,769
Excess (deficiency) of revenues over (under) expenditures	(819,588)	(2,336,224)	(455,845)	1,880,379
Other financing sources (uses)				
Transfers in	819,588	819,588	819,588	-
Total other financing sources (uses)	819,588	819,588	819,588	-
Net change in fund balance (deficit)	-	(1,516,636)	363,743	1,880,379
Fund balances - beginning	1,516,635	1,516,635	1,516,635	-
Fund balance/(deficit) - ending	\$ 1,516,635	\$ (1)	\$ 1,880,378	\$ 1,880,379

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 38

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Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2023

	School Nutrition Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Revenue from use of money and property	\$ 4,500	\$ 4,500	\$ 275	\$ (4,225)
Charges for services	2,079,744	2,079,744	2,473,825	394,081
Miscellaneous revenue	157,000	222,238	295,150	72,912
Intergovernmental:				
Commonwealth of Virginia	249,989	249,989	177,710	(72,279)
Federal Government	3,525,260	3,700,863	3,568,366	(132,497)
Total revenues	6,016,493	6,257,334	6,515,326	257,992
Expenditures				
Current operating:				
Education:				
School food services	6,012,293	6,597,274	6,597,274	-
Total education	6,012,293	6,597,274	6,597,274	-
Debt service:				
Lease principal	4,200	3,378	2,923	455
Lease interest	-	74	72	2
Total debt service	4,200	3,452	2,995	457
Total expenditures	6,016,493	6,600,726	6,600,269	457
Excess (deficiency) of revenues over (under) expenditures	-	(343,392)	(84,943)	258,449
Net change in fund balance/(deficit)	-	(343,392)	(84,943)	258,449
Fund balances- beginning	2,715,540	2,715,540	2,715,540	-
Fund balance - ending	\$ 2,715,540	\$ 2,372,148	\$ 2,630,597	\$ 258,449

COUNTY OF FAUQUIER, VIRGINIA**Exhibit 39****Statement of Fiduciary Net Position
Discretely Presented Component Unit – School Board
Fiduciary Funds
June 30, 2023**

	Trust Fund Crockett Private-Purpose Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ 641,639	\$ 1,038,310
Receivables:		
Loans	-	184,757
Investments at fair value	-	41,559,766
Total assets	<u>641,639</u>	<u>42,782,833</u>
Liabilities		
Accounts payable	-	4,060
Accrued liabilities	-	132,993
Total liabilities	<u>-</u>	<u>137,053</u>
Net Position		
Restricted for:		
Individuals and organizations	<u>641,639</u>	<u>42,645,780</u>
Total net position	<u>641,639</u>	<u>42,645,780</u>
Total liabilities and net position	<u>\$ 641,639</u>	<u>\$ 42,782,833</u>

COUNTY OF FAUQUIER, VIRGINIA**Exhibit 40**

Statement of Changes in Fiduciary Net Position
Discretely Presented Component Unit – School Board
Fiduciary Funds
Fiscal Year Ended June 30, 2023

	<u>Trust Fund</u> <u>Crockett</u> <u>Private-Purpose</u> <u>Trust Fund</u>	<u>Custodial</u> <u>Funds</u>
Additions		
Contributions:		
Employees	\$ -	\$ 2,936,990
Students and organizations	-	4,773
Intergovernmental:		
Commonwealth of Virginia	-	582,079
Federal Government	-	16,148
Participating localities	-	1,192,609
Total contributions	<u>-</u>	<u>4,732,599</u>
Investment income:		
Net increase (decrease) in the fair value of the investments	32,796	2,796,727
Interest and dividends	-	1,665,926
Less: investment expenses	<u>-</u>	<u>(71,770)</u>
Total investment income	<u>32,796</u>	<u>4,390,883</u>
Miscellaneous revenue:		
Miscellaneous revenue	<u>-</u>	<u>261,423</u>
Total miscellaneous revenue	<u>-</u>	<u>261,423</u>
Total additions	<u>32,796</u>	<u>9,384,905</u>
Deductions		
Benefits paid to or on behalf of beneficiaries or participants:		
Personal services	-	1,158,056
Fringe benefits	-	450,802
Contractual services	-	17,881
Other expenses	39,768	36,210
Distributions	-	5,318,227
Educational and recreational supplies	<u>-</u>	<u>178,530</u>
Total deductions	<u>39,768</u>	<u>7,159,706</u>
Net increase (decrease) in net position	(6,972)	2,225,199
Net position - beginning	648,611	40,420,581
Net position - ending	<u>\$ 641,639</u>	<u>\$ 42,645,780</u>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 41

Combining Statement of Fiduciary Net Position
Discretely Presented Component Unit – School Board
Custodial Funds
June 30, 2023

	Mountain Vista Regional Governor's School Fund	Mountain Vista Regional Governor's School Activity Fund	457(b) Deferred Compensation Plan Fund	403(b) Deferred Compensation Plan Fund	Total Custodial Funds
Assets					
Cash and cash equivalents	\$ 1,023,488	\$ 14,822	\$ -	\$ -	\$ 1,038,310
Receivables:					
Loans	-	-	13,185	171,572	184,757
Investments at fair market value	-	-	5,560,487	35,999,279	41,559,766
Total assets	<u>1,023,488</u>	<u>14,822</u>	<u>5,573,672</u>	<u>36,170,851</u>	<u>42,782,833</u>
Liabilities					
Accounts payable	4,060	-	-	-	4,060
Accrued liabilities	<u>132,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,993</u>
Total liabilities	<u>137,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,053</u>
Net Position					
Restricted for:					
Individuals and organizations	<u>886,435</u>	<u>14,822</u>	<u>5,573,672</u>	<u>36,170,851</u>	<u>42,645,780</u>
Total net position	<u>886,435</u>	<u>14,822</u>	<u>5,573,672</u>	<u>36,170,851</u>	<u>42,645,780</u>
Total liabilities and net position	<u>\$ 1,023,488</u>	<u>\$ 14,822</u>	<u>\$ 5,573,672</u>	<u>\$ 36,170,851</u>	<u>\$ 42,782,833</u>

Combining Statement of Changes in Fiduciary Net Position
Discretely Presented Component Unit – School Board
Custodial Funds
Fiscal Year Ended June 30, 2023

	Mountain Vista Regional Governor's School Fund	Mountain Vista Regional Governor's School Activity Fund	457(b) Deferred Compensation Plan Fund	403(b) Deferred Compensation Plan Fund	Total Custodial Funds
Additions					
Contributions:					
Employees	\$ -	\$ -	\$ 830,567	\$ 2,106,423	\$ 2,936,990
Students and organizations	4,299	474	-	-	4,773
Intergovernmental:					
Commonwealth of Virginia	582,079	-	-	-	582,079
Federal Government	16,148	-	-	-	16,148
Participating localities	1,192,609	-	-	-	1,192,609
Total contributions	1,795,135	474	830,567	2,106,423	4,732,599
Investment income:					
Net increase (decrease) in the fair value of the investments	-	-	387,046	2,409,681	2,796,727
Interest and dividends	-	-	214,614	1,451,312	1,665,926
Less: investment expenses	-	-	(9,854)	(61,916)	(71,770)
Total investment income	-	-	591,806	3,799,077	4,390,883
Miscellaneous revenue:					
Miscellaneous revenue	-	181,568	9,707	70,148	261,423
Total miscellaneous revenue	-	181,568	9,707	70,148	261,423
Total additions	1,795,135	182,042	1,432,080	5,975,648	9,384,905
Deductions					
Benefits paid to or on behalf of beneficiaries or participants:					
Personal services	1,158,056	-	-	-	1,158,056
Fringe benefits	450,802	-	-	-	450,802
Contractual services	17,881	-	-	-	17,881
Other expenses	36,210	-	-	-	36,210
Distributions	-	-	977,788	4,340,439	5,318,227
Educational and recreational supplies	-	178,530	-	-	178,530
Total deductions	1,662,949	178,530	977,788	4,340,439	7,159,706
Net increase (decrease) in net position	132,186	3,512	454,292	1,635,209	2,225,199
Net position - beginning	754,249	11,310	5,119,380	34,535,642	40,420,581
Net position - ending	\$ 886,435	\$ 14,822	\$ 5,573,672	\$ 36,170,851	\$ 42,645,780

STATISTICAL SECTION

This section of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information express about the County's overall financial health. This information has not been audited by the independent auditor.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Table 1	Net Position by Component
Table 2	Changes in Net Position
Table 3	Fund Balances – Governmental Funds
Table 4	Changes in Fund Balances – Governmental Funds

Revenue Capacity - These schedules contain information to help the reader assess the County's significant local revenue sources, the property tax, as well as other revenue sources.

Table 5-A	Assessed Value and Estimated Actual Value of Taxable Property
Table 5-B	Tax Relief for the Elderly
Table 6	Property Tax Rates for Both Direct and Overlapping Governments
Table 7-A	Principal Real Property Taxpayers
Table 7-B	Principal Personal Property Taxpayers
Table 8	Property Tax Levies and Collections

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future.

Table 9	Ratios of Outstanding Debt by Type
Table 10	Ratios of General Bonded Debt Outstanding
Table 11	Pledged-Revenue Coverage
Table 12	County Policy Debt Margin

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.

Table 13	Demographic and Economic Statistics
Table 14	Principal Employers

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Table 15	County Government Employees by Function
Table 16	Operating Indicators by Function
Table 17	Capital Asset Statistics by Function

Sources: Unless otherwise noted, the information in this section is derived from the County's annual comprehensive financial reports for the relevant year.

Table 1

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Page 1 of 2

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net investment in capital assets	\$ 67,186,543	\$ 66,912,078	\$ 66,424,250	\$ 67,897,791	\$ 58,593,548
Restricted	6,078,884	5,964,927	7,776,690	9,591,829	10,016,685
Unrestricted (deficit)	(79,527,398)	(67,694,758)	(51,817,116)	(44,964,783)	(18,486,444)
Subtotal governmental activities net position	(6,261,971)	5,182,247	22,383,824	32,524,837	50,123,789
Business-type Activities:					
Net investment in capital assets	20,424,303	19,381,379	19,399,111	21,932,278	24,454,010
Restricted	1,855,575	-	-	-	1,158,020
Unrestricted (deficit)	(15,102,238)	(14,944,300)	(18,421,156)	(21,422,557)	(22,073,054)
Subtotal business-type activities net position	7,177,640	4,437,079	977,955	509,721	3,538,976
Primary Government:					
Net investment in capital assets	87,610,846	86,293,457	85,823,361	89,830,069	83,047,558
Restricted	7,934,459	5,964,927	7,776,690	9,591,829	11,174,705
Unrestricted (deficit)	(94,629,636)	(82,639,058)	(70,238,272)	(66,387,340)	(40,559,498)
Total Primary Government net position	915,669	9,619,326	23,361,779	33,034,558	53,662,765
Component Units: (1)					
Net investment in capital assets	192,761,193	188,842,434	183,364,033	177,466,992	171,287,807
Restricted	5,000	5,000	73,567	267,564	2,245,775
Unrestricted (deficit)	(124,379,628)	(122,774,417)	(119,400,706)	(144,988,427)	(140,277,544)
Total Component Units net position	68,386,565	66,073,017	64,036,894	32,746,129	33,256,038
Total Reporting Entity: (2)					
Net investment in capital assets	180,852,943	183,877,351	184,775,961	190,252,913	184,973,674
Restricted	7,939,459	5,969,927	7,850,257	9,859,393	13,420,480
Unrestricted	(119,490,168)	(114,154,964)	(105,227,545)	(134,331,619)	(111,475,351)
Total Reporting Entity net position (3)	\$ 69,302,234	\$ 75,692,314	\$ 87,398,673	\$ 65,780,687	\$ 86,918,803

- (1) Component Units - The School Board net position components are included in this table due to the School Board being a significant portion of the County. In Virginia, School Boards do not have borrowing or taxing authority; therefore, the County issues debt on behalf of the School Board to finance school facilities projects. The Economic Development Authority is first included as part of the reporting entity in FY2020. Ending net position of the EDA is first presented in the table in FY2018. Information for prior years is not available.
- (2) The sum of the rows does not equal the total reporting entity rows because the debt related to the Component Unit - School Board is reflected in the Primary Government's net position row reducing unrestricted net position. The assets are reflected in the Component Unit - School Board row as net investment in capital assets. The total reporting entity row matches the asset with the debt and reports the net amount on the net investment in capital assets line.
- (3) Total reporting entity net position reflects the implementation of GASB Statement No. 68 for FY2014 - FY2021, the implementation of GASB Statement No. 75 for FY2017 - FY2021, and the implementation of GASB Statement No. 84 for FY2020 and FY2021.

