

**COUNTY OF FAUQUIER, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2022**

---





**COUNTY OF FAUQUIER, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**

---

<b>INTRODUCTORY SECTION</b>	<b><u>Page</u></b>
Letter of Transmittal.....	1 - 11
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	12
Organizational Chart .....	13
Principal Officials .....	14
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	15 - 18
Management's Discussion and Analysis.....	19 - 34
Basic Financial Statements	
Government-wide Financial Statements	
Exhibit 1    Statement of Net Position .....	38 - 41
Exhibit 2    Statement of Activities .....	42 - 43
Fund Financial Statements	
Exhibit 3    Balance Sheet – Governmental Funds .....	46 - 47
Exhibit 4    Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position .....	49
Exhibit 5    Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	50 - 51
Exhibit 6    Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	52 - 53
Exhibit 7    Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	54 - 57
Exhibit 8    Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Fire and Rescue Fund .....	58
Exhibit 9    Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – American Rescue Plan (ARP) Fund.....	59
Exhibit 10   Statement of Net Position – Proprietary Funds.....	60 - 61
Exhibit 11   Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	62

## TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
Exhibit 12 Statement of Cash Flows – Proprietary Funds.....	64 - 65
Exhibit 13 Statement of Fiduciary Net Position – Fiduciary Funds.....	66
Exhibit 14 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	67
Notes to Financial Statements	
Note 1 Summary of Significant Accounting Policies.....	71 - 84
Note 2 Cash, Cash Equivalents, and Investments.....	84 - 88
Note 3 Receivables.....	88 - 98
Note 4 Interfund and Inter-Entity Receivables and Payables.....	98
Note 5 Interfund Transfers.....	99 - 100
Note 6 Due from Other Governmental Units.....	101
Note 7 Lease and Capital Assets.....	101 - 106
Note 8 Long-Term Obligations.....	106 - 137
Note 9 Commitments.....	137 - 139
Note 10 Tax Abatement Disclosures.....	139 - 141
Note 11 Landfill Closure and Postclosure Care Costs.....	141
Note 12 Virginia Retirement System Pension Plan.....	142 - 155
Note 13 Other Postemployment Benefits Program.....	155 - 175
Note 14 Fund Balances.....	176
Note 15 Risk Management.....	177 - 178
Note 16 Related Organizations and Jointly Governed Organizations.....	178 - 180
Note 17 Surety Bonds.....	180
Note 18 Claims and Litigation.....	180
Note 19 Subsequent Events.....	180

## TABLE OF CONTENTS (CONTINUED)

### Required Supplementary Information

	<u>Page</u>
Exhibit 15 Schedule of Funding Progress and Employer Contributions – Virginia Retirement System Pension and Other Postemployment Benefits Programs - Fauquier County Other Postemployment Benefits Plans.....	183 - 189
Exhibit 16 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios.....	190 - 193
Exhibit 17 Schedule of Changes in Net OPEB Liability and Related Ratios.....	194 - 199
Exhibit 18 Schedule of the Proportionate Share – Virginia Retirement System’s Net Pension and Net OPEB Liability.....	200

### Combining and Individual Fund Financial Statements and Schedules

#### Capital Projects Fund

Exhibit 19 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund.....	204 - 205
--	-----------

#### Debt Service Fund

Exhibit 20 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	209
--	-----

#### Nonmajor Governmental Funds

Exhibit 21 Combining Balance Sheet – Nonmajor Governmental Funds.....	212 - 215
Exhibit 22 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	216 - 219
Exhibit 23 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds – Conservation Easement Service District Fund.....	220
Exhibit 24 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds – Ambulance Revenue Fund.....	221
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.....	222

#### Proprietary Funds

Exhibit 26 Combining Statement of Net Position – Internal Service Funds.....	224 - 225
Exhibit 27 Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.....	226
Exhibit 28 Combining Statement of Cash Flows – Internal Service Funds.....	227

#### Fiduciary Funds

Exhibit 29 Combining Statement of Fiduciary Net Position – Custodial Funds.....	230 - 231
---	-----------

## TABLE OF CONTENTS (CONTINUED)

### Page

Exhibit 30	Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	232 - 233
------------	---	-----------

#### Component Unit – Economic Development Authority

Exhibit 31	Statement of Net Position – Discretely Presented Component Unit – Economic Development Authority.....	237
Exhibit 32	Statement of Revenues, Expenses, and Changes in Net Position – Discretely Presented Component Unit – Economic Development Authority.....	238
Exhibit 33	Statement of Cash Flows – Discretely Presented Component Unit – Economic Development Authority.....	239

#### Component Unit – School Board

Exhibit 34	Combining Balance Sheet – Discretely Presented Component Unit – School Board.....	242
Exhibit 35	Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position – Discretely Presented Component Unit – School Board.....	243
Exhibit 36	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Discretely Presented Component Unit – School Board.....	244
Exhibit 37	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.....	245 - 246
Exhibit 38	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Discretely Presented Component Unit – School Board.....	247 - 250
Exhibit 39	Statement of Fiduciary Net Position – Discretely Presented Component Unit – School Board – Fiduciary Funds.....	251
Exhibit 40	Statement of Changes in Fiduciary Net Position – Discretely Presented Component Unit – School Board – Fiduciary Funds.....	252
Exhibit 41	Combining Statement of Fiduciary Net Position – Discretely Presented Component Unit – School Board – Custodial Funds.....	253
Exhibit 42	Combining Statement of Changes in Fiduciary Net Position – Discretely Presented Component Unit – School Board – Custodial Funds.....	254

#### STATISTICAL SECTION

Table 1	Net Position by Component.....	256 - 257
Table 2	Changes in Net Position.....	258 - 261
Table 3	Fund Balances – Governmental Funds.....	262 - 263
Table 4	Changes in Fund Balances – Governmental Funds.....	264 - 267
Table 5-A	Assessed Value and Estimated Actual Value of Taxable Property.....	268 – 269

## TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
Table 5-B Tax Relief for the Elderly.....	268
Table 6 Property Tax Rates for Both Direct and Overlapping Governments.....	270
Table 7-A Principal Real Property Taxpayers.....	271
Table 7-B Principal Personal Property Taxpayers.....	271
Table 8 Property Tax Levies and Collections.....	272
Table 9 Ratios of Outstanding Debt by Type.....	273
Table 10 Ratios of General Bonded Debt Outstanding.....	274
Table 11 Pledged-Revenue Coverage.....	275
Table 12 County Policy Debt Margin.....	276 - 277
Table 13 Demographic and Economic Statistics.....	278
Table 14 Principal Employers .....	279
Table 15 County Government Employees by Function .....	280
Table 16 Operating Indicators by Function .....	282 - 287
Table 17 Capital Asset Statistics by Function .....	288

## COMPLIANCE SECTION

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 <i>Government Auditing Standards</i> .....	289 - 290
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	291 - 293
Schedule of Expenditures of Federal Awards – Primary Government and Discretely Presented Component Units .....	295 - 298
Notes to Schedule of Expenditures of Federal Awards .....	299
Schedule of Findings and Questioned Costs .....	300





# ***Fauquier County Government and Public Schools***



**FINANCE DEPARTMENT**  
320 Hospital Drive  
Suite 32  
Warrenton, VA 20186-3037



Telephone (540) 422-8330

Fax (540) 422-8326

---

December 16, 2022

**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, 2022. 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, 2022 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 primary connector to Washington, DC, and US Route 17 runs north-south through the whole of the County is 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, 2021, the population of Fauquier County is estimated at 73,291, with an average annual growth rate of about 1.1% over the last 10 years with a slight increase over the annual growth rate in 2021 and 2022.

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, and 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 2017. Aspirations 2.1 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 1<sup>st</sup>, 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**

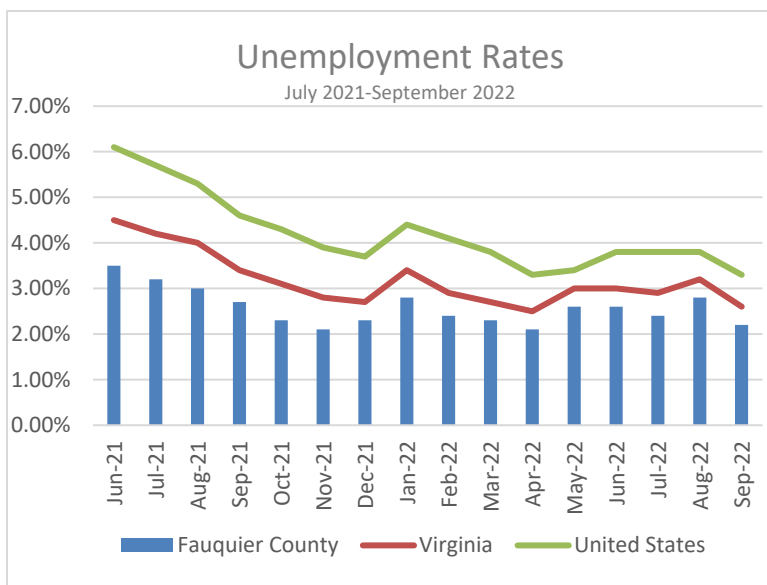
Fauquier County's Board of Supervisors has defined in the County's mission statement that the Board seeks, within the bounds of fiscal integrity, to preserve the physical beauty, historical heritage, and environmental quality of the County. Preserving the rural nature of the County has resulted in slower 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. To help support these industries and workforce development needs, the Laurel Ridge Community College, part of the Virginia Community College System, opened a new 40,000 square foot academic facility on the Warrenton campus to focus on healthcare and engineering sciences. The College is also slated to open a new skills trade center in spring 2023.

While many localities across Virginia and the United States have experienced economic effects from COVID-19 with reductions in their more vulnerable revenues, Fauquier County has not experienced as significant of an impact to revenue sources. Sales tax collections at the end of fiscal year 2022 trended positively with a 6.0% increase over collections in fiscal year 2021, with citizens embracing the live here buy here concept to support not only traditional retailers but also our small local retailers that have seen opportunities for growth and expansion over the last two years. While there has been uncertainty with respect to economic conditions, real estate collections were relatively stable and collection rates have been in line with previous years' collections with minimal impacts from the pandemic.

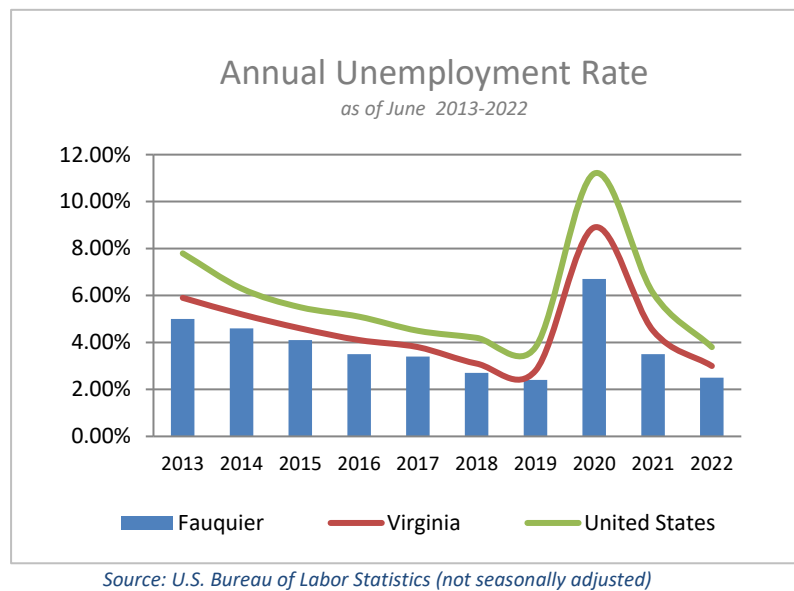


While unemployment rates across the United States were greatly impacted by COVID-19 pandemic responses, the County's unemployment rate has fully recovered. Currently, Fauquier unemployment levels are the lowest since before 2010. When compared to the Commonwealth of Virginia, and the United States, the County's unemployment rate is slightly lower and has been declining throughout fiscal year 2022 with some minor fluctuations. Unemployment for September 2022 was 2.2%, equivalent to unemployment trends before the pandemic.

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

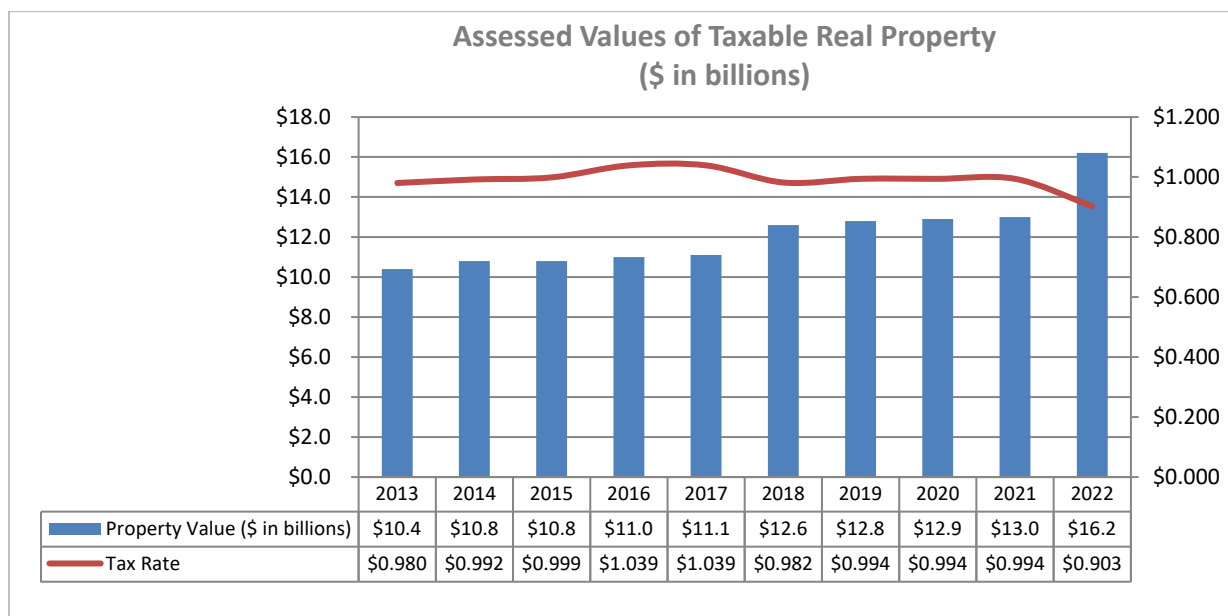
While uncertainty continues to exist around the short- and long-term impacts of economy including market trends and supply chain impacts on employment trends, the County looks to continue efforts and opportunities to maintain low unemployment trends and attract trained and qualified workforce for businesses.

Unemployment rates over the last ten years had been steadily declining, with the exception of the shutdowns for COVID-19. 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 benefitted 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.



The County's real estate valuation is reassessed on a quadrennial basis. The most recent reassessment was conducted in 2021, effective January 1, 2022, and resulted in an overall increase in assessed values of 23.76% from previous levels at the time. The next general real property assessment, which will be done with in-house assessors, will have an effective date of January 1, 2026. The Commissioner's Office has begun the transition for this process and hired a lead assessor.

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 has remained flat over the past three years. The County has utilized natural growth and proportional levels of growth in assessments to meet increasing costs of services, as well as expansion 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 allowed the County during the 2022 real estate reassessment to lower the overall rate from \$0.994 to \$0.903. The collection rate for property tax levies within the fiscal year of the levy for tax year 2022 was 98.54% as compared with 98.70% in tax year 2021.

The local real estate housing market is consistently improving over the last ten years with current assessed values on an increasing trend across all classes of property, with annual adjustments between reassessments relative to new construction or improvements. These additions and improvements increased residential values by 1.1% from the prior year, while commercial values increased 0.21%, and agricultural values increased 0.4% over the previous year. Public service values increased by 1.91% as compared with the prior year, however these valuations of assessment are set by the State Corporation Commission and outside of the authority of the locality.

The automobile market experienced a substantial growth surge over the last 24 months, resulting in value increases of over 50% in some instances. Factors generating the increase were the COVID 19 pandemic, supply chain issues, and significantly low interest rates to purchase vehicles. This allowed an adjustment in the personal property tax rate from \$4.65 to \$3.45 for tax year 2022, while still maintaining natural growth in the revenue base.

The County's General Fund ended fiscal year 2022 with \$15.2 million in revenue over amended budget. This is due to better than anticipated collection on personal property taxes (+\$5.6 million), sales tax (+\$3.3 million) and Recording Tax and Fees (+\$1.2 million) as well as the additional real estate tax revenue from quadrennial reassessment (+\$5.2 million). In addition, the General Fund achieved \$10.8 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.

The County completed the spending of all Federal Coronavirus Relief Fund (CRF) monies by the December 31, 2021 deadline. In total, the County received \$12.4 million in CRF funding passed through the Commonwealth of Virginia which supported enhanced cleaning and testing, public safety salaries, economic assistance to residents and businesses and funding for scholarships. In the fall, the Board of Supervisors approved a spending plan for the \$13.8 million of American Rescue Plan Funds (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 be allocated for use in fiscal year 2023, 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 primary goal of the County's economic development efforts is to support the growth and expansion of existing businesses and find opportunities or partnerships for new businesses within the County. 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 2022, there were 99 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 2022 include the following:

- The Fauquier County Department of Economic Development (DED) has joined the Site Selectors Guild (SSG), a trade organization for Site Selectors who help businesses find the best site to relocate or expand their business. Membership with this organization will allow direct access to dozens of site selectors for showcasing the advantages Fauquier County has to offer new businesses. Several in person and virtual events with the SSG membership were held throughout fiscal year 2022 allowing opportunities for the County to market the County's sites, workforce, transportation network and incentives with respect to their ongoing projects and needs.
- A new website, [fauquierbusiness.com](http://fauquierbusiness.com), was launched for continued marketing of the County 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 all of Fauquier County's assets, such as our greenfield sites, buildings, office and retail space, as well as our demographics, incentives and information about living in Fauquier County.
- Fauquier County obtained a grant through the Virginia Tourism Commission (VTC) for the promotion of tourism in Fauquier County. The focus of the grant is development of new video and pictures of the County, including tourism-based businesses and events. In addition, the grant allows for the expansion of the County's online presence on social media platforms.
- 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 important sources of business assistance, training and educational opportunities, and other key resources for business sustainability.
- 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.
- 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.
- 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 2023.
- The 17/66 Business Park continues to develop with only two parcels remaining for sale. There is a proposed \$13 million capital investment project under consideration for fiscal year 2023.
- OVH data center continues to expand their existing operation at Vint Hill, with additional capital investment at Vint Hill.
- 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 47 acres of property located within the Town of Warrenton for a future data center project. The project is anticipated to include a 220,000 square foot data center.
- 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 early 2023 and create approximately 220 jobs. This facility is expected to spur the location of other medical-related services and offices at Vint Hill, and 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 and agricultural and rural character and maintaining the County's transportation plan with a full understanding of current and projected transportation needs.

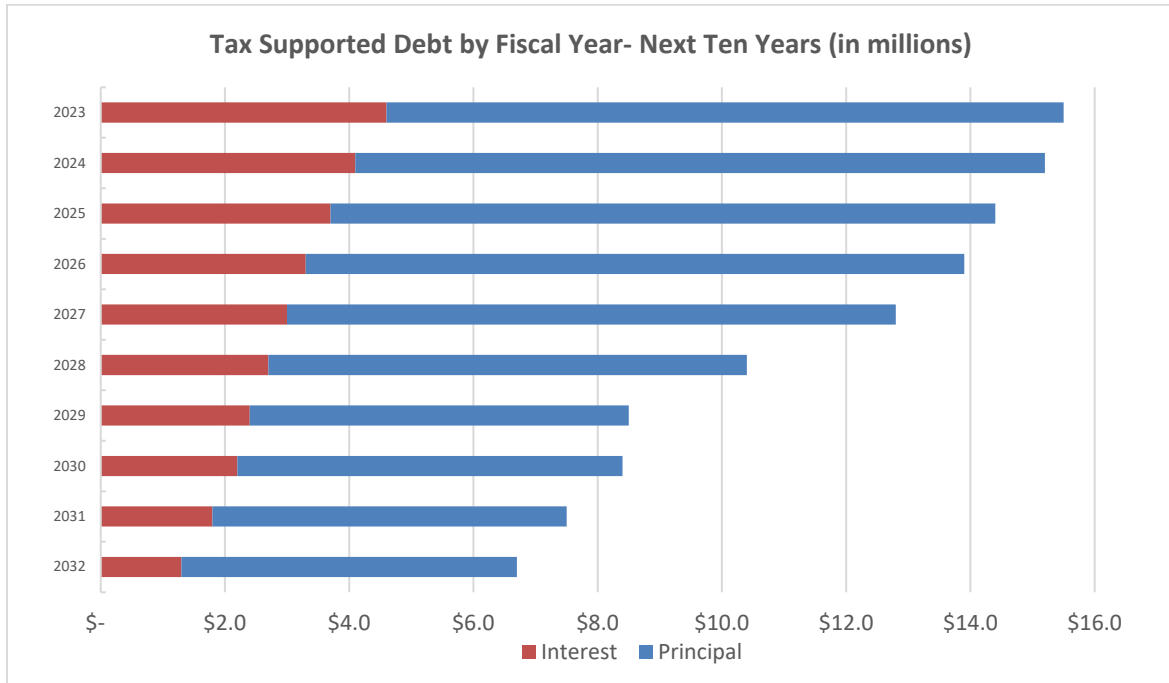
Highlights of community development accomplishments during fiscal year 2022 include the following:

- 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 this 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 a grant share 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 Town of Warrenton and is 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.

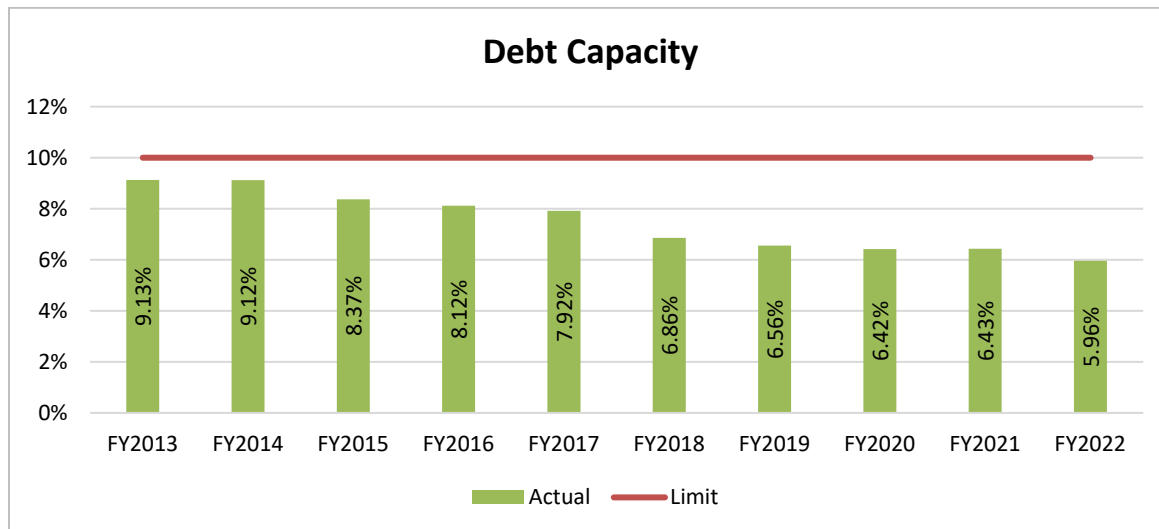


## Tax-Supported Debt

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 \$15.5 million for fiscal year 2023 to \$6.7 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, a rating of 'AA+' from Standard & Poor's, and a rating of 'Aa1' from Moody's Investors Service as of June 30, 2022 and lapsing on July 15, 2022. The rating agencies cited the County's strong economy, budgetary flexibility, high level of liquidity, and strong management practices, among other factors, as reasons for their ratings.

## **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 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 infrastructure. The fiscal year 2022-2026 capital budget totals approximately \$137.7 million, with \$178.5 million designated for future years. The projects within the plan years include:

- \$9.9 million for public safety including fire and rescue and the Sheriff's Office;
- \$39.9 million for school system projects;
- \$5.4 million for parks and recreation projects;
- \$5.0 million for utility projects including water system improvements, broadband development, and public sewer projects; and
- \$0.25 million for other projects including environmental services and airport.

The adopted CIP includes \$24.8 million in cash funding (18% of total appropriations) 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 center 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.

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 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 projects requiring debt issuance in excess of \$39.9 million be subject to voter referendum.

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 on a monthly basis 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, 2021. This was the twenty-fourth 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 Comprehensive Annual 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 2023. Fauquier County has received this award for twenty-four 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, and the Commissioner of the Revenue, Office of Management and Budget, 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,



Paul McCulla  
County Administrator



Terrilyn S. Pete  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Fauquier  
Virginia**

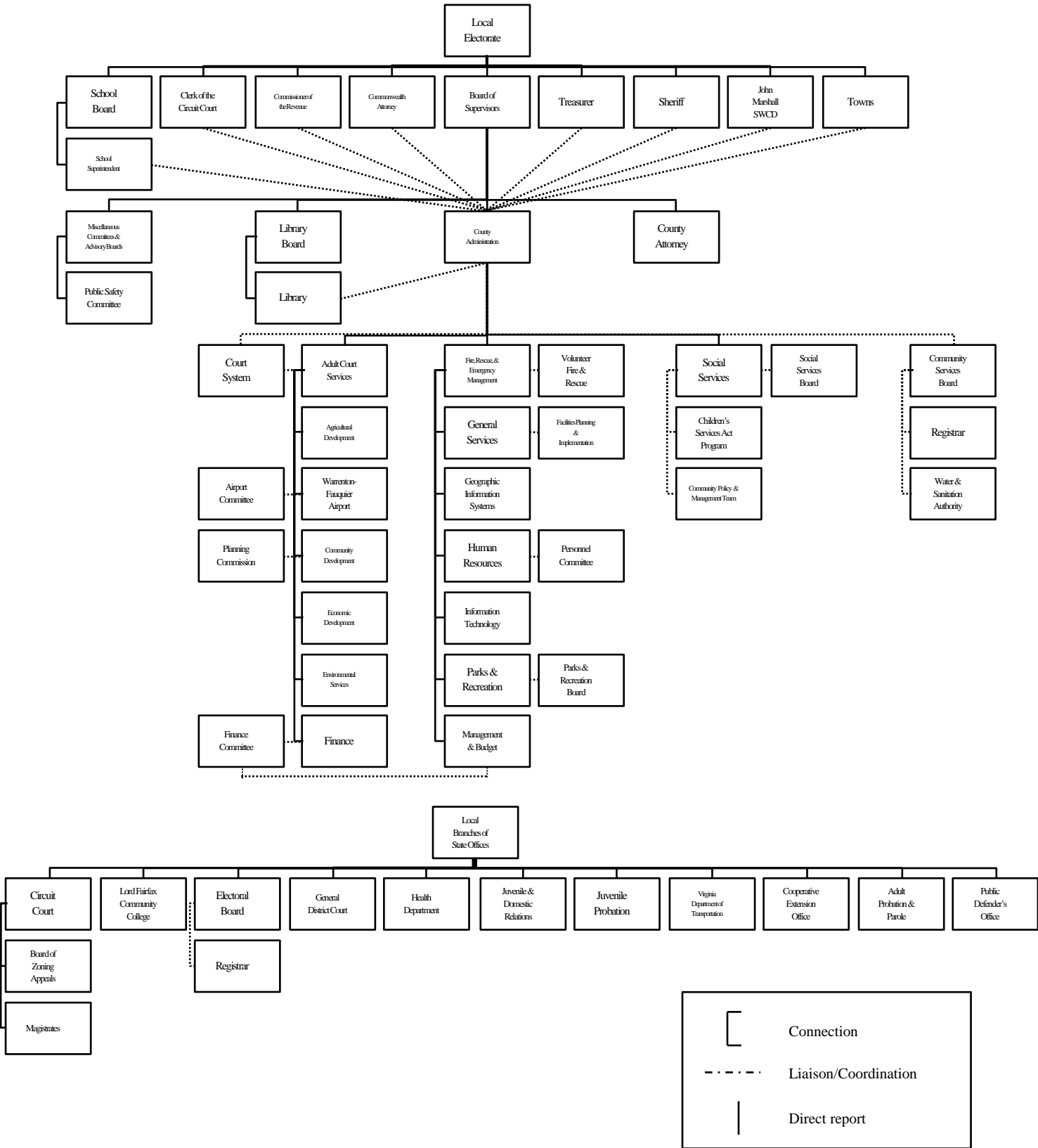
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# County Organizational Chart



**COUNTY OF FAUQUIER, VIRGINIA**  
**PRINCIPAL OFFICIALS**

---

**BOARD OF SUPERVISORS**

Christopher N. Granger, Chairman  
Richard R. Gerhardt, Vice-Chairman  
Christopher T. Butler  
Mary Leigh McDaniel  
R. Holder Trumbo, Jr.

**COUNTY ADMINISTRATION**

Paul S. McCulla, County Administrator  
Erin M. Kozanecki, Deputy County Administrator

**COUNTY SCHOOL BOARD**

Donna Grove, Chairman  
Stephanie Litter-Reber, Vice-Chairman  
Raymond E. Bland, Sr.  
Vincent Gallo  
Susan Pauling

**SCHOOL ADMINISTRATION**

Dr. David Jeck, Ed.D., Superintendent  
Dr. Major Warner, Deputy Superintendent  
Denise Sandlin, Assistant Superintendent for Business & Planning  
Nicholas Napolitano, Executive Director of Student Services & Special Education  
David E. Graham, 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

Finance Director – 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, 2022, 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, 2022, 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 2022, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. 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 15, 2022, 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 15, 2022

## 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, 2022. 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 2022 FINANCIAL HIGHLIGHTS**

- The reporting entity, which includes the School Board component unit, had positive net position of \$177.5 million at June 30, 2022, which represents an increase of 20.6% or \$30.3 million from net position at June 30, 2021 of \$147.2 million.
- The total cost of the County's programs for governmental activities, was \$198.3 million, a decrease of \$5.5 million, or 2.7% from the prior year's cost of \$203.8 million. Total revenues for governmental activities increased \$10.0 million or 4.3% to \$243.7 million from the prior year.
- Net position of the County's governmental activities increased by \$37.5 million from the prior year, as compared to an increase of \$22.2 million in fiscal year 2021.
- At June 30, 2022, the primary government had \$113.2 million of long-term debt outstanding. This includes \$58.8 million of general obligation bonds and \$28.2 million of financing agreements, for governmental activities; \$18.6 million in revenue bonds and \$7.6 in financing agreements, for business-type activities. In addition, the primary government had lease liabilities of \$1.5 million and \$0.9 million in deferred charges on refunding.
- The County's business-type activities (the Airport, Landfill, and Sewer) had a combined positive net position of \$3.0 million, a decrease of \$17.0 million from the prior year. This is due mainly to the increased landfill expenses in fiscal year 2022.
- The School Board component unit had positive net position of \$36.0 million at June 30, 2022, an increase of \$9.8 million, or 37.4% from the prior year. Revenues, including the County contribution, totaled \$174.1 million, an increase of \$15.0 million from the prior year, and expenses totaled \$164.3 million, a decrease of \$2.8 million from prior year's expenses. The increase in revenue was due primarily to an increase in contributions from operating grants and contributions from the Commonwealth of Virginia and Federal sources and local support from the County.
- The Economic Development Authority (EDA) component unit had positive net position of \$0.2 million at June 30, 2022, with minimal change from the prior year. Revenues totaled \$0.04 million, a decrease of \$1.5 million from the prior year, and expenses totaled \$0.006 million, a decrease of \$1.5 million from the prior year due to the end of a memorandum of understanding with the County for contributions for Broadband projects.
- As of June 30, 2022, County governmental funds reported combined fund balances of \$101.6 million, an increase of \$23.2 million from the prior year. The County's General Fund had a total fund balance of \$49.9 million at June 30, 2022. Of the General Fund balance, \$16.2 million, or 32.6% was assigned

fund balance, \$29.7 million, or 59.4% was unassigned fund balance, and the remaining was restricted, committed, and nonspendable fund balance. The unassigned fund balance includes the Board of Supervisor's mandated minimum of 10.0% of general operating revenues, which is set aside for emergency needs as approved by the Board of Supervisors. Refer to Note 14 for details regarding the various components of fund balance.

- General Fund revenues were \$15.2 million over the amended budget. Expenditure savings of \$10.8 million were the result of savings from 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 2021 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 schedule.

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 are used 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 schools, 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 \$177.5 million at June 30, 2022. Net position increased from the prior year by \$30.3 million, which reflects current year revenues exceeding expenses by this amount.

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit	
	2022	2021	2022	2021	2022	2021	2022	2021
Assets:								
Current and other assets	\$ 175.5	131.7	19.4	2.6	194.9	134.3	227.6	157.2
Lease and capital assets, net	107.9	93.1	49.9	45.8	157.8	138.9	314.9	303.7
Total assets	283.4	224.8	69.3	48.4	352.7	273.2	542.5	460.9
Deferred outflows of resources:								
Total deferred outflows of resources	11.9	13.0	0.8	0.9	12.7	13.9	41.4	50.2
Liabilities:								
Other liabilities	35.5	45.6	4.5	2.0	40.0	47.6	54.8	216.5
Long-term debt obligations	96.9	88.5	61.0	26.3	157.9	114.8	263.1	130.8
Total liabilities	132.4	134.1	65.5	28.3	197.9	162.4	317.9	347.3
Deferred inflows of resources:								
Total deferred inflows of resources	24.6	2.9	1.6	1.0	26.2	3.9	88.5	16.6
Net position:								
Net investment in capital assets	90.2	66.6	37.4	36.5	127.6	103.1	214.5	207.3
Restricted	15.8	10.4	0.5	0.4	16.3	10.8	20.9	10.8
Unrestricted (deficit)	32.3	23.8	(34.9)	(16.9)	(2.6)	6.9	(57.9)	(70.9)
Total net position	\$ 138.3	100.8	3.0	20.0	141.3	120.8	177.5	147.2

Table 1 may differ from Exhibit 1 due to rounding.

**The Primary Government:** The primary government had net position of \$141.3 million at June 30, 2022, which reflects an increase of \$20.5 million from the prior year. The largest portion of net position, \$127.6 million, represents the County's other investment in capital assets (e.g., land, buildings, and equipment) less the depreciation and outstanding debt associated with asset acquisitions. Total restricted and unrestricted net position of the primary government combined was \$13.7 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

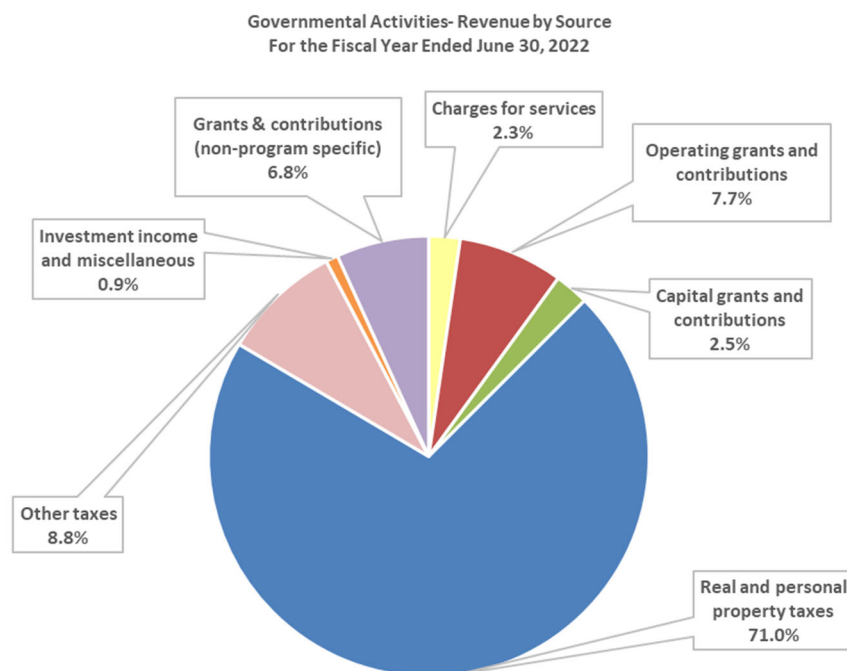
increase the primary government's liabilities with no corresponding asset, the effect is to increase the amount reported as unrestricted (deficit). The County's total of these debts and commitments at June 30, 2022 was \$63.4 million. Refer to Note 8 and Note 9 for further details regarding long-term obligations and commitments.

**Business-Type Activities:** Business-type activities had combined net position of \$3.0 million at June 30, 2022, which consisted of positive net position of \$25.0 million for the Airport Fund and negative net position of \$29.0 million for the Landfill and Recycling Fund, and positive net position of \$7.0 million for the Sewer Fund. The largest portion of net position, \$37.4 million, reflects investment in capital assets, net of depreciation and outstanding debt. The unrestricted net position for business-type activities at June 30, 2022 was a deficit of \$34.9 million, which reflects a 106.5% decrease from the deficit of \$16.9 million from the prior year. Increase is due mainly from increased estimated costs for landfill closure and postclosure. 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 postclosure of the landfill is one example of these commitments.

### **CHANGE IN NET POSITION**

**Governmental Activities:** Total governmental net position (before transfers) increased by \$45.4 million compared to an increase of \$29.9 million in fiscal year 2021.

Revenues from governmental activities for fiscal year 2022 totaled \$243.7 million, an increase of \$10.0 million from fiscal year 2021. Taxes comprised the largest source of revenues, totaling \$194.7 million or 79.8% of total revenues, of which general property taxes account for \$173.3 million. Program revenues (charges for services, operating and capital grants and contributions) generated a total of \$30.5 million, or 12.5% of total revenues, while investment income, miscellaneous revenues, and revenues from grants and contributions not restricted to specific programs totaled \$18.5 million, or 7.7% of revenues.



Real and personal property tax revenue increased by \$14.4 million, or 9.1% due to greater assessed real estate values as a result of completion of the County's quadrennial assessment of the real estate and property taxes on vehicles and personal property.

Local sales tax revenue increased by \$0.7 million or 5.5% 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 decreased by \$1.8 million.

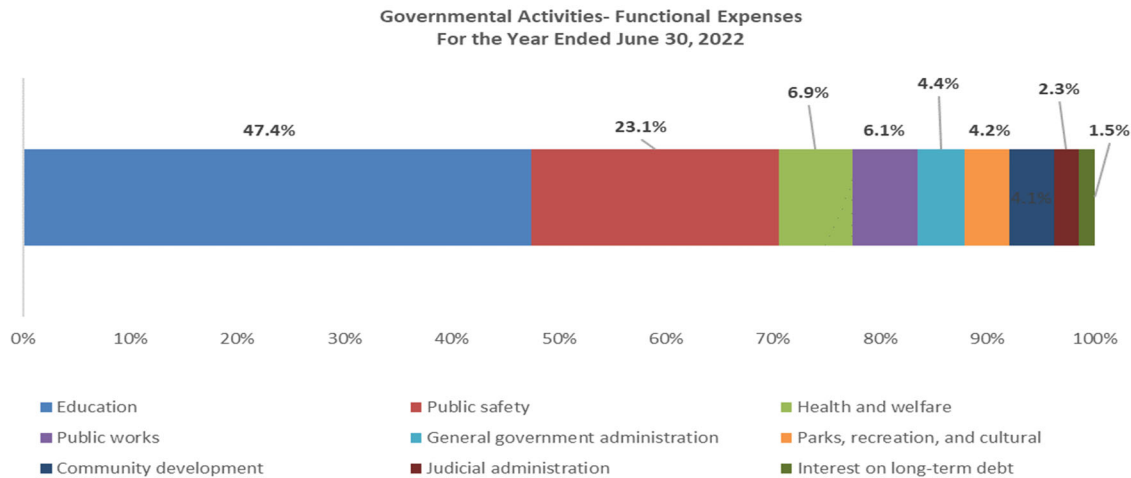


Table 2 summarizes the changes in net position from Exhibit 2 in the Financial Section for the primary government and its component unit at June 30, 2022 and 2021.

<b>County of Fauquier</b> <b>Changes in Net Position</b> <b>(\$ in millions)</b>								
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>		<b>Total Reporting Entity Including Component Unit</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>								
Program revenues:								
Charges for services	\$ 5.7	4.5	3.6	3.2	9.3	7.7	9.9	7.9
Operating grants and contributions	18.7	26.9	-	0.1	18.7	27.0	53.8	60.2
Capital grants and contributions	6.1	4.0	0.4	4.6	6.5	8.6	6.5	8.6
General revenues:								
Real and personal property taxes	173.3	158.9	-	-	173.3	158.9	173.3	158.9
Other taxes	21.4	22.5	-	-	21.4	22.5	21.4	22.5
Investment Income and miscellaneous	2.2	0.6	0.3	-	2.5	0.6	6.2	3.1
Grants and contributions	16.3	16.3	-	-	16.3	16.3	55.8	52.6
Contribution to schools	-	-	-	-	-	-	95.2	88.6
Total revenues	243.7	233.7	4.3	7.9	248.0	241.6	422.1	402.4
<b>Expenses</b>								
General government administration	8.6	18.3	-	-	8.6	18.3	8.6	18.3
Judicial administration	4.6	4.8	-	-	4.6	4.8	4.6	4.8
Public safety	45.9	45.3	-	-	45.9	45.3	45.9	45.3
Public works	12.1	10.9	-	-	12.1	10.9	12.1	10.9
Health and welfare	13.7	13.8	-	-	13.7	13.8	13.7	13.8
Education	93.9	89.5	-	-	93.9	89.5	258.2	256.6
Parks, recreation, and cultural	8.4	7.6	-	-	8.4	7.6	8.4	7.6
Community development	8.1	11.2	-	-	8.1	11.2	8.1	12.8
Interest on long-term debt	3.0	2.4	-	-	3.0	2.4	3.0	2.4
Airport	-	-	1.4	1.1	1.4	1.0	1.4	1.1
Landfill and recycling	-	-	27.8	10.4	27.8	10.4	27.8	10.4
Sewer	-	-	-	-	-	-	-	-
Total expenses	198.3	203.8	29.2	11.5	227.5	215.2	391.8	384.0
Increase (decrease) in net position	45.4	29.9	(24.9)	(3.6)	20.5	26.4	30.3	18.4
Transfers	(7.9)	(7.7)	7.9	7.7	-	-	-	-
Change in net position	37.5	22.2	(17.0)	4.1	20.5	26.4	30.3	18.4
Beginning net position, restated	100.8	78.6	20.0	15.9	120.8	94.5	147.2	128.8
Ending net position	\$ 138.3	100.8	3.0	20.0	141.3	120.9	177.5	147.2

Table 2 may differ from Exhibit 2 due to rounding.

Total expenses for governmental activities for this fiscal year were \$198.3 million, a decrease of \$5.5 million from \$203.8 million in fiscal year 2021.



Public safety expenses, which were 23.1% of expenses, increased \$0.6 million from the prior year primarily due to increased personnel and overtime costs for fire and rescue personnel.

Community development expenses decreased primarily due to decreased spending on capital projects related to a decline in spending for Broadband projects throughout the County.

Education continued to be the County's largest program and highest priority accounting for \$93.9 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 \$9.8 million in fiscal year 2022. Allocation of the cost of these consolidated functions associated with educational activities is approximately \$6.7 million based on the County's latest cost allocation plan. Recognizing these costs as a function of education increases educational functional expenses to approximately 50.7% 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.

<div>Table 3</div> <div>County of Fauquier</div> <div>Net Cost of Governmental Activities</div> <div>(\$ in millions)</div>				
	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General government administration	\$ 8.6	18.3	\$ 7.6	11.6
Judicial administration	4.6	4.8	2.3	2.6
Public safety	45.9	45.3	36.7	36.8
Public works	12.1	10.9	9.0	9.2
Health and welfare	13.7	13.8	6.4	6.1
Education	93.9	89.5	90.5	85.7
Parks, recreation, and cultural	8.4	7.6	7.2	5.4
Community development	8.1	11.2	5.0	8.5
Interest on long-term debt	3.0	2.4	3.0	2.4
Total	<u>\$ 198.3</u>	<u>203.8</u>	<u>167.7</u>	<u>168.3</u>
Table 3 may differ from Exhibit 2 due to rounding.				

After recognizing the effect of revenue from these fees, grants, and contributions of \$30.6 million, the net cost of governmental activities was \$167.7 million, compared to a total cost of \$198.3 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 are primarily user fees or charges for services and capital contributions and grants, decreased by \$3.6 million, or 45.6% from the prior year to \$4.3 million. This net decrease is due primarily to a decrease in transfers to the landfill fund from prior year, offset by an increase of charges for services and investment and miscellaneous income.

Total expenses for business-type activities were \$29.2 million, an increase of 153.9%, or \$17.7 million, from the prior year. This increase is due mainly to increased landfill closure and postclosure costs as costs were remeasured in the current fiscal year.

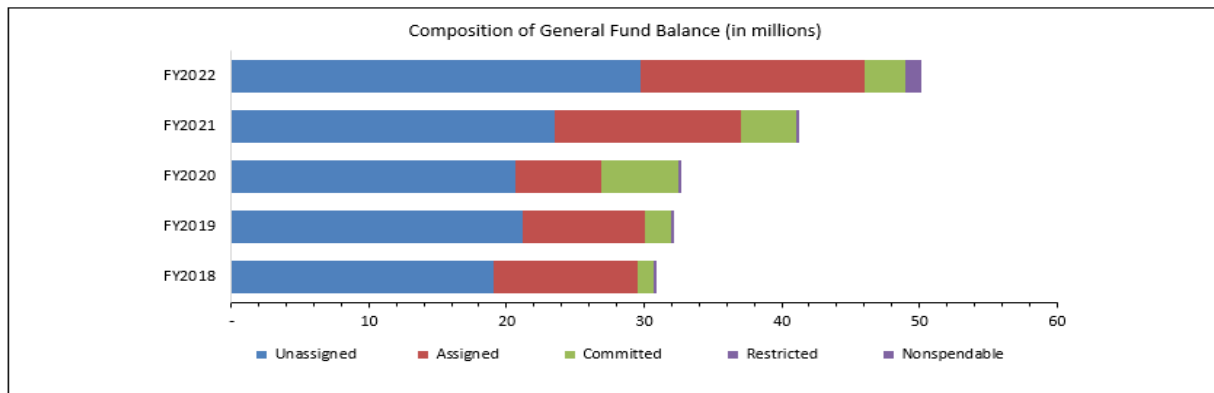
## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

**Governmental Funds:** As of June 30, 2022, the County's governmental funds reported a combined ending fund balance of \$101.6 million, an increase of \$23.2 million in comparison with the prior year's fund balance. This increase reflects the following activity in governmental funds:

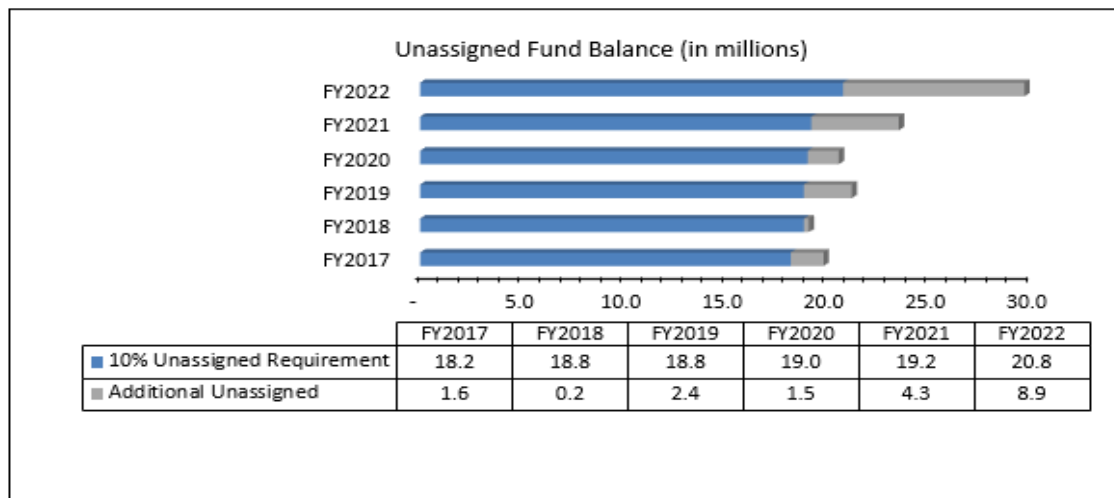
- The Capital Projects Fund reported a total fund balance of \$38.5 million, an increase of \$13.4 million from the prior year. Revenues increased by \$2.5 million due to increased recovered costs of \$0.8, an increase in contribution from the school board for middle school renovation of \$1.2, and increases in charges for services, donations and revenue from the Commonwealth of Virginia and Federal government of \$0.5 million. In addition, debt was issued for \$18.0 million for the middle school renovation project and transfers increased by \$3.1 million. Expenditures increased by \$8.8 million mainly due to increased spending on the middle school renovation (\$6.5 million), the Marshall Main Street Project (\$2.1 million), increased capital outlay (\$7.2 million), offset by decreased spending on public safety, parks and recreation, and community development projects (\$7.0 million).

- The Debt Service Fund reported a total fund balance of \$1.9 million, an increase of \$1.3 million from the prior fiscal year. During fiscal year 2022, \$12.3 million in debt principal and interest payments were made, a decrease of \$0.7 million from the prior year.
- The Fire and Rescue Fund reported a total fund balance of \$0.5 million, with minimal increase 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 \$2.5 million and miscellaneous revenue and recovered costs of \$0.7 million. Expenditures increased \$2.6 million 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. \$1.1 million was recognized as revenue in the fiscal year 2022, with the majority transferred to the Capital Project Fund for spending on the Catlett-Calverton Wastewater Treatment System Project. Remaining unspent funds are reported as unearned revenue on Exhibit 3.
- Other Non-major Governmental Funds reported combined total fund balances of \$10.7 million, an increase of \$0.2 million. Revenues increased by \$1.1 million, due to increase in charges for services (\$0.5 million) and increase in revenue from the Federal government (\$0.6 million). Expenditures increased by \$0.7 million due mainly to an increase of \$0.4 million in public safety expenditures, \$0.2 million in community development expenditures, and \$0.1 million in public works expenditures.
- The General Fund reported a total fund balance of \$49.9 million, an increase of 20.9%, or \$8.6 million from the prior year's fund balance of \$41.3 million. Revenues increased by \$10.2 million, while expenditures increased by \$11.0 million mainly due to:
  - \$7.0 million increase in education expenditures due to increased contribution to the School Board as a result of carryover of funds from fiscal year 2021. These funds, unspent in fiscal year 2021 due to virtual instruction during the pandemic reducing costs for the School Board, were re-appropriated for use in fiscal year 2022 as part of the County's contribution.
  - \$1.2 million increase in public safety expenditures due to increased personnel costs for law enforcement, traffic control and correction and detention.
  - \$1.2 million increase in parks, recreation and cultural expenditures due to increased personnel, facility maintenance, and equipment replacement.
  - \$0.4 million increase in health and welfare expenditures due to increased personnel costs and for services to clients.
  - \$0.5 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 \$29.7 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 fund balance requirement for the General Fund of 10.0% of the subsequent year's General Fund revenues. This 10.0% 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. The minimum fund balance target for fiscal year 2022 was \$20.8 million. Amounts in excess of the 10.0% minimum may be available for future uses to be determined by the Board of Supervisors. The following chart depicts the components of unassigned fund balance for the last five years.



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, 2022 (\$ in millions)			
	Original Budget	Amended Budget	Actual
<b><u>Revenues</u></b>			
Taxes	\$ 155.9	\$ 156.0	\$ 172.7
Other	4.3	4.5	4.4
Intergovernmental	31.3	31.6	30.2
Total revenues	191.5	192.1	207.3
<b><u>Expenditures</u></b>	172.1	183.4	172.6
Excess (deficiency) of revenues over (under) expenditures	19.4	8.7	34.7
<b><u>Other financing sources (uses)</u></b>			
Transfers in	0.4	0.4	0.4
Transfers out	(20.7)	(26.6)	(26.5)
Leases	-	-	0.1
Total other financing sources (uses)	(20.3)	(26.2)	(26.0)
Change in fund balance	\$ (0.9)	\$ (17.5)	\$ 8.7
Table 4 may differ from Exhibit 7 due to rounding.			

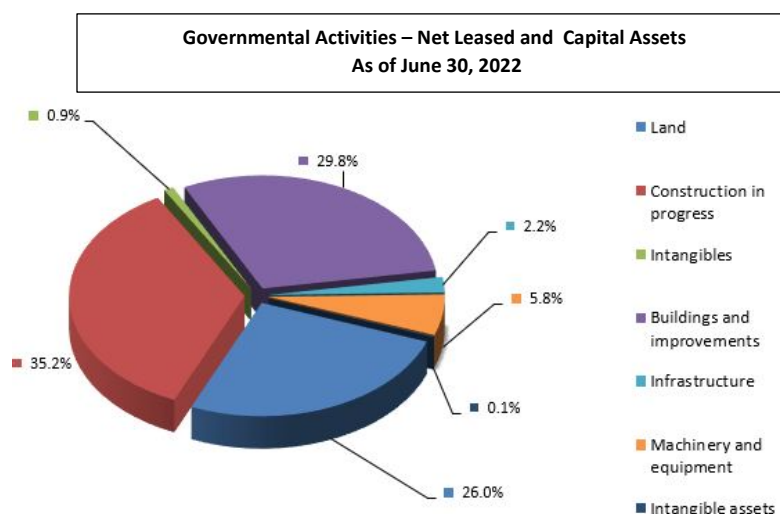
During the year, budget amendments approved by the Board of Supervisors could be classified in the following key categories:

- 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 \$15.2 million over the amended budget due mainly to greater taxes collected than budgeted based on increased property values as a result of reassessment. Actual expenditures for the General Fund totaled \$172.6 million or \$10.8 million less than the amended budget. Of this difference, \$5.0 million less than the amended budget was transferred to the School Board component unit and \$5.8 million in savings is due to county departmental efforts to control spending. A portion of the savings generated by Schools, in the form of unexpended appropriations, is generally re-appropriated in the new fiscal year.

## LEASE AND CAPITAL ASSETS

The County's lease and 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 assets represent intangible right to use assets for assets leased and used in the course of business as noted in the graph above.



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.

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit	
	2022	2021	2022	2021	2022	2021	2022	2021
Land	\$ 23.8	23.8	8.7	8.7	32.5	32.5	38.1	38.0
Construction In progress	15.4	32.2	17.4	22.7	32.8	54.9	33.4	55.6
Intangible assets (non-depreciable)	0.9	0.8	0.2	0.2	1.1	1.0	1.1	1.1
Buildings and improvements	64.7	56.5	29.7	24.7	94.4	81.2	351.0	337.6
Infrastructure	32.5	15.6	19.5	13.7	52.0	29.3	58.4	34.8
Machinery and equipment	35.2	24.0	3.9	3.9	39.1	27.9	78.6	67.0
Intangible assets (depreciable)	1.5	1.5	-	-	1.5	1.5	1.5	1.6
Total lease and capital assets	174.0	154.4	79.4	73.9	253.4	228.3	562.1	535.7
Less: Accumulated depreciation/amortization	(66.1)	(61.3)	(29.5)	(28.1)	(95.6)	(89.4)	(247.2)	(232.0)
Net lease and capital assets	\$ 107.9	\$ 93.1	49.9	45.8	157.8	138.9	314.9	303.7

*Table 5 may differ from Note 7 due to rounding.*

As of June 30, 2022, the total reporting entity had net lease and capital assets of \$314.9 million, an increase of \$11.2 million from the prior year. This increase is primarily to net additions of capital and lease assets of \$26.4 million offset by net additions of \$15.2 million to accumulated depreciation and amortization expense.

For governmental activities, the County's investment in non-depreciable assets totaled \$40.1 million, while depreciable assets totaled \$67.8 million (net of depreciation). Total net lease and capital assets for governmental activities increased by \$14.8 million, or 15.9% from the prior year to \$107.9 million. The increase is due to additions and deletions of capital assets for governmental activities exceeding depreciation expense in the current year. During the fiscal year, the following additions were made to lease and capital assets:

- Governmental activity additions were approximately \$6.4 million in building and improvements, \$16.0 million in construction in progress, and \$2.0 million in machinery and equipment.
- Business-type activity additions were approximately \$5.8 million, with \$4.6 million in infrastructure related to the Catlett-Calverton Wastewater Treatment Project, \$1.0 million in construction in progress related to landfill projects, and \$0.2 million in airport projects.
- The School Board component unit had additions of \$1.5 million which included \$1.0 million for machinery and equipment, \$0.3 million in construction in progress for improvement to schools, and \$0.2 million for new leases for copiers and equipment in schools.

More information on lease and 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.