Fiscal Year					
2019	2020	2021	2022	2023	
\$ 58,805,643	\$ 60,791,853	\$ 66,653,274	\$ 90,217,528	\$ 90,724,862	Governmental Activities:
7,634,090	12,194,288	10,351,623	15,794,707	12,385,574	Net investment in capital assets
2,051,825	5,579,625	23,799,780	32,328,872	67,711,255	Restricted
					Unrestricted (deficit)
68,491,558	78,565,766	100,804,677	138,341,107	170,821,691	Subtotal governmental activities net position
					Business-type Activities:
29,829,023	33,670,328	36,529,401	37,412,684	36,154,917	Net investment in capital assets
826,278	403,167	409,917	482,539	415,417	Restricted
(26,816,023)	(18,149,486)	(16,909,877)	(34,910,741)	(33,417,745)	Unrestricted (deficit)
3,839,278	15,924,009	20,029,441	2,984,482	3,152,589	Subtotal business-type activities net position
					Primary Government:
88,634,666	94,462,181	103,182,675	127,630,212	126,879,779	Net investment in capital assets
8,460,368	12,597,455	10,761,540	16,277,246	12,800,991	Restricted
(24,764,198)	(12,569,861)	6,889,903	(2,581,869)	34,293,510	Unrestricted (deficit)
72,330,836	94,489,775	120,834,118	141,325,589	173,974,280	Total Primary Government net position
					Component Units: (1)
167,071,314	160,471,122	152,889,144	146,077,340	141,177,535	Net investment in capital assets
1,854,624	1,065,692	-	4,632,294	3,275,327	Restricted
(133,518,332)	(127,158,316)	(126,483,781)	(114,486,504)	(96,047,741)	Unrestricted (deficit)
35,407,606	34,378,498	26,405,363	36,223,130	48,405,121	Total Component Units net position
					Total Reporting Entity: (2)
193,065,462	197,527,834	207,328,339	214,514,768	216,467,314	Net investment in capital assets
10,314,992	13,663,147	10,761,540	20,909,540	16,076,318	Restricted
(95,642,012)	(82,322,708)	(70,850,398)	(57,875,589)	(10,164,231)	Unrestricted
\$ 107,738,442	\$ 128,868,273	\$ 147,239,481	\$ 177,548,719	\$ 222,379,401	Total Reporting Entity net position (3)

Table 2

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Page 1 of 4

	Fiscal Year				
	2014	2015	2016	2017	2018
Primary Government:					
Expenses					
Governmental activities:					
General government administration	\$ 11,821,952	\$ 12,413,433	\$ 13,319,869	\$ 14,182,276	\$ 14,266,200
Judicial administration	3,455,862	3,821,911	3,952,902	3,706,073	4,213,354
Public safety	28,306,613	30,694,266	31,471,801	32,780,969	38,993,075
Public works	8,118,419	8,270,407	10,220,949	9,683,958	9,379,721
Health and welfare	10,908,372	12,452,676	12,675,215	11,609,435	12,206,022
Education	80,837,759	81,999,731	82,056,536	83,246,562	85,029,264
Parks, recreation, and cultural	6,342,901	6,302,270	6,870,409	7,014,668	7,490,761
Community development	5,836,086	5,947,344	5,811,825	14,187,875	10,307,487
Interest on long-term debt	4,271,495	2,741,174	3,671,366	3,081,185	3,083,112
Total governmental activities expenses	159,899,459	164,643,212	170,050,872	179,493,001	184,968,996
Business-type activities:					
Airport	1,979,636	2,023,113	1,393,026	992,199	985,999
Landfill and recycling	6,170,182	5,990,480	6,930,685	6,864,500	7,692,836
Sewer	-	-	-	-	-
Total business-type activities expenses	8,149,818	8,013,593	8,323,711	7,856,699	8,678,835
Total primary government expenses	168,049,277	172,656,805	178,374,583	187,349,700	193,647,831
Program Revenues					
Governmental activities:					
Charges for services:					
General government administration	87,779	84,459	133,838	107,015	119,312
Judicial administration	703,704	649,606	629,947	590,279	812,773
Public safety	1,366,598	1,251,234	1,664,088	1,750,616	2,083,619
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	47,237
Parks, recreation, and cultural	547,585	598,233	620,519	603,674	623,295
Community development	1,341,645	1,459,245	1,481,973	1,474,724	1,377,032
Operating grants and contributions	13,969,611	13,831,352	15,246,647	20,425,296	22,700,129
Capital grants and contributions	3,783,195	185,290	2,546,055	50,605	653,945
Total governmental activities program revenues	21,800,117	18,059,419	22,323,067	25,002,209	28,417,342
Business type activities:					
Charges for services:					
Airport	752,750	685,894	639,442	734,301	681,749
Landfill and recycling	4,191,457	3,614,670	3,357,317	3,667,478	3,933,980
Sewer	-	-	-	-	-
Operating grants and contributions	91,673	136,594	53,611	337,563	79,775
Capital grants and contributions	-	-	1,298,432	1,671,627	4,056,833
Total business-type activities program revenues	5,035,880	4,437,158	5,348,802	6,410,969	8,752,337
Total primary government program revenues	26,835,997	22,496,577	27,671,869	31,413,178	37,169,679
Net (expense) revenue (1)					
Governmental activities	(138,099,342)	(146,583,793)	(147,727,805)	(154,490,792)	(156,551,654)
Business-type activities	(3,113,938)	(3,576,435)	(2,974,909)	(1,445,730)	73,502
Total primary government net (expense) revenue	\$ (141,213,280)	\$ (150,160,228)	\$ (150,702,714)	\$ (155,936,522)	\$ (156,478,152)

(1) Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses is net expenses indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

(2) Total reporting entity net position reflects the implementation of GASB Statement No. 68 for FY2014 - FY2021, the implementation of GASB Statement No. 75 for FY2017 - FY2021, and the implementation of GASB Statement No. 84 for FY2020 - FY2021.

(3) Component units - School Board and Economic Development Authority change in net position is included in this table due to significance in the County financials. The Economic Development Authority is first included as part of the reporting entity in FY2020. Ending net position of the EDA is first presented in Table 1 in FY2018. Information for prior years is not available.

Fiscal Year					
2019	2020	2021	2022	2023	
Primary Government:					
Expenses					
Governmental activities:					
\$ 12,828,508	\$ 15,366,384	\$ 18,336,209	\$ 8,582,156	\$ 21,559,837	General government administration
4,054,177	4,403,007	4,787,727	4,589,192	5,081,017	Judicial administration
51,080,252	44,330,177	45,286,141	45,905,512	53,905,020	Public safety
10,028,420	10,010,927	10,880,651	12,115,589	8,446,969	Public works
13,585,126	13,469,468	13,794,758	13,677,110	14,623,248	Health and welfare
90,255,631	91,595,644	89,462,446	93,850,074	100,925,930	Education
6,821,358	7,903,910	7,629,310	8,415,558	10,149,709	Parks, recreation, and cultural
7,808,917	8,315,849	11,202,836	8,134,030	13,036,719	Community development
3,334,515	3,465,061	2,422,364	3,033,052	2,536,989	Interest on long-term debt
199,796,904	198,860,427	203,802,442	198,302,273	230,265,438	Total governmental activities expenses
Business-type activities:					
958,674	1,052,222	1,152,244	1,398,738	2,010,613	Airport
9,683,753	8,279,176	10,355,981	27,848,259	12,236,590	Landfill and recycling
-	-	-	12,179	331,442	Sewer
10,642,427	9,331,398	11,508,225	29,259,176	14,578,645	Total business-type activities expenses
210,439,331	208,191,825	215,310,667	227,561,449	244,844,083	Total primary government expenses
Program Revenues					
Governmental activities:					
Charges for services:					
95,035	62,580	74,460	130,357	494,303	General government administration
720,768	512,868	542,959	690,095	523,466	Judicial administration
1,515,100	1,750,361	1,835,850	2,265,776	2,424,647	Public safety
-	-	4,000	100,000	-	Public works
300	80	205	2,331	3,996	Health and welfare
606,884	381,828	307,435	639,972	793,321	Parks, recreation, and cultural
1,711,058	1,504,729	1,694,861	1,922,370	2,030,524	Community development
23,205,957	19,506,557	26,939,937	18,675,847	19,789,646	Operating grants and contributions
3,714,438	2,611,843	4,047,309	6,145,202	8,258,269	Capital grants and contributions
31,569,540	26,330,846	35,447,016	30,571,950	34,318,172	Total governmental activities program revenues
Business type activities:					
Charges for services:					
698,639	781,215	922,885	907,442	992,841	Airport
3,592,926	3,370,335	2,270,226	2,586,350	2,290,813	Landfill and recycling
-	-	1,500	103,744	2,026,402	Sewer
43,383	44,867	89,958	37,996	40,121	Operating grants and contributions
4,605,543	3,902,172	4,635,424	364,713	253,039	Capital grants and contributions
8,940,491	8,098,589	7,919,993	4,000,245	5,603,216	Total business-type activities program revenues
40,510,031	34,429,435	43,367,009	34,572,195	39,921,388	Total primary government program revenues
Net (expense) revenue (1)					
(168,227,364)	(172,529,581)	(168,355,426)	(167,730,323)	(195,947,266)	Governmental activities
(1,701,936)	(1,232,809)	(3,588,232)	(25,258,931)	(8,975,429)	Business-type activities
\$ (169,929,300)	\$ (173,762,390)	\$ (171,943,658)	\$ (192,989,254)	\$ (204,922,695)	Total primary government net (expense) revenue

Table 2

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Page 3 of 4

	Fiscal Year				
	2014	2015	2016	2017	2018
Primary Government: (continued)					
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
General property taxes	\$ 120,882,416	\$ 125,741,425	\$ 130,409,532	\$ 136,643,418	\$ 142,406,712
Local sales and use taxes	7,558,981	8,024,703	8,305,286	9,241,227	9,057,564
Consumers' utility taxes	1,650,054	1,658,205	1,631,861	1,608,950	1,813,473
Business and professional taxes	1,436,850	1,353,040	1,444,902	1,632,643	1,564,338
Motor vehicle taxes	1,826,612	1,870,836	1,911,876	1,957,392	1,984,960
Taxes on recordation and wills	1,656,673	1,514,756	1,720,164	1,731,125	1,789,913
Other local taxes	198,096	259,151	235,719	260,204	296,329
Investment income	348,189	301,739	408,673	600,847	1,096,000
Miscellaneous	977,300	389,682	481,040	156,345	138,972
Grants and contributions not restricted to specific programs	17,555,313	17,705,302	17,867,956	17,284,375	16,923,612
Transfers	(1,459,775)	(790,828)	512,373	(1,155,862)	(2,921,267)
Total governmental activities general revenues and other changes in net position	152,630,709	158,028,011	164,929,382	169,960,664	174,150,606
Business-type activities:					
Investment income (loss)	50,683	1,057	3,524	9,247	22,460
Miscellaneous	-	43,989	24,634	3,304	12,026
Transfers	1,459,775	790,828	(512,373)	1,155,862	2,921,267
Total business-type activities general revenues and other changes in net position	1,510,458	835,874	(484,215)	1,168,413	2,955,753
Total primary government general revenues and other changes in net position	154,141,167	158,863,885	164,445,167	171,129,077	177,106,359
Change in Net Position (2)					
Governmental activities	14,531,367	11,444,218	17,201,577	15,469,872	17,598,952
Business-type activities	(1,603,480)	(2,740,561)	(3,459,124)	(277,317)	3,029,255
Total Primary Government change in net position	12,927,887	8,703,657	13,742,453	15,192,555	20,628,207
Component Units (3)					
Expenses					
Economic Development Authority	-	-	-	-	-
School Board	127,821,631	139,471,783	139,806,883	147,319,359	143,149,770
Total component units - expenses	127,821,631	139,471,783	139,806,883	147,319,359	143,149,770
Program Revenues					
Charges for services	3,204,445	3,402,127	3,277,727	3,411,390	3,312,563
Operating grants and contributions	16,929,078	15,910,673	17,904,582	16,699,061	20,010,793
Capital grants and contributions	-	-	-	-	-
Total component units-revenues	20,133,523	19,312,800	21,182,309	20,110,451	23,323,356
Net (expense) revenue (1)	(107,688,108)	(120,158,983)	(118,624,574)	(127,208,908)	(119,826,414)
General Revenues and Other Changes in Net Position					
Contribution from primary government	81,889,891	83,276,115	82,152,277	84,355,571	85,244,161
Investment income	94	65	809	2,456	3,896
Miscellaneous	321,631	272,457	159,900	1,076,399	1,336,262
Grants and contributions not restricted to specific programs	33,940,698	34,296,769	34,275,494	33,864,072	33,443,964
Total component units - general revenues and other changes in net position	116,152,314	117,845,406	116,588,480	119,298,498	120,028,283
Total Component Units - change in net position	\$ 8,464,206	\$ (2,313,577)	\$ (2,036,094)	\$ (7,910,410)	\$ 201,869

(1) Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses is net expenses indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

(2) Total reporting entity net position reflects the implementation of GASB Statement No. 68 for FY2014 - FY2021, the implementation of GASB Statement No. 75 for FY2017 - FY2021, and the implementation of GASB Statement No. 84 for FY2020 - FY2021.