<b>Table 6</b> <b>County of Fauquier</b> <b>Summary of Changes in Long Term Obligations</b> <b>(\$ in millions)</b>			
	<b>July 1, 2021</b>	<b>Net Increase (Decrease)</b>	<b>June 30, 2022</b>
<b><u>Governmental Activities:</u></b>			
Financing agreements	30.6	(2.4)	28.2
General obligation bonds	48.0	10.8	58.8
Lease liabilities	1.6	(0.3)	1.3
Total debt	80.2	8.1	88.3
Compensated absences	5.3	0.2	5.5
Incurred but not reported claims (IBNR)	3.0	0.1	3.1
Total long-term obligations	88.5	8.4	96.9
<b><u>Business-Type Activities:</u></b>			
Financing agreements	7.9	(0.3)	7.6
Revenue bonds	1.7	16.9	18.6
Lease liabilities	0.2	-	0.2
Total debt	9.8	16.6	26.4
Compensated absences	0.2	-	0.2
Landfill closure and post closure	16.3	18.1	34.4
Total long-term obligations	26.3	34.7	61.0
Total long-term obligations	<u>\$ 114.8</u>	<u>43.1</u>	<u>157.9</u>
<i>Table 6 may differ from Note 8 due to rounding.</i>			

As of June 30, 2022, the County's governmental activities had long-term obligations totaling \$96.9 million, of which \$88.3 million represents indebtedness related to general obligation bonds, financing agreements, and lease liabilities. This represents an increase of \$8.4 million, or 9.5% in long-term obligations from the prior year. The net increase is due primarily to the following activities during the fiscal year:

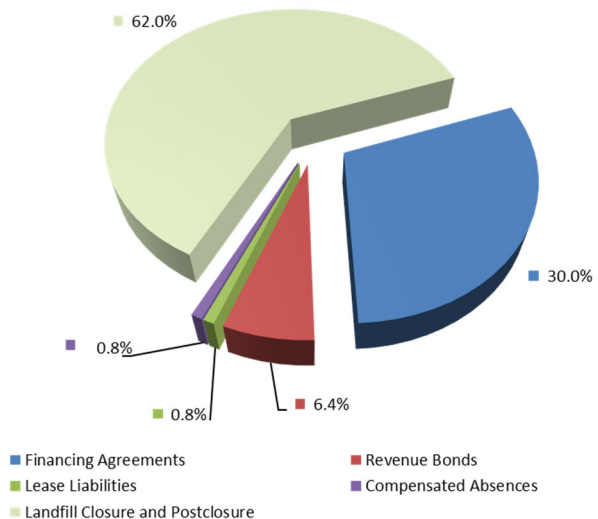


- On November 9, 2021, the County issued General Obligation Bonds through the Virginia Public School Authority in the amount of \$16.2 million for the financing of costs for the expansion and renovation of Cedar Lee Middle School.
- The County retired \$9.7 million (\$9.2 million in principal and \$0.5 million in premium) related to financing agreements, general obligation bonds, lease liabilities, direct bonds, and pooled financings.
- Incurred but not reported claims increased by \$0.1 million from the prior year.

As of June 30, 2022, the County's business-type activities had long-term obligations totaling \$61.0 million, of which \$26.3 million represents indebtedness related to financing agreements, revenue bonds and lease liabilities. This represents an increase of \$34.7 million from the prior fiscal year. The net increase is due mainly to the following activities during the fiscal year:

- On November 17, 2021 the county issued Solid Waste Revenue bond through the Virginia Resources Authority in the amount of \$12.3 million for the financing of costs of projects related to the landfill. This includes the purchase of an evaporator unit, relining Leachate ponds and closure of the old landfill.
- The Landfill closure and post closure liability increased by \$18.1 million from the prior year, due to updated materials and cost estimates by the engineering consultant.
- The Sewer Fund increased outstanding debt on the Virginia Water Facilities Revolving Fund bond by \$3.4 million and retired \$0.4 million of principal during the fiscal year.

**Business Type Activities – Long Term Obligations  
As of June 30, 2022**



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 2022 was 3.8%, which is 0.3% higher than in June 2021. Unemployment rates are increasing 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 73,291, as of July 1, 2021, an increase of 3.2% over the prior year. 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 2022 by 5.0%. from 10,145 to 10,648, due mainly 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, Statistical Section of this report.
- The latest available per capita personal income for Fauquier County was \$78,810 as of 2021, as compared to \$61,958 for the Commonwealth of Virginia, 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 by 1.6% from 36,830 to 37,430 as of fiscal year 2022. County Civilian Labor Workforce numbers for the last ten years are provided in Table 13 of the Statistical Section of this report.

### **Fiscal Year 2023 Budget and Rates**

- The fiscal year 2023 adopted budget for the General Fund is \$209.3 million, an increase of 8.7% from fiscal year 2022. Revenues are budgeted for general property taxes at 71.8%, local taxes at 10.5%, permits, privilege fees and regulatory licenses at 0.7%, charges for services at 0.5%, revenues from the Commonwealth of Virginia at 13.1%, revenues from the Federal government at 1.8%, and other revenues at 1.6%.
- For fiscal year 2023, 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 \$9.7 million contributed to the Debt Service Fund for school related debt. Support to the Schools represents 50.5% of the General Fund appropriations, not including the allocation of shared services which represents an additional 3.8% of local support. The percentage of General Fund appropriations supporting Schools is 1.4% more than fiscal year 2022.
- Public safety accounts for 11.4% of appropriations in fiscal year 2023, 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 2022. This tax partially supports County and volunteer fire and rescue operations.
- The tax rate for real property slightly decreased to \$.903 per \$100 of assessed value for tax year 2022 which is to support the first half of fiscal year 2023. Detail on tax rates is provided in Table 6, 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) 422-8336, or visit the County's web site at [www.fauquiercounty.gov](http://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, 2022

Exhibit 1  
Page 1 of 4

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 98,128,680	\$ 1,385,829	\$ 99,514,509
Cash and cash equivalents - restricted	35,864,666	13,830,997	49,695,663
Cash and cash equivalents - activity funds	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes, including penalties	5,698,140	-	5,698,140
Accounts	5,831,378	2,837,692	8,669,070
Lease receivables	1,785,237	883,240	2,668,477
Lease interest receivables	1,342	725	2,067
Loan receivable	-	-	-
Internal balances	824,165	(824,165)	-
Inventories	277,048	23,860	300,908
Prepaid items	1,300,447	-	1,300,447
Investment in direct financing lease	13,561,313	-	13,561,313
Due from other governmental units	6,756,513	1,199,431	7,955,944
Note receivable	556,439	-	556,439
Net pension asset	4,969,458	67,122	5,036,580
Net OPEB asset	-	-	-
Lease assets (amortizable):			
Land	-	131,548	131,548
Buildings	1,212,818	-	1,212,818
Infrastructure	109,625	-	109,625
Machinery and equipment	360,709	66,107	426,816
Accumulated depreciation/amortization	(412,100)	(44,451)	(456,551)
Total lease assets, net	1,271,052	153,204	1,424,256
Capital assets (non-depreciable/non-amortizable):			
Land	23,755,885	8,616,667	32,372,552
Construction in progress	15,431,022	17,447,912	32,878,934
Intangible assets	853,884	228,836	1,082,720
Capital assets (depreciable/amortizable):			
Buildings and improvements	63,478,336	29,745,079	93,223,415
Infrastructure	32,362,017	19,457,314	51,819,331
Machinery and equipment	34,916,646	3,795,574	38,712,220
Intangible assets	1,460,946	-	1,460,946
Accumulated depreciation/amortization	(65,685,933)	(29,504,715)	(95,190,648)
Total capital assets, net	106,572,803	49,786,667	156,359,470
Total assets	283,398,681	69,344,602	352,743,283
<b>Deferred outflows of resources</b>			
Deferred charge on refundings	492,804	399,461	892,265
Items related to measurement of net pension liability	5,465,126	209,978	5,675,104
Pension contributions subsequent to measurement date	4,187,166	160,877	4,348,043
Items related to measurement of net OPEB liability	1,520,365	59,450	1,579,815
OPEB contributions subsequent to measurement date	231,384	8,966	240,350
Total deferred outflows of resources	11,896,845	838,732	12,735,577

The accompanying notes to 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		
					<b>Assets</b>
\$ 155,979	\$ 16,417,848	\$ -	\$ 116,088,336		Cash and cash equivalents
-	322,103	-	50,017,766		Cash and cash equivalents - restricted
-	1,957,353	-	1,957,353		Cash and cash equivalents - activity funds
-	-	-	5,698,140		Receivables, net of allowance for uncollectibles:
-	-	-	8,824,057		Taxes, including penalties
-	154,987	-	2,668,477		Accounts
-	-	-	2,067		Lease receivables
-	-	-	50,695		Lease interest receivables
50,695	-	-	-		Loan receivable
-	-	-	-		Internal balances
-	185,436	-	486,344		Inventories
-	122,495	-	1,422,942		Prepaid items
-	-	-	13,561,313		Investment in direct financing lease
-	8,713,737	-	16,669,681		Due from other governmental units
-	-	-	556,439		Note receivable
-	4,619,167	-	9,655,747		Net pension asset
-	13,127	-	13,127		Net OPEB asset
					Lease assets (amortizable):
-	-	-	131,548		Land
-	-	-	1,212,818		Buildings
-	-	-	109,625		Infrastructure
-	1,011,390	-	1,438,206		Machinery and equipment
-	(341,647)	-	(798,198)		Accumulated depreciation/amortization
-	669,743	-	2,093,999		Total lease assets, net
					Capital assets (non-depreciable/non-amortizable):
-	5,579,720	-	37,952,272		Land
-	557,490	-	33,436,424		Construction in progress
-	-	-	1,082,720		Intangible assets
					Capital assets (depreciable/amortizable):
-	256,588,385	-	349,811,800		Buildings and improvements
-	5,482,079	-	57,301,410		Infrastructure
-	39,469,237	-	78,181,457		Machinery and equipment
-	-	-	1,460,946		Intangible assets
-	(151,255,458)	-	(246,446,106)		Accumulated depreciation/amortization
-	156,421,453	-	312,780,923		Total capital assets, net
206,674	189,597,449	-	542,547,406		Total assets
					<b>Deferred outflows of resources</b>
-	-	-	892,265		Deferred charge on refundings
-	12,445,497	-	18,120,601		Items related to measurement of net pension liability
-	12,967,100	-	17,315,143		Pension contributions subsequent to measurement date
-	1,792,191	-	3,372,006		Items related to measurement of net OPEB liability
-	1,470,569	-	1,710,919		OPEB contributions subsequent to measurement date
-	28,675,357	-	41,410,934		Total deferred outflows of resources

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

**COUNTY OF FAUQUIER, VIRGINIA**

**Statement of Net Position**  
**June 30, 2022**

**Exhibit 1**  
**Page 3 of 4**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	7,272,171	811,648	8,083,819
Accrued and other liabilities	3,633,813	79,086	3,712,899
Retainage	824,546	17,926	842,472
Accrued interest payable	1,369,227	185,631	1,554,858
Accrued interest payable - leases	1,097	391	1,488
Unearned revenue	16,876,700	3,187,539	20,064,239
Customer deposits	194,838	-	194,838
Noncurrent liabilities:			
Due within one year	11,399,270	1,375,577	12,774,847
Due in more than one year	85,455,262	59,613,704	145,068,966
Net pension liability	-	-	-
Net OPEB liability	5,357,618	219,444	5,577,062
<b>Total liabilities</b>	<b>132,384,542</b>	<b>65,490,946</b>	<b>197,875,488</b>
<b>Deferred inflows of resources</b>			
Revenue advances	1,191,244	-	1,191,244
Leases	1,797,100	877,604	2,674,704
Items related to measurement of net pension liability	18,449,020	708,840	19,157,860
Items related to measurement of net OPEB liability	3,132,513	121,462	3,253,975
<b>Total deferred inflows of resources</b>	<b>24,569,877</b>	<b>1,707,906</b>	<b>26,277,783</b>
<b>Net position</b>			
Net investment in capital assets	90,217,528	37,412,684	127,630,212
Restricted for:			
General government administration	549,140	-	549,140
Health and welfare	1,529,312	-	1,529,312
Parks, recreation, and cultural	561,473	-	561,473
Public safety	936,704	-	936,704
Public works	288,957	-	288,957
Community development	616,096	-	616,096
Proffers	5,105,193	-	5,105,193
Capital projects	924,886	-	924,886
Pensions and OPEB	4,969,458	67,122	5,036,580
Other purposes	313,488	415,417	728,905
Unrestricted (deficit)	32,328,872	(34,910,741)	(2,581,869)
<b>Total net position</b>	<b>\$ 138,341,107</b>	<b>\$ 2,984,482</b>	<b>\$ 141,325,589</b>

The accompanying notes to 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	
				<b>Liabilities</b>
-	864,126	-	8,947,945	Accounts payable
1,454	12,806,343	-	16,520,696	Accrued and other liabilities
-	-	-	842,472	Retainage
-	84,630	-	1,639,488	Accrued interest payable
-	202	-	1,690	Accrued interest payable - leases
-	422,820	-	20,487,059	Unearned revenue
-	-	-	194,838	Customer deposits
				Noncurrent liabilities:
-	1,349,521	-	14,124,368	Due within one year
-	13,458,934	-	158,527,900	Due in more than one year
-	67,474,513	-	67,474,513	Net pension liability
-	23,552,336	-	29,129,398	Net OPEB liability
1,454	120,013,425	-	317,890,367	Total liabilities
				<b>Deferred inflows of resources</b>
-	-	-	1,191,244	Revenue advances
-	-	-	2,674,704	Leases
-	56,829,639	-	75,987,499	Items related to measurement of net pension liability
-	5,411,832	-	8,665,807	Items related to measurement of net OPEB liability
-	62,241,471	-	88,519,254	Total deferred inflows of resources
				<b>Net position</b>
-	146,077,340	(59,192,784)	214,514,768	Net investment in capital assets
				Restricted for:
-	-	-	549,140	General government administration
-	-	-	1,529,312	Health and welfare
-	-	-	561,473	Parks, recreation, and cultural
-	-	-	936,704	Public safety
-	-	-	288,957	Public works
-	-	-	616,096	Community development
-	-	-	5,105,193	Proffers
-	-	-	924,886	Capital projects
-	4,632,294	-	9,668,874	Pensions and OPEB
-	-	-	728,905	Other purposes
205,220	(114,691,724)	59,192,784	(57,875,589)	Unrestricted (deficit)
\$ 205,220	\$ 36,017,910	\$ -	\$ 177,548,719	Total net position

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Activities  
Fiscal Year Ended June 30, 2022

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
<b>Primary government</b>							
Governmental activities:							
General government administration	\$ 8,582,156	\$ 130,357	\$ 847,962	\$ -	\$ (7,603,837)	\$ -	\$ (7,603,837)
Judicial administration	4,589,192	690,095	1,611,776	-	(2,287,321)	-	(2,287,321)
Public safety	45,905,512	2,265,776	6,838,302	-	(36,801,434)	-	(36,801,434)
Public works	12,115,589	100,000	245,355	2,788,831	(8,981,403)	-	(8,981,403)
Health and welfare	13,677,110	2,331	7,281,373	-	(6,393,406)	-	(6,393,406)
Education	93,850,074	-	382,430	3,000,000	(90,467,644)	-	(90,467,644)
Parks, recreation, and cultural	8,415,558	639,972	241,550	356,371	(7,177,665)	-	(7,177,665)
Community development	8,134,030	1,922,370	1,227,099	-	(4,984,561)	-	(4,984,561)
Interest on long-term debt	3,033,052	-	-	-	(3,033,052)	-	(3,033,052)
Total governmental activities	<u>198,302,273</u>	<u>5,750,901</u>	<u>18,675,847</u>	<u>6,145,202</u>	<u>(167,730,323)</u>	<u>-</u>	<u>(167,730,323)</u>
Business-type activities:							
Airport	1,398,738	907,442	15,594	364,713	-	(110,989)	(110,989)
Landfill and recycling	27,848,259	2,586,350	22,402	-	-	(25,239,507)	(25,239,507)
Sewer	12,179	103,744	-	-	-	91,565	91,565
Total business-type activities	<u>29,259,176</u>	<u>3,597,536</u>	<u>37,996</u>	<u>364,713</u>	<u>-</u>	<u>(25,258,931)</u>	<u>(25,258,931)</u>
Total primary government	<u>227,561,449</u>	<u>9,348,437</u>	<u>18,713,843</u>	<u>6,509,915</u>	<u>(167,730,323)</u>	<u>(25,258,931)</u>	<u>(192,989,254)</u>
<b>Component units</b>							
Economic Development Authority	6,482	11,254	25,000	-			
School Board	<u>164,297,399</u>	<u>622,086</u>	<u>35,103,756</u>	<u>-</u>			
Total component units	<u>\$ 164,303,881</u>	<u>\$ 633,340</u>	<u>\$ 35,128,756</u>	<u>\$ -</u>			
General revenues:							
General property taxes					173,352,481	-	173,352,481
Local sales and use taxes					13,399,789	-	13,399,789
Consumers' utility taxes					1,689,430	-	1,689,430
Business and professional taxes					2,724,747	-	2,724,747
Motor vehicle taxes					68,595	-	68,595
Taxes on recordation and wills					2,922,087	-	2,922,087
Other local taxes					590,249	-	590,249
Contribution from primary government					-	-	-
Investment income					419,232	52,464	471,696
Miscellaneous					1,759,784	235,442	1,995,226
Grants and contributions not restricted to specific programs					16,266,425	-	16,266,425
Transfers					<u>(7,926,066)</u>	<u>7,926,066</u>	<u>-</u>
Total general revenues and transfers					<u>205,266,753</u>	<u>8,213,972</u>	<u>213,480,725</u>
Change in net position					37,536,430	(17,044,959)	20,491,471
Net position - beginning					<u>100,804,677</u>	<u>20,029,441</u>	<u>120,834,118</u>
Net position - ending					<u>\$ 138,341,107</u>	<u>\$ 2,984,482</u>	<u>\$ 141,325,589</u>

The accompanying notes to 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	
			<b>Primary government</b>	
			Governmental activities:	
\$ -	\$ -	\$ (7,603,837)	General government administration	
-	-	(2,287,321)	Judicial administration	
-	-	(36,801,434)	Public safety	
-	-	(8,981,403)	Public works	
-	-	(6,393,406)	Health and welfare	
-	-	(90,467,644)	Education	
-	-	(7,177,665)	Parks, recreation, and cultural	
-	-	(4,984,561)	Community development	
-	-	(3,033,052)	Interest on long-term debt	
-	-	(167,730,323)	Total governmental activities	
			Business-type activities:	
-	-	(110,989)	Airport	
-	-	(25,239,507)	Landfill and recycling	
-	-	91,565	Sewer	
-	-	(25,258,931)	Total business-type activities	
-	-	(192,989,254)	Total primary government	
			<b>Component units</b>	
29,772	-	29,772	Economic Development Authority	
-	(128,571,557)	(128,571,557)	School Board	
29,772	(128,571,557)	(128,541,785)	Total component units	
			General revenues:	
-	-	173,352,481	General property taxes	
-	-	13,399,789	Local sales and use taxes	
-	-	1,689,430	Consumers' utility taxes	
-	-	2,724,747	Business and professional taxes	
-	-	68,595	Motor vehicle taxes	
-	-	2,922,087	Taxes on recordation and wills	
-	-	590,249	Other local taxes	
-	95,173,327	95,173,327	Contribution from primary government	
811	173,181	645,688	Investment income	
-	3,491,682	5,486,908	Miscellaneous	
-	39,520,551	55,786,976	Grants and contributions not restricted to specific programs	
-	-	-	Transfers	
811	138,358,741	351,840,277	Total general revenues and transfers	
30,583	9,787,184	30,309,238	Change in net position	
174,637	26,230,726	147,239,481	Net position - beginning	
\$ 205,220	\$ 36,017,910	\$ 177,548,719	Net position - ending	

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



## **FUND FINANCIAL STATEMENTS**

**COUNTY OF FAUQUIER, VIRGINIA**

**Balance Sheet  
Governmental Funds  
June 30, 2022**

**Exhibit 3  
Page 1 of 2**

	Primary Government		
	General Fund	Capital Projects Fund	Debt Service Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 47,092,216	\$ 27,045,310	\$ 1,883,142
Cash and cash equivalents - restricted	1,112,850	14,649,012	-
Receivables, net of allowance for uncollectibles:			
Taxes, including penalties	4,784,030	-	-
Accounts	1,249,830	760,758	-
Lease receivables	481,587	1,131,231	-
Due from other funds	928,621	-	-
Investment in direct financing agreement	-	-	13,561,313
Due from other governmental units	4,080,561	1,459,367	-
Note receivable	-	556,439	-
<b>Total assets</b>	<b>59,729,695</b>	<b>45,602,117</b>	<b>15,444,455</b>
<b>Total assets and deferred outflows of resources</b>	<b>59,729,695</b>	<b>45,602,117</b>	<b>15,444,455</b>
<b>Liabilities</b>			
Accounts payable	2,210,260	4,053,600	-
Accrued liabilities	1,780,631	-	-
Retainage	-	824,546	-
Other liabilities	598,536	544,634	-
Due to other funds	-	-	-
Unearned revenue	132,720	133,366	3,711,313
Escrows	-	-	-
<b>Total liabilities</b>	<b>4,722,147</b>	<b>5,556,146</b>	<b>3,711,313</b>
<b>Deferred inflows of resources</b>			
Leases	477,584	1,153,677	-
Revenue advances	1,019,163	-	-
Unavailable revenue	3,562,286	423,073	9,850,000
<b>Total deferred inflows of resources</b>	<b>5,059,033</b>	<b>1,576,750</b>	<b>9,850,000</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>9,781,180</b>	<b>7,132,896</b>	<b>13,561,313</b>
<b>Fund balances</b>			
Nonspendable	4,003	-	-
Restricted	1,065,670	13,824,466	-
Committed	2,958,215	24,644,755	-
Assigned	16,264,452	-	1,883,142
Unassigned	29,656,175	-	-
<b>Total fund balances</b>	<b>49,948,515</b>	<b>38,469,221</b>	<b>1,883,142</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 59,729,695</b>	<b>\$ 45,602,117</b>	<b>\$ 15,444,455</b>

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

Primary Government				
Fire and Rescue Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds	
				<b>Assets</b>
\$ 503,667	\$ -	\$ 3,225,799	\$ 79,750,134	Cash and cash equivalents
-	12,679,338	7,423,466	35,864,666	Cash and cash equivalents - restricted
				Receivables, net of allowance for uncollectibles:
882,309	-	31,801	5,698,140	Taxes, including penalties
41,510	-	1,648,811	3,700,909	Accounts
172,419	-	-	1,785,237	Lease receivables
-	219,574	-	1,148,195	Due from other funds
-	-	-	13,561,313	Investment in direct financing agreement
850,810	21,481	344,294	6,756,513	Due from other governmental units
-	-	-	556,439	Note receivable
<u>2,450,715</u>	<u>12,920,393</u>	<u>12,674,171</u>	<u>148,821,546</u>	Total assets
<u>2,450,715</u>	<u>12,920,393</u>	<u>12,674,171</u>	<u>148,821,546</u>	Total assets and deferred outflows of resources
				<b>Liabilities</b>
224,008	1,630	29,366	6,518,864	Accounts payable
667,444	2,185	7,521	2,457,781	Accrued liabilities
-	-	-	824,546	Retainage
-	-	-	1,143,170	Other liabilities
-	-	219,574	219,574	Due to other funds
-	12,899,301	-	16,876,700	Unearned revenue
-	-	194,838	194,838	Escrows
<u>891,452</u>	<u>12,903,116</u>	<u>451,299</u>	<u>28,235,473</u>	Total liabilities
				<b>Deferred inflows of resources</b>
165,839	-	-	1,797,100	Leases
159,532	-	12,549	1,191,244	Revenue advances
723,188	-	1,436,436	15,994,983	Unavailable revenue
<u>1,048,559</u>	<u>-</u>	<u>1,448,985</u>	<u>18,983,327</u>	Total deferred inflows of resources
<u>1,940,011</u>	<u>12,903,116</u>	<u>1,900,284</u>	<u>47,218,800</u>	Total liabilities and deferred inflows of resources
				<b>Fund balances</b>
6,580	-	-	10,583	Nonspendable
-	17,277	7,400,910	22,308,323	Restricted
504,124	-	3,372,977	31,480,071	Committed
-	-	-	18,147,594	Assigned
-	-	-	29,656,175	Unassigned
<u>510,704</u>	<u>17,277</u>	<u>10,773,887</u>	<u>101,602,746</u>	Total fund balances
				Total liabilities, deferred inflows of resources, and fund balances
\$ <u>2,450,715</u>	\$ <u>12,920,393</u>	\$ <u>12,674,171</u>	\$ <u>148,821,546</u>	

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





**COUNTY OF FAUQUIER, VIRGINIA**

**Exhibit 4**

**Reconciliation of the Balance Sheet of the Governmental Funds  
to the Statement of Net Position  
June 30, 2022**

<b>Total fund balance - governmental funds</b>		<b>\$ 101,602,746</b>
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 \$175,842 for internal service funds)		1,124,605
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 \$185,960 for internal service funds)	106,386,843	
Lease assets used in governmental activities (excludes \$16,086 for internal service funds)	1,254,966	
Losses on refunding of debt issuances	492,804	
Net pension asset (excludes \$108,657 for internal service funds)	4,860,801	
Deferred outflows of resources related to pensions (excludes \$94,774 for internal service funds)	5,370,352	
Contributions to pension plans (excludes \$72,612 for internal service funds)	4,114,554	
Deferred outflows of resources related to OPEB (excludes \$28,500 for internal service funds)	1,491,865	
Contributions to OPEB plans (excludes \$3,990 for internal service funds)	<u>227,394</u>	124,199,579
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.		16,864,515
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.		15,994,983
Interest on long-term debt and lessee lease arrangements are not accrued in the governmental funds, but are recognized as expenditures when due.		(1,370,321)
Interest on lessor arrangement leases is not accrued in the governmental funds, but is recognized as revenue when earned.		1,342
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 \$16,258 for internal service funds)	(1,266,017)	
Compensated absences (excludes \$100,624 for internal service funds)	(5,433,087)	
Financing agreements	(27,237,834)	
General obligation bonds	(46,425,000)	
Direct bond	(8,585,000)	
Premium on bonds payable	(4,666,729)	
Net OPEB liability (excludes \$97,876 for internal service funds)	(5,259,742)	
Deferred inflows of resources related to pensions (excludes \$319,937 for internal service funds)	(18,129,083)	
Deferred inflows of resources related to OPEB (excludes \$58,663 for internal service funds)	<u>(3,073,850)</u>	(120,076,342)
<b>Net position of governmental activities</b>		<b>\$ <u>138,341,107</u></b>

The accompanying notes to 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, 2022

Exhibit 5  
Page 1 of 2

	Primary Government			
	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund
<b>Revenues</b>				
General property taxes	\$ 151,268,463	\$ -	\$ -	\$ 19,421,072
Other local taxes	21,394,897	-	-	-
Permits, privilege fees, and regulatory licenses	1,879,154	-	-	-
Fines and forfeitures	397,763	-	-	-
Revenue from use of money and property	347,332	122,086	-	32,977
Charges for services	1,178,383	119,724	-	-
Gifts and donations	27,775	314,128	-	-
Recovered costs	312,257	839,854	-	94,055
Miscellaneous revenue	249,805	730,006	304,890	702,716
Intergovernmental:				
Contribution from School Board	-	3,000,000	382,430	-
Commonwealth of Virginia	26,664,578	60,281	-	311,494
Federal Government	3,560,217	2,156,674	400,775	799,079
Total revenues	207,280,624	7,342,753	1,088,095	21,361,393
<b>Expenditures</b>				
Current operating:				
General government administration	16,129,378	-	-	-
Judicial administration	4,518,982	-	-	-
Public safety	23,179,982	174,139	-	20,790,535
Public works	5,279,863	7,368,143	-	-
Health and welfare	13,799,725	-	-	-
Education	95,252,091	7,618,313	-	-
Parks, recreation, and cultural	7,245,896	771,927	-	-
Community development	6,181,906	117,805	-	-
Nondepartmental	556,049	-	-	-
Capital outlay	-	8,910,131	-	-
Capital outlay - leases	110,264	-	-	9,940
Debt service:				
Lease principal	351,513	-	-	17,366
Lease interest	8,347	-	-	166
Principal retirement	-	-	9,261,893	-
Interest charges	-	-	2,955,688	-
Issuance costs	-	54,800	-	-
Fiscal charges	-	-	5,700	-
Total expenditures	172,613,996	25,015,258	12,223,281	20,818,007
Excess (deficiency) of revenues over (under) expenditures	34,666,628	(17,672,505)	(11,135,186)	543,386
<b>Other financing sources (uses)</b>				
Transfers in	417,843	13,303,927	13,182,859	1,465,418
Transfers (out)	(26,547,769)	(254,150)	(710,280)	(1,995,483)
Leases	110,264	-	-	9,940
Issuance of debt	-	16,180,000	-	-
Premium on debt	-	1,864,992	-	-
Total other financing sources (uses)	(26,019,662)	31,094,769	12,472,579	(520,125)
Net change in fund balances (deficits)	8,646,966	13,422,264	1,337,393	23,261
Fund balances - beginning	41,301,549	25,046,957	545,749	487,443
Fund balances - ending	\$ 49,948,515	\$ 38,469,221	\$ 1,883,142	\$ 510,704

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

Primary Government					
American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds			
<b>Revenues</b>					
\$ -	\$ 1,200,178	\$ 171,889,713		General property taxes	
-	-	21,394,897		Other local taxes	
-	-	1,879,154		Permits, privilege fees, and regulatory licenses	
-	33,905	431,668		Fines and forfeitures	
16,305	9,012	527,712		Revenue from use of money and property	
-	2,075,784	3,373,891		Charges for services	
-	183,461	525,364		Gifts and donations	
-	9,053	1,255,219		Recovered costs	
-	60,817	2,048,234		Miscellaneous revenue	
-	-	3,382,430		Intergovernmental:	
-	165,286	27,201,639		Contribution from School Board	
1,159,807	612,954	8,689,506		Commonwealth of Virginia	
				Federal Government	
1,176,112	4,350,450	242,599,427		Total revenues	
<b>Expenditures</b>					
-	5,541	16,134,919		Current operating:	
-	-	4,518,982		General government administration	
40,377	1,369,866	45,554,899		Judicial administration	
38,925	156,992	12,843,923		Public safety	
65,313	12,540	13,877,578		Public works	
-	-	102,870,404		Health and welfare	
15,464	43,081	8,076,368		Education	
41,296	1,622,611	7,963,618		Parks, recreation, and cultural	
58,432	36,425	650,906		Community development	
-	-	8,910,131		Nondepartmental	
-	-	120,204		Capital outlay	
-	-			Capital outlay - leases	
-	-	368,879		Debt service:	
-	-	8,513		Lease principal	
-	-	9,261,893		Lease interest	
-	-	2,955,688		Principal retirement	
-	-	54,800		Interest charges	
-	-	5,700		Issuance costs	
-	-			Fiscal charges	
259,807	3,247,056	234,177,405		Total expenditures	
916,305	1,103,394	8,422,022		Excess (deficiency) of revenues over (under) expenditures	
<b>Other financing sources (uses)</b>					
-	510,216	28,880,263		Transfers in	
(900,000)	(1,837,531)	(32,245,213)		Transfers (out)	
-	-	120,204		Leases	
-	-	16,180,000		Issuance of debt	
-	-	1,864,992		Premium on debt	
(900,000)	(1,327,315)	14,800,246		Total other financing sources (uses)	
16,305	(223,921)	23,222,268		Net change in fund balances (deficits)	
972	10,997,808	78,380,478		Fund balances - beginning	
\$ 17,277	\$ 10,773,887	\$ 101,602,746		Fund balances - ending	

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

**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, 2022**

**Exhibit 6  
Page 1 of 2**

**Net change in fund balance - total governmental funds** **\$ 23,222,268**

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	24,388,298	
Capital outlays - leases	120,204	
Depreciation expense (less \$27,364 for internal service funds)	(4,656,441)	
Lease amortization expense (less \$32,170 for internal service funds)	<u>(379,930)</u>	19,472,131

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. (4,633,376)

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. (34,600)

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 \$175,842 for internal service funds)	1,124,605	
Less prior year's prepaid items (excludes \$436,465 for internal service funds)	<u>(684,780)</u>	439,825

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	15,994,983	
Less prior year's unavailable revenue	<u>(13,612,881)</u>	2,382,102

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. 2,754,930

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.

Less debt proceeds	(18,044,992)	
Add debt principal repayment	9,261,893	
Add amortization of bond payable premiums	533,517	
Less amortization of deferred loss on refunding	<u>(220,462)</u>	(8,470,044)

Lessee leasing agreements provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position. Lease principal payments on lessee agreements are an 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	(120,204)	
Add lease principal repayment	368,879	
Add lease interest receivable	<u>1,342</u>	250,017

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

**COUNTY OF FAUQUIER, VIRGINIA**

**Exhibit 6**  
**Page 2 of 2**

**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, 2022**

**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 \$100,624 for internal service funds)	(5,433,087)	
Add prior year's compensated absences (excludes \$123,801 for internal service funds)	5,188,240	
Less current year's accrued interest payable	(1,370,321)	
Add prior year's accrued interest payable	<u>1,048,915</u>	(566,253)

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 (excludes \$108,657 for internal service funds)	4,860,801	
Add current year's deferred outflow related to pensions (excludes \$94,774 for internal service funds)	5,370,352	
Less prior year's deferred outflow related to pensions (excludes \$116,739 for internal service funds)	(6,268,104)	
Add current year's deferred outflow related to OPEB (excludes \$28,500 for internal service funds)	1,491,865	
Less prior year's deferred outflow related to OPEB (excludes \$32,120 for internal service funds)	(1,661,982)	
Add prior year's net pension liability (excludes \$308,597 for internal service funds)	16,569,452	
Less current year's net OPEB liability (excludes \$97,876 for internal service funds)	(5,259,742)	
Add prior year's net OPEB liability (excludes \$136,435 for internal service funds)	7,183,897	
Less current 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 \$58,663 for internal service funds)	(3,073,850)	
Add prior year's deferred inflow related to OPEB (excludes \$27,862 for internal service funds)	<u>1,416,456</u>	2,500,062

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 \$72,612 for internal service funds)	4,114,554	
Less prior year's pension contributions (excludes \$72,775 for internal service funds)	(3,907,535)	
Add current year's OPEB contributions (excludes \$3,990 for internal service funds)	227,394	
Less prior year's OPEB contributions (excludes \$4,005 for internal service funds)	<u>(215,045)</u>	219,368

**Change in net position of governmental activities** **\$ 37,536,430**

**COUNTY OF FAUQUIER, VIRGINIA**

**Statement of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual  
General Fund  
Fiscal Year Ended June 30, 2022**

**Exhibit 7  
Page 1 of 4**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance From Amended Positive (Negative)</b>
<b>Revenues</b>				
General property taxes	\$ 140,795,412	\$ 140,795,412	\$ 151,268,463	\$ 10,473,051
Other local taxes	15,194,700	15,194,700	21,394,897	6,200,197
Permits, privilege fees, and regulatory licenses	1,334,878	1,334,878	1,879,154	544,276
Fines and forfeitures	511,000	511,000	397,763	(113,237)
Revenue from use of money and property	947,619	969,619	347,332	(622,287)
Charges for services	928,779	928,779	1,178,383	249,604
Gifts and donations	13,694	16,601	27,775	11,174
Recovered costs	236,518	376,487	312,257	(64,230)
Miscellaneous revenue	383,580	391,872	249,805	(142,067)
Intergovernmental:				
Commonwealth of Virginia	27,684,867	27,857,654	26,664,578	(1,193,076)
Federal Government	3,503,381	3,700,463	3,560,217	(140,246)
<b>Total revenues</b>	<b>191,534,428</b>	<b>192,077,465</b>	<b>207,280,624</b>	<b>15,203,159</b>
<b>Expenditures</b>				
Current operating:				
General government administration:				
Legislative:				
Board of supervisors	291,329	326,687	320,687	6,000
General and financial administration:				
County administrator	748,586	798,928	791,253	7,675
General reassessment	141,885	656,657	489,667	166,990
County attorney	854,886	873,424	812,014	61,410
Independent auditor	196,410	196,410	190,258	6,152
Commissioner of the revenue	1,713,013	1,765,709	1,724,472	41,237
Treasurer	1,469,709	1,577,111	1,558,318	18,793
Information technology	4,632,297	4,608,428	4,498,575	109,853
Human resources	3,326,146	3,515,761	2,625,624	890,137
Finance	1,647,182	1,726,914	1,699,687	27,227
Office of management and budget	615,323	605,601	576,619	28,982
Geographic information systems	345,812	382,662	376,447	6,215
<b>Total general and financial administration</b>	<b>15,691,249</b>	<b>16,707,605</b>	<b>15,342,934</b>	<b>1,364,671</b>
Board of elections:				
Registrar	429,459	492,052	465,757	26,295
<b>Total general government administration</b>	<b>\$ 16,412,037</b>	<b>\$ 17,526,344</b>	<b>\$ 16,129,378</b>	<b>\$ 1,396,966</b>

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual  
General Fund  
Fiscal Year Ended June 30, 2022

Exhibit 7  
Page 2 of 4

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Expenditures (continued)</b>				
Current operating: (continued)				
Judicial administration:				
Courts:				
Circuit court	\$ 143,340	\$ 145,697	\$ 100,774	\$ 44,923
General district court	28,200	28,200	8,621	19,579
Magistrates	85,773	85,773	38,760	47,013
Juvenile and domestic relations district court	9,266	14,653	13,946	707
Clerk of the circuit court	1,295,287	1,533,774	1,417,861	115,913
Adult court services	1,064,755	1,127,543	1,127,392	151
Public defenders	34,467	34,467	28,547	5,920
Commissioner of accounts	15,600	15,600	15,600	-
Total courts	2,676,688	2,985,707	2,751,501	234,206
Commonwealth's attorney:				
Commonwealth's attorney	1,671,301	1,792,541	1,767,481	25,060
Total judicial administration	4,347,989	4,778,248	4,518,982	259,266
Public safety:				
Law enforcement and traffic control:				
Sheriff	12,939,114	14,016,179	13,930,564	85,615
Joint communications	3,194,312	3,096,750	2,995,215	101,535
Total law enforcement and traffic control	16,133,426	17,112,929	16,925,779	187,150
Correction and detention:				
Sheriff	3,401,688	3,734,989	3,724,070	10,919
Northwest regional jail	2,523,324	2,525,833	2,473,326	52,507
Probation office	4,359	4,359	3,467	892
Juvenile detention and crime control	305,173	305,173	53,340	251,833
Total correction and detention	6,234,544	6,570,354	6,254,203	316,151
Total public safety	22,367,970	23,683,283	23,179,982	503,301
Public works:				
General buildings and grounds maintenance:				
General services	5,668,877	5,726,020	5,279,863	446,157
Total public works	\$ 5,668,877	\$ 5,726,020	\$ 5,279,863	\$ 446,157

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual  
General Fund  
Fiscal Year Ended June 30, 2022

Exhibit 7  
Page 3 of 4

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Expenditures (continued)</b>				
Current operating: (continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 638,750	\$ 638,750	\$ 638,750	\$ -
Welfare:				
Institutional care	791,431	791,431	791,431	-
Social services	7,815,183	8,732,668	8,362,783	369,885
Children's services act	4,728,188	4,728,188	4,006,761	721,427
Total welfare	13,334,802	14,252,287	13,160,975	1,091,312
Total health and welfare	13,973,552	14,891,037	13,799,725	1,091,312
Education:				
Contribution to component unit – School Board	93,145,478	100,140,069	95,173,327	4,966,742
Community colleges	78,764	78,764	78,764	-
Total education	93,224,242	100,218,833	95,252,091	4,966,742
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	4,514,596	4,719,127	4,523,246	195,881
Library:				
Public library	2,582,694	2,762,734	2,722,650	40,084
Total parks, recreation, and cultural	7,097,290	7,481,861	7,245,896	235,965
Community development:				
Planning and community development:				
Community development	4,827,109	5,181,610	4,826,078	355,532
Planning	151,631	151,631	118,768	32,863
Economic development	752,923	786,778	773,887	12,891
Agriculture development	73,789	85,887	73,189	12,698
Total planning and community development	5,805,452	6,205,906	5,791,922	413,984
Environmental management:				
Soil and water conservation district	178,471	183,308	180,678	2,630
Cooperative extension program:				
VPI extension	228,106	227,618	209,306	18,312
Total community development	\$ 6,212,029	\$ 6,616,832	\$ 6,181,906	\$ 434,926

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



COUNTY OF FAUQUIER, VIRGINIA

Statement of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual  
General Fund  
Fiscal Year Ended June 30, 2022

Exhibit 7  
Page 4 of 4

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Expenditures (continued)</b>				
Current operating: (continued)				
Nondepartmental:				
Nondepartmental operations	\$ 2,111,196	\$ 1,681,947	\$ 556,049	\$ 1,125,898
Total current operating expenditures	171,415,182	182,604,405	172,143,872	10,460,533
Capital outlay - leases:				
General government administration	-	62,517	62,517	-
Judicial administration	-	33,857	33,857	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	13,890	13,890	-
Community development	-	-	-	-
Total capital outlay	-	110,264	110,264	-
Debt service:				
Lease principal	669,902	650,170	351,513	298,657
Lease interest	-	8,356	8,347	9
Total debt service	669,902	658,526	359,860	298,666
Total expenditures	172,085,084	183,373,195	172,613,996	10,759,199
Excess (deficiency) of revenues over (under) expenditures	19,449,344	8,704,270	34,666,628	4,443,960
<b>Other financing sources (uses)</b>				
Transfers in	358,657	417,843	417,843	-
Transfers (out)	(20,719,332)	(26,551,832)	(26,547,769)	4,063
Leases	-	-	110,264	110,264
Total other financing sources (uses)	(20,360,675)	(26,133,989)	(26,019,662)	114,327
Net change in fund balances	(911,331)	(17,429,719)	8,646,966	26,076,685
Fund balances - beginning	41,301,549	41,301,549	41,301,549	-
Fund balances - ending	\$ 40,390,218	\$ 23,871,830	\$ 49,948,515	\$ 26,076,685

The accompanying notes to 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, 2022**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance From Amended Positive (Negative)</b>
<b>Revenues</b>				
General property taxes	\$ 17,444,657	\$ 18,785,436	\$ 19,421,072	\$ 635,636
Revenue from use of money and property	200,000	200,000	32,977	(167,023)
Recovered costs	-	50,823	94,055	43,232
Miscellaneous Revenue	5,000	41,140	702,716	661,576
Intergovernmental:				
Commonwealth of Virginia	272,773	278,684	311,494	32,810
Federal Government	69,091	970,515	799,079	(171,436)
<b>Total revenues</b>	<b>17,991,521</b>	<b>20,326,598</b>	<b>21,361,393</b>	<b>1,034,795</b>
<b>Expenditures</b>				
Current operating:				
Public safety	17,693,024	20,882,660	20,790,535	92,125
<b>Total current operating expenditures</b>	<b>17,693,024</b>	<b>20,882,660</b>	<b>20,790,535</b>	<b>92,125</b>
Capital outlay - Leases:				
Public safety	-	9,940	9,940	-
<b>Total capital outlay</b>	<b>-</b>	<b>9,940</b>	<b>9,940</b>	<b>-</b>
Debt Service:				
Lease principal	62,400	42,662	17,366	25,296
Lease interest	-	166	166	-
<b>Total debt service</b>	<b>62,400</b>	<b>42,828</b>	<b>17,532</b>	<b>25,296</b>
<b>Total expenditures</b>	<b>17,755,424</b>	<b>20,935,428</b>	<b>20,818,007</b>	<b>117,421</b>
Excess (deficiency) of revenues over (under) expenditures	236,097	(608,830)	543,386	1,152,216
<b>Other financing sources (uses)</b>				
Transfers in	998,285	1,465,418	1,465,418	-
Transfers (out)	(1,765,769)	(2,009,490)	(1,995,483)	14,007
Leases	-	-	9,940	9,940
<b>Total other financing sources (uses)</b>	<b>(767,484)</b>	<b>(544,072)</b>	<b>(520,125)</b>	<b>23,947</b>
<b>Net change in fund balances</b>	<b>(531,387.00)</b>	<b>(1,152,902.00)</b>	<b>23,261.00</b>	<b>1,176,163.00</b>
Fund balances - beginning	487,443	487,443	487,443	-
Fund balances - ending	\$ (43,944)	\$ (665,459)	\$ 510,704	\$ 1,176,163

The accompanying notes to 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, 2022**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance From Amended Positive (Negative)</b>
<b>Revenues</b>				
Use of money:				
Interest income	\$ -	\$ -	\$ 16,305	\$ 16,305
Intergovernmental:				
Federal Government	-	7,173,793	1,159,807	(6,013,986)
Total revenues	-	7,173,793	1,176,112	(5,997,681)
<b>Expenditures</b>				
Current operating:				
General government administration	-	664,039	-	664,039
Public safety	-	1,034,920	40,377	994,543
Public works	-	447,000	38,925	408,075
Health and welfare	-	403,000	65,313	337,687
Parks, recreation, and cultural	-	22,961	15,464	7,497
Community development	-	3,641,981	41,296	3,600,685
Non departmental	-	59,892	58,432	1,460
Total expenditures	-	6,273,793	259,807	6,013,986
Excess of revenues over expenditures	-	900,000	916,305	16,305
<b>Other financing (uses)</b>				
Transfers (out)	-	(900,000)	(900,000)	-
Total other financing (uses)	-	(900,000)	(900,000)	-
Net change in fund balances	-	-	16,305	16,305
Fund balances - beginning	972	972	972	-
Fund balances - ending	\$ 972	\$ 972	\$ 17,277	\$ 16,305

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Net Position  
Proprietary Funds  
June 30, 2022

Exhibit 10  
Page 1 of 2

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ -	\$ 547,376	\$ 838,453	\$ 1,385,829	\$ 18,378,546
Cash and cash equivalents - restricted	60,277	13,415,580	355,140	13,830,997	-
Receivables, net of allowance for uncollectibles					
Accounts	342,150	170,999	2,324,543	2,837,692	2,130,469
Lease receivables	883,240	-	-	883,240	-
Lease interest receivables	725	-	-	725	-
Inventories	23,860	-	-	23,860	277,048
Prepaid items	-	-	-	-	175,842
Due from other governmental units	1,199,431	-	-	1,199,431	-
Total current assets	2,509,683	14,133,955	3,518,136	20,161,774	20,961,905
Noncurrent assets:					
Net pension asset	22,162	44,960	-	67,122	108,657
Lease assets (amortizable):					
Land	-	131,548	-	131,548	-
Buildings	-	-	-	-	48,256
Machinery and equipment	60,078	6,029	-	66,107	-
Accumulated depreciation/amortization	(12,961)	(31,490)	-	(44,451)	(32,170)
Total lease assets, net	47,117	106,087	-	153,204	16,086
Capital assets (non-depreciable/non-amortizable):					
Land	6,612,678	1,446,449	557,540	8,616,667	-
Construction in progress	3,814,935	3,081,941	10,551,036	17,447,912	-
Intangible assets	228,836	-	-	228,836	-
Capital assets (depreciable/amortizable):					
Buildings and improvements	8,003,725	21,741,354	-	29,745,079	349,000
Infrastructure	18,603,008	854,306	-	19,457,314	-
Machinery and equipment	487,313	3,308,261	-	3,795,574	765,055
Accumulated depreciation/amortization	(13,464,643)	(16,040,072)	-	(29,504,715)	(928,095)
Total capital assets, net	24,285,852	14,392,239	11,108,576	49,786,667	185,960
Total noncurrent assets	24,355,131	14,543,286	11,108,576	50,006,993	310,703
Total assets	26,864,814	28,677,241	14,626,712	70,168,767	21,272,608
<b>Deferred outflows of resources</b>					
Deferred charge on refunding	-	399,461	-	399,461	-
Items related to measurement of net pension liability	24,970	185,008	-	209,978	94,774
Pension contributions subsequent to measurement date	19,131	141,746	-	160,877	72,612
Items related to measurement of net OPEB liability	6,902	52,548	-	59,450	28,500
OPEB contributions subsequent to measurement date	1,058	7,908	-	8,966	3,990
Total deferred outflows of resources	52,061	786,671	-	838,732	199,876
Total assets and deferred outflows of resources	\$ 26,916,875	\$ 29,463,912	\$ 14,626,712	\$ 71,007,499	\$ 21,472,484

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

COUNTY OF FAUQUIER, VIRGINIA

Statement of Net Position  
Proprietary Funds  
June 30, 2022

Exhibit 10  
Page 2 of 2

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 13,051	\$ 792,596	\$ 6,001	\$ 811,648	\$ 753,307
Accrued and other liabilities	9,521	69,565	-	79,086	32,862
Retainage	-	17,926	-	17,926	-
Accrued interest payable	-	185,631	-	185,631	-
Accrued interest payable - leases	2	389	-	391	3
Due to other funds	824,165	-	-	824,165	104,456
Unearned revenue	32,072	-	3,155,467	3,187,539	-
Current portion of compensated absences	3,639	18,728	-	22,367	10,063
Current portion of incurred but not reported claims	-	-	-	-	780,996
Current portion of lease liabilities	14,049	29,781	-	43,830	16,258
Current portion of long-term bonds payable	-	954,240	355,140	1,309,380	-
Total current liabilities	896,499	2,068,856	3,516,608	6,481,963	1,697,945
Noncurrent liabilities:					
Accrued closure and postclosure liability	-	34,459,235	-	34,459,235	-
Noncurrent portion of compensated absences	32,749	168,554	-	201,303	90,561
Noncurrent portion of incurred but not reported claims	-	-	-	-	2,342,987
Noncurrent portion of lease liabilities	32,988	78,407	-	111,395	-
Noncurrent portion of long-term bonds payable	-	20,760,977	4,080,794	24,841,771	-
Net OPEB liability	22,993	196,451	-	219,444	97,876
Total noncurrent liabilities	88,730	55,663,624	4,080,794	59,833,148	2,531,424
Total liabilities	985,229	57,732,480	7,597,402	66,315,111	4,229,369
<b>Deferred inflows of resources</b>					
Leases	877,604	-	-	877,604	-
Items related to measurement of pension liability	84,294	624,546	-	708,840	319,937
Items related to measurement of OPEB liability	14,082	107,380	-	121,462	58,663
Total deferred inflows of resources	975,980	731,926	-	1,707,906	378,600
Total liabilities and deferred inflows of resources	1,961,209	58,464,406	7,597,402	68,023,017	4,607,969
<b>Net position</b>					
Net investment in capital assets	24,285,931	6,454,111	6,672,642	37,412,684	185,788
Restricted for:					
Debt service	-	-	355,140	355,140	-
Donations	60,277	-	-	60,277	-
Pensions	22,162	44,960	-	67,122	108,657
Other purposes	-	-	-	-	-
Unrestricted (deficit)	587,296	(35,499,565)	1,528	(34,910,741)	16,570,070
Total net position	24,955,666	(29,000,494)	7,029,310	2,984,482	16,864,515
Total liabilities, deferred inflows of resources, and net position	\$ 26,916,875	\$ 29,463,912	\$ 14,626,712	\$ 71,007,499	\$ 21,472,484

The accompanying notes to 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, 2022

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
<b>Operating revenues</b>					
Charges for services	\$ 326,802	\$ 1,866,124	\$ 102,700	\$ 2,295,626	\$ 41,461,609
Recycling revenues	-	720,226	-	720,226	-
Recovered Cost	-	-	-	-	3,276,552
Miscellaneous revenue	222	246	-	468	10,268
Fuel	580,640	-	-	580,640	-
Permits & licenses	-	-	1,044	1,044	-
Total operating revenues	907,664	2,586,596	103,744	3,598,004	44,748,429
<b>Operating expenses</b>					
Cost of goods sold	450,873	-	-	450,873	-
Personal services	223,670	1,896,187	-	2,119,857	776,542
Fringe benefits	67,454	718,651	-	786,105	305,368
Claims and benefits paid	-	-	-	-	32,441,628
Premiums	-	-	-	-	2,716,647
Contractual services	91,156	4,655,283.00	12,179	4,758,618	3,492,949
Other operating expenses	79,167	271,419.00	-	350,586	2,312,918
Landfill closure and postclosure liability	-	18,106,389	-	18,106,389	-
Depreciation	465,678	1,002,135	-	1,467,813	27,364
Lease amortization	12,961	31,490	-	44,451	32,170
Pension and OPEB expense	7,779	167,394	-	175,173	(2,710)
Total operating expenses	1,398,738	26,848,948	12,179	28,259,865	42,102,876
Operating income (loss)	(491,074)	(24,262,352)	91,565	(24,661,861)	2,645,553
<b>Nonoperating revenues (expenses)</b>					
Interest income (expense)	9,132	(766,872)	200	(757,540)	37,117
Gain on disposal of capital asset	-	1,026	-	1,026	-
Insurance recoveries	233,948	-	-	233,948	-
Bond issuance costs	-	(189,307)	-	(189,307)	-
Operating grants - Commonwealth of Virginia	15,594	22,402	-	37,996	-
Total nonoperating revenues (expenses)	258,674	(932,751)	200	(673,877)	37,117
Income (loss) before capital contributions, grants, and transfers	(232,400)	(25,195,103)	91,765	(25,335,738)	2,682,670
<b>Capital contributions and grants</b>					
Capital contributions	5,500	-	4,633,376	4,638,876	-
Capital grants - Commonwealth of Virginia	228,968	-	-	228,968	-
Capital grants - Federal Government	130,245	-	-	130,245	-
Total capital contributions and capital grants	364,713	-	4,633,376	4,998,089	-
<b>Other financing sources (uses)</b>					
Transfers in	123,982	5,990,791	710,280	6,825,053	72,260
Transfers (out)	-	-	(3,532,363)	(3,532,363)	-
Total financing sources (uses)	123,982	5,990,791	(2,822,083)	3,292,690	72,260
Change in net position	256,295	(19,204,312)	1,903,058	(17,044,959)	2,754,930
Net position - beginning	24,699,371	(9,796,182)	5,126,252	20,029,441	14,109,585
Net position - ending	\$ 24,955,666	\$ (29,000,494)	\$ 7,029,310	\$ 2,984,482	\$ 16,864,515

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



COUNTY OF FAUQUIER, VIRGINIA

Statement of Cash Flows  
Proprietary Funds  
Fiscal Year Ended June 30, 2022

Exhibit 12  
Page 1 of 2

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
<b>Cash flow from operating activities</b>					
Receipts from customers and users	\$ 717,530	\$ 2,586,709	\$ 478,163	\$ 3,782,402	\$ 39,045,435
Receipts from interfund services provided	-	-	-	-	4,330,134
Payments to suppliers and other operating activities	(690,593)	(4,517,668)	(6,178)	(5,214,439)	(40,368,612)
Payments to employees (including fringes)	(301,721)	(2,723,544)	-	(3,025,265)	(1,173,773)
Payments for interfund services used	(5,480)	(67,060)	-	(72,540)	-
Net cash provided by (used for) operating activities	(280,264)	(4,721,563)	471,985	(4,529,842)	1,833,184
<b>Cash flow from noncapital financing activities</b>					
Transfers in	123,982	5,990,791	710,280	6,825,053	72,260
Transfers (out)	-	-	(3,532,363)	(3,532,363)	-
Proceeds from interfund obligation	52,004	-	-	52,004	104,456
Operating grants received	15,594	22,402	-	37,996	-
Net cash provided by noncapital financing activities	191,580	6,013,193	(2,822,083)	3,382,690	176,716
<b>Cash flow from capital and related financing activities</b>					
Acquisition and construction of capital assets	(299,091)	(879,115)	-	(1,178,206)	-
Proceeds from sale of capital assets	-	1,026	-	1,026	-
Proceeds from capital grants	123,636	-	-	123,636	-
Capital contribution	5,500	-	-	5,500	-
Principal paid on debt	-	(360,000)	(355,140)	(715,140)	-
Interest and other fiscal cost on debt	-	(420,509)	-	(420,509)	-
Principal and interest paid on leases	(13,041)	(29,388)	-	(42,429)	(31,998)
Proceeds from bonds	-	13,980,243	3,426,449	17,406,692	-
Interest on bond proceeds	-	36,171	-	36,171	-
Issuance costs	-	(189,307)	-	(189,307)	-
Insurance recoveries	233,948	-	-	233,948	-
Net cash provided by (used for) capital and related financing activities	50,952	12,139,121	3,071,309	15,261,382	(31,998)
<b>Cash flow from investing activities</b>					
Interest income	9,132	6,961	200	16,293	37,117
Net cash provided by investing activities	9,132	6,961	200	16,293	37,117
Net increase (decrease) in cash and cash equivalents	(28,600)	13,437,712	721,411	14,130,523	2,015,019
Cash and cash equivalents - beginning of the year	88,877	525,243	472,183	1,086,303	16,363,527
Cash and cash equivalents - end of the year	60,277	13,962,955	1,193,594	15,216,826	18,378,546

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



COUNTY OF FAUQUIER, VIRGINIA

Statement of Cash Flows  
Proprietary Funds  
Fiscal Year Ended June 30, 2022

Exhibit 12  
Page 2 of 2

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>					
Cash flows from operations:					
Operating income (loss)	(491,074)	(24,262,352)	91,565	(24,661,861)	2,645,553
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	465,678	1,002,135	-	1,467,813	27,364
Amortization of bond premium and deferred amounts	-	(101,929)	-	(101,929)	-
Amortization of leases	12,961	31,490	-	44,451	32,170
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	(193,371)	113	(2,324,543)	(2,517,801)	(1,372,860)
(Increase) decrease in lease receivables	(883,240)	-	-	(883,240)	-
(Increase) decrease in lease interest	(725)	-	-	(725)	-
(Increase) decrease in inventory	8,095	-	-	8,095	(46,518)
(Increase) decrease in net pension assets	(22,162)	(44,960)	-	(67,122)	(108,657)
(Increase) decrease in prepaid items	-	-	-	-	260,623
(Increase) decrease in deferred outflows of resources	3,767	33,621	-	37,388	25,763
Increase (decrease) in accounts payable	(48,874)	425,588	6,001	382,715	241,972
Increase (decrease) in accrued liabilities	8,955	40,948	-	49,903	(15,261)
Increase (decrease) in retainage	(34,100)	17,926	-	(16,174)	-
Increase (decrease) in accrued interest payable-leases	2	389	-	391	3
Increase (decrease) in unearned revenue	9,597	-	2,698,962	2,708,559	-
Increase (decrease) in incurred but not reported claims	-	-	-	-	139,450
Increase (decrease) in landfill closure and postclosure liability	-	18,106,389	-	18,106,389	-
Increase (decrease) in net pension liability	(77,147)	(578,618)	-	(655,765)	(308,597)
Increase (decrease) in net OPEB liability	(8,378)	(74,733)	-	(83,111)	(38,559)
Increase (decrease) in deferred inflows of resources	969,752	682,430	-	1,652,182	350,738
Net cash provided by (used for) operating activities	\$ (280,264)	\$ (4,721,563)	\$ 471,985	\$ (4,529,842)	\$ 1,833,184

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 \$4,633,376 for the assets related to the project. The net amount is reflected as a capital contribution on Exhibit 11.