(3) Component units - School Board and Economic Development Authority change in net position is included in this table due to significance in the County financials. The Economic Development Authority is first included as part of the reporting entity in FY2020. Ending net position of the EDA is first presented in Table 1 in FY2018. Information for prior years is not available.

Fiscal Year					
2019	2020	2021	2022	2023	
					Primary Government: (continued)
					General Revenues and Other Changes in Net Position
					Governmental activities:
					Taxes:
\$ 152,069,874	\$ 154,969,913	\$ 158,880,374	\$ 173,352,481	\$ 189,225,235	General property taxes
9,571,159	10,533,415	12,696,419	13,399,789	13,946,263	Local sales and use taxes
1,742,954	1,748,470	1,797,046	1,689,430	1,898,443	Consumers' utility taxes
1,760,438	1,801,247	2,247,173	2,724,747	2,982,191	Business and professional taxes
2,018,892	2,011,001	2,011,920	68,595	20,485	Motor vehicle taxes
1,746,669	2,271,130	3,348,241	2,922,087	1,702,273	Taxes on recordation and wills
309,902	223,430	368,070	590,249	5,446,035	Other local taxes
2,018,074	1,585,837	578,485	419,232	4,510,939	Investment income
235,204	296,774	26,440	1,759,784	350,174	Miscellaneous
17,067,268	17,567,750	16,326,688	16,266,425	16,209,540	Grants and contributions not restricted to specific programs
(1,945,301)	(13,211,107)	(7,686,519)	(7,926,066)	(7,807,658)	Transfers
186,595,133	179,797,860	190,594,337	205,266,753	228,483,920	Total governmental activities general revenues and other changes in net position
					Business-type activities:
56,523	38,381	3,260	52,464	704,134	Investment income (loss)
414	68,052	3,885	235,442	631,744	Miscellaneous
1,945,301	13,211,107	7,686,519	7,926,066	7,807,658	Transfers
2,002,238	13,317,540	7,693,664	8,213,972	9,143,536	Total business-type activities general revenues and other changes in net position
188,597,371	193,115,400	198,288,001	213,480,725	237,627,456	Total primary government general revenues and other changes in net position
					Change in Net Position (2)
18,367,769	7,268,279	22,238,911	37,536,430	32,536,654	Governmental activities
300,302	12,084,731	4,105,432	(17,044,959)	168,107	Business-type activities
18,668,071	19,353,010	26,344,343	20,491,471	32,704,761	Total Primary Government change in net position
					Component Units (3)
					Expenses
152,391	2,551,201	1,551,884	6,482	20,610	Economic Development Authority
146,093,108	156,938,269	167,058,595	164,297,399	175,010,062	School Board
146,245,499	159,489,470	168,610,479	164,303,881	175,030,672	Total component units - expenses
					Program Revenues
3,250,370	2,382,683	153,984	633,340	2,650,412	Charges for services
19,741,702	23,385,509	33,084,373	35,128,756	44,491,659	Operating grants and contributions
-	-	-	-	4,735,641	Capital grants and contributions
22,992,072	25,768,192	33,238,357	35,762,096	51,877,712	Total component units - revenues
(123,253,427)	(133,721,278)	(135,372,122)	(128,541,785)	(123,152,960)	Net (expense) revenue (1)
					General Revenues and Other Changes in Net Position
89,887,969	92,288,149	88,606,131	95,173,327	98,881,546	Contribution from primary government
67,020	74,949	121,605	173,992	252,091	Investment income
1,682,221	4,357,342	2,380,468	3,491,682	3,999,994	Miscellaneous
33,767,785	34,365,728	36,290,783	39,520,551	33,189,730	Grants and contributions not restricted to specific programs
125,404,995	131,086,168	127,398,987	138,359,552	136,323,361	Total component units - general revenues and other changes in net position
\$ 2,151,568	\$ (2,635,110)	\$ (7,973,135)	\$ 9,817,767	\$ 13,170,401	Total Component Units - change in net position

Table 3

Fund Balances - Governmental Funds
Last Ten Fiscal Years

Page 1 of 2

(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015 ⁽¹⁾	2016 ⁽²⁾	2017	2018
General Fund:					
Nonspendable	\$ 492,533	\$ 426,775	\$ 50,162	\$ -	\$ -
Restricted	205,588	210,291	337,264	314,269	219,021
Committed	1,458,931	1,119,654	2,201,888	1,697,470	1,203,816
Assigned	4,290,578	3,383,573	4,555,618	8,486,368	10,386,767
Unassigned	16,622,908	17,031,448	19,150,449	19,801,927	19,085,314
Total General Fund	<u>23,070,538</u>	<u>22,171,741</u>	<u>26,295,381</u>	<u>30,300,034</u>	<u>30,894,918</u>
Other Governmental Funds:					
Nonspendable					
Capital Projects Fund	580,254	512,481	-	-	-
Debt Service Fund	-	-	-	185,988	-
Fire and Rescue Fund	-	168,138	-	-	-
Nonmajor governmental funds	201,934	-	-	-	-
Restricted					
Capital Projects Fund	4,214,963	3,835,930	4,529,804	5,492,607	2,538,619
Fire and Rescue Fund	-	-	-	-	3,396,958
CARES Fund	-	-	-	-	-
American Rescue Plan Fund	-	-	-	-	-
Nonmajor governmental funds	1,658,333	2,098,674	3,080,914	3,977,274	5,059,087
Committed					
Capital Projects Fund	5,248,626	4,791,049	5,659,230	5,189,597	12,907,898
Fire and Rescue Fund	-	4,650,941	5,549,950	5,920,085	6,707,733
Nonmajor governmental funds	5,434,684	795,049	855,493	1,063,675	812,962
Assigned					
Debt Service Fund	565,240	886,092	407,118	22,914	82,831
Fire and Rescue Fund (1)	-	-	-	-	-
Nonmajor governmental funds	1,328,924	994,558	1,320,288	2,681,933	-
Unassigned					
Debt Service Fund	-	-	-	-	-
Nonmajor governmental funds	-	-	(3,162)	-	-
Total Other Governmental Funds	<u>19,232,958</u>	<u>18,732,912</u>	<u>21,399,635</u>	<u>24,534,073</u>	<u>31,506,088</u>
Total Governmental Funds	\$ <u>42,303,496</u>	\$ <u>40,904,653</u>	\$ <u>47,695,016</u>	\$ <u>54,834,107</u>	\$ <u>62,401,006</u>

(1) As of FY2015, the Fire and Rescue Fund is classified as a Major Governmental Fund.

(2) In FY2017, the County elected to change from the consumption method to the purchase method for accounting for inventory and prepaid items in governmental funds. FY2016 fund balance has been restated to reflect this change.

(3) In FY2021, the County implemented GASB 84, which caused the reclassification of the Working Together Fund, the Commonwealth Opportunity Fund and the Fire and Rescue USDA Debt Service Fund to governmental funds. FY2020 fund balance has been restated to reflect this change.

Fiscal Year					
2019	2020 ⁽³⁾	2021	2022	2023	
\$ -	\$ -	\$ -	\$ 4,003	\$ 8,030	General Fund:
183,022	199,039	192,296	1,065,670	1,932,519	Nonspendable
1,884,459	5,587,507	4,117,569	2,958,215	3,342,377	Restricted
8,936,622	6,295,917	13,455,156	16,264,452	17,148,016	Committed
21,191,160	20,555,314	23,536,528	29,656,175	37,127,188	Assigned
32,195,263	32,637,777	41,301,549	49,948,515	59,558,130	Unassigned
					Total General Fund
-	-	-	-	-	Other Governmental Funds:
-	-	-	-	-	Nonspendable
-	-	-	-	-	Capital Projects Fund
-	-	-	6,580	6,232	Debt Service Fund
-	-	-	-	-	Fire and Rescue Fund
					Nonmajor governmental funds
11,344,860	4,089,348	3,007,775	13,824,466	4,532,683	Restricted
-	-	-	-	-	Capital Projects Fund
-	-	12,636	-	-	Fire and Rescue Fund
-	-	972	17,277	319,419	CARES Fund
5,799,488	9,058,901	8,290,944	7,400,910	7,970,218	American Rescue Plan Fund
					Nonmajor governmental funds
18,825,745	22,107,227	22,039,182	24,644,755	37,793,528	Committed
6,753,601	2,456,176	487,443	504,124	1,120,418	Capital Projects Fund
1,150,080	2,018,339	2,694,228	3,372,977	4,633,925	Fire and Rescue Fund
					Nonmajor governmental funds
86,231	86,233	545,749	1,883,142	2,700,119	Assigned
-	-	-	-	-	Debt Service Fund
-	-	-	-	-	Fire and Rescue Fund (1)
					Nonmajor governmental funds
-	-	-	-	-	Unassigned
-	-	-	-	-	Debt Service Fund
43,960,005	39,816,224	37,078,929	51,654,231	59,076,542	Nonmajor governmental funds
					Total Other Governmental Funds
\$ 76,155,268	\$ 72,454,001	\$ 78,380,478	\$ 101,602,746	\$ 118,634,672	Total Governmental Funds

Table 4

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Page 1 of 4

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
General property and other local taxes	\$ 135,160,010	\$ 140,265,298	\$ 145,958,511	\$ 153,130,626	\$ 158,963,558
Permits, privilege fees, and regulatory licenses	1,418,324	1,532,066	1,569,769	1,561,027	1,475,745
Fines and forfeitures	499,746	465,431	431,902	458,810	728,722
Revenue from use of money and property	335,394	284,998	367,166	525,021	882,699
Charges for services	2,295,264	2,394,233	2,466,019	2,559,972	2,468,680
Gifts and donations	221,411	515,976	1,031,810	917,095	1,169,196
Recovered costs	427,366	568,798	389,486	424,520	625,234
Miscellaneous	4,068,300	389,682	2,407,938	799,404	943,671
Intergovernmental:					
Contribution from School Board	-	-	-	-	-
Commonwealth of Virginia	28,049,395	27,752,268	28,376,246	30,173,577	29,651,120
Federal Government	3,946,313	3,242,138	3,867,596	6,250,432	4,608,104
Total revenues	176,421,523	177,410,888	186,866,443	196,800,484	201,516,729
Expenditures					
Current operating:					
General government administration	12,457,887	12,190,628	12,802,295	13,736,444	14,004,974
Judicial	3,642,931	3,749,075	3,890,324	3,874,425	3,940,365
Public safety	28,645,320	29,595,738	31,383,502	31,271,719	36,869,480
Public works	7,915,339	8,006,917	9,998,893	8,184,775	8,521,245
Health and welfare	11,328,226	12,594,333	12,817,543	11,667,455	12,168,492
Education	82,208,303	83,339,470	82,217,289	84,418,916	85,309,188
Parks, recreation, and cultural	5,776,405	6,057,766	6,179,184	6,281,542	7,220,351
Community development	6,142,311	6,292,928	6,163,981	14,263,203	10,424,417
Nondepartmental	754,421	738,963	390,751	754,859	904,726
Capital outlay	1,924,000	3,472,214	1,903,204	5,418,998	4,037,770
Capital outlay - leases	-	-	-	-	-
Capital outlay - subscriptions	-	-	-	-	-
Debt service:					
Lease principal	-	-	-	-	-
Lease interest	-	-	-	-	-
Subscription principal	-	-	-	-	-
Subscription interest	-	-	-	-	-
Principal retirement (1)	9,007,000	8,767,748	9,053,340	9,612,158	8,396,812
Interest (1)	4,992,129	4,554,692	4,157,411	3,796,630	3,444,576
Fiscal charges (1)	8,400	9,150	7,750	6,801	5,850
Bond issuance costs (2)	-	111,700	-	169,620	-
Total expenditures	174,802,672	179,481,322	180,965,467	193,457,545	195,248,246
Excess (deficiency) of revenues over (under) expenditures	1,618,851	(2,070,434)	5,900,976	3,342,939	6,268,483
Other financing sources (uses)					
Transfers in	19,714,744	20,805,913	20,111,099	21,000,709	25,799,292
Transfers (out)	(21,183,341)	(21,596,741)	(19,613,370)	(22,164,368)	(29,577,564)
Leases	-	-	-	-	-
Subscriptions	-	-	-	-	-
Issuance of debt (1)	-	1,386,719	391,658	4,878,380	4,608,587
Issuance of refunding bonds	-	9,101,000	-	2,775,000	-
Premium on refunding debt	-	-	-	704,772	421,259
Payment to bond escrow agent	-	(9,025,300)	-	(3,398,341)	-
Total other financing sources (uses)	(1,468,597)	671,591	889,387	3,796,152	1,251,574
Net change in fund balances	\$ 150,254	\$ (1,398,843)	\$ 6,790,363	\$ 7,139,091	\$ 7,520,057