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

**COUNTY OF FAUQUIER, VIRGINIA****Exhibit 13****Statement of Fiduciary Net Position****Fiduciary Funds****June 30, 2022**

	<b>Other Postemployment Benefit Plans Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 164,147
Cash in custody of others	-	150,914
Receivables, net of allowance for uncollectibles:		
Accounts	-	44,875
Loans	-	79,122
Investments at fair value:		
Investments at fair value	-	15,845,669
Investment in pooled funds	1,719,573	-
	<u>1,719,573</u>	<u>-</u>
Total assets	<u>1,719,573</u>	<u>16,284,727</u>
<b>Liabilities</b>		
Accounts payable	109,849	-
Accrued liabilities	-	50,298
	<u>109,849</u>	<u>50,298</u>
Total liabilities	<u>109,849</u>	<u>50,298</u>
<b>Net position</b>		
Restricted for:		
Postemployment benefits other than pensions	1,609,724	-
Individuals and organizations	-	16,234,429
	<u>-</u>	<u>16,234,429</u>
Total net position	<u>\$ 1,609,724</u>	<u>\$ 16,234,429</u>

The accompanying notes to 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, 2022**

	<b>Other Postemployment Benefit Plans Fund</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Contributions		
For the benefit of employees	\$ 149,427	\$ -
Employees	-	1,401,883
Governments and organizations	-	633,525
On behalf of inmates	-	151,741
Total contributions	<u>149,427</u>	<u>2,187,149</u>
Investment income		
Net increase in the fair value of investments	(160,703)	(3,695,612)
Interest and dividends	<u>1,030</u>	<u>1,037,210</u>
Total investment income	<u>(159,673)</u>	<u>(2,658,402)</u>
Less: investment expenses	<u>-</u>	<u>(37,193)</u>
Net investment income	<u>(159,673)</u>	<u>(2,695,595)</u>
Miscellaneous revenue:		
Miscellaneous revenue	<u>-</u>	<u>73,531</u>
Total additions	<u>(10,246)</u>	<u>(434,915)</u>
<b>Deductions</b>		
Distributions	59,835	-
Payments on behalf of beneficiaries and participants	-	2,966,204
Administrative fees	<u>2,812</u>	<u>-</u>
Total deductions	<u>62,647</u>	<u>2,966,204</u>
Net increase (decrease) in net position	(72,893)	(3,401,119)
Net position - beginning, restated	1,682,617	19,635,548
Net position - ending	<u>\$ 1,609,724</u>	<u>\$ 16,234,429</u>

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



## **NOTES TO FINANCIAL STATEMENTS**



**COUNTY OF FAUQUIER, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

---

**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, 2022, the Economic Development Authority had outstanding industrial development revenue bonds of \$8,926,214. 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 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.

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.

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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 expense of individual functions is compared to the revenues generated directly by the function (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:



---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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.

The County reports the following major fund types:

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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 Commonwealth Opportunity Fund, the Fire and Rescue USDA Debt Service Fund, the Coronavirus Aid, Relief, and 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.

The *Fiduciary Funds* accounts 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, Volunteer Fire and Rescue Operations Fund, Special Welfare Fund, Detention Center Fund, Service to Outside Agencies Fund, and the 457(b) Deferred Compensation Fund.

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**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, 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, Commonwealth Opportunity 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 1<sup>st</sup>, as well as a five-year capital improvements and asset replacement plan with the related budget for the fiscal year commencing the following July 1<sup>st</sup>, 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*.

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.

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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 30<sup>th</sup>.

**2. Excess of expenditures over appropriations**

For the year ended June 30, 2022, there were no departments in which expenditures exceeded appropriations.

**3. Deficit fund balance/net position**

As of June 30, 2022, 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.

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

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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.

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

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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. Lease assets**

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. Lease assets have the following estimated useful lives:

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

**10. Capital assets**

Capital assets, which include property, plant, equipment, intangible assets (e.g., easements and software licenses), 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.

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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 in excess of 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 normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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.

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

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

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

#### **11. 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.

#### **12. 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.

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

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.

**13. 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 leased 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.

**14. 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.

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, 2022 are:

**Primary government**

General Fund	\$ 290,405
Capital Projects Fund	15,026,935
Fire and Rescue Fund	31,521
Other Governmental Funds	44,225
Airport Fund	397,747
Landfill and Recycling Fund	<u>939,344</u>
Total primary government encumbrances	<u><u>16,730,177</u></u>

**Component unit - School Board**

School General Fund	207,386
School Asset Replacement Fund	<u>2,195,502</u>
Total component unit - School Board encumbrances	\$ <u><u>2,402,888</u></u>



**15. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report 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 will sometimes report 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 2<sup>nd</sup> half installments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the 2<sup>nd</sup> 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.

**16. Fund balance**

The County reports fund balance in the following classifications which describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

- *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).

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

- *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).

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.

## **17. 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

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

reporting entity as a whole, the debt amount of \$59,192,784 is reclassified to present the total reporting entity column of Exhibit 1.

**18. 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.

**19. 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 2022:**

Statement No. 87, *Leases*, effective for the reporting periods after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**The County will implement the following GASB Statements 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 comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of the government's financial statements by requiring to report 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.

**G. Beginning balance adjustments**

**Implementation of GASB Statement No. 87** - The implementation of GASB Statement 87 requires the calculation of right to use intangible lease assets and liabilities for lease agreements in which the County or School Board are lessees and lease receivables and deferred inflow or resources for lease agreements in which the County or School Board are lessors. For lease agreements in place prior to July 1, 2021, lease assets, liabilities, receivables, and deferred inflow of resources as of the remaining term amount as of July 1, 2021.

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

The charts below summarize the beginning balances in these accounts at July 1, 2021 due to the implementation of GASB Statement No. 87 Leases:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>School Board</b>	<b>Total Reporting Entity</b>
Lease receivable	417,061	984,637	-	1,401,698
Lease assets	1,562,948	176,058	839,932	2,578,938
Total assets and deferred outflow of resources	1,980,009	1,160,695	839,932	3,980,636
Lease liabilities	1,562,948	176,058	839,932	2,578,938
Deferred inflow of resources- leases	417,061	984,637	-	1,401,698
Total liabilities and deferred inflow of resources	1,980,009	1,160,695	839,932	3,980,636

---

**NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

---

**Deposits** – Deposits with banks are covered by the Federal Depository Insurance Corporation (FDIC) and deposits, with the exception of 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.

**External investment pools** – 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). 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.

---

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

---

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 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, 2022. 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 of its investments will be held to maturity.

**Fair value and weighted average maturity of investments at June 30, 2022:**

			Weighted Average	
	<u>Measurement Method</u>	<u>Fair Value</u>	<u>Maturity (in years)</u>	
Money Market/Money Market Mutual Funds:				
Pooled Investments:				
State Treasurer’s Local Government Investment Pool (LGIP)	Amortized Cost	\$ 110,768,722	0.0027	66.686%
U.S. Government Agency Securities	Fair Value (Level 1)	2,005,001	4.0027	1.207%
Demand deposit account	Amortized Cost	26,665,591	0.0027	16.053%
Restricted Investments:				
Debt-Related - Restricted Account	Amortized Cost	<u>26,666,788</u>	0.0027	16.054%
Total Investment		\$ <u>166,106,102</u>	0.0510	100.00%

**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

---

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

---

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.

The County's ratings and policy limits as of June 30, 2022, are as follows:

Investment Type	Investment Policy Limit	Credit Quality (Rating)	Credit Exposure as a % of Total Investment
Money Market/Money Market Mutual Funds:			
State Treasurer's Local Government			
Investment Pool (LGIP)	100%	AAAm	67%
U.S. Government Agency Securities	100%	AAA	1%
Virginia State Non-Arbitrage Program (SNAP)	100%	AAAm	16%
Demand deposit account	50%	AAA	16%
			<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, 2022:**

**Primary Government**

**Governmental Activities:**

**General Fund:**

Grant and contractual obligations	\$	1,065,670
Restricted catastrophic fund		<u>47,180</u>
Total General Fund	\$	<u>1,112,850</u>

---

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

---

<b>Capital Projects Fund:</b>	
Debt proceeds	\$ 12,899,580
Restricted donations	116,164
Performance bonds	532,594
Revenue share projects	276,128
Retainage	<u>824,546</u>
Total Capital Projects Fund	<u>14,649,012</u>
<b>American Rescue Plan Fund</b>	
Federal funds for American Rescue Plan response	<u>12,679,338</u>
Total American Rescue Plan Fund	<u>12,679,338</u>
<b>Other Governmental Funds:</b>	
Social Services Board	39,683
Parks, Recreation, and Cultural donations	78,064
Library	383,409
Marshall Electric Light and Business Improvement District	77,719
Proffers	5,300,031
Stormwater Management	197,005
Vint Hill Community Enrichment	153,929
Vint Hill Transportation	288,957
Treasurer's E-Summons	181,562
Project Lifesaver	2,874
Working Together	42,329
Fire and Rescue USDA Debt Service	666,122
Coronavirus Aid, Relief, and Economic Security (CARES):	<u>11,782</u>
Total Other Governmental Funds	<u>7,423,466</u>
Total Governmental Activities Restricted Cash and Investments	<u>35,864,666</u>
<b>Business-Type Activities:</b>	
<b>Airport Fund:</b>	
Restricted donations	<u>60,277</u>
Total Airport Fund	<u>60,277</u>
<b>Landfill and Recycling Fund:</b>	
Debt proceeds	13,397,654
Retainage	<u>17,926</u>
Total Landfill and Recycling Fund	<u>13,415,580</u>
<b>Sewer Fund:</b>	
Debt service reserve	<u>355,140</u>
Total Sewer Fund	<u>355,140</u>
Total Business-Type Activities Restricted Cash and Investments	<u>13,830,997</u>
Total Primary Government Restricted Cash and Investments	\$ <u>49,695,663</u>

---

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


---

**Component unit - School Board**
**School General Fund:**

Grant funds	\$ <u>322,103</u>
Total School General Fund	<u>322,103</u>
Total Component Unit - School Board	<u>322,103</u>
Total Restricted Cash and Investments	\$ <u><u>50,017,766</u></u>

---

**NOTE 3 – RECEIVABLES**


---

Receivables at June 30, 2022 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	\$ 6,645,160	\$ -	\$ -	\$ 1,226,058	\$ -	\$ 44,084	\$ -	\$ -	\$ 7,915,302
Accounts	<u>1,249,830</u>	<u>760,758</u>	<u>-</u>	<u>41,510</u>	<u>-</u>	<u>1,843,325</u>	<u>4,360,359</u>	<u>2,130,469</u>	<u>10,386,251</u>
Gross receivables	<u>7,894,990</u>	<u>760,758</u>	<u>-</u>	<u>1,267,568</u>	<u>-</u>	<u>1,887,409</u>	<u>4,360,359</u>	<u>2,130,469</u>	<u>18,301,553</u>
Allowance for uncollectibles:									
Property taxes	(1,861,130)	-	-	(343,749)	-	(12,283)	-	-	(2,217,162)
Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(194,514)</u>	<u>(1,522,667)</u>	<u>-</u>	<u>(1,717,181)</u>
Total allowance for uncollectibles	<u>(1,861,130)</u>	<u>-</u>	<u>-</u>	<u>(343,749)</u>	<u>-</u>	<u>(206,797)</u>	<u>(1,522,667)</u>	<u>-</u>	<u>(3,934,343)</u>
Net receivables	<u>6,033,860</u>	<u>760,758</u>	<u>-</u>	<u>923,819</u>	<u>-</u>	<u>1,680,612</u>	<u>2,837,692</u>	<u>2,130,469</u>	<u>14,367,210</u>
Lease receivable	481,587	1,131,231	-	172,419	-	-	883,240	-	2,668,477
Lease interest receivable	1,342	-	-	-	-	-	725	-	2,067
Due from other funds	928,621	-	-	-	219,574	-	-	-	1,148,195
Investment in direct financing agreement	-	-	13,561,313	-	-	-	-	-	13,561,313
Due from other governmental units	4,080,561	1,459,367	-	850,810	21,481	344,294	1,199,431	-	7,955,944
Note receivable	<u>-</u>	<u>556,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>556,439</u>
Total receivables	<u>\$ 11,525,971</u>	<u>3,907,795</u>	<u>\$ 13,561,313</u>	<u>\$ 1,947,048</u>	<u>\$ 241,055</u>	<u>\$ 2,024,906</u>	<u>\$ 4,921,088</u>	<u>\$ 2,130,469</u>	<u>\$ 40,259,645</u>

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:



**NOTE 3 – RECEIVABLES (CONTINUED)**

Receivables at June 30, 2022 consist of the following:

	Deferred inflow of resources				
	Unearned Revenue	Leases	Revenue Advances	Unavailable Revenue	Total deferred inflow of
<b><u>Governmental</u></b>					
Tax revenue	\$ -	\$ -	\$ 1,191,244	\$ 4,311,113	\$ 5,502,357
Intergovernmental revenue	25,025	-	-	-	-
EMS ambulance billing revenue	-	-	-	43,494	43,494
Other revenue	12,899,301	-	-	-	-
Parks and recreation facility rentals	107,695	-	-	-	-
Investment in direct financing agreements	3,711,313	-	-	9,850,000	9,850,000
Note receivable	133,366	-	-	423,073	423,073
Opioid abatement settlement	-	-	-	1,367,303	1,367,303
Leases	-	1,797,100	-	-	1,797,100
Total governmental	<u>16,876,700</u>	<u>1,797,100</u>	<u>1,191,244</u>	<u>15,994,983</u>	<u>18,983,327</u>
<b><u>Business-Type</u></b>					
Airport hangar deposits	32,072	-	-	-	-
Airport leases	-	877,604	-	-	877,604
Sewer connection fee	<u>3,155,467</u>	-	-	-	-
Total business-type	<u>3,187,539</u>	<u>877,604</u>	<u>-</u>	<u>-</u>	<u>877,604</u>
Total	\$ <u>20,064,239</u>	\$ <u>2,674,704</u>	\$ <u>1,191,244</u>	\$ <u>15,994,983</u>	\$ <u>19,860,931</u>

**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
2023	\$ 248,691
2024	51,710
2025	64,722
2026	64,722
2027	74,657
Thereafter	862,801
Total	\$ 1,367,303

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

---

**NOTE 3 – RECEIVABLES (CONTINUED)**

---

**GOVERNMENTAL ACTIVITIES:****B. Lease receivable**

Fauquier County and the School Board enter into 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, 2022:

	Balance as of July 1, 2021	Additions	Reductions	Balance as of June 30, 2022	Amount Due Within One Year
Lease Receivable:					
Buildings	\$ 417,060	\$ 1,399,089	\$ 150,344	\$ 1,665,805	\$ 617,707
Infrastructure	-	127,890	8,459	119,432	25,272
Total lease receivables	\$ <u>417,060</u>	\$ <u>1,526,979</u>	\$ <u>158,803</u>	\$ <u>1,785,237</u>	\$ <u>642,979</u>

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

<b>Scheduled Minimum Lease Payments at June 30, 2022</b>				
Fiscal Year	Principal		Interest	Total
2023	\$	642,979	\$ 23,279	\$ 666,258
2024		505,584	12,340	517,924
2025		322,443	5,531	327,974
2026		112,817	2,560	115,377
2027		89,751	1,643	91,394
2028 - 2032		111,663	2,439	114,102
Total	\$	1,785,237	\$ 47,792	\$ 1,833,029

---

**NOTE 3 – RECEIVABLES (CONTINUED)**

---

Details of lease receivables are outlined below:

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease receivable</b>		
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 06/30/2022, the value of the lease receivable is \$219,435.34. 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 06/30/2022 was \$218,392.36, and the County recognized lease revenue of \$24,265.82 during the fiscal year.	\$ 219,435	\$ 23,257
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 06/30/2022, the value of the lease receivable is \$134,634.89. 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 06/30/2022 was \$133,356.33, and the County recognized lease revenue of \$14,361.45 during the fiscal year. The lessee has 2 extension option(s), each for 24 months.	134,635	22,811
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 06/30/2022, the value of the lease receivable is \$80,704.43. 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 06/30/2022 was \$79,316.44, 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.	80,704	16,801
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 06/30/2022, the value of the lease receivable is \$17,858.98. 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 06/30/2022 was \$17,564.70, 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.	17,859	3,734
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 06/30/2022, the value of the lease receivable is \$28,953.21. 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 06/30/2022 was \$28,953.81, and the County recognized lease revenue of \$1,447.69 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.	28,953	8,475

---

**NOTE 3 – RECEIVABLES (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease receivable (continued)</b>		
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 06/30/2022, the value of the lease receivable is \$687,934.85. 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 06/30/2022 was \$698,062.99, and the County recognized lease revenue of \$30,350.56 during the fiscal year. The lessee has 4 extension option(s), each for 6 months.	\$ 687,935	\$ 238,333
At 05/16/2022, the County was under a lessor agreement to lease office space for a term of 20 months. The lease receivable at 05/16/2022 was \$492,555.35 and as of 06/30/2022, the value of the lease receivable is \$443,296.30. Payments are due monthly for \$25,000.00 and the lease has an interest rate of 1.9017%. The value of the deferred inflow of resources as of 06/30/2022 was \$455,613.70, and the County recognized lease revenue of \$36,941.65 during the fiscal year. The lessee has 12 extension option(s), each for 1 month.	443,296	294,125
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 06/30/2022, the value of the lease receivable is \$52,986.88. 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 06/30/2022 was \$46,475.08, and the County recognized lease revenue of \$9,517.08 during the fiscal year.	52,987	10,171
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 06/30/2022, the value of the lease receivable is \$119,431.79. 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 06/30/2022 was \$119,364.32, and the County recognized lease revenue of \$8,526.02 during the fiscal year.	<u>119,433</u>	<u>25,272</u>
Total lease receivable	\$ <u>1,785,237</u>	\$ <u>642,979</u>

**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.

---

**NOTE 3 – RECEIVABLES (CONTINUED)**

---

The following shows the net investment in direct financing agreements:

<b>Note and Interest Receivable at June 30, 2022</b>				
	<u>Orlean</u>	<u>Catlett</u>	<u>Remington</u>	<u>Total</u>
Total minimum payments to be received	\$ 5,616,966	\$ 4,509,697	\$ 3,434,650	\$ 13,561,313
Less: Unearned revenue	<u>1,561,966</u>	<u>1,219,697</u>	<u>929,650</u>	<u>3,711,313</u>
Net investment in direct financing agreements	\$ <u>4,055,000</u>	\$ <u>3,290,000</u>	\$ <u>2,505,000</u>	\$ <u>9,850,000</u>

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

<b>Scheduled Minimum Payments at June 30, 2022</b>			
Fiscal Year	Principal	Interest	Total
2023	\$ 370,000	\$ 402,281	\$ 772,281
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
Thereafter	7,805,000	1,904,266	9,709,266
Total	\$ 9,850,000	\$ 3,711,313	\$ 13,561,313

**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, 2022:

<b>Note and Interest Receivable at June 30, 2022</b>	
	<u><b>RRCSB</b></u>
Total principal and interest to be received	\$ 556,439
Less: Unearned revenue	<u>133,366</u>
Net note and interest receivable	\$ <u>423,073</u>

---

**NOTE 3 – RECEIVABLES (CONTINUED)**

---

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

Scheduled Minimum Note Receivable Payments at June 30, 2022					
Fiscal Year		Principal		Interest	Total
2023	\$	16,274	\$	12,194	\$ 28,468
2024		18,305		12,751	31,056
2025		18,900		12,156	31,056
2026		19,514		11,542	31,056
2027		20,147		10,909	31,056
Thereafter		329,933		73,814	403,747
Total	\$	423,073	\$	133,366	\$ 556,439

**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.

In fiscal year 2022, the County and third party were in 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 into 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, 2022:

	Balance				Balance	Amount Due
	July 1, 2021	Additions	Retirements	June 30, 2022	Within One	Year
Lease Receivable:						
Land	\$ 723,140	\$ 3,213	\$ 61,808	\$ 664,545	\$	63,771
Buildings	261,496	10,609	53,410	218,695		46,499
Total Lease Receivable	\$ 984,636	\$ 13,822	\$ 115,218	\$ 883,240	\$	110,270

---

**NOTE 3 – RECEIVABLES (CONTINUED)**

---

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

Scheduled Minimum Lease Payments at June 30, 2022					
Fiscal Year	Principal		Interest		Total
2023	\$	110,270	\$	8,587	\$ 118,857
2024		103,061		7,696	110,757
2025		100,419		6,802	107,221
2026		87,884		5,941	93,825
2027		84,761		5,096	89,857
2028 - 2032		306,837		14,532	321,369
2033 - 2036		90,008		1,430	91,438
Total	\$	883,240	\$	50,084	\$ 933,324

Details of lease receivables are outlined below:

	Amount Outstanding	Amount Due Within One Year
<b>Lease receivable:</b>		
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 06/30/2022, the value of the lease receivable is \$189,370.66. 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 06/30/2022 was \$187,465.88, and the Warrenton-Fauquier Airport recognized lease revenue of \$15,521.55 during the fiscal year.	\$ 189,371	\$ 14,575
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 06/30/2022, the value of the lease receivable is \$81,296.86. Payments are due for \$0.00 and the lease has an interest rate of 0.7033%. The value of the deferred inflow of resources as of 06/30/2022 was \$80,932.04, and the Warrenton-Fauquier Airport recognized lease revenue of \$16,899.96 during the fiscal year.	81,297	16,594
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 06/30/2022, the value of the lease receivable is \$191,772.08. Payments are due for \$0.00 and the lease has an interest rate of 1.2173%. The value of the deferred inflow of resources as of 06/30/2022 was \$190,828.03, and the Warrenton-Fauquier Airport recognized lease revenue of \$18,319.49 during the fiscal year.	191,772	17,374
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 06/30/2022, the value of the lease receivable is \$199,744.09. 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 06/30/2022 was \$197,763.39, and the Warrenton-Fauquier Airport recognized lease revenue of \$15,410.13 during the fiscal year.	199,744	14,373

---

**NOTE 3 – RECEIVABLES (CONTINUED)**


---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease receivable (continued)</b>		
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 06/30/2022, the value of the lease receivable is \$6,262.90. 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 06/30/2022 was \$6,259.47, and the Warrenton-Fauquier Airport recognized lease revenue of \$894.21 during the fiscal year.	6,263	1,782
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 06/30/2022, the value of the lease receivable is \$18,167.99. 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 06/30/2022 was \$18,124.66, and the Warrenton-Fauquier Airport recognized lease revenue of \$3,107.08 during the fiscal year.	\$ 18,168	\$ 3,071
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 06/30/2022, the value of the lease receivable is \$2,797.84. 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 06/30/2022 was \$2,796.01, and the Warrenton-Fauquier Airport recognized lease revenue of \$659.57 during the fiscal year.	2,798	859
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 06/30/2022, the value of the lease receivable is \$21,333.62. 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 06/30/2022 was \$21,248.31, and the Warrenton-Fauquier Airport recognized lease revenue of \$3,682.90 during the fiscal year.	21,334	3,606
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 06/30/2022, the value of the lease receivable is \$10,506.62. 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 06/30/2022 was \$10,497.11, and the Warrenton-Fauquier Airport recognized lease revenue of \$3,704.86 during the fiscal year.	10,506	3,701
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 06/30/2022, the value of the lease receivable is \$2,360.69. 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 06/30/2022 was \$2,356.21, and the Warrenton-Fauquier Airport recognized lease revenue of \$856.80 during the fiscal year.	2,361	855



### NOTE 3 – RECEIVABLES (CONTINUED)

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease receivable (continued)</b>		
At 07/01/2021, the Warrenton-Fauquier Airport was under a lessor agreement to lease office space for a term of 18 months. The lease receivable at 07/01/2021 was \$24,262.52 and as of 06/30/2022, the value of the lease receivable is \$8,094.85. Payments are due monthly for \$1,350.00 and the lease has an interest rate of 0.2180%. The value of the deferred inflow of resources as of 06/30/2022 was \$8,087.51, and the Warrenton-Fauquier Airport recognized lease revenue of \$16,175.01 during the fiscal year. The lessee has 0 extension option(s), each for 0 months.	\$ 8,095	\$ 8,095
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 06/30/2022, the value of the lease receivable is \$29,508.57. 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 06/30/2022 was \$29,452.61, and the Warrenton-Fauquier Airport recognized lease revenue of \$10,710.04 during the fiscal year. The lessee has 0 extension option(s), each for 0 months.	29,508	10,688
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 06/30/2022, the value of the lease receivable is \$122,023.07. 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 06/30/2022 was \$121,792.80, 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.	<u>122,023</u>	<u>14,697</u>
Total lease receivable	\$ <u>883,240</u>	\$ <u>110,270</u>

### DISCRETELY PRESENTED COMPONENT UNITS

		School Board				
	Economic Development Authority	School General Fund	School Asset Replacement Fund	School Nutrition Fund	School Activity Fund	Total
Accounts	\$ -	\$ 125,568	\$ 3,080	\$ -	\$ 26,339	\$ 154,987
Loans	50,695	-	-	-	-	-
Due from other funds	-	17,675	-	-	-	17,675
Due from other governmental units	<u>-</u>	<u>8,549,050</u>	<u>91,678</u>	<u>73,009</u>	<u>-</u>	<u>8,713,737</u>
Net receivables	\$ <u>50,695</u>	\$ <u>8,692,293</u>	\$ <u>94,758</u>	\$ <u>73,009</u>	\$ <u>26,339</u>	\$ <u>8,886,399</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.

---

**NOTE 3 – RECEIVABLES (CONTINUED)**

---

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:

	<u>Unearned Revenue</u>
School General Fund	\$ 322,103
School Nutrition Fund	100,477
School Activity Fund	<u>240</u>
Total	\$ <u><u>422,820</u></u>

---

**NOTE 4 – INTERFUND AND INTER-ENTITY RECEIVABLES AND PAYABLES**

---

The following is a summary of interfund obligations as of June 30, 2022:

Current:

Due to / from other funds

Primary Government

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Airport Fund	\$ 824,165
General Fund	Fleet Maintenance Fund	104,456
American Rescue Plan Fund	Coronavirus Aid, Relief, and Economic Security (CARES) Fund	<u>219,574</u>
Total		\$ <u><u>1,148,195</u></u>

Component Units

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School General Fund	School Activity Fund	\$ 17,675

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, 2022, 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 Project Fund
- Transfer from the American Rescue Plan Fund to the Capital Project Fund to support Broadband projects 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 Enterprise Funds to the Capital Project Fund for debt proceeds related to the Catlett Calverton Sewer Project for which costs for the project were incurred in the Capital Project Fund

**NOTE 5 – INTERFUND TRANSFERS (CONTINUED)**

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Primary Government	Transfers in:							
	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	Other Governmental Funds	Enterprise Funds	Internal Service Funds	Total
<b>Transfers out:</b>								
General Fund	\$ -	\$ 7,712,442	\$ 12,412,125	\$ 467,133	\$ -	\$ 5,919,809	\$ 36,260	\$ 26,547,769
Capital Projects Fund	59,186	-	-	-	-	194,964	-	254,150
Debt Service Fund	-	-	-	-	-	710,280	-	710,280
Fire and Rescue Fund	-	678,533	770,734	-	510,216	-	36,000	1,995,483
American Rescue Plan Fund	-	900,000	-	-	-	-	-	900,000
Other Governmental Funds	358,657	480,589	-	998,285	-	-	-	1,837,531
Enterprise Funds	-	3,532,363	-	-	-	-	-	3,532,363
Total	\$ 417,843	\$ 13,303,927	\$ 13,182,859	\$ 1,465,418	\$ 510,216	\$ 6,825,053	\$ 72,260	\$ 35,777,576

Component Units	Transfers in:					
	School General Fund	School Asset Replacement Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	Total
<b>Transfers out:</b>						
School General Fund	\$ -	\$ 7,622,570	\$ 638,308	\$ 353,530	\$ 78,520	\$ 8,692,928
School Asset Replacement Fund	1,320,942	-	-	18,919	-	1,339,861
School Activity Fund	359,863	-	-	-	-	359,863
Total	\$ 1,680,805	\$ 7,622,570	\$ 638,308	\$ 372,449	\$ 78,520	\$ 10,392,652

Transfers are 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 unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

---

**NOTE 6 – DUE FROM OTHER GOVERNMENTAL UNITS**

---

The following is a summary of amounts due from other governmental units at June 30, 2022:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	\$ 2,244,272	\$ -
State sales tax	-	2,826,690
Shared expenses	471,503	-
Comprehensive services	642,365	-
Miscellaneous grants	736,791	1,166,875
Airport grants	625,178	-
Federal Government:		
School fund grants	-	4,720,172
Airport grants	574,253	-
Other federal grants	2,661,582	-
Total	\$ 7,955,944	\$ 8,713,737

---

**NOTE 7 – LEASE AND CAPITAL ASSETS**

---

The following is a summary of changes in lease assets for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Primary government – governmental activities</b>				
Lease assets (amortizable):				
Buildings and improvements	\$ 1,212,818	\$ -	\$ -	\$ 1,212,818
Infrastructure	109,625	-	-	109,625
Machinery and equipment	240,505	120,204	-	360,709
Total Lease assets (amortizable)	1,562,948	120,204	-	1,683,152
Less accumulated amortization for:				
Buildings and improvements	-	(276,419)	-	(276,419)
Infrastructure	-	(20,835)	-	(20,835)
Machinery and equipment	-	(114,846)	-	(114,846)
Total accumulated amortization	-	(412,100)	-	(412,100)
Total lease assets (amortizable), net	1,562,948	(291,896)	-	1,271,052
Governmental activities lease assets, net	1,562,948	(291,896)	-	1,271,052

**NOTE 7 – LEASE AND CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Primary government – business-type activities</b>					
Landfill and Recycling Fund:					
Lease assets (amortizable):					
Land	116,733	14,815	-	-	131,548
Machinery and equipment	6,029	-	-	-	6,029
Total lease assets (amortizable), net	122,762	14,815	-	-	137,577
Less accumulated amortization for:					
Land	-	(28,856)	-	-	(28,856)
Machinery and equipment	-	(2,634)	-	-	(2,634)
Total accumulated depreciation/amortization	-	(31,490)	-	-	(31,490)
Total lease assets (amortizable), net	122,762	(16,675)	-	-	106,087
Landfill and Recycling Fund Lease assets, net	122,762	(16,675)	-	-	106,087
Airport Fund:					
Lease assets (amortizable):					
Machinery and equipment	53,297	6,781	-	-	60,078
Total lease assets (depreciable/amortizable)	53,297	6,781	-	-	60,078
Less accumulated amortization for:					
Machinery and equipment	-	(12,961)	-	-	(12,961)
Total accumulated depreciation/amortization	-	(12,961)	-	-	(12,961)
Total lease assets (amortizable), net	53,297	(6,180)	-	-	47,117
Airport Fund Lease assets, net	53,297	(6,180)	-	-	47,117
Total business-type activities lease assets, net	\$ 176,059	\$ (22,855)	\$ -	\$ -	\$ 153,204
<b>Component unit – School Board</b>					
Lease assets (amortizable):					
Machinery and equipment	\$ 839,932	\$ 171,458	\$ -	\$ -	\$ 1,011,390
Total Lease assets (amortizable)	839,932	171,458	-	-	1,011,390
Less accumulated amortization for:					
Machinery and equipment	-	(341,647)	-	-	(341,647)
Total accumulated amortization	-	(341,647)	-	-	(341,647)
Total Lease assets, (amortizable), net	839,932	(170,189)	-	-	669,743
School Board Lease assets, net	\$ 839,932	\$ (170,189)	\$ -	\$ -	\$ 669,743

## NOTE 7 – LEASE AND CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Primary government – governmental activities</b>					
Capital assets (non-depreciable/non-amortizable):					
Land	\$ 23,755,885	\$ -	\$ -	\$ -	\$ 23,755,885
Construction in progress	32,227,171	16,043,268	(19,001)	(32,820,416)	15,431,022
Intangible assets	853,884	-	-	-	853,884
Total capital assets (non-depreciable/non-amortizable)	56,836,940	16,043,268	(19,001)	(32,820,416)	40,040,791
Capital assets (depreciable/amortizable):					
Buildings and improvements	55,268,989	6,409,875	-	1,799,472	63,478,336
Infrastructure	15,489,888	34,735	-	16,837,394	32,362,017
Machinery and equipment	23,814,822	1,919,421	(367,771)	9,550,174	34,916,646
Intangible assets	1,460,946	-	-	-	1,460,946
Total capital assets (depreciable/amortizable)	96,034,645	8,364,031	(367,771)	28,187,040	132,217,945
Less accumulated depreciation/amortization for:					
Buildings and improvements	(27,916,932)	(1,593,066)	-	-	(29,509,998)
Infrastructure	(13,593,162)	(694,920)	-	-	(14,288,082)
Machinery and equipment	(18,486,369)	(2,346,981)	333,171	-	(20,500,179)
Intangible assets	(1,338,836)	(48,838)	-	-	(1,387,674)
Total accumulated depreciation/amortization	(61,335,299)	(4,683,805)	333,171	-	(65,685,933)
Total capital assets (depreciable/amortizable), net	34,699,346	3,680,226	(34,600)	28,187,040	66,532,012
Governmental activities capital assets, net	\$ 91,536,286	\$ 19,723,494	\$ (53,601)	\$ (4,633,376)	\$ 106,572,803

**NOTE 7 – LEASE AND CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Primary government – business-type activities</b>					
Landfill and Recycling Fund:					
Capital assets (non-depreciable/non-amortizable):					
Landfill site	\$ 1,446,449	\$ -	\$ -	\$ -	\$ 1,446,449
Construction in progress	2,449,800	879,115	(246,974)	-	3,081,941
Total capital assets (non-depreciable/non-amortizable)	3,896,249	879,115	(246,974)	-	4,528,390
Capital assets (depreciable/amortizable):					
Buildings and improvements	21,741,354	-	-	-	21,741,354
Infrastructure	854,306	-	-	-	854,306
Machinery and equipment	3,330,975	-	(22,714)	-	3,308,261
Total capital assets (depreciable/amortizable)	25,926,635	-	(22,714)	-	25,903,921
Less accumulated depreciation/amortization for:					
Buildings and improvements	(12,107,796)	(860,187)	-	-	(12,967,983)
Infrastructure	(854,306)	-	-	-	(854,306)
Machinery and equipment	(2,098,549)	(141,948)	22,714	-	(2,217,783)
Total accumulated depreciation/amortization	(15,060,651)	(1,002,135)	22,714	-	(16,040,072)
Total capital assets (depreciable/amortizable), net	10,865,984	(1,002,135)	-	-	9,863,849
Landfill and Recycling Fund capital assets, net	14,762,233	(123,020)	(246,974)	-	14,392,239
Airport Fund:					
Capital assets (non-depreciable/non-amortizable):					
Land	6,612,678	-	-	-	6,612,678
Construction in progress	14,299,649	289,091	-	(10,773,805)	3,814,935
Intangible assets	228,836	-	-	-	228,836
Total capital assets (non-depreciable/non-amortizable)	21,141,163	289,091	-	(10,773,805)	10,656,449
Capital assets (depreciable/amortizable):					
Buildings and improvements	2,977,276	10,000	-	5,016,449	8,003,725
Infrastructure	12,845,652	-	-	5,757,356	18,603,008
Machinery and equipment	487,313	-	-	-	487,313
Total capital assets (depreciable/amortizable)	16,310,241	10,000	-	10,773,805	27,094,046
Less accumulated depreciation/amortization for:					
Buildings and improvements	(1,919,683)	(195,752)	-	-	(2,115,435)
Infrastructure	(10,679,613)	(255,179)	-	-	(10,934,792)
Machinery and equipment	(399,669)	(14,747)	-	-	(414,416)
Total accumulated depreciation/amortization	(12,998,965)	(465,678)	-	-	(13,464,643)
Total capital assets, (depreciable/amortizable), net	3,311,276	(455,678)	-	10,773,805	13,629,403
Airport Fund capital assets, net	\$ 24,452,439	\$ (166,587)	\$ -	\$ -	\$ 24,285,852



## NOTE 7 – LEASE AND CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Primary government – business-type activities (continued)</b>					
Sewer Fund:					
Capital assets (non-depreciable/non-amortizable)					
Land	\$ 557,540	\$ -	\$ -	\$ -	\$ 557,540
Construction in progress	5,917,659	-	-	4,633,377	10,551,036
Total capital assets (non-depreciable/non-amortizable)	6,475,199	-	-	4,633,377	11,108,576
Sewer Fund capital assets, net	6,475,199	-	-	4,633,377	11,108,576
Total business-type activities capital assets, net	\$ 45,689,871	\$ (289,607)	\$ (246,974)	\$ 4,633,377	\$ 49,786,667
<b>Component unit – School Board</b>					
Capital assets (non-depreciable/non-amortizable):					
Land	5,579,720	-	-	-	5,579,720
Construction in progress	707,020	316,117	-	(465,647)	557,490
Total capital assets (non-depreciable/non-amortizable)	6,286,740	316,117	-	(465,647)	6,137,210
Capital assets (depreciable/amortizable):					
Buildings and improvements	256,368,005	220,380	-	-	256,588,385
Infrastructure	5,482,079	-	-	-	5,482,079
Machinery and equipment	38,193,730	1,010,393	(200,533)	465,647	39,469,237
Intangible assets	117,000	-	(117,000)	-	-
Total capital assets (depreciable/amortizable)	300,160,814	1,230,773	(317,533)	465,647	301,539,701
Less accumulated depreciation/amortization for:					
Buildings and improvements	(118,618,313)	(6,370,135)	-	-	(124,988,448)
Infrastructure	(3,545,187)	(236,586)	-	-	(3,781,773)
Machinery and equipment	(20,336,815)	(2,348,955)	200,533	-	(22,485,237)
Intangible assets	(117,000)	-	117,000	-	-
Total accumulated depreciation/amortization	(142,617,315)	(8,955,676)	317,533	-	(151,255,458)
Total capital assets (depreciable/amortizable), net	157,543,499	(7,724,903)	-	465,647	150,284,243
School Board capital assets, net	\$ 163,830,239	\$ (7,408,786)	\$ -	\$ -	\$ 156,421,453

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

	Amortization	Depreciation
<b>Primary government – governmental activities</b>		
General government administration	\$ 156,484	\$ 553,106
Judicial administration	17,701	253,802
Public safety	53,213	1,959,618
Public works	-	261,687
Health and welfare	11,424	40,011
Parks, recreation, and cultural	11,700	1,407,483
Community development	161,578	208,098
Total governmental activities	\$ 412,100	\$ 4,683,805

---

**NOTE 7 – LEASE AND CAPITAL ASSETS (CONTINUED)**

---

**Primary government – business-type activities**

Landfill and Recycling Fund	\$	31,490	\$	1,002,135
Airport Fund		<u>12,961</u>		<u>465,678</u>
Total business-type activities		<u>44,451</u>		<u>1,467,813</u>

**Component unit – School Board**

\$	<u>341,647</u>	\$	<u>8,955,676</u>
----	----------------	----	------------------

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

	Primary Government		Component Unit - School Board	Reporting Entity Total
	Governmental Activities	Business-Type Activities		
Total capital and lease assets	\$ <u>107,843,855</u>	\$ <u>49,939,871</u>	\$ <u>157,091,196</u>	\$ <u>314,874,922</u>
Long-term obligations applicable to capital and lease assets:				
General obligation bonds	-	-	46,425,000	46,425,000
Financing agreements	22,726,607	7,590,000	12,078,384	42,394,991
Revenue bonds	-	16,845,934	-	16,845,934
Direct bond	-	-	8,585,000	8,585,000
Premium/Discount on bonds payable	1,638,879	1,715,217	2,718,241	6,072,337
Lease liabilities	1,282,275	155,225	671,699	2,109,199
Deferred charge on refunding	-	(399,461)	(271,684)	(671,145)
Retainage and accounts payable	4,878,146	17,926	-	4,896,072
Less unspent proceeds as of June 30, 2022	<u>(12,899,580)</u>	<u>(13,397,654)</u>	<u>-</u>	<u>(26,297,234)</u>
Subtotal long-term obligations applicable to capital assets	<u>17,626,327</u>	<u>12,527,187</u>	<u>70,206,640</u>	<u>100,360,154</u>
Net investment in capital and lease assets	\$ <u>90,217,528</u>	\$ <u>37,412,684</u>	\$ <u>86,884,556</u>	\$ <u>214,514,768</u>

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.

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

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 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, 2022, \$21,218,000 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, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount Due Within One Year
General long-term obligations:					
General obligation bonds	\$ 4,240,000	\$ -	\$ 2,130,000	\$ 2,110,000	\$ 2,110,000
Direct borrowings:					
Financing agreements	29,504,727	-	2,266,893	27,237,834	2,177,483
Direct placements:					
General obligation bonds	32,890,000	16,180,000	4,755,000	44,315,000	4,615,000
Direct bond	8,695,000	-	110,000	8,585,000	110,000
Premium on bonds payable	3,335,254	1,864,992	533,517	4,666,729	679,097
Lease liabilities	1,562,947	120,204	400,876	1,282,275	373,323
Compensated absences	5,312,039	4,910,364	4,688,692	5,533,711	553,371
Incurred but not reported claims	2,984,533	139,450	-	3,123,983	780,996
Total general long-term obligations	<u>\$ 88,524,500</u>	<u>\$ 23,215,010</u>	<u>\$ 14,884,978</u>	<u>\$ 96,854,532</u>	<u>\$ 11,399,270</u>

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount Due Within One Year
Deferred amount on refunding	<u>\$ (713,266)</u>	<u>\$ -</u>	<u>\$ (220,462)</u>	<u>\$ (492,804)</u>	<u>\$ (159,676)</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
<b>General obligation bonds:</b>		
\$13,260,000 General Obligation School Refunding Bonds, Series 2012, issued February 22, 2012, maturing annually from July 15, 2015 through July 15, 2022, with interest payable semiannually at rates from 2.00% to 4.00%.	\$ 2,110,000	\$ 2,110,000
Total General Obligation Bonds	\$ 2,110,000	\$ 2,110,000

**Direct borrowings:**Financing agreements

\$391,658 School Bus Lease, Series 2015, issued February 3, 2016, due in quarterly installments beginning May 3, 2016 through February 3, 2023, with interest payable quarterly at 1.734%. Four school buses costing \$391,658, are pledged as security for the debt. Accumulated depreciation at June 30, 2022 was \$169,702.

	\$ 44,268	\$ 44,268
--	-----------	-----------

\$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, 2022 was \$615,021.

	73,257	58,493
--	--------	--------

\$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, 2022 was \$207,144

	424,537	116,772
--	---------	---------

\$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, 2022 was \$0 as the project is still in progress.

	1,646,953	377,249
--	-----------	---------

\$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, 2022 was \$149,409.

	570,682	122,244
--	---------	---------

\$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, 2022 was \$104,288.

	623,483	108,443
--	---------	---------

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

<b>Direct borrowings (continued)</b>	<b>Amount Outstanding</b>	<b>Amount Due Within One Year</b>
\$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, 2022 was \$0 as the project is still in progress.	\$ 2,174,728	\$ 268,703
\$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, 2022 was \$0 as the project is still in progress.	934,926	111,311
\$2,775,000 Vint Hill 2016C Virginia Resources Authority Financing Lease, issued November 16, 2016, maturing annually beginning October 1, 2022 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.	2,775,000	285,000
\$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.	4,055,000	160,000
\$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.	8,120,000	315,000
\$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.	3,290,000	120,000
\$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.	\$ 2,505,000	\$ 90,000
Total direct borrowings	\$ 27,237,834	\$ 2,177,483

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

	Amount Outstanding	Amount Due Within One Year
<b>Direct placements:</b>		
<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%.	\$ 1,160,000	\$ 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%.	555,000	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%.	2,300,000	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.	10,205,000	1,705,000
\$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%.	5,000,000	560,000
\$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%.	6,580,000	470,000
\$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%.	2,335,000	150,000
\$16,180,000 Virginia Public School Authority Bonds, Series 2021B, issued April 29, 2021, maturing annually from January 15, 2022 through January 15, 2042, with interest payable semiannually at rates from 1.925% to 5.05%.	16,180,000	390,000
Total direct placements	44,315,000	4,615,000
<u>Direct bond</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%.	8,585,000	110,000
Total direct bond	\$ 8,585,000	\$ 110,000

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities:</b>		
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 06/30/2022, the value of the lease liability is \$252,432.93. 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 06/30/2022 of \$349,484.79 with accumulated amortization of \$97,530.64.	\$ 252,433	\$ 97,363
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 \$84,893.98 and as of 06/30/2022, the value of the lease liability is \$51,698.33. 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 06/30/2022 of \$84,893.98 with accumulated amortization of \$33,957.59. The lease has 1 extension option for 24 months.	51,698	34,272
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 15 months. The lease liability at 07/01/2021 was \$22,475.74 and as of 06/30/2022, the value of the lease liability is \$4,498.61. 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 06/30/2022 of \$22,475.74 with accumulated amortization of \$17,980.59. The lease has 1 extension option for 12 months.	4,499	4,499
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 38 months. The lease liability at 07/01/2021 was \$80,359.60 and as of 06/30/2022, the value of the lease liability is \$55,054.88. Payments are due monthly for \$2,125.00 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2022 of \$80,359.60 with accumulated amortization of \$25,376.72. The lease has 1 extension option(s), each for 24 months.	55,055	25,363
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 \$597,689.92 and as of 06/30/2022, the value of the lease liability is \$543,038.76. 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 06/30/2022 of \$597,689.92 with accumulated amortization of \$63,471.50. The lease has 1 extension option for 60 months.	543,039	56,152
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 06/30/2022, the value of the lease liability is \$7,314.00. 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 06/30/2022 of \$8,819.46 with accumulated amortization of \$1,600.57.	7,314	3,020

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
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 06/30/2022, the value of the lease liability is \$11,231.48. 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 06/30/2022 of \$14,187.09 with accumulated amortization of \$2,846.91.	\$ 11,231	\$ 2,971
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 06/30/2022, the value of the lease liability is \$22,925.66. 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 06/30/2022 of \$30,555.09 with accumulated amortization of \$6,790.02.	22,926	10,168
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 06/30/2022, the value of the lease liability is \$4,297.22. 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 06/30/2022 of \$5,718.76 with accumulated amortization of \$1,429.69.	4,297	1,426
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 06/30/2022, the value of the lease liability is \$2,978.93. 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 06/30/2022 of \$5,208.40 with accumulated amortization of \$2,232.17.	2,979	2,233
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 06/30/2022, the value of the lease liability is \$3,036.68. 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 06/30/2022 of \$5,175.53 with accumulated amortization of \$2,141.60.	3,037	2,143
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 06/30/2022, the value of the lease liability is \$3,567.16. 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 06/30/2022 of \$5,343.76 with accumulated amortization of \$1,781.25.	3,567	1,781



---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**


---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 14 months. The lease liability at 07/01/2021 was \$3,561.25 and as of 06/30/2022, 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 06/30/2022 of \$3,561.25 with accumulated amortization of \$3,052.50.	\$ 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 06/30/2022, the value of the lease liability is \$8,092.70. 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 06/30/2022 of \$9,434.71 with accumulated amortization of \$1,476.36.	8,093	3,229
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 06/30/2022, the value of the lease liability is \$2,758.09. 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 06/30/2022 of \$5,298.25 with accumulated amortization of \$2,467.49.	2,758	2,546
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 06/30/2022, the value of the lease liability is \$6,221.76. 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 06/30/2022 of \$7,190.26 with accumulated amortization of \$985.33.	6,222	2,325
At 07/01/2021, the County was under a lessee agreement for the use of building space for a term of 15 months. The lease liability at 07/01/2021 was \$2,113.56 and as of 06/30/2022, the value of the lease liability is \$528.78. Payments are due monthly for \$132.25 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$2,113.56 with accumulated amortization of \$1,632.79.	529	529
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 15 months. The lease liability at 07/01/2021 was \$1,918.42 and as of 06/30/2022, the value of the lease liability is \$479.97. Payments are due monthly for \$120.04 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$1,918.42 with accumulated amortization of \$1,482.04.	480	480
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 06/30/2022, the value of the lease liability is \$5,795.56. 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 06/30/2022 of \$7,608.38 with accumulated amortization of \$1,826.01.	5,796	1,821

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
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 06/30/2022, the value of the lease liability is \$9,458.63. 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 06/30/2022 of \$10,459.87 with accumulated amortization of \$360.28.	\$ 9,459	\$ 1,966
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 20 months. The lease liability at 07/01/2021 was \$2,836.28 and as of 06/30/2022, the value of the lease liability is \$1,135.55. Payments are due monthly for \$142.06 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$2,836.28 with accumulated amortization of \$1,696.11.	1,136	1,136
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 06/30/2022, the value of the lease liability is \$3,263.85. 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 06/30/2022 of \$4,889.37 with accumulated amortization of \$1,629.79.	3,264	1,629
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 \$5,435.56 and as of 06/30/2022, the value of the lease liability is \$2,720.66. Payments are due monthly for \$226.99 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$5,435.56 with accumulated amortization of \$2,623.06.	2,721	2,721
At 07/01/2021, the County was under a lessee agreement for the use of glass cleaning equipment for a term of 24 months. The lease liability at 07/01/2021 was \$2,483.52 and as of 06/30/2022, the value of the lease liability is \$1,287.88. Payments are due monthly for \$99.95 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$2,483.52 with accumulated amortization of \$1,241.76. The lease has 1 extension option for 12 months.	1,288	1,288
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 06/30/2022, the value of the lease liability is \$8,563.23. 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 06/30/2022 of \$11,173.45 with accumulated amortization of \$2,588.44.	8,563	2,621

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
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 06/30/2022, the value of the lease liability is \$6,383.83. 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 06/30/2022 of \$9,206.76 with accumulated amortization of \$2,634.68.	\$ 6,384	\$ 2,832
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 06/30/2022, the value of the lease liability is \$4,163.68. 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 06/30/2022 of \$7,278.66 with accumulated amortization of \$3,115.72.	4,164	3,122
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 06/30/2022, the value of the lease liability is \$2,625.28. 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 06/30/2022 of \$3,497.17 with accumulated amortization of \$861.34.	2,625	1,165
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 06/30/2022, the value of the lease liability is \$3,219.58. 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 06/30/2022 of \$5,789.08 with accumulated amortization of \$2,529.21.	3,220	2,575
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 06/30/2022, the value of the lease liability is \$2,625.28. 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 06/30/2022 of \$3,497.17 with accumulated amortization of \$861.34.	2,625	1,165
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 06/30/2022, the value of the lease liability is \$2,625.28. 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 06/30/2022 of \$3,497.17 with accumulated amortization of \$861.34.	2,625	1,164

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
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 06/30/2022, the value of the lease liability is \$2,625.31. 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 06/30/2022 of \$3,398.97 with accumulated amortization of \$837.15.	\$ 2,625	\$ 1,164
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 14 months. The lease liability at 07/01/2021 was \$2,983.07 and as of 06/30/2022, the value of the lease liability is \$426.48. Payments are due monthly for \$213.29 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$2,983.07 with accumulated amortization of \$2,556.92.	426	426
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 \$4,780.24 and as of 06/30/2022, the value of the lease liability is \$2,391.95. 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 06/30/2022 of \$4,780.24 with accumulated amortization of \$2,390.12.	2,392	2,392
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 06/30/2022, the value of the lease liability is \$40,580.51. 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 06/30/2022 of \$49,290.86 with accumulated amortization of \$8,828.21. The lease has 1 extension option(s), each for 60 months.	40,581	8,743
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 18 months. The lease liability at 07/01/2021 was \$48,255.55 and as of 06/30/2022, the value of the lease liability is \$16,257.78. 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 06/30/2022 of \$48,255.55 with accumulated amortization of \$32,170.37. The lease has 1 extension option, for 12 months.	16,258	16,258
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 06/30/2022, the value of the lease liability is \$8,809.15. 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 06/30/2022 of \$9,940.09 with accumulated amortization of \$1,168.88.	8,809	3,402

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
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 06/30/2022, the value of the lease liability is \$14,140.91. 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 06/30/2022 of \$17,523.69 with accumulated amortization of \$3,202.30. The lease has 5 extension option(s), each for 12 months.	\$ 14,141	\$ 3,170
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 06/30/2022, the value of the lease liability is \$2,697.29. 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 06/30/2022 of \$3,498.94 with accumulated amortization of \$799.25. The lease has 3 extension option(s), each for 12 months.	2,697	805
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 06/30/2022, the value of the lease liability is \$9,125.17. 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 06/30/2022 of \$15,175.89 with accumulated amortization of \$5,970.84. The lease has 1 extension option for 12 months.	9,125	6,077
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 13 months. The lease liability at 07/01/2021 was \$7,737.29 and as of 06/30/2022, the value of the lease liability is \$1,106.20. Payments are due monthly for \$553.22 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$7,737.29 with accumulated amortization of \$6,827.02. The lease has 1 extension option(s), each for 2 months.	1,106	1,106
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 14 months. The lease liability at 07/01/2021 was \$3,373.70 and as of 06/30/2022, the value of the lease liability is \$482.33. Payments are due monthly for \$241.22 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$3,373.70 with accumulated amortization of \$2,891.74.	482	482
At 07/01/2021, the County was under a lessee agreement for the use of mailing equipment for a term of 49 months. The lease liability at 07/01/2021 was \$11,300.07 and as of 06/30/2022, the value of the lease liability is \$8,487.91. Payments are due quarterly for \$902.43 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$11,300.07 with accumulated amortization of \$2,767.36.	8,488	2,816

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
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 \$3,740.60 and as of 06/30/2022, the value of the lease liability is \$1,946.87. 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 06/30/2022 of \$3,740.60 with accumulated amortization of \$1,805.12.	\$ 1,947	\$ 1,797
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 06/30/2022, the value of the lease liability is \$3,128.27. 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 06/30/2022 of \$4,754.18 with accumulated amortization of \$1,630.00.	3,128	1,630
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 06/30/2022, the value of the lease liability is \$8,273.70. 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 06/30/2022 of \$9,018.19 with accumulated amortization of \$751.52.	8,274	1,783
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 06/30/2022, the value of the lease liability is \$11,367.89. 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 06/30/2022 of \$13,707.78 with accumulated amortization of \$2,487.71.	11,368	4,693
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 06/30/2022, the value of the lease liability is \$2,856.99. 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 06/30/2022 of \$4,483.69 with accumulated amortization of \$1,630.43.	2,857	1,631
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 \$10,605.58 and as of 06/30/2022, the value of the lease liability is \$7,855.59. 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 06/30/2022 of \$10,605.58 with accumulated amortization of \$2,731.05.	7,856	2,761
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 06/30/2022, the value of the lease liability is \$5,709.21. 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 06/30/2022 of \$8,234.72 with accumulated amortization of \$2,499.58.	5,709	2,532