- (1) In Virginia, School Boards do not have borrowing or taxing authority, therefore the County issues debt on behalf of the School Board to finance school facilities projects. Because of this, debt service payments related to school facilities are presented as debt service of the Primary Government. Debt service as a percentage of noncapital expenditures for the Total Reporting Entity more appropriately reflects the unique Virginia school debt requirements.
- (2) The presentation for FY2013 includes bond issuance costs.
- (3) The amount reported for "capital outlay primary government only" matches the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance for governmental funds (Exhibit 6). The amount reported for "capital outlay Component Unit - School Board only" matches the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance for the Discretely Presented Component Unit - School Board (Exhibit 33).
- (4) In FY2021, the County implemented GASB 84, which caused the reclassification of the Working Together Fund, the Commonwealth Opportunity Fund and the Fire and Rescue USDA Debt Service Fund to governmental funds. FY2020 change in net position was updated to reflect this change. Adjustments were not made for prior years.

Fiscal Year										
2019	2020 ⁽⁴⁾	2021	2022	2023						
\$	168,921,271	\$	172,986,781	\$	181,049,317	\$	193,284,610	\$	214,709,312	Revenues
	1,799,330		1,555,569		1,731,540		1,879,154		1,923,754	General property and other local taxes
	546,549		373,936		361,169		431,668		466,769	Permits, privilege fees, and regulatory licenses
	1,621,107		1,323,514		549,594		527,712		4,608,648	Fines and forfeitures
	2,610,278		2,300,004		2,339,787		3,373,891		3,376,029	Revenue from use of money and property
	850,926		1,582,744		529,181		525,364		274,397	Charges for services
	489,035		467,330		308,566		1,255,219		2,237,495	Gifts and donations
	4,390,125		2,579,756		1,318,251		2,048,234		1,317,680	Recovered costs
	-		-		1,754,170		3,382,430		3,377,055	Miscellaneous
	27,595,757		28,068,833		27,698,635		27,201,639		27,987,892	Intergovernmental:
	5,006,409		7,629,624		16,391,813		8,689,506		12,279,125	Contribution from School Board
										Commonwealth of Virginia
										Federal Government
	213,830,787		218,868,091		234,032,023		242,599,427		272,558,156	Total revenues
										Expenditures
	14,125,547		14,994,480		17,792,525		16,134,919		17,453,561	Current operating:
	4,096,274		4,143,025		4,396,098		4,518,982		4,737,320	General government administration
	51,557,318		43,663,429		43,908,773		45,554,899		51,432,491	Judicial
	9,437,855		8,764,742		10,798,909		12,843,923		10,162,077	Public safety
	12,613,367		13,408,284		13,661,231		13,877,578		14,689,384	Public works
	89,958,394		92,363,346		91,790,132		102,870,404		107,694,908	Health and welfare
	9,543,091		18,526,165		8,518,895		8,076,368		8,663,819	Education
	8,155,151		8,756,840		12,474,782		7,963,618		12,528,942	Parks, recreation, and cultural
	605,562		697,995		2,660,211		650,906		725,781	Community development
	4,419,969		4,071,357		1,743,986		8,910,131		7,390,228	Nondepartmental
	-		-		-		120,204		223,583	Capital outlay
	-		-		-		-		240,945	Capital outlay - leases
	-		-		-		368,879		408,995	Capital outlay - subscriptions
	-		-		-		8,513		10,680	Debt service:
	-		-		-		-		644,945	Lease principal
	-		-		-		-		4,546	Lease interest
	8,456,382		9,293,630		9,636,250		9,261,893		9,012,483	Subscription principal
	3,324,317		3,576,074		3,314,642		2,955,688		3,308,957	Subscription interest
	4,901		7,450		3,825		5,700		5,200	Principal retirement (1)
	186,938		45,450		-		54,800		-	Interest (1)
										Fiscal charges (1)
										Bond issuance costs (2)
	216,485,066		222,312,267		220,700,259		234,177,405		249,338,845	Total expenditures
	(2,654,279)		(3,444,176)		13,331,764		8,422,022		23,219,311	Excess (deficiency) of revenues over (under) expenditures
										Other financing sources (uses)
	26,473,627		29,069,911		24,497,891		28,880,263		38,796,207	Transfers in
	(28,453,675)		(36,971,564)		(32,685,410)		(32,245,213)		(45,392,049)	Transfers (out)
	-		-		-		120,204		223,584	Leases
	-		-		-		-		240,942	Subscriptions
	16,551,161		13,643,400		782,232		16,180,000		-	Issuance of debt (1)
	-		-		-		-		-	Issuance of refunding bonds
	1,837,428		-		-		1,864,992		-	Premium on refunding debt
	-		(8,804,767)		-		-		-	Payment to bond escrow agent
	16,408,541		(3,063,020)		(7,405,287)		14,800,246		(6,131,316)	Total other financing sources (uses)
\$	13,754,262	\$	(6,507,196)	\$	5,926,477	\$	23,222,268	\$	17,087,995	Net change in fund balances

Table 4

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

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	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Service as a Percentage of Noncapital Expenditures: (1)					
Primary Government:					
Total debt service	\$ 13,999,129	\$ 13,322,440	\$ 13,210,751	\$ 13,408,788	\$ 11,841,388
Total expenditures	174,802,672	179,481,322	180,965,467	193,457,545	195,248,246
Capital outlay primary government only (3)	3,146,923	3,672,064	1,846,546	4,606,649	5,115,341
Non-capital expenditures	171,655,749	175,809,258	179,118,921	188,850,896	190,132,905
Debt service as a percentage of noncapital expenditures: Primary Government only	8.16%	7.58%	7.38%	7.10%	6.23%
Component Unit - School Board:					
Schools expenditures excluding County contribution	54,160,921	53,805,742	55,915,274	54,571,202	57,724,088
Capital outlay Component Unit - School Board only (3)	2,549,290	2,658,590	2,784,141	2,226,249	1,866,169
Non-capital expenditures	51,611,631	51,147,152	53,131,133	52,344,953	55,857,919
Total Reporting Entity:					
Total debt service	13,999,129	13,322,440	13,210,751	13,408,788	11,841,388
Total non-capital expenditures	\$ 223,267,380	\$ 226,956,410	\$ 232,250,054	\$ 241,195,849	\$ 245,990,824
Debt service as a percentage of noncapital expenditures: Total Reporting Entity	6.27%	5.87%	5.69%	5.56%	4.81%

- (1) In Virginia, School Boards do not have borrowing or taxing authority, therefore the County issues debt on behalf of the School Board to finance school facilities projects. Because of this, debt service payments related to school facilities are presented as debt service of the Primary Government. Debt service as a percentage of noncapital expenditures for the Total Reporting Entity more appropriately reflects the unique Virginia school debt requirements.
- (2) The presentation for FY2013 includes bond issuance costs.
- (3) The amount reported for "capital outlay primary government only" matches the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance for governmental funds (Exhibit 6). The amount reported for "capital outlay Component Unit - School Board only" matches the reconciling item for capital outlay in the reconciliator between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance for the Discretely Presented Component Unit - School Board (Exhibit 33).
- (4) In FY2021, the County implemented GASB 84, which caused the reclassification of the Working Together Fund, the Commonwealth Opportunity Fund and the Fire and Rescue USDA Debt Service Fund to governmental funds. FY2020 change in net position was updated to reflect this change. Adjustments were not made for prior years.

Fiscal Year					
2019	2020 ⁽⁴⁾	2021	2022	2023	
					Debt Service as a Percentage of Noncapital Expenditures: (1)
					Primary Government:
\$ 11,972,538	\$ 12,922,604	\$ 12,954,717	\$ 12,655,473	\$ 13,395,806	Total debt service
216,485,066	222,312,267	220,700,259	234,177,405	249,338,845	Total expenditures
11,005,851	17,519,268	12,988,504	24,388,298	18,486,692	Capital outlay primary government only (3)
205,479,215	204,792,999	207,711,755	209,789,107	230,852,153	Non-capital expenditures
5.73%	6.28%	6.24%	6.00%	5.80%	Debt service as a percentage of noncapital expenditures: Primary Government only
					Component Unit - School Board:
63,770,075	61,745,925	71,033,008	74,153,420	85,290,836	Schools expenditures excluding County contribution
7,264,443	6,598,049	3,658,633	3,787,912	4,377,276	Capital outlay Component Unit - School Board only (3)
56,505,632	55,147,876	67,374,375	70,365,508	89,668,112	Non-capital expenditures
					Total Reporting Entity:
11,972,538	12,922,604	12,954,717	12,655,473	13,395,806	Total debt service
\$ 261,984,847	\$ 259,940,875	\$ 275,086,130	\$ 280,154,615	\$ 320,520,265	Total non-capital expenditures
4.50%	4.95%	4.71%	4.36%	3.84%	Debt service as a percentage of noncapital expenditures: Total Reporting Entity

COUNTY OF FAUQUIER, VIRGINIA

Table 5-A

Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Calendar Years

Page 1 of 2

Taxable Year	Real Property				Add:		Total Value
	Residential Property	Commercial Property	Agricultural Property	Public Service SCC Assessed	Total Taxable Real Property Assessed Value	Tax-Exempt Real Property	
2014	\$ 7,266,298,800	\$ 1,133,663,200	\$ 1,690,497,600	\$ 661,631,726	\$ 10,752,091,326	\$ 928,023,400	\$ 11,680,114,726
2015	7,349,773,300	1,144,905,900	1,701,191,600	650,126,899	10,845,997,699	915,822,500	11,761,820,199
2016	7,445,077,000	1,163,896,000	1,718,320,400	654,744,149	10,982,037,549	919,663,200	11,901,700,749
2017	7,538,017,200	1,176,883,900	1,720,140,700	657,629,104	11,092,670,904	912,299,000	12,004,969,904
2018	8,801,964,400	1,201,542,000	1,931,881,600	639,357,088	12,574,745,088	930,513,800	13,505,258,888
2019	8,902,352,800	1,204,551,400	1,938,119,500	747,411,827	12,792,435,527	946,805,100	13,739,240,627
2020	8,998,105,200	1,213,702,700	1,954,430,300	738,721,754	12,904,959,954	953,451,100	13,858,411,054
2021	9,100,673,700	1,216,267,000	1,962,211,000	752,797,325	13,031,949,025	962,927,200	13,994,876,225
2022	11,658,433,600	1,373,722,600	2,421,031,500	703,485,269	16,156,672,969	1,113,002,100	17,269,675,069
2023	11,799,727,000	1,375,410,400	2,456,678,500	824,384,856	16,456,200,756	1,122,502,500	17,578,703,256

Table 5-B

Tax Relief for the Elderly
Last Ten Calendar Years

Taxable Year	Tax Relief for the Elderly
2014	\$ 245,089,100
2015	245,484,600
2016	252,923,550
2017	265,523,200
2018	308,813,800
2019	320,165,900
2020	338,265,400
2021	375,442,575
2022	466,059,960
2023	501,228,000

Source: Fauquier County Commissioner of the Revenue

(1) Property in Fauquier County is reassessed once every four years at actual market value. Property is assessed at 100% of estimated actual value. Tax rates are per \$100 of assessed value.