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 14 months. The lease liability at 07/01/2021 was \$4,099.99 and as of 06/30/2022, the value of the lease liability is \$586.18. Payments are due monthly for \$293.15 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$4,099.99 with accumulated amortization of \$3,514.28.	\$ 586	\$ 586
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 06/30/2022, the value of the lease liability is \$5,576.08. 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 06/30/2022 of \$7,658.15 with accumulated amortization of \$2,765.23.	5,576	3,481
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 22 months. The lease liability at 07/01/2021 was \$5,644.87 and as of 06/30/2022, the value of the lease liability is \$2,702.17. Payments are due monthly for \$245.92 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$5,644.87 with accumulated amortization of \$3,001.71.	2,702	2,702
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 06/30/2022, the value of the lease liability is \$5,992.24. 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 06/30/2022 of \$7,188.41 with accumulated amortization of \$998.39.	5,992	2,389
At 07/01/2021, the County was under a lessee agreement for the use of copier equipment for a term of 22 months. The lease liability at 07/01/2021 was \$4,066.64 and as of 06/30/2022, the value of the lease liability is \$1,850.15. 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 06/30/2022 of \$4,066.64 with accumulated amortization of \$2,218.17.	1,850	1,850
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 06/30/2022, the value of the lease liability is \$3,559.69. 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 06/30/2022 of \$6,604.85 with accumulated amortization of \$3,048.39.	3,559	3,051

# **NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

	Amount Outstanding	Amount Due Within One Year
<b>Lease liabilities (continued):</b>		
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 \$9,012.46 and as of 06/30/2022, the value of the lease liability is \$5,414.57. Payments are due monthly for \$301.56 and the lease has an interest rate of 0.3150%. The value of the right to use asset as of 06/30/2022 of \$9,012.46 with accumulated amortization of \$3,604.98.	\$ 5,414	\$ 3,607
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 06/30/2022, the value of the lease liability is \$50,133.66. 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 06/30/2022 of \$60,334.62 with accumulated amortization of \$12,006.89.	50,133	9,912
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 06/30/2022, the value of the lease liability is \$23,657.76. 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 06/30/2022 of \$29,657.76 with accumulated amortization of \$5,931.55.	23,658	5,863
Total lease liabilities	1,282,275	373,323
Premium on bonds payable	4,666,729	679,097
Compensated absences	5,533,711	553,371
Incurred but not reported claims	3,123,983	780,996
Total governmental activities long-term obligations	\$ 96,854,532	\$ 11,399,270

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

Fiscal Year	General obligation bonds		Direct Borrowings	
	Principal	Interest	Financing agreements	Interest
2023	\$ 2,110,000	\$ 42,200	\$ 2,177,482	\$ 978,242
2024	-	-	2,166,807	905,819
2025	-	-	2,224,840	831,331
2026	-	-	2,243,745	753,637
2027	-	-	1,890,687	676,596
2028-2032	-	-	7,299,273	2,303,957
2033-2037	-	-	6,080,000	1,021,713
2038-2040	-	-	3,155,000	124,916
Total	\$ 2,110,000	\$ 42,200	\$ 27,237,834	\$ 7,596,211



# **NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

Fiscal Year	Direct Placements					
	General obligation bonds		Direct bond		Lease liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 4,615,000	\$ 2,130,108	\$ 110,000	\$ 146,716	\$ 373,323	\$ 8,342
2024	4,790,000	1,796,418	2,190,000	126,936	302,545	6,570
2025	4,280,000	1,597,134	2,145,000	89,655	183,379	5,030
2026	4,155,000	1,413,613	2,095,000	53,191	98,233	4,002
2027	3,640,000	1,250,960	2,045,000	17,587	84,326	3,103
2028-2032	11,885,000	3,985,165	-	-	240,469	4,700
2033-2037	5,800,000	891,128	-	-	-	-
2038-2042	5,150,000	298,913	-	-	-	-
Total	\$ 44,315,000	\$ 13,363,439	\$ 8,585,000	\$ 434,085	\$ 1,282,275	\$ 31,747

## **BUSINESS-TYPE ACTIVITIES**

The following is a summary of long-term obligations of the business-type activities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount Due Within One Year
Business-type activities long-term obligations:					
Direct borrowings:					
Financing agreements	\$ 7,885,000	\$ -	\$ 295,000	\$ 7,590,000	\$ 300,000
Direct placements:					
Revenue bonds	1,499,625	15,766,449	420,140	16,845,934	815,140
Premium/Discount on bonds payable	205,194	1,640,243	130,220	1,715,217	194,240
Lease liabilities	176,059	21,595	42,429	155,225	43,830
Compensated absences	194,556	170,124	141,010	223,670	22,367
Landfill closure and postclosure liability	16,352,846	18,106,389	-	34,459,235	-
Total business-type activities long-term obligations	\$ 26,313,280	\$ 35,704,800	\$ 1,028,799	\$ 60,989,281	\$ 1,375,577
Deferred loss on refunding	\$ (427,750)	\$ -	\$ 28,290	\$ (399,461)	\$ (30,343)

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.

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Direct borrowings:</b>		
<b><u>Financing agreements</u></b>		
\$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.	\$ <u>2,175,000</u>	\$ <u>220,000</u>
 \$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.	 <u>5,415,000</u>	 <u>80,000</u>
Total financing agreements	<u>7,590,000</u>	<u>300,000</u>
 <b>Direct placements:</b>		
<b><u>Revenue bonds</u></b>		
\$5,170,000 Virginia Resources Authority Revenue bonds, Series 2012A, issued April 30, 2012, maturing annually from October 1, 2013 through October 1, 2032, with interest payable semiannually at rates from 3.424% to 5.125%.	70,000	70,000
 \$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%.	4,435,934	355,140
 \$12,340,000 Virginia Resources Authority Revenue bonds, Series 2021B, 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%.	 <u>12,340,000</u>	 <u>390,000</u>
Total revenue bonds	<u>16,845,934</u>	<u>815,140</u>
 <b>Lease liabilities:</b>		
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 06/30/2022, the value of the lease liability is \$25,256.91. 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 06/30/2022 of \$33,187.11 with accumulated amortization of \$7,374.91.	25,257	8,121

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
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 06/30/2022, the value of the lease liability is \$33,827.27. 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 06/30/2022 of \$41,772.88 with accumulated amortization of \$9,282.86.	\$ 33,827	\$ 8,072
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 06/30/2022, the value of the lease liability is \$33,827.27. 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 06/30/2022 of \$41,772.88 with accumulated amortization of \$9,282.86.	33,827	8,072
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 06/30/2022, the value of the lease liability is \$11,828.88. 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 06/30/2022 of \$14,814.63 with accumulated amortization of \$2,915.95.	11,829	2,932
At 07/01/2021, the Fauquier County Landfill was under a lessee agreement for the use of copier Equipment for a term of 27 month. The lease liability at 07/01/2021 was \$6,028.73 and as of 06/30/2022, the value of the lease liability is \$3,447.64. 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 06/30/2022 of \$6,028.73 with accumulated amortization of \$2,633.91. The lease has 1 extension option for 12 months.	3,448	2,585
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 06/30/2022, the value of the lease liability is \$5,467.00. 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 06/30/2022 of \$6,781.54 with accumulated amortization of \$1,318.63.	5,467	2,257

# **NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

	Amount Outstanding	Amount Due Within One Year
<b>Lease liabilities (continued):</b>		
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 06/30/2022, the value of the lease liability is \$41,570.34. 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 06/30/2022 of \$53,296.86 with accumulated amortization of \$11,642.52. The lease has 2 extension	\$ 41,570	\$ 11,791
Total lease liabilities	155,225	43,830
Premium on bonds payable	1,715,217	194,240
Compensated absences	223,670	22,367
Landfill closure and postclosure liability	34,459,235	-
Total business-type activities long-term obligations	\$ 60,989,281	\$ 1,375,577

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

Fiscal Year	Direct Borrowings		Direct Placements			
	Financing agreements		Revenue bonds		Lease liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 300,000	\$ 199,246	\$ 815,140	\$ 459,281	\$ 43,830	\$ 831
2024	385,000	186,921	765,140	437,113	43,084	595
2025	395,000	173,568	785,140	415,588	41,899	358
2026	410,000	159,274	805,140	393,038	26,412	128
2027	415,000	149,308	830,140	369,334	-	-
2028-2032	2,240,000	597,609	4,555,700	1,444,487	-	-
2033-2037	2,110,000	311,855	4,344,535	766,509	-	-
2038-2042	1,335,000	56,327	3,945,000	282,041	-	-
Total	\$ 7,590,000	\$ 1,834,108	\$ 16,845,934	\$ 4,567,390	\$ 155,225	\$ 1,912

---

**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, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount Due Within One Year
General long-term obligations:					
Direct borrowing:					
Financing agreement	\$ 10,941,095	\$ -	\$ 598,938	\$ 10,342,157	\$ 618,926
Lease liabilities	839,932	171,458	339,691	671,699	351,136
Compensated absences	<u>4,116,347</u>	<u>5,478,053</u>	<u>5,799,801</u>	<u>3,794,599</u>	<u>379,459</u>
Total general long-term obligations	<u>\$ 15,897,374</u>	<u>\$ 5,649,511</u>	<u>\$ 6,738,430</u>	<u>\$ 14,808,455</u>	<u>\$ 1,349,521</u>

Details of long-term obligations are outlined below:

	Amount Outstanding	Amount Due Within One Year
<b>Direct borrowing</b>		
<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.	\$ 10,342,157	\$ 618,926
Total Financing Agreements	<u>10,342,157</u>	<u>618,926</u>
<b>Lease liabilities</b>		
<u>Equipment</u>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$14,343.20 and as of 06/30/2022, the value of the lease liability is \$8,415.70. 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 06/30/2022 of \$14,343.20 with accumulated amortization of \$5,935.12.	8,416	5,938
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$10,438.12 and as of 06/30/2022, the value of the lease liability is \$6,124.45. 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 06/30/2022 of \$10,438.12 with accumulated amortization of \$4,319.22.	6,124	4,321
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 47 month(s). The lease liability at 07/01/2021 was \$23,481.77 and as of 06/30/2022, the value of the lease liability is \$18,513.73. Payments are due monthly for \$504.00 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$23,481.77 with accumulated amortization of \$5,995.35.	18,514	6,975

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 47 month(s). The lease liability at 07/01/2021 was \$15,887.47 and as of 06/30/2022, the value of the lease liability is \$12,526.16. Payments are due monthly for \$341.00 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$15,887.47 with accumulated amortization of \$4,056.37.	\$ 12,526	\$ 4,719
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 47 month(s). The lease liability at 07/01/2021 was \$24,087.45 and as of 06/30/2022, the value of the lease liability is \$18,991.27. Payments are due monthly for \$517.00 and the lease has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2022 of \$24,087.45 with accumulated amortization of \$6,149.99.	18,991	7,154
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 26 month(s). The lease liability at 07/01/2021 was \$10,168.93 and as of 06/30/2022, the value of the lease liability is \$5,480.55. 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 06/30/2022 of \$10,168.93 with accumulated amortization of \$4,693.35.	5,481	4,697
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$13,498.76 and as of 06/30/2022, the value of the lease liability is \$9,249.22. 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 06/30/2022 of \$13,498.76 with accumulated amortization of \$4,211.05.	9,249	4,261
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$13,498.76 and as of 06/30/2022, the value of the lease liability is \$9,249.22. 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 06/30/2022 of \$13,498.76 with accumulated amortization of \$4,211.05.	9,249	4,261
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$13,498.76 and as of 06/30/2022, the value of the lease liability is \$9,249.22. 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 06/30/2022 of \$13,498.76 with accumulated amortization of \$4,211.05.	9,249	4,261

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**


---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$4,235.42 and as of 06/30/2022, the value of the lease liability is \$2,901.71. 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 06/30/2022 of \$4,235.42 with accumulated amortization of \$1,337.50.	\$ 2,902	\$ 1,337
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$11,968.43 and as of 06/30/2022, the value of the lease liability is \$8,097.37. 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 06/30/2022 of \$11,968.43 with accumulated amortization of \$3,881.65.	8,097	3,880
At 09/30/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 48 month(s). The lease liability at 09/30/2021 was \$2,513.30 and as of 06/30/2022, the value of the lease liability is \$1,887.11. 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 06/30/2022 of \$2,513.30 with accumulated amortization of \$482.71.	1,887	626
At 07/01/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 42 month(s). The lease liability at 07/01/2021 was \$2,033.63 and as of 06/30/2022, the value of the lease liability is \$1,454.25. 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 06/30/2022 of \$2,033.63 with accumulated amortization of \$581.04.	1,454	580
At 07/01/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 22 month(s). The lease liability at 07/01/2021 was \$3,446.20 and as of 06/30/2022, the value of the lease liability is \$1,478.16. Payments are due quarterly for \$493.26 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$3,446.20 with accumulated amortization of \$1,832.54.	1,478	1,478
At 01/01/2022, the School Board was under a lessee agreement for the use of copier Equipment for a term of 36 month(s). The lease liability at 01/01/2022 was \$18,251.89 and as of 06/30/2022, the value of the lease liability is \$15,220.67. 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 06/30/2022 of \$18,251.89 with accumulated amortization of \$3,041.98.	15,221	6,069

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**


---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 28 month(s). The lease liability at 07/01/2021 was \$10,481.60 and as of 06/30/2022, the value of the lease liability is \$5,994.92. 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 06/30/2022 of \$10,481.60 with accumulated amortization of \$4,492.11.	\$ 5,995	\$ 4,495
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 28 month(s). The lease liability at 07/01/2021 was \$4,669.88 and as of 06/30/2022, the value of the lease liability is \$2,670.95. 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 06/30/2022 of \$4,669.88 with accumulated amortization of \$2,001.38.	2,671	2,002
At 07/01/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 36 month(s). The lease liability at 07/01/2021 was \$6,744.15 and as of 06/30/2022, the value of the lease liability is \$4,153.12. 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 06/30/2022 of \$6,744.15 with accumulated amortization of \$2,248.05.	4,153	2,073
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$6,027.20 and as of 06/30/2022, the value of the lease liability is \$3,702.22. Payments are due monthly for \$218.08 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$6,027.20 with accumulated amortization of \$2,494.01.	3,702	2,612
At 11/22/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 60 month(s). The lease liability at 11/22/2021 was \$15,008.69 and as of 06/30/2022, the value of the lease liability is \$13,027.95. 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 06/30/2022 of \$15,008.69 with accumulated amortization of \$1,826.06.	13,028	2,975
At 07/01/2021, the School Board was under a agreement for the use of copier equipment for a term of 40 month(s). The initial lease liability was \$14,591.97. As of 06/30/2022, the value of the lease liability is \$10,329.11. the School Board is required to make monthly fixed payments of \$357.00. The lease has an interest rate of 0.1850%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$14,591.97 with accumulated amortization of \$4,327.11.	10,329	4,269



---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$11,225.08 and as of 06/30/2022, the value of the lease liability is \$7,686.23. 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 06/30/2022 of \$11,225.08 with accumulated amortization of \$3,544.76.	\$ 7,686	\$ 3,544
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 26 month(s). The lease liability at 07/01/2021 was \$8,080.81 and as of 06/30/2022, the value of the lease liability is \$4,356.91. 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 06/30/2022 of \$8,080.81 with accumulated amortization of \$3,729.60.	4,357	3,734
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$6,206.97 and as of 06/30/2022, the value of the lease liability is \$4,250.74. 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 06/30/2022 of \$6,206.97 with accumulated amortization of \$1,960.10.	4,251	1,959
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$14,765.65 and as of 06/30/2022, the value of the lease liability is \$8,662.39. 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 06/30/2022 of \$14,765.65 with accumulated amortization of \$6,109.92.	8,662	6,112
At 11/04/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 36 month(s). The lease liability at 11/04/2021 was \$18,311.18 and as of 06/30/2022, the value of the lease liability is \$14,249.77. 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 06/30/2022 of \$18,311.18 with accumulated amortization of \$4,018.29.	14,250	6,098
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 28 month(s). The lease liability at 07/01/2021 was \$14,236.83 and as of 06/30/2022, the value of the lease liability is \$8,145.99. 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 06/30/2022 of \$14,236.83 with accumulated amortization of \$6,101.50.	8,146	6,106
At 11/04/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 36 month(s). The lease liability at 11/04/2021 was \$18,311.18 and as of 06/30/2022, the value of the lease liability is \$14,249.77. 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 06/30/2022 of \$18,311.18 with accumulated amortization of \$4,018.29.	14,250	6,098

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 52 month(s). The lease liability at 07/01/2021 was \$7,002.50 and as of 06/30/2022, the value of the lease liability is \$5,060.80. 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 06/30/2022 of \$7,002.50 with accumulated amortization of \$1,615.96.	\$ 5,061	\$ 1,552
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$11,483.00 and as of 06/30/2022, the value of the lease liability is \$6,744.21. 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 06/30/2022 of \$11,483.00 with accumulated amortization of \$4,751.59.	6,744	4,756
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$6,570.65 and as of 06/30/2022, the value of the lease liability is \$3,855.25. 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 06/30/2022 of \$6,570.65 with accumulated amortization of \$2,718.89.	3,855	2,720
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$4,528.73 and as of 06/30/2022, the value of the lease liability is \$2,657.18. 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 06/30/2022 of \$4,528.73 with accumulated amortization of \$1,873.96.	2,657	1,875
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$2,907.69 and as of 06/30/2022, the value of the lease liability is \$1,706.05. 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 06/30/2022 of \$2,907.69 with accumulated amortization of \$1,203.18.	1,706	1,204
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$6,570.65 and as of 06/30/2022, the value of the lease liability is \$3,855.25. 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 06/30/2022 of \$6,570.65 with accumulated amortization of \$2,718.89.	3,855	2,720
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$4,500.96 and as of 06/30/2022, the value of the lease liability is \$2,640.89. 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 06/30/2022 of \$4,500.96 with accumulated amortization of \$1,862.47.	2,641	1,863

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$16,267.68 and as of 06/30/2022, the value of the lease liability is \$9,544.87. 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 06/30/2022 of \$16,267.68 with accumulated amortization of \$6,731.45.	\$ 9,545	\$ 6,735
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$5,809.89 and as of 06/30/2022, the value of the lease liability is \$3,408.88. 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 06/30/2022 of \$5,809.89 with accumulated amortization of \$2,404.09.	3,409	2,405
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 40 month(s). The lease liability at 07/01/2021 was \$14,560.52 and as of 06/30/2022, the value of the lease liability is \$10,312.39. 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 06/30/2022 of \$14,560.52 with accumulated amortization of \$4,317.78.	10,312	4,258
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 40 month(s). The lease liability at 07/01/2021 was \$12,113.37 and as of 06/30/2022, the value of the lease liability is \$8,579.21. 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 06/30/2022 of \$12,113.37 with accumulated amortization of \$3,592.10.	8,579	3,542
At 09/22/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 48 month(s). The lease liability at 09/22/2021 was \$39,771.09 and as of 06/30/2022, the value of the lease liability is \$31,533.28. 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 06/30/2022 of \$39,771.09 with accumulated amortization of \$7,705.65.	31,533	9,909
At 07/01/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 26 month(s). The lease liability at 07/01/2021 was \$2,250.70 and as of 06/30/2022, the value of the lease liability is \$1,126.47. Payments are due quarterly for \$282.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$2,250.70 with accumulated amortization of \$1,020.47.	1,126	1,126

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**


---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of transportation monitoring equipment for a term of 33 month(s). The lease liability at 07/01/2021 was \$212,534.71 and as of 06/30/2022, the value of the lease liability is \$135,426.53. Payments are due monthly for \$6,467.50 and the lease has an interest rate of 0.3147%. The value of the right to use asset as of 06/30/2022 of \$212,534.71 with accumulated amortization of \$77,285.35.	\$ 135,427	\$ 77,295
At 07/01/2021, the School Board was under a lessee agreement for the use of copier Equipment for a term of 26 month. The lease liability at 07/01/2021 was \$3,320.47 and as of 06/30/2022, the value of the lease liability is \$1,789.57. 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 06/30/2022 of \$3,320.47 with accumulated amortization of \$1,532.52.	1,790	1,534
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 14 month(s). The lease liability at 07/01/2021 was \$8,888.09 and as of 06/30/2022, the value of the lease liability is \$1,270.70. Payments are due monthly for \$928.50 and the lease has an interest rate of 0.1850%. The value of the right to use asset as of 06/30/2022 of \$8,888.09 with accumulated amortization of \$7,618.36.	1,271	1,271
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 18 month(s). The lease liability at 07/01/2021 was \$8,730.03 and as of 06/30/2022, the value of the lease liability is \$2,912.65. 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 06/30/2022 of \$8,730.03 with accumulated amortization of \$5,820.02.	2,913	2,913
At 09/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 36 month(s). The lease liability at 09/01/2021 was \$17,407.37 and as of 06/30/2022, the value of the lease liability is \$12,585.16. 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 06/30/2022 of \$17,407.37 with accumulated amortization of \$4,835.38.	12,585	5,798
At 07/01/2021, the School Board was under a lessee agreement for the use of copier Equipment for a term of 28 month(s). The lease liability at 07/01/2021 was \$8,268.75 and as of 06/30/2022, the value of the lease liability is \$4,730.15. 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 06/30/2022 of \$8,268.75 with accumulated amortization of \$3,543.75.	4,730	3,546
At 07/01/2021, the School Board was under a lessee agreement for the use of copier Equipment for a term of 28 month(s). The lease liability at 07/01/2021 was \$8,268.75 and as of 06/30/2022, the value of the lease liability is \$4,730.15. 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 06/30/2022 of \$8,268.75 with accumulated amortization of \$3,543.75.	4,730	3,546

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 10/31/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 24 month(s). The lease liability at 10/31/2021 was \$4,270.98 and as of 06/30/2022, the value of the lease liability is \$2,671.28. 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 06/30/2022 of \$4,270.98 with accumulated amortization of \$1,489.59.	\$ 2,671	\$ 2,136
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 22 month(s). The lease liability at 07/01/2021 was \$1,514.89 and as of 06/30/2022, the value of the lease liability is \$689.30. Payments are due monthly for \$69.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$1,514.89 with accumulated amortization of \$797.31.	689	689
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 27 month(s). The lease liability at 07/01/2021 was \$18,099.09 and as of 06/30/2022, the value of the lease liability is \$9,903.11. 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 06/30/2022 of \$18,099.09 with accumulated amortization of \$7,897.78.	10,352	7,761
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 22 month(s). The lease liability at 07/01/2021 was \$5,462.47 and as of 06/30/2022, the value of the lease liability is \$2,485.44. Payments are due monthly for \$248.79 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$5,462.47 with accumulated amortization of \$2,913.32.	2,485	2,485
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 22 month(s). The lease liability at 07/01/2021 was \$7,942.14 and as of 06/30/2022, the value of the lease liability is \$3,801.86. Payments are due monthly for \$346.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$7,942.14 with accumulated amortization of \$4,198.49.	3,802	3,802
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 24 month(s). The lease liability at 07/01/2021 was \$4,404.38 and as of 06/30/2022, the value of the lease liability is \$2,204.33. Payments are due monthly for \$183.91 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$4,404.38 with accumulated amortization of \$2,172.02.	2,204	2,204

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 22 month(s). The lease liability at 07/01/2021 was \$12,096.85 and as of 06/30/2022, the value of the lease liability is \$5,790.70. Payments are due monthly for \$527.00 and the lease has an interest rate of 0.2177%. The value of the right to use asset as of 06/30/2022 of \$12,096.85 with accumulated amortization of \$6,451.65.	\$ 5,791	\$ 5,791
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$11,968.43 and as of 06/30/2022, the value of the lease liability is \$8,097.37. 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 06/30/2022 of \$11,968.43 with accumulated amortization of \$3,881.65.	8,097	3,880
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$10,662.89 and as of 06/30/2022, the value of the lease liability is \$7,306.11. 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 06/30/2022 of \$10,662.89 with accumulated amortization of \$3,326.38.	7,306	3,366
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$9,454.07 and as of 06/30/2022, the value of the lease liability is \$6,477.03. 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 06/30/2022 of \$9,454.07 with accumulated amortization of \$2,985.50.	6,477	2,984
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 26 month(s). The lease liability at 07/01/2021 was \$10,168.93 and as of 06/30/2022, the value of the lease liability is \$5,480.55. 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 06/30/2022 of \$10,168.93 with accumulated amortization of \$4,693.35.	5,482	4,695
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$17,017.33 and as of 06/30/2022, the value of the lease liability is \$11,658.68. 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 06/30/2022 of \$17,017.33 with accumulated amortization of \$5,373.89.	11,659	5,371
At 07/01/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 29 month(s). The lease liability at 07/01/2021 was \$896.16 and as of 06/30/2022, the value of the lease liability is \$716.74. 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 06/30/2022 of \$896.16 with accumulated amortization of \$364.95.	717	537

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 30 month(s). The lease liability at 07/01/2021 was \$10,208.41 and as of 06/30/2022, the value of the lease liability is \$6,133.13. 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 06/30/2022 of \$10,208.41 with accumulated amortization of \$4,083.36.	\$ 6,133	\$ 4,086
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 25 month(s). The lease liability at 07/01/2021 was \$2,613.55 and as of 06/30/2022, the value of the lease liability is \$1,360.29. 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 06/30/2022 of \$2,613.55 with accumulated amortization of \$1,254.50.	1,360	1,256
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 26 month(s). The lease liability at 07/01/2021 was \$6,626.90 and as of 06/30/2022, the value of the lease liability is \$3,571.58. 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 06/30/2022 of \$6,626.90 with accumulated amortization of \$3,058.57.	3,572	3,061
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 20 month(s). The lease liability at 07/01/2021 was \$5,075.64 and as of 06/30/2022, the value of the lease liability is \$2,032.11. Payments are due monthly for \$254.22 and the lease has an interest rate of 0.2180%. The value of the right to use asset as of 06/30/2022 of \$5,075.64 with accumulated amortization of \$3,045.38.	2,032	2,032
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2022, the value of the lease liability is \$8,545.81. 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 06/30/2022 of \$12,631.23 with accumulated amortization of \$4,096.62.	8,546	4,095
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2022, the value of the lease liability is \$8,545.81. 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 06/30/2022 of \$12,631.23 with accumulated amortization of \$4,096.62.	8,546	4,095

---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<b>Lease liabilities (continued):</b>		
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2022, the value of the lease liability is \$8,545.81. 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 06/30/2022 of \$12,631.23 with accumulated amortization of \$4,096.62.	\$ 8,546	\$ 4,095
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$12,631.23 and as of 06/30/2022, the value of the lease liability is \$8,545.81. 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 06/30/2022 of \$12,631.23 with accumulated amortization of \$4,096.62.	8,546	4,095
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$19,149.39 and as of 06/30/2022, the value of the lease liability is \$12,955.73. 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 06/30/2022 of \$19,149.39 with accumulated amortization of \$6,210.61.	12,956	6,208
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 37 month(s). The lease liability at 07/01/2021 was \$1,735.04 and as of 06/30/2022, the value of the lease liability is \$1,158.21. 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 06/30/2022 of \$1,735.04 with accumulated amortization of \$562.72.	1,158	578
At 07/01/2021, the School Board was under a lessee agreement for the use of copier equipment for a term of 38 month(s). The lease liability at 07/01/2021 was \$17,100.00 and as of 06/30/2022, the value of the lease liability is \$11,700.00. 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 06/30/2022 of \$17,100.00 with accumulated amortization of \$5,400.00.	11,700	5,400
At 07/01/2021, the School Board was under a lessee agreement for the use of mailing equipment for a term of 42 month(s). The lease liability at 07/01/2021 was \$15,016.09 and as of 06/30/2022, the value of the lease liability is \$10,746.16. 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 06/30/2022 of \$15,016.09 with accumulated amortization of \$4,290.31.	10,746	4,284



---

**NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)**

---

	Amount Outstanding	Amount Due Within One Year
<b>Lease liabilities (continued):</b>		
At 04/01/2022, the School Board was under a lessee agreement for the use of copier equipment for a term of 49 month(s). The lease liability at 04/01/2022 was \$37,612.33 and as of 06/30/2022, the value of the lease liability is \$35,339.04. Payments are due monthly for \$800.14 and the lease has an interest rate of 2.0930%. The value of the right to use asset as of 06/30/2022 of \$37,612.33 with accumulated amortization of \$2,302.80.	\$ 35,339	\$ 8,948
Total lease liabilities	671,699	351,136
Compensated absences	3,794,599	379,459
Total component unit long-term obligations	\$ 14,808,455	\$ 1,349,521

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

Fiscal Year	Direct Borrowing		Lease liabilities	
	Financing Agreement			
	Principal	Interest	Principal	Interest
2023	\$ 618,926	\$ 337,246	\$ 351,136	\$ 2,211
2024	639,582	316,590	242,744	1,065
2025	660,928	295,244	63,784	397
2026	682,986	273,187	13,019	95
2027	705,779	250,393	1,016	-
2028-2032	3,898,337	882,524	1,016	-
2032-2036	3,135,619	210,986	-	-
Total	\$ 10,342,157	\$ 2,566,170	\$ 671,699	\$ 3,768

---

**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.

---

**NOTE 9 – COMMITMENTS (CONTINUED)**

---

The following is a summary of long-term commitments of the County for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount Due Within One Year
General long-term commitments:					
USDA Loans	\$ 7,583,420	\$ -	\$ 191,458	\$ 7,391,962	\$ 198,943

Details of long-term commitments are as follows:

	Amount Due	Amount Due Within One Year
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%.	\$ 2,349,738	\$ 55,526
\$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%.	823,081	17,624
\$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%.	4,219,143	125,793
Total long-term commitments	\$ 7,391,962	\$ 198,943

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

Fiscal Year	Principal	Interest
2023	\$ 198,943	\$ 291,154
2024	206,721	283,376
2025	214,805	275,292
2026	223,206	266,891
2027	231,937	258,160
2028-2032	1,303,115	1,147,370
2033-2037	1,578,915	871,570
2038-2042	1,913,308	537,177
2043-2047	1,470,107	161,375
2048	50,905	2,227
Total	\$ 7,391,962	\$ 4,094,592

---

**NOTE 9 – COMMITMENTS (CONTINUED)**

---

**B. Construction commitments**

At June 30, 2022, the County had several major projects under construction which are summarized below:

Project Name	Contractor	Contract Amount	Expended to Date	Balance
Cedar Lee Middle School Expansion & Renovation	Taft Construction	\$ 18,347,000	\$ 7,290,977	\$ 11,056,023
Landfill 2020 GCCS Expansion Services	SCS Field Services	358,565	358,515	50
Salem Ave Extension	Groundscapes	1,246,406	1,059,805	186,601
Marshall Main Street	Shirley Contracting Co	4,930,309	2,841,699	2,088,610
Warrenton Branch Greenway	Shirley Contracting Co	917,345	889,829	27,516
Catlett-Calverton Wastewater Treatment System	English Construction	8,909,749	8,739,937	169,812
	Total	\$ 34,709,374	\$ 21,180,762	\$ 13,528,612

**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.

---

**NOTE 10 – TAX ABATEMENT DISCLOSURES (CONTINUED)**

---

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 31<sup>st</sup> 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 abatement agreements is 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,

---

**NOTE 10 – TAX ABATEMENT DISCLOSURES (CONTINUED)**

---

- b) the date the business commences operations, or
- c) the date an existing business completes a qualifying expansion.