(2) The total direct tax rate is calculated using the weighted average method.

Personal Property			Total Real and Personal Property Assessed Value	Total Direct Tax Rate (2)	Taxable Year
General Property	Segregated Properties	Total Personal Property Assessed Value			
\$ 613,509,167	\$ 112,808,209	\$ 726,317,376	\$ 11,478,408,702	1.197	2014
638,448,282	120,276,397	758,724,679	11,604,722,378	1.211	2015
663,841,809	140,649,248	804,491,057	11,786,528,606	1.254	2016
705,905,506	169,961,267	875,866,773	11,968,537,677	1.254	2017
730,253,242	167,217,815	897,471,057	13,472,216,145	0.920	2018
760,595,780	236,130,768	996,726,548	13,789,162,075	0.925	2019
796,099,795	241,645,539	1,037,745,334	13,942,705,288	1.825	2020
795,706,697	243,309,126	1,039,015,823	14,070,964,848	1.810	2021
1,095,772,606	363,548,773	1,459,321,379	17,615,994,348	1.140	2022
1,417,234,488	350,966,606	1,768,201,094	18,224,401,850	1.140	2023

COUNTY OF FAUQUIER, VIRGINIA

Table 6

Property Tax Rates for Both Direct and Overlapping Governments (1)
Last Ten Calendar Years
(rates per \$100 of assessed value)

Type of Tax	Calendar Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FAUQUIER COUNTY										
Countywide tax levies:										
Real property:										
General Fund	\$ 0.941	\$ 0.948	\$ 0.975	\$ 0.975	\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.758	\$ 0.758
Fire and Rescue Special Revenue Fund	0.045	0.045	0.058	0.058	0.121	0.133	0.133	0.133	0.140	0.140
Conservation Easement Purchase Levy	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.005	0.005
Total direct real property tax rate	0.992	0.999	1.039	1.039	0.982	0.994	0.994	0.994	0.903	0.903
Personal property:										
General class	4.650	4.650	4.650	4.650	4.650	4.650	4.650	4.650	3.450	3.450
Airplanes	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.003	0.003
Machinery and tools	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	3.450	3.450
Handicapped equipped vehicle	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Camper trailers and boats	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Mobile homes	0.992	0.999	1.039	1.039	0.982	0.994	0.994	0.994	0.903	0.903
Buses with 30 or more passengers	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Business furniture, fixtures, and equipment	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	3.450	3.450
Fire and rescue volunteer vehicle	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total direct personal property tax rate (2)	4.255	4.241	4.200	4.200	5.206	5.149	5.149	5.149	3.390	3.390
Total direct tax rate (2)	1.197	1.211	1.254	1.254	0.920	0.925	1.825	1.810	1.140	1.140
Special district levies:										
Marshall Street Light Levy (3)	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.025	0.025	0.025
Stormwater Management Levy (4)	13.64	13.64	13.64	13.64	13.64	13.64	13.64	13.64	13.64	13.64
OVERLAPPING GOVERNMENTS										
Town of Warrenton:										
Real estate	0.015	0.015	0.050	0.050	0.050	0.050	0.050	0.050	0.040	0.040
Personal property	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Town of Remington:										
Real estate	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Personal property	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100
Town of The Plains:										
Real estate	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Personal property	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500

(1) The County does not have any direct and overlapping debt to report.

(2) The total direct personal property tax rate and the total direct tax rate are calculated using the taxable property assessed value weighted average method

(3) The Marshall Street Light Levy is a special assessment for the Marshall District.

(4) The Stormwater Management Levy is a special assessment per parcel on certain parcels.

Sources: Fauquier County Commissioner of the Revenue; Town of Warrenton; Town of Remington; Town of The Plain

COUNTY OF FAUQUIER, VIRGINIA

Table 7-A

Principal Real Property Taxpayers
Current Year and Nine Years Ago

TAXPAYER	2023			2014		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Virginia Electric & Power Company	\$ 511,835,462	1	3.11%	\$ 315,778,937	1	2.94%
Old Dominion Electric Co-op	93,894,336	2	0.57%	143,018,376	2	1.33%
Fauquier Medical Center LLC	80,364,200	3	0.49%	71,367,500	3	0.66%
Northern Virginia Electric Co-op	40,283,096	4	0.24%	33,738,084	5	0.31%
Warrenton Center LLC	33,606,000	5	0.20%	34,170,600	4	0.32%
Amazon Data Services Inc	31,282,500	6	0.19%			
Rappahannock Electric Co-op	26,632,929	7	0.16%	22,464,502	9	0.21%
Fauquier Long-Term Care LLC	25,494,595	8	0.15%	23,915,500	7	0.22%
Verizon - Virginia LLC	22,771,700	9	0.14%	32,151,081	6	0.30%
Norfolk Southern Railway Corporation	21,854,473	10	0.13%			
Oak Spring Farms LLC				23,239,300	8	0.22%
Northrock Center LLC				19,784,300	10	0.18%
Total	\$ 888,019,291		5.38%	\$ 719,628,180		6.69%

Source: Fauquier County Commissioner of the Revenue

Table 7-B

Principal Personal Property Taxpayers (1)
Current Year and Nine Years Ago

TAXPAYER	2023			2014		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Amazon Data Services Inc	\$ 79,856,144	1	6.39%			
Microsoft Corporation	56,507,332	2	4.26%			
B&M Crane LLC	32,232,878	3	1.98%			
Data Center Vint Hill LLC	27,026,087	4	1.97%			
LCI Companies Inc	8,080,681	5	0.93%			
Fauquier Medical Center LLC	7,645,777	6	0.51%			
Vulcan Construction Materials LP	7,090,276	7	0.42%	3,860,995	3	0.53%
Luck Stone Corporation	6,731,120	8	0.42%			
Comcast of CA/MD/PA/VA/WV LLC	6,599,458	9	0.41%	4,504,910	2	0.62%
LCI Virginia Inc	6,139,341	10	0.41%			
H&E Equipment Services Inc				7,187,391	1	0.99%
Walmart Stores East LP				3,418,684	4	0.47%
Luck Stone Corporation				2,933,031	5	0.40%
Toyota Motor Credit Corp (TLT)				2,169,386	6	0.30%
D. L. Peterson Trust				1,709,085	7	0.24%
Financial Services Vehicles Trust				1,707,815	8	0.24%
Vault				1,677,676	9	0.23%
Penske Truck Leasing Company LP				1,224,035	10	0.17%
Total	\$ 237,909,094		17.70%	\$ 30,393,008		4.19%

(1) Original TY 2023 Book Assessments.



COUNTY OF FAUQUIER, VIRGINIA

Table 8

Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Tax Levied for the Tax Year	Adjustments	Total Adjusted Levy	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Adjusted Tax Levy		Amount	Percentage of Adjusted Tax Levy
2014	\$ 135,048,317	\$ (2,063,071)	\$ 132,985,246	\$ 131,489,753	98.88%	\$ 1,283,056	\$ 132,772,809	99.84%
2015	139,715,498	(2,229,634)	137,485,864	136,752,914	99.47%	522,251	137,275,165	99.85%
2016	145,116,299	(2,225,014)	142,891,285	141,729,823	99.19%	921,277	142,651,100	99.83%
2017	150,925,791	(2,237,453)	148,688,338	147,622,593	99.28%	945,136	148,567,729	99.92%
2018	158,308,472	(2,685,925)	155,622,547	153,416,764	98.58%	1,864,216	155,280,980	99.78%
2019	166,591,947	(3,366,808)	163,225,139	161,869,811	99.17%	911,101	162,780,912	99.73%
2020	171,215,609	(3,777,404)	167,438,205	164,860,431	98.46%	1,698,477	166,558,908	99.47%
2021	172,413,193	(1,625,970)	170,787,223	168,570,314	98.70%	1,051,974	169,622,288	99.32%
2022	190,503,388	(3,024,315)	187,479,073	184,743,971	98.54%	2,262,441	187,006,411	99.75%
2023	203,622,266	(3,528,418)	200,093,848	197,502,620	98.70%	-	197,502,620	98.70%

The Personal Property Tax Relief Act amounts received for tax years 2013 to 2023 are as follows:

FY 2014	\$ 13,566,372	CY 2014
FY 2015	13,570,923	CY 2015
FY 2016	13,758,849	CY 2016
FY 2017	13,707,834	CY 2017
FY 2018	13,705,160	CY 2018
FY 2019	13,658,120	CY 2019
FY 2020	13,658,086	CY 2020
FY 2021	13,652,646	CY 2021
FY 2022	13,659,497	CY 2022
FY 2023	13,659,497	CY 2023

Table 9

Ratios of Outstanding Debt by Type (1)
Last Ten Fiscal Years

Page 1 of 2

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government
	Financing Agreements	Lease Liabilities	General Obligation Bonds	Virginia Public School Authority Bonds	Financing Agreements	Lease Liabilities	Solid Waste Revenue Bonds	Sewer Revenue Bonds	
2014	\$ 9,769,939	\$ -	\$ 29,368,052	\$ 71,241,989	\$ -	\$ -	\$ 5,387,159	\$ -	\$ 115,767,139
2015	9,400,835	-	27,727,283	65,756,480	-	-	9,646,698	-	112,531,296
2016	7,963,597	-	25,267,136	60,272,709	-	-	9,430,964	-	102,934,406
2017	10,842,031	-	22,762,210	54,797,067	9,129,028	-	-	-	97,530,336
2018	14,580,137	-	20,210,265	49,480,501	8,814,800	-	-	118,587	93,204,290
2019	31,153,322	-	17,733,115	44,338,192	8,493,518	-	-	483,089	102,201,236
2020	33,650,650	-	15,399,876	39,090,403	8,165,214	-	-	204,792	96,510,935
2021	31,719,408	1,562,947	13,028,034	33,917,539	8,225,194	176,059	-	1,364,625	89,993,806
2022	29,186,321	1,282,275	10,718,203	47,010,039	7,729,470	155,225	13,985,747	4,435,934	114,503,214
2023	26,757,934	1,101,201	8,475,000	41,990,050	7,400,920	185,198	13,360,055	5,327,100	104,597,458

(1) The County does not have any direct and overlapping debt to report.

(2) See the schedule of Demographic and Economic Statistics on Table 13 for personal income and population data.

* Unavailable

Component Unit			Percentage of		Fiscal Year
Lease Liabilities	Financing Agreements	Personal Income	Personal Income (2)	Per Capita (2)	
\$ -	\$ -	\$ 4,062,441,000	2.85%	1,739	2014
-	-	4,299,490,000	2.62%	1,667	2015
-	-	4,425,425,000	2.33%	1,516	2016
-	-	4,665,959,000	2.09%	1,431	2017
-	-	4,877,137,000	1.91%	1,349	2018
-	10,672,434	5,145,789,000	1.99%	1,457	2019
-	10,672,434	5,422,269,000	1.78%	1,367	2020
839,932	10,941,095	5,876,758,000	1.53%	1,268	2021
671,699	10,342,157	6,187,539,000	1.85%	1,562	2022
721,499	9,723,231	*	*	1,422	2023

COUNTY OF FAUQUIER, VIRGINIA

Table 10

**Ratios of General Bonded Debt Outstanding (1)
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Virginia Public School Authority Bonds	Net General Bonded Debt	Percentage of Personal Income	Percentage of Estimated Actual Value of Taxable Property (2)	Per Capita (3)
2014	\$ 29,368,052	\$ 71,241,989	\$ 100,610,041	2.44%	0.88%	1,511
2015	27,727,283	65,756,480	93,483,763	2.14%	0.81%	1,385
2016	25,267,136	60,272,709	85,539,845	1.90%	0.73%	1,260
2017	22,762,210	54,797,067	77,559,277	1.64%	0.65%	1,138
2018	20,210,265	49,480,501	69,690,766	1.41%	0.52%	1,009
2019	17,733,115	44,338,192	62,071,307	1.21%	0.45%	885
2020	15,399,876	39,090,403	54,490,279	1.00%	0.39%	772
2021	13,028,034	33,917,539	46,945,573	0.81%	0.34%	665
2022	10,718,203	47,010,039	57,728,242	0.93%	0.33%	788
2023	8,475,000	41,990,050	50,465,050	*	0.28%	686

(1) The County does not have any direct and overlapping debt to report.

(2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 5A-B for property value data.

(3) See the schedule of Demographic and Economic Statistics on Table 13 for population data.

* Unavailable

COUNTY OF FAUQUIER, VIRGINIA

Table 11

Pledged-Revenue Coverage
Last Ten Fiscal Years

Solid Waste Revenue Bonds							
Fiscal Year	Landfill and Recycling Fund Revenues (1)	Less: Operating Expenses (2)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2014	\$ 5,526,594	\$ 4,673,350	\$ 853,244	\$ 385,000	\$ 234,122	\$ 619,122	1.38
2015	4,393,028	4,279,550	113,478	45,000	68,478	113,478	1.00
2022	8,600,815	7,517,826	1,082,989	-	213,021	213,021	5.08
2023	10,383,773	7,865,956	2,517,817	390,000	457,613	847,613	2.97

NOTE: The schedule shows fiscal years for which there was revenue bonds with coverage requirements were outstanding. For fiscal years 2016 - 2021, there were no revenue bonds outstanding with coverage requirements.

- (1) Includes total operating revenues, interest income, operating grants, and transfers from the General Fund.
 (2) Operating expenses exclude the following non-cash expenses: closure/post-closure costs, depreciaton, lease amortization, pension and OPEB expense and interest expense applicable to the debt for which revenues are pledged.

Table 12

County Policy Debt Margin
Last Ten Fiscal Years

	Fiscal Year				
	2014	2015	2016	2017	2018
Budgeted revenues (1)	\$ 163,855,490	\$ 170,353,442	\$ 174,239,206	\$ 181,242,684	\$ 186,361,492
Debt limit (2)	16,385,549	17,035,344	17,423,921	18,124,268	18,636,149
Total net debt applicable to limit (3)	<u>14,936,587</u>	<u>14,259,898</u>	<u>14,148,209</u>	<u>14,346,246</u>	<u>12,778,846</u>
County policy margin	\$ <u>1,448,962</u>	\$ <u>2,775,446</u>	\$ <u>3,275,712</u>	\$ <u>3,778,022</u>	\$ <u>5,857,303</u>
Total net debt applicable to the limit as a percentage of general revenues	9.12%	8.37%	8.12%	7.92%	6.86%

- (1) Budgeted revenues include the General Fund, the Conservation Easement Service District Fund, and the Volunteer Fire and Rescue Fund.
- (2) The Code of Virginia has no legal debt margin limit set on the Counties. Fauquier County's annual debt service capacity was defined as 10% of the aggregate total of original budgeted revenues in the General Fund, the Conservation Easement Service District Fund, and the Volunteer Fire and Rescue Fund.
- (3) Contributions to certain volunteer fire and rescue companies operating within the County that are utilized to pay debt service on borrowing for which the County has made certain commitments (see Note 9) are included in the debt margin calculation.

Fiscal Year					
2019	2020	2021	2022	2023	
\$ 200,257,948	\$ 208,093,792	\$ 208,969,831	\$ 213,284,259	\$ 233,088,308	Budgeted revenues (1)
20,025,795	20,809,379	20,896,983	21,328,426	23,308,831	Debt limit (2)
<u>13,145,314</u>	<u>13,359,801</u>	<u>13,440,989</u>	<u>12,707,678</u>	<u>12,811,537</u>	Total net debt applicable to limit (3)
\$ <u>6,880,481</u>	\$ <u>7,449,578</u>	\$ <u>7,455,994</u>	\$ <u>8,620,748</u>	\$ <u>10,497,294</u>	County policy margin
6.56%	6.42%	6.43%	5.96%	5.50%	Total net debt applicable to the limit as a percentage of general revenues

COUNTY OF FAUQUIER, VIRGINIA

Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Estimated Population (1)	Personal Income (expressed in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)	County Civilian Labor Force (3)	At-Place Employment Annual Average (3)	School Enrollment (4)
2014	66,573	\$ 4,122,954	\$ 59,954	4.6%	36,885	21,076	11,084
2015	67,512	4,367,150	63,076	4.1%	36,761	21,549	11,055
2016	67,898	4,496,180	64,437	3.5%	36,437	22,054	10,890
2017	68,168	4,720,604	66,804	3.3%	36,968	22,116	10,885
2018	69,098	4,928,340	68,443	2.7%	37,437	22,417	10,955
2019	70,150	5,226,581	71,845	2.4%	38,492	22,249	10,987
2020	70,580	5,444,716	74,649	7.6%	36,700	21,370	10,891
2021	70,996	5,817,340	78,810	3.7%	37,478	21,813	10,145
2022	73,291	6,187,539	82,872	2.6%	38,342	21,924	10,648
2023	73,536	*	*	2.5%	39,779	22,360	10,672

Sources: (1) Weldon Cooper Center for Public Service final population estimates as of July 1st for FY2014 through FY2022, and provisional estimate for FY2023, as of July 1, 2022.
(2) Bureau of Economic Analysis, calendar year data. Revised estimates for 2014-2022.
(3) Bureau of Labor Statistics Data for the Unemployment Rate and County Civilian Labor Force is the rate at June of the corresponding year. Bureau of Labor Statistics Data for At-Place Employment is the average of the first three months (January, February, and March) of the calendar year.
(4) School enrollment from the Fauquier County Public Schools Adopted Budgets for FY2014 through FY2015 and Virginia Department of Education for FY2016 through FY2023.
* Unavailable

COUNTY OF FAUQUIER, VIRGINIA

Table 14

Principal Employers (1)
Current Year and Nine Years Ago

Employer	2023		2014	
	Rank	Number of Employees	Rank	Number of Employees
Fauquier County School Board	1	1000 and over	1	1000 and over
County of Fauquier	2	500 to 999	3	500 to 999
Fauquier Health System	3	500 to 999	2	1000 and over
U.S. Department of Transportation	4	500 to 999	4	250 to 499
Walmart Associates Inc.	5	250 to 499	5	250 to 499
Town of Warrenton	6	100 to 249	7	100 to 249
Food Lion LLC	7	100 to 249	8	100 to 249
White Horse OPCO LLC	8	100 to 249		
The Home Depot	9	100 to 249		
Blue Ridge Orthopedic Associates	10	100 to 249		
Buccaneer Computer System Inc.			6	100 to 249
Airlie Foundation			9	100 to 249
Laurel Ridge Community College			10	100 to 249

(1) Fauquier County is prohibited from publishing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act of 2002 – Title V of Public Law 107-347.

Source: Virginia Employment Commission Top 50 Employers (1st Quarter of 2023 and 2nd Quarter of 2014)

COUNTY OF FAUQUIER, VIRGINIA

Table 15

County Government Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government administration	114.4	116.8	117.5	119.6	122.5	123.5	125.2	125.2	125.2	125.2
Judicial administration	42.8	44.1	45.1	45.1	45.1	45.1	45.0	45.0	45.0	47.0
Public safety	238.5	248.9	248.9	260.5	266.5	299.5	310.5	310.5	311.5	338.5
Public works (2)	75.5	79.5	78.5	79.5	79.5	81.5	81.5	107.0	107.0	105.1
Health and welfare	47.5	48.5	48.5	48.5	48.5	58.5	59.5	59.5	60.5	61.0
Parks, recreation, and cultural	61.9	62.9	63.2	64.2	65.2	65.2	65.2	64.2	64.2	64.2
Community development (2)	62.1	72.1	75.1	76.1	76.1	76.1	75.7	50.7	51.2	54.0
Total Primary Government	642.7	672.8	676.8	693.5	703.4	749.4	762.6	762.1	764.6	794.9
Component Unit - School Board										
Education	1,819.5	1,831.1	1,836.1	1,819.1	1,831.0	1,890.7	1,900.9	1,905.0	1,917.7	1,933.3
Total Reporting Entity	2,462.2	2,503.9	2,512.9	2,512.6	2,534.4	2,640.1	2,663.5	2,667.1	2,682.3	2,728.3

(1) As of FY2017, Fire, Rescue, and Emergency Services is reported in the Fire and Rescue Tax Levy Fund

(2) As of FY2021, Convenience Sites and Environmental Services are now combined as Environmental Services Fund

Sources: For County Government employees information: Fauquier County Adopted Budgets



Table 16

Operating Indicators by Function
Last Ten Fiscal Years

Page 1 of 6

Function	Fiscal Year				
	2014	2015	2016	2017	2018
General government administration					
Commissioner of the revenue					
Real estate number of parcels	32,967	33,276	33,466	33,591	32,785
Land use number of parcels	3,950	3,914	3,867	3,847	3,768
PPTRA qualifying vehicles	70,800	74,556	75,741	77,413	78,961
County attorney (5)					
Total litigation files opened	9	13	13	-	-
Active open litigation cases	-	-	351	390	346
Finance					
Vendor checks issued	17,971	17,071	17,247	17,290	18,119
Human resources					
Employment applications received	9,125	9,668	9,065	10,162	10,509
New employees orientated	526	841	737	840	880
Payroll annual checks/direct deposits	68,750	43,467	66,835	77,610	71,008
Information technology					
Website hits (6)	1,056,552	1,582,195	1,199,765	210,985	210,651
Unique page views (8)	-	-	-	-	-
Treasurer					
General Revenue Collections:					
Real estate bills mailed	63,486	64,548	64,550	65,655	65,916
Personal property bills mailed	64,910	66,643	68,310	69,726	70,206
Dog tags issued	3,434	3,737	3,576	4,466	4,283
Judicial administration					
Adult court services					
Average daily caseload	425	450	315	310	350
Circuit court (2)					
Civil cases	640	561	687	595	849
Criminal cases	1,211	1,123	974	1,150	861
Clerk of the circuit court (by calendar year)					
Deed book recording	10,188	11,986	12,515	11,555	10,562
Judgments	1,927	1,555	1,290	1,348	1,256
Criminal cases	1,221	950	1,082	1,085	861
Concealed weapon permits	1,078	1,218	1,417	1,368	1,534
Public safety					
Detention center					
Prisoner transports	6,967	7,441	6,958	6,678	6,680
Average daily inmate population	104	102	91	82	86
Juvenile detention (9)					
Youth detained	50	50	50	50	2
Child care days	300	300	300	300	19
Juvenile probation					
Probation and paroles per month	75	110	110	110	50
Intakes	1,250	1,200	1,200	1,283	1,283

- (1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2023 information is not available.
- (2) Circuit court data based on calendar year.
- (3) Updated Recycled Materials - Tons rate in FY2016 to reflect correct statistic.
- (4) Transfer station operations began in FY2016.
- (5) As of FY2016, County Attorney revised reporting categories.
- (6) As of FY2017, Information Technology utilized a new method of website tracking.
- (7) As of FY2017, the Sheriff's Office utilized a new method for reporting categories.
- (8) As of FY2019, Information Technology utilized a new method of tracking website visitors.
- (9) As of FY2018, Juvenile Detention utilized a new method of reporting.
- (10) As of FY2017, the structure of the SAT test and scoring methodology changed.
- (11) One-time increase due to circumstances unique to FY2020.
- (12) As of FY2021, Economic Development utilized a new method of tracking website visitors.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

* Unavailable

Fiscal Year					
2019	2020	2021	2022	2023 (1)	
					General government administration
					Commissioner of the revenue
32,898	33,045	33,133	33,288	*	Real estate number of parcels
3,767	3,867	3,714	3,721	*	Land use number of parcels
80,590	82,202	79,902	82,595	*	PPTRA qualifying vehicles
					County attorney (5)
-	-	-	-	*	Total litigation files opened
331	86	121	125	*	Active open litigation cases
					Finance
17,011	17,583	16,050	17,061	*	Vendor checks issued
					Human resources
4,042	7,852	8,786	8,352	*	Employment applications received
770	498	685	730	*	New employees orientated
72,004	76,722	75,701	85,296	*	Payroll annual checks/direct deposits
					Information technology
-	-	-	-	*	Website hits (6)
1,343,804	1,376,035	1,625,059	1,578,427	*	Unique page views (8)
					Treasurer
					General Revenue Collections:
66,252	66,139	66,429	66,638	*	Real estate bills mailed
71,883	71,115	71,211	72,449	*	Personal property bills mailed
4,118	2,970	3,967	3,965	*	Dog tags issued
					Judicial administration
					Adult court services
322	288	222	187	*	Average daily caseload
					Circuit court (2)
600	600	445	524	*	Civil cases
860	900	607	660	*	Criminal cases
					Clerk of the circuit court (by calendar year)
11,500	15,936	16,235	13,923	*	Deed book recording
1,300	810	838	889	*	Judgments
850	688	785	319	*	Criminal cases
1,200	2,971	1,389	1,431	*	Concealed weapon permits
					Public safety
					Detention center
6,338	4,953	2,398	4,791	*	Prisoner transports
70	42	45	42	*	Average daily inmate population
					Juvenile detention (9)
12	13	21	6	*	Youth detained
5	472	23	25	*	Child care days
					Juvenile probation
15	9	3	2	*	Probation and paroles per month
928	1,020	880	845	*	Intakes

Table 16

Operating Indicators by Function
Last Ten Fiscal Years

Page 3 of 6

Function	Fiscal Year				
	2014	2015	2016	2017	2018
Public safety (continued)					
Operations					
911 calls for service	24,196	27,607	26,593	24,845	24,085
Hazardous material response	25 calls	7 calls	10 calls	6 calls	5 calls
Emergency Response - EMS	7,230	7,533	7,706	4,551	7,705
Emergency Response - Fire	3,964	4,386	4,648	2,655	4,819
Emergency Response - Fire and EMS (11)	-	-	-	-	-
Sheriff (7)					
Traffic summonses issued	6,864	5,952	6,077	7,734	9,564
Misdemeanor arrests	2,345	1,937	1,811	1,184	1,955
Felony arrests	1,089	1,028	937	504	986
Civil papers served	21,548	19,342	14,412	13,528	16,065
Calls for service	65,565	68,577	24,099	23,997	24,839
Animal control calls for service	3,116	2,589	2,532	2,497	3,986
Joint communications					
Telephone calls processed	160,078	157,410	141,730	144,256	144,712
Dispatch actions performed	912,691	921,379	914,143	962,493	1,001,636
Calls for service	116,948	114,435	111,563	118,344	126,864
Public works					
Environmental services - convenience sites					
Trash - tons	17,841	17,608	19,368	19,653	19,476
Recycled materials - tons (3)	2,654	2,634	2,878	3,039	3,005
Resident visits	527,506	526,812	578,393	585,793	584,522
General services					
Facility work orders completed	8,500	7,542	8,500	8,210	8,300
Fleet vehicles/small engines	725	800	817	915	930
Preventive maintenance schedule	2,000	2,029	2,000	2,610	2,500
Health and welfare					
Children's Services Act (CSA)					
Congregate care	45	65	51	28	21
Foster care - therapeutic, specialized, regular	112	75	75	78	59
Community based services	196	195	196	194	198
Special Education Day Placements	35	46	52	50	40
SPED Wraps	13	20	10	8	17
Social services					
Adoption assistance	44	59	68	79	89
Long term care screenings	135	136	141	115	122

(1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2023 information is not available.

(2) Circuit court data based on calendar year.

(3) Updated Recycled Materials - Tons rate in FY2016 to reflect correct statistic.

(4) Transfer station operations began in FY2016.

(5) As of FY2016, County Attorney revised reporting categories.

(6) As of FY2017, Information Technology utilized a new method of website tracking.

(7) As of FY2017, the Sheriff's Office utilized a new method for reporting categories.

(8) As of FY2019, Information Technology utilized a new method of tracking website visitors.

(9) As of FY2018, Juvenile Detention utilized a new method of reporting.

(10) As of FY2017, the structure of the SAT test and scoring methodology changed.

(11) One-time increase due to circumstances unique to FY2020.

(12) As of FY2021, Economic Development utilized a new method of tracking website visitors.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

* Unavailable

Fiscal Year					
2019	2020	2021	2022	2023 (1)	
					Public safety (continued)
					Operations:
23,951	23,403	25,081	27,138	*	911 calls for service
5 calls	4 calls	3 calls	0 calls	*	Hazardous material response
7,980	*	*	*	*	Emergency Response - EMS
5,527	*	*	*	*	Emergency Response - Fire
-	9,116	9,270	10,681	*	Emergency Response - Fire and EMS (11)
					Sheriff (7)
7,665	5,243	7,570	7,599	*	Traffic summonses issued
1,532	1,110	1,071	1,045	*	Misdemeanor arrests
673	521	539	372	*	Felony arrests
17,032	13,081	12,351	12,250	*	Civil papers served
24,866	18,629	17,699	20,179	*	Calls for service
3,898	3,529	2,448	3,786	*	Animal control calls for service
					Joint communications
146,111	142,850	141,277	142,025	*	Telephone calls processed
967,744	846,844	892,344	111,501	*	Dispatch actions performed
118,019	104,723	110,181	908,795	*	Calls for service
					Public works
					Environmental services - convenience sites
19,304	18,190	18,624	16,667	*	Trash - tons
3,080	3,255	3,068	3,057	*	Recycled materials - tons (3)
581,005	603,698	608,338	626,159	*	Resident visits
					General services
8,300	7,200	7,522	8,238	*	Facility work orders completed
996	895	989	1,144	*	Fleet vehicles/small engines
2,570	2,450	2,616	2,320	*	Preventive maintenance schedule
					Health and welfare
					Children's Services Act (CSA)
26	23	17	12	*	Congregate care
62	51	27	46	*	Foster care - therapeutic, specialized, regular
198	174	44	96	*	Community based services
37	49	28	37	*	Special Education Day Placements
27	20	35	44	*	SPED Wraps
					Social services
93	66	102	10	*	Adoption assistance
180	153	130	159	*	Long term care screenings

Table 16

Operating Indicators by Function
Last Ten Fiscal Years

Page 5 of 6

Function	Fiscal Year				
	2014	2015	2016	2017	2018
Parks, recreation, and cultural					
Library					
Materials cataloged/processed	11,981	11,014	11,892	13,090	11,325
Periodicals cataloged/processed	3,336	3,387	3,208	3,154	2,982
Library patron visits	261,090	266,496	259,773	253,182	237,201
Parks and recreation					
Park attendance	667,485	789,325	850,526	894,230	783,884
Shelter rentals	357	343	356	369	356
Education					
Per pupil expenditures	11,920	12,173	12,097	12,141	12,394
High school completion rate	97%	95%	97%	97%	97%
SAT scores (10)	1,549	1,546	1,561	1,125	1,092
Federal subsidized meals program	24.8%	24.3%	24.5%	24.7%	26.6%
Community development					
Tourism e-newsletter distribution	39,578	44,217	50,407	54,400	57,120
Rezoning/comp plans	12	8	70	9	12
Preliminary/final subdivisions	20	2	1	1	-
Zoning, Permitting, and Inspections:					
Building permits issued	1,583	1,544	1,458	1,782	2,110
Building plans reviewed	1,446	1,312	1,490	1,898	1,594
Technical/Environmental Division:					
Land disturbing permits issued	111	230	281	390	402
Marketing response to website (6)	217,750	225,588	232,355	48,720	33,326
Website users (12)	-	-	-	-	-
Other funds					
Environmental services					
Residents using the landfill	1,877	1,630	1,705	1,757	3,108
Total tons recycled	25,240	17,011	15,756	19,942	19,921
Solid waste - tons to the landfill	52,588	47,957	5,821	7,994	10,931
Solid waste - tons to the transfer station (4)	-	-	44,962	43,635	44,643
Recycling rate	43%	40%	43%	41%	39%
Fleet maintenance					
Internal service fund county users	42	46	46	45	46
Internal service fund non-county users	12	12	15	13	15
Total vehicles serviced	6,000	6,031	6,500	6,073	6,500

(1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2023 information is not available.

(2) Circuit court data based on calendar year.

(3) Updated Recycled Materials - Tons rate in FY2016 to reflect correct statistic.

(4) Transfer station operations began in FY2016.

(5) As of FY2016, County Attorney revised reporting categories.

(6) As of FY2017, Information Technology utilized a new method of website tracking.

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(10) As of FY2017, the structure of the SAT test and scoring methodology changed.

(11) One-time increase due to circumstances unique to FY2020.

(11) As of FY2021, Economic Development utilized a new method of tracking website visitors.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

* Unavailable

Fiscal Year					
2019	2020	2021	2022	2023 (1)	
					Parks, recreation, and cultural
					Library
10,039	8,736	8,136	8,553		* Materials cataloged/processed
2,825	2,513	2,076	1,634		* Periodicals cataloged/processed
218,062	148,265	58,454	119,773		* Library patron visits
					Parks and recreation
987,052	818,830	1,051,555	1,153,000		* Park attendance
357	198	418	567		* Shelter rentals
					Education
13,342	13,092	14,368	14,177		* Per pupil expenditures
96%	98%	97	97		* High school completion rate
1,101	1,095	1,120	1,113		* SAT scores (10)
26.9%	27.4%	-	-		* Federal subsidized meals program
					Community development
16,150	16,240	16,190	15,408		* Tourism e-newsletter distribution
10	7	5	5		* Rezoning/comp plans
3	-	-	-		* Preliminary/final subdivisions
					Zoning, Permitting, and Inspections:
2,046	1,813	2,294	2,154		* Building permits issued
1,361	1,335	1,703	1,613		* Building plans reviewed
					Technical/Environmental Division:
258	297	302	340		* Land disturbing permits issued
39,725	44,177	-	-		* Marketing response to website (6)
-	-	12,955	10,239		* Website users (12)
					Other funds
					Environmental services
5,057	5,500	7,689	6,392		* Residents using the landfill
10,617	7,967	5,596	12,092		* Total tons recycled
1,309	1,340	1,833	2,382		* Solid waste - tons to the landfill
50,759	49,362	49,215	47,448		* Solid waste - tons to the transfer station (4)
36%	29%	35%	32%		* Recycling rate
					Fleet maintenance
58	75	46	46		* Internal service fund county users
8	6	8	8		* Internal service fund non-county users
6,442	6,080	6,500	6,500		* Total vehicles serviced

COUNTY OF FAUQUIER, VIRGINIA

Table 17

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Judicial administration										
Detention center capacities	56	56	56	56	56	56	56	56	56	56
Public safety										
Fire and rescue companies	11	11	11	10	10	10	10	10	9	9
Public works (1)										
Active vehicles	277	454	494	362	386	413	426	452	393	423
County owned buildings	57	57	57	64	66	69	71	71	75	86
Sq. ft. in buildings	396,744	455,883	540,986	422,325	436,067	456,244	467,913	467,913	488,663	505,836
Parks, recreation, and cultural										
Libraries	3	3	3	3	3	3	3	3	3	3
Volumes	210,698	210,356	210,933	207,989	210,181	204,321	198,473	196,814	190,392	186,834
Parks and recreation facilities	35	35	36	35	38	40	40	46	54	54
Land acres	932	886	890	892	909	1,109	1,085	1,139	1,139	1,139
Water acres	110	115	115	115	116	116	115	116	116	116
Trails (miles)	20	20	20	20	25	26	26	26	25	25
Fields	58	57	57	57	57	57	58	58	74	74
Boats	36	34	34	34	40	42	42	42	41	41
Shelters	21	19	19	18	19	19	19	20	15	15
Swimming pools	2	2	2	2	2	2	2	2	2	2
Education										
Elementary schools										
Buildings	11	11	11	11	11	11	11	11	11	11
Sq. ft. in buildings	717,016	717,016	717,016	717,016	717,016	717,016	717,016	717,016	717,016	714,016
Capacity	6,176	6,176	6,176	6,176	6,176	6,176	6,176	6,176	6,176	6,176
Middle schools										
Buildings	5	5	5	5	5	5	5	5	5	5
Sq. ft. in buildings	514,110	514,110	514,110	514,110	514,110	514,110	514,110	514,110	514,110	517,110
Capacity	3,045	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,262
High schools										
Buildings	3	3	3	3	3	3	3	3	3	3
Sq. ft. in buildings	834,710	848,210	848,210	848,210	848,210	848,210	848,210	848,210	848,210	848,210
Capacity	4,342	4,342	4,342	4,342	4,364	4,364	4,364	4,364	4,342	4,342
Alternative schools										
Buildings	1	1	1	1	1	1	1	1	1	1
Sq. ft. in buildings	19,563	19,563	19,563	19,563	19,563	19,563	19,563	19,563	19,563	19,563
Capacity	191	191	220	220	220	220	220	220	220	220
Number of school buses	182	170	179	179	173	159	163	178	180	175
Airport										
Miles of runways	0.96	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Number of hangars	11	11	11	11	11	11	11	11	6	5

Sources: Fauquier County Administration; Fauquier County Fleet Operations; Fauquier County Parks & Recreation; Fauquier County General Services; Fauquier County Department of Fire, Rescue and Emergency Management; Fauquier County Public Schools

(1) The County implemented a new methodology for better calculating public works statistical data in FY2017.



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**To the Honorable Members of the Board of Supervisors
County of Fauquier, Virginia
Warrenton, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fauquier, Virginia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Fauquier, Virginia's basic financial statements and have issued our report thereon dated December 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Fauquier, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Fauquier, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Fauquier, Virginia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Fauquier, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Fauquier, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County of Fauquier, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Fauquier, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
December 12, 2023



**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

**To the Honorable Members of the Board of Supervisors
County of Fauquier, Virginia
Warrenton, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Fauquier, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Fauquier, Virginia's major federal programs for the year ended June 30 2023. County of Fauquier, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Fauquier, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Fauquier, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Fauquier, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Fauquier, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Fauquier, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Fauquier, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Fauquier, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Fauquier, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Fauquier, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
December 12, 2023

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
For the Period Ended June 30, 2023

Page 1 of 3

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass-Through Agency Identifying Number	Federal Expenditures	Totals by Agency
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through the Commonwealth of Virginia:				
<u>Department of Education:</u>				
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	APE40297	\$ 162,419	
<u>Department of Social Services:</u>				
Guardianship Assistance	93.090	110122	324	
Title IV-E Prevention Program	93.472	140122	10,238	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950221	29,414	
COVID-19 MaryLee Allen Promoting Safe and Stable Families Program	93.556	CVS-19-057-A-14	7,566	
Total 93.556			36,980	
Temporary Assistance for Needy Families	93.558	452012	314,003	
Temporary Assistance for Needy Families	93.558	FAM-22-078-17	26,558	
Total 93.558			340,561	
Refugee and Entrant Assistance-State Admin Programs	93.566	500122	5,216	
Low-Income Home Energy Assistance	93.568	600422	53,091	
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760122	68,965	
Total CCDF Cluster			68,965	
Community Based Child Abuse Prevention Grants	93.590	9560121	207	
Adoption and Legal Guardianship Incentive Payments	93.603	7601022	3,853	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900121	337	
Foster Care Title IV-E	93.658	100122	415,526	
Adoption Assistance	93.659	120122	963,164	
Social Services Block Grant	93.667	452012	11,865	
Social Services Block Grant	93.667	000122	288,921	
Total 93.667			300,786	
Family Violence Prevention and Services / Domestic Violence Shelter and Supportive Services	93.671	FAM-22-078-17	100,000	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	150121	3,447	
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	152121	71	
Total 93.674			3,518	
COVID-19 Elder Abuse Prevention Interventions Program	93.747	000221	11,312	
Elder Abuse Prevention Interventions Program	93.747	000321	5,982	
Total 93.747			17,294	
Children's Health Insurance Program	93.767	540122	5,294	
Medicaid Cluster:				
Medical Assistance Program	93.778	200122	577,328	
Total Medicaid Cluster			577,328	
Total Department of Health and Human Services				3,065,101
DEPARTMENT OF HOMELAND SECURITY:				
Direct payments:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not Applicable	1,357,161	
Total Department of Homeland Security				1,357,161
DEPARTMENT OF JUSTICE:				
Direct payments:				
Bulletproof Vest Partnership Program	16.607	Not Applicable	10,070	
Passed through the Commonwealth of Virginia:				
<u>Department of Criminal Justice Services:</u>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	497473	1,166	
Crime Victim Assistance	16.575	21-B3423VP19	196,688	
Total Department of Justice				207,924

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
For the Period Ended June 30, 2023

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Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass-Through Agency Identifying Number	Federal Expenditures	Totals by Agency
DEPARTMENT OF TRANSPORTATION:				
Direct payments:				
Airport Improvement Program	20.106	Not Applicable	\$ 192,069	
COVID-19 Airport Improvement Program	20.106	Not Applicable	17,703	
	Total 20.106		209,772	
Passed through the Commonwealth of Virginia:				
<u>Department of Transportation:</u>				
Highway Planning and Construction	20.205	UPC 91227	436,922	
Highway Planning and Construction	20.205	UPC 116918	46,704	
	Total 20.205		483,626	
Highway Safety Cluster:				
Passed through DriveSmart Virginia:				
State and Community Highway Safety	20.600	Not Applicable	607	
Passed through the Commonwealth of Virginia:				
<u>Department of Motor Vehicles:</u>				
State and Community Highway Safety	20.600	FSC-2022-52055-22055	4,345	
State and Community Highway Safety	20.600	BPT-2023-53174-23174	8,175	
	Total 20.600		13,127	
Total Highway Safety Cluster				
Alcohol Open Container Requirements	20.607	154AL-2022-52115-22115	1,453	
Alcohol Open Container Requirements	20.607	ENF_AL-2023-53171-23171	6,860	
	Total 20.607		8,313	
Total Department of Transportation				714,838
DEPARTMENT OF THE TREASURY:				
Direct Payments:				
Secret Service Task Force	21.000	Not Applicable	2,232	
Local Assistance and Tribal Consistency Fund	21.032	Not Applicable	100,000	
Passed through the Commonwealth of Virginia:				
<u>Department of Education</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	APE45277	1,507,416	
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	APE60054	1,108,956	
<u>Department of the Treasury:</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	3,644,381	
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	1,667,022	
<u>Department of Criminal Justice Services:</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	23,059	
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	426	
<u>Virginia Tourism Commission</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Applicable	141,363	
	Total 21.027		8,092,623	
Total Department of the Treasury				8,194,855
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES:				
Passed through the Commonwealth of Virginia:				
<u>Library of Virginia:</u>				
COVID- 19 Grants to States	45.310	LVA-ARPA-016	880	
Total Institute of Museum and Library Services				880

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
For the Period Ended June 30, 2023

Page 3 of 3

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass-Through Agency Identifying Number	Federal Expenditures	Totals by Agency
DEPARTMENT OF AGRICULTURE:				
Passed through the Commonwealth of Virginia:				
<u>Department of Social Services:</u>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	010122	\$ 1,109,617	
Total SNAP Cluster			<u>1,109,617</u>	
<u>Department of Education:</u>				
COVID-19 Pandemic EBT Administrative Costs	10.649	DOE86556	3,135	
Child Nutrition Discretionary Grants Limited Availability	10.579	DOE86804	3,290	
Child Nutrition Cluster:				
School Breakfast Program	10.553	APE40253	566,089	
<u>Department of Agriculture and Consumer Services:</u>				
National School Lunch Program	10.555	APE41108	256,171	
National School Lunch Program	10.555	APE 40254, APE41106	2,293,244	
National School Lunch Program - Commodities	10.555	APE41108	449,728	
	<u>Total 10.555</u>		<u>2,999,143</u>	
Total Child Nutrition Cluster			<u>3,565,232</u>	
Total Department of Agriculture				<u>4,681,274</u>
DEPARTMENT OF DEFENSE:				
Direct Payments:				
Junior ROTC Program	12.000	Not Applicable	85,135	
Passed through the University of Maryland:				
Language Grant Program	12.900	Not Available	<u>14,920</u>	
Total Department of Defense				<u>100,055</u>
DEPARTMENT OF EDUCATION:				
Passed through the Commonwealth of Virginia:				
<u>Department of Education:</u>				
Title I Grants to Local Educational Agencies	84.010	APE42901	1,211,451	
COVID-19 ESSER-American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425	U APE50193	1,295,277	
COVID-19 ESSER-Elementary and Secondary School Emergency Relief Fund	84.425	D APE50195	3,871	
COVID-19 ESSER-Elementary and Secondary School Emergency Relief	84.425	D APE50185	1,709,860	
COVID-19 ESSER-Elementary and Secondary School Emergency Relief Fund	84.425	D APE60172, DOE86537	18,517	
COVID-19 ESSER-American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425	U APE50175	95,227	
	<u>Total 84.425</u>		<u>3,122,752</u>	
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	A APE43071	2,657,999	
COVID-19 Special Education Grants to States	84.027	A APE62135	94,920	
	<u>Total 84.027</u>		<u>2,752,919</u>	
Special Education Preschool Grants	84.173	Not Available	4,959	
Special Education Preschool Grants	84.173	A APE62521, APE60515	62,657	
	<u>Total 84.173</u>		<u>67,616</u>	
Total Special Education Cluster (IDEA)			<u>2,820,535</u>	
Career and Technical Education -- Basic Grants to States	84.048	APE60031, APE61095	130,497	
English Language Acquisition State Grants	84.365	APE60512, APE60590	130,130	
Supporting Effective Instruction State Grant	84.367	APE61480	245,459	
Student Support and Academic Enrichment Program	84.424	APE60281	71,605	
Total Department of Education				<u>7,732,429</u>
Total Expenditures of Federal Awards - Reporting Entity			\$	<u>26,054,517</u>

COUNTY OF FAUQUIER, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Fauquier, Virginia under programs of the Federal Government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Title 2, Code of Federal Regulations, Part 200 (2 CFR 200))*. Because the Schedule presents only a selected portion of operations of the County of Fauquier, Virginia, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the County of Fauquier, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Title 2, Code of Federal Regulations, Part 200 (2 CFR 200)), wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) The County did not elect to use the 10% de minimus indirect cost rate.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues, and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$	4,431,660
Capital Projects Fund		483,625
Debt Service Fund		400,775
Fire and Rescue Fund		1,357,161
American Rescue Plan Fund		5,605,904
Airport Fund		192,069
Total primary government		<u>12,471,194</u>

Component Unit – School Board:

School General Fund	1,109,757
School Nutrition Fund	3,568,366
School Asset Replacement Fund	1,507,416
School Grant Fund	7,998,193
Total component unit school board	<u>14,183,732</u>
Total federal revenues per basic financial statements	<u>26,654,926</u>

Reconcile Federal revenues to expenditures

Less: Payments in Lieu of Taxes	(3,230)
Less: Miscellaneous Items not subject to single audit	(1,200)
Less: Federal Tax Credit Subsidy on QSCB Bond	(400,775)
Less: Asset forfeitures not subject to single audit	(189,691)
Less: FY22 Expenditures reimbursed in FY23 because grant allowed reimbursement of expenditures from prior fiscal year.	<u>(5,513)</u>
Total reconciling items	<u>(600,409)</u>

Total expenditures reimbursed by federal revenues	<u>26,054,517</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 26,054,517</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with
2 CFR Section 200.516(a)? No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425	COVID-19 - Education Stabilization Fund
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$781,636

Auditee qualified as low-risk auditee? Yes

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023 (continued)

SECTION II - FINANCIAL STATEMENT FINDINGS:

2023-001 Material Weakness - School Grant Revenue Accruals

Criteria: Identification of material adjustments to the financial statements that were not detected by the County's internal controls indicates that a material weakness may exist.

Condition: Beginning fund balances for the Component Unit School Board were restated by \$988,410 to correct prior year grant accruals. In addition, a grant revenue accrual in the amount of \$447,480 was accrued twice for the year ended June 30, 2023, resulting in an overstatement of revenue.

Cause: The County's internal controls in place to capture and accurately record school grant revenue accruals in the automated accounting system were not adequate for the year end June 30, 2023.

Effect: There is a reasonable possibility that a material misstatement of the financial statement will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend that internal controls be strengthened to timely process and reconcile grant reimbursement requests in order to capture and accurately record school grant revenue accruals in accordance with General Accepted Accounting Principles.

Management Response:

Management concurs with this recommendation and will strengthen internal controls related to capturing and accurately recording all necessary grant revenue accruals in the automated accounting system.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

There were no federal award audit findings and questioned costs to report.

SECTION IV - PRIOR AUDIT FINDINGS:

There were no prior year audit findings.