In the event that 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.

For fiscal year ended June 30, 2022, the County had abated taxes as follows:

<b>Tax Abatement Area</b>	<b>Taxes Abated during the fiscal year</b>
<u>Affordable Housing</u>	
Real Estate Taxes	\$ 30,000
<u>Community Organizations</u>	
Real Estate Taxes	\$ 12,189
<u>Volunteer Emergency Services Agencies/Volunteer Fire Departments</u>	
Personal Property Taxes	\$ 167,590

---

**NOTE 11 – LANDFILL CLOSURE AND POSTCLOSURE 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 postclosure 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 postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$34,459,235 reported as landfill closure/postclosure care liability at June 30, 2022, represents the cumulative amount reported based on the use of 100% of the estimated capacity of the old landfill, the use of 74.77% of the estimated capacity of the new landfill, and the closure costs for the Construction and Demolition Recycling facility, including Corrective Action, of \$58,175 and the Transfer Station of \$2,673. The County will recognize the remaining estimated cost of closure and postclosure care of \$3,243,143 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 postclosure care in 2022.

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.

The County demonstrated financial assurance requirements for closure and postclosure 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*.

---

**NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN**

---

**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 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/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-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 criteria. 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 were allowed to 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. <b><i>This does not apply to the VRS Teacher Retirement Plan.</i></b>
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.

---

**NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)**


---

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.
Service Retirement Multiplier	<b>VRS:</b> 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%. <b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. <b>Political subdivision hazardous duty employees:</b> 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	<b>VRS:</b> Age 65. <b>Political subdivisions hazardous duty employees:</b> Age 60.
Earliest Unreduced Retirement Eligibility	<b>VRS:</b> Age 65 with at least five years (60 months) of service credit or age 50 with at least 30 years of service credit. <b>Political subdivisions hazardous duty employees:</b> 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	<b>VRS:</b> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. <b>Political subdivisions hazardous duty employees:</b> 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%. <b>Eligibility:</b> 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. <b>Exceptions to COLA Effective Dates:</b> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability.</li> <li>• 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.</li> <li>• 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.</li> </ul>
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.

---

**NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)**


---

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.
Hybrid Opt-In Election	Eligible Plan 2 members were allowed to 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. <b><i>This does not apply to the VRS Teacher Retirement Plan.</i></b>
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	<b>VRS:</b> 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. <b>Sheriffs and regional jail superintendents:</b> Same as Plan 1. <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.
Normal Retirement Age	<b>VRS:</b> Normal Social Security retirement age. <b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.
Earliest Unreduced Retirement Eligibility	<b>VRS:</b> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. <b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.
Earliest Reduced Retirement Eligibility	<b>VRS:</b> Age 60 with at least five years (60 months) of service credit. <b>Political subdivisions hazardous duty employees:</b> 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%. <b>Eligibility:</b> Same as Plan 1. <b>Exceptions to COLA Effective Dates:</b> 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. <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</li> <li>• 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.</li> </ul> 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	<p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision or school division employees.*</li> <li>• 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.</li> </ul> <p>*Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul> <p>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.</p>
Retirement Contributions	<p>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.</p>
Service Credit	<p><b>Defined Benefit Component:</b> 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.</p> <p><b>Defined Contributions Component:</b> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
Vesting	<p><b>Defined Benefit Component:</b> 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.</p> <p><b>Defined Contributions Component:</b> 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.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>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.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required, except as governed by law.</p>
Calculating the Benefit	<p><b>Defined Benefit Component:</b> See definition under Plan 1.</p> <p><b>Defined Contribution Component:</b> 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.</p>
Average Final Compensation	<p>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

---

**NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)**

---

Service Retirement Multiplier	<b>Defined Benefit Component: VRS:</b> 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. <b>Sheriffs and regional jail superintendents:</b> Not applicable. <b>Political subdivision hazardous duty employees:</b> Not applicable. <b>Defined Contribution Component:</b> Not applicable.
Normal Retirement Age	<b>Defined Benefit Component: VRS:</b> Same as Plan 2. <b>Political subdivision hazardous duty employees:</b> Not applicable. <b>Defined Contribution Component:</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility	<b>Defined Benefit Component: VRS:</b> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90. <b>Political subdivisions hazardous duty employees:</b> Not applicable. <b>Defined Contribution Component:</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility	<b>Defined Benefit Component: VRS:</b> Age 60 with at least five years (60 months) of service credit. <b>Political subdivisions hazardous duty employees:</b> Not applicable. <b>Defined Contribution Component:</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost of Living Adjustment (COLA) in Retirement	<b>Defined Benefit Component:</b> Same as Plan 2. <b>Defined Contribution Component:</b> Not Applicable. <b>Eligibility:</b> Same as Plan 1 and Plan 2. <b>Exceptions to COLA Effective Dates:</b> 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	<b>Defined Benefit Component:</b> Same as Plan 1, with the following exception: <ul style="list-style-type: none"><li>• Hybrid Retirement Plan members are ineligible for ported service.</li></ul> <b>Defined Contribution Component:</b> 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, 2021. 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, 2020, 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, 2021.

---

**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 market 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 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, 2020 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 employees**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 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; Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service

**Public safety employees with hazardous duty benefits**Largest 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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP- Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic normal return	<u>7.39%</u>

\* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account 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 6.94%, 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, 2021, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, 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 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.

---

**NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)**

---

**F. Employees covered by the benefit terms**

As of the June 30, 2021 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	360	209
Inactive members entitled to but not yet receiving benefits		
Vested	142	58
Non-vested	278	208
Active elsewhere in the VRS	<u>243</u>	<u>119</u>
Total inactive members	663	385
Active members	<u>707</u>	<u>341</u>
Total	<u>1,370</u>	<u>726</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, 2022 was 10.37% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 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, 2022 was 5.09% 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, 2019. 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.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act and is classified as a non-employer contribution. The proportionate share to the Fauquier County School Board was \$3,753,563.

**NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)**

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	\$	44,389,906	\$	8,468,533	\$	78,840,487
Employer contribution rates		10.37%		5.09%		16.62%
Employee contribution rates		5.00%		5.00%		5.00%
Total contribution rates		15.37%		10.09%		21.62%
Contributions recognized, June 30, 2021		4,348,043		361,832		12,605,268
Contributions recognized, June 30, 2020	\$	4,134,958	\$	330,784	\$	12,296,392

**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, 2020	\$ 149,562,404	\$ 132,028,590	\$ 17,533,814
Changes for the Year			
Service cost	5,036,308	-	5,036,308
Interest	9,897,408	-	9,897,408
Changes of assumptions	6,269,424	-	6,269,424
Difference between expected and actual experience	(1,196,210)	-	(1,196,210)
Contributions- employer	-	4,137,390	(4,137,390)
Contributions- employee	-	2,029,973	(2,029,973)
Net investment income	-	36,494,625	(36,494,625)
Benefit payments, including refunds of employee contributions	(5,868,239)	(5,868,239)	-
Administrative expense	-	(88,127)	88,127
Other changes	-	3,463	(3,463)
Net changes	14,138,691	36,709,085	(22,570,394)
Balances at June 30, 2021	\$ 163,701,095	\$ 168,737,675	\$ (5,036,580)
Sensitivity of the Net Pension Liability to Changes in Discount Rate	1% Decrease 5.75%	Discount Rate 6.75%	1% increase 7.75%
	\$ 18,515,592	\$ (5,036,580)	\$ (24,248,372)



---

**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, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined contributions for all participating employers. At June 30, 2021, the School Board's proportion was .86917% as compared to .90005% at June 30, 2020.

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	\$ 53,381,141
Plan Fiduciary Net Position	<u>45,618,044</u>
Employer's Net Pension Liability (Asset)	\$ 7,763,097
Plan Fiduciary Net Position as Percentage of the Total Pension Liability (Asset)	85.46%

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 also 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, 2020	\$ 28,676,083	\$ 28,104,947	\$ 571,136
Changes for the Year			
Service cost	701,598	-	701,598
Interest	1,881,376	-	1,881,376
Changes of assumptions	926,324	-	926,324
Difference between expected and actual experience	(443,583)	-	(443,583)
Contributions- employer	-	330,783	(330,783)
Contributions- employee	-	349,451	(349,451)
Net investment income	-	7,594,348	(7,594,348)
Benefit payments, including refunds of employee contributions	(1,607,682)	(1,607,682)	-
Administrative expense	-	(19,277)	19,277
Other changes	-	713	(713)
Net changes	1,458,033	6,648,336	(5,190,303)
Balances at June 30, 2021	\$ <u>30,134,116</u>	\$ <u>34,753,283</u>	\$ <u>(4,619,167)</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 .86917% of the collective pension liability, fiduciary net position, and net pension liability	\$ 463,972,866	\$ 396,498,353	\$ 67,474,513
Total School Board Balances at June 30, 2020	\$ 494,106,982	\$ 431,251,636	\$ 62,855,346
	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	\$ (1,104,088)	\$ (4,619,167)	\$ (7,547,302)
School Board (teacher cost sharing pool) proportionate share of the collective net pension liability	\$ 130,222,157	\$ 67,474,513	\$ 15,856,195

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

For the year ended June 30, 2022, the County recognized pension expense totaling \$1,682,666. For the Non-professional Retirement Plan, the School Board recognized pension expense of (\$196,644) and for the Teacher Retirement Plan the School Board recognized (\$780,859) for its share of the total pension expense.

At June 30, 2022, 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			
			Non-professional Retirement			
	Retirement Plan		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	\$ 392,090	\$ (868,481)	\$ 72,845	\$ (263,995)	\$ -	\$ (5,747,070)
Net difference between projected and actual earnings on pension plan investments	-	(18,289,379)	-	(3,762,086)	-	(42,520,633)
Changes in assumptions	5,283,014	-	551,294	-	11,821,358	-
Changes in proportion and differences between employer contributions and the proportionate share of contributions	-	-	-	-	-	(4,535,855)
Contributions subsequent to the measurement date	4,348,043	-	361,832	-	12,605,268	-
Total	\$ 10,023,147	\$ (19,157,860)	\$ 985,971	\$ (4,026,081)	\$ 24,426,626	\$ (52,803,558)

---

**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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	Primary Government	School Board		Total
	Retirement Plan	Non-professional Retirement Plan	Teacher Retirement Plan	
2023	\$ (1,917,352)	\$ (612,642)	\$ (10,130,085)	\$ (10,742,727)
2024	(2,687,993)	(767,786)	(8,695,525)	(9,463,311)
2025	(3,362,318)	(875,674)	(9,386,990)	(10,262,664)
2026	(5,515,093)	(1,145,840)	(12,772,967)	(13,918,807)
2027	-	-	3,367	3,367

---

**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 are allowed to 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	<p>Eligible members include Fauquier County employees who:</p> <ul style="list-style-type: none"><li>• Attain age 50.</li><li>• Participated in the County’s Health care program for the 5 years immediately prior to retirement.</li><li>• 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.</li><li>• Retire with an unreduced benefit through VRS and not on VRS Medical Disability.</li></ul>
Benefit Amounts	<ul style="list-style-type: none"><li>• 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).</li><li>• Post-65: Portable monthly health credit of \$5.50 per year of service up to 30 years (\$165 per month subsidy maximum).</li><li>• Retirees are not required to have health coverage with the County to receive the stated benefits.</li><li>• All benefits are provided for the employee only (credit not provided for dependents).</li></ul>

**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 amount 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	<p>The benefits payable under the VRS GLI Program have several components.</p> <ul style="list-style-type: none"><li>• <b>Natural Death Benefit</b> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li><li>• <b>Accidental Death Benefit</b> – The accidental death benefit is double the natural death benefit.</li><li>• <b>Other Benefit Provisions</b> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none"><li>– Accidental dismemberment benefit</li><li>– Safety belt benefit</li><li>– Repatriation benefit</li><li>– Felonious assault benefit</li></ul></li></ul> <p>Accelerated death benefit option</p>
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 \$8,722 effective June 30, 2022.

Detailed information about the VRS GLI Program's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Financial Report (AFR). A copy of the 2021 VRS AFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-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	<p>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.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"><li>• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li></ul>
Benefit Amounts	<p>The VRS Teachers HIC Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"><li>• <b>At Retirement</b> – 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.</li><li>• <b>Disability Retirement</b> – 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:<ul style="list-style-type: none"><li>• \$4.00 per month, multiplied by twice the amount of service credit, or</li><li>• \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li></ul></li></ul>
Notes	<ul style="list-style-type: none"><li>• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</li><li>• 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.</li></ul>

Detailed information about the Teachers HIC Program's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Financial Report (AFR). A copy of the 2021 VRS AFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-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	<p>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.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"><li>• Full-time permanent (non-professional) salaried employees of Fauquier County Public School divisions covered under VRS.</li></ul>
Benefit Amounts	<p>The VRS NP HIC Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"><li>• <b>At Retirement</b> – 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.</li><li>• <b>Disability Retirement</b> – 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.</li></ul>
Notes	<ul style="list-style-type: none"><li>• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</li><li>• 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.</li><li>• 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.</li></ul>

Detailed information about the Non-Professional HIC Program's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Financial Report (AFR). A copy of the 2021 VRS AFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-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.

The following assumptions, as applied to all periods included at the measurement date of June 30, 2022 are noted in the table below:



---

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)**


---

	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	4.09%	7.50%	7.50%
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-2021.
Healthy Police participants	SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.
Disabled General Participants	SOA Pub-2010 Non–Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2021.
Disabled Police Participants	SOA Pub-2010 Public Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2021.
Surviving Spouses	SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

**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, 2020, 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, 2021.

	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 market 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, 2020, 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 employees**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

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		Long Term Arithmetic Average	
		Nominal Return <sup>1</sup>	Real Return <sup>2</sup>	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, 2022 was 4.64%. A money weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually 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
<b>Continuation Plan</b>					
Yield as of July 1, 2020	2.16%	2.19%	1.94%	1.94%-2.19%	2.19%
Yield as of June 30, 2021	3.54%	4.09%	3.69%	3.54%-4.09%	4.09%
<b>Credit Plan</b>					
Yield as of July 1, 2020	2.21%	2.66%	2.45%	2.21%-2.66%	7.50%
Yield as of June 30, 2021	2.16%	2.19%	1.94%	1.94%-2.19%	7.50%
<b>Health Coverage Plan</b>					
Yield as of July 1, 2020	2.16%	2.19%	1.94%	1.94%-2.19%	7.50%
Yield as of June 30, 2021	3.54%	4.09%	3.69%	3.54%-4.09%	7.50%

**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, 2021, 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, 2021 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	115	7	1
Active employees	2,781	719	-
Total	2,896	726	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 Continuation 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, 2021. 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 \$107,632 in fiscal year 2022 and \$157,477 in fiscal year 2021.

**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, 2021. 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 \$41,795 in fiscal year 2022 and \$33,836 in fiscal year 2021.

**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 of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$240,350 and \$227,537 to the VRS GLI Program for the years ended June 30, 2022 and June 30, 2021, respectively. For the year ending June 30, 2021, Fauquier County School Board contributed \$415,988 for the teachers and \$42,108 for the non-professional employees to the VRS GLI program. 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.

**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 \$953,970 and \$927,396 to the VRS Teachers HIC Program for the years ended June 30, 2022 and June 30, 2021, 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, 2021 was .51% 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, 2019. 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 \$43,190 to the VRS NP HIC Program for the year ended June 30, 2022.

## 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, 2021	\$ 3,591,187	\$ -	\$ 3,591,187	\$ 2,272,922	\$ 1,611,436	\$ 661,486
Changes for the Year						
Service cost	243,556	-	243,556	60,861	-	60,861
Interest	82,591	-	82,591	172,831	-	172,831
Changes in assumptions	(1,258,714)	-	(1,258,714)	(180,614)	-	(180,614)
Difference between expected and actual experience	71,384	-	71,384	(99,331)	-	(99,331)
Contributions- employer	-	127,617	(127,617)	-	107,632	(107,632)
Contributions- employee	-	-	-	-	-	-
Net investment income	-	-	-	-	(88,721)	88,721
Benefit payments, including refunds of employee	-	(127,617)	127,617	(59,836)	(59,836)	-
Administrative expense	(127,617)	-	(127,617)	-	(2,190)	2,190
Other changes	-	-	-	-	-	-
Net changes	(988,800)	-	(988,800)	(106,089)	(43,115)	(62,974)
Balances at June 30, 2022	\$ 2,602,387	\$ -	\$ 2,602,387	\$ 2,166,833	\$ 1,568,321	\$ 598,512

# 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, 2021	\$ 4,491,838	\$ -	\$ 4,491,838	\$ -	\$ -	\$ -	\$ 149,982	\$ 121,195	\$ 28,787
Changes for the Year									
Service cost	450,012	-	450,012	121,235	-	121,235	11,524	-	11,524
Interest	105,827	-	105,827	247,461	-	247,461	12,113	-	12,113
Changes in assumptions	(667,482)	-	(667,482)	3,178,232	-	3,178,232	(60,493)	-	(60,493)
Difference between expected and actual experience	(433,523)	-	(433,523)	(60,076)	-	(60,076)	24,999	-	24,999
Contributions - employer	-	220,324	(220,324)	-	-	-	-	41,795	(41,795)
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	(11,117)	11,117
Benefit payments, including refunds of employee	(220,324)	(220,324)	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	(621)	621
Net changes	(765,490)	-	(765,490)	3,486,852	-	3,486,852	(11,857)	30,057	(41,914)
Balances at June 30, 2022	\$ 3,726,348	\$ -	\$ 3,726,348	\$ 3,486,852	\$ -	\$ 3,486,852	\$ 138,125	\$ 151,252	\$ (13,127)

### VRS NP HIC Program

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2020	\$ 420,083	\$ -	\$ 420,083
Changes for the Year			
Service Cost	11,804	-	11,804
Interest	28,356	-	28,356
Changes in assumptions	15,378	-	15,378
Contributions - employer	-	39,076	(39,076)
Net investment income	-	5,263	(5,263)
Administrative expense	-	(173)	173
Net changes	55,538	44,166	11,372
Balances at June 30, 2021	\$ 475,621	\$ 44,166	\$ 431,455

## 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, 2021, net OPEB liability amounts for the programs are as follows (amounts expressed in thousands):

	VRS GLI Program	VRS Teachers HIC Program
Total OPEB Liability	\$ 3,577,346	\$ 1,477,874
Plan Fiduciary Net Position	<u>2,413,074</u>	<u>194,305</u>
Net GLI OPEB Liability	\$ <u>1,164,272</u>	\$ <u>1,283,569</u>
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	67.45%	13.15%

# **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, 2022:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>VRS GLI Program</b>			
Fauquier County proportionate share (.20195%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	\$ 7,301,004	\$ 4,924,843	\$ 2,376,161
Fauquier County School Board (non-professional) proportionate share (.03777%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	1,351,163	911,418	439,745
Fauquier County School Board (teachers) proportionate share (.37312%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	13,347,792	9,003,662	4,344,130
<b>VRS Teachers Retirement HIC Program</b>			
Fauquier County School Board (teachers) proportionate share (.86663%) of the collective OPEB liability, fiduciary net position, and net OPEB liability	\$ 12,807,701	\$ 1,683,905	\$ 11,123,796

## **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 3.09%	Current Rate 4.09%	1% Increase 5.09%
<b>Primary Government</b>						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 899,805	\$ 598,512	\$ 344,845	\$ 2,864,276	\$ 2,602,387	\$ 2,363,711
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%	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	\$ 598,512	\$ 598,512	\$ 598,512	\$ 2,271,073	\$ 2,602,387	\$ 3,001,854

# NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

	Credit Plan			Continuation Plan			Health Coverage Plan		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
	6.50%	7.50%	8.50%	6.50%	7.50%	8.50%	6.50%	7.50%	8.50%
<b>School Board</b>									
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 3,884,197	\$ 3,486,852	\$ 3,142,357	\$ 3,917,673	\$ 3,726,348	\$ 3,535,913	\$ (7,333)	\$ (13,127)	\$ (18,642)
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
	-1.00%	0.00%	1.00%	3.09%	4.09%	5.09%	6.50%	7.50%	8.50%
Sensitivity of the Net OPEB Liability to changes in Health Care Trend Rate	\$ 3,486,852	\$ 3,486,852	\$ 3,486,852	\$ 3,358,442	\$ 3,726,348	\$ 4,149,456	\$ (18,908)	\$ (13,127)	\$ (7,115)

	VRS GLI Program		
	1% Decrease	Current Rate	1% Increase
	5.75%	6.75%	7.75%
<b>Primary Government</b>			
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 3,471,658	\$ 2,376,161	\$ 1,491,498

	VRS GLI Program			VRS NP HIC Program		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
	5.75%	6.75%	7.75%	5.75%	6.75%	7.75%
<b>School Board</b>						
<u>Non Professional</u>						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 642,484	\$ 439,745	\$ 276,025	\$ 483,242	\$ 431,455	\$ 387,485

	VRS GLI Program			VRS Teachers HIC Program		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
	5.75%	6.75%	7.75%	5.75%	6.75%	7.75%
<u>Teachers</u>						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 6,346,931	\$ 4,344,130	\$ 2,726,777	\$ 12,552,311	\$ 11,123,796	\$ 9,940,318

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

For the year ended June 30, 2022, the County recognized OPEB expense as follows:

	Continuation Plan	Credit Plan	Coverage Plan	VRS GLI Program			VRS HIC Program		Total
				General employees	Non-professional	Teachers	Non-professional	Teachers	
Primary Government	\$ 187,832	\$ 17,576	\$ -	\$ 145,851	\$ -	\$ -	\$ -	\$ -	\$ 351,259
School Board	87,825	364,075	(14,131)	-	13,750	101,998	40,923	760,404	1,354,844
	\$ 275,657	\$ 381,651	\$ (14,131)	\$ 145,851	\$ 13,750	\$ 101,998	\$ 40,923	\$ 760,404	\$ 1,706,103

---

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)**


---

At June 30, 2022, 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
<b>Continuation Plan</b>				
Differences between expected and actual experience	\$ 525,228	\$ (351,897)	\$ 273,331	\$ (1,222,075)
Changes in assumptions	<u>457,207</u>	<u>(1,295,951)</u>	<u>349,830</u>	<u>(1,018,986)</u>
Total	<u>\$ 982,435</u>	<u>\$ (1,647,848)</u>	<u>\$ 623,161</u>	<u>\$ (2,241,061)</u>
<b>Credit Plan</b>				
Differences between expected and actual experience	\$ 2,733	\$ (529,674)	\$ -	\$ (55,455)
Changes in assumptions	17,305	(164,861)	-	-
Net difference between projected and actual earnings on OPEB plan investments	<u>22,610</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 42,648</u>	<u>\$ (694,535)</u>	<u>\$ -</u>	<u>\$ (55,455)</u>
<b>Health Coverage Plan</b>				
Differences between expected and actual experience			\$ 4,734	\$ -
Changes in assumptions			1,992	-
Net difference between projected and actual earnings on OPEB plan investments			<u>10,324</u>	<u>-</u>
Total			<u>\$ 17,050</u>	<u>\$ -</u>

# **NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)**

	Primary Government		School Board			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Non- Professional Deferred Outflows of Resources	Non- Professional Deferred Inflows of Resources	Teachers Deferred Outflows of Resources	Teachers Deferred Inflows of Resources
<b>VRS GLI Program</b>						
Differences between expected and actual experience	\$ 271,010	\$ (18,105)	\$ 50,154	\$ (3,351)	\$ 495,463	\$ (33,100)
Changes in assumptions	130,997	(325,110)	24,243	(60,167)	239,491	(594,369)
Net difference between projected and actual earnings on OPEB plan investments	-	(567,139)	-	(104,958)	-	(1,036,850)
Proportionate share impact	152,725	(1,238)	16,246	(42,216)	13,002	(249,453)
Contributions subsequent to the measurement date	240,350	-	45,916	-	427,493	-
<b>Total</b>	<b>\$ 795,082</b>	<b>\$ (911,592)</b>	<b>\$ 136,559</b>	<b>\$ (210,692)</b>	<b>\$ 1,175,449</b>	<b>\$ (1,913,772)</b>
<b>VRS Teachers HIC Program</b>						
Differences between expected and actual experience			\$ -	\$ -	\$ -	\$ (194,109)
Changes in assumptions			12,685	-	300,696	(44,706)
Net difference between projected and actual earnings on OPEB plan investments			-	(3,160)	-	(146,534)
Proportionate share impact			-	-	-	(602,343)
Contributions subsequent to the measurement date			43,190	-	953,970	-
<b>Total</b>			<b>\$ 55,875</b>	<b>\$ (3,160)</b>	<b>\$ 1,254,666</b>	<b>\$ (987,692)</b>

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, 2023.

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>			
2023	\$ (138,315)	\$ (94,324)	\$ (68,555)
2024	(138,315)	(98,095)	(44,285)
2025	(138,312)	(104,190)	(54,858)
2026	(43,671)	(50,073)	(161,426)
2027	(32,124)	(92,323)	(27,736)
Thereafter	(174,676)	(212,882)	-

---

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)**


---

<u>Year ended June 30:</u>			Health						
	Continuation	Credit	Coverage	VRS GLI Program		VRS HIC Program			
	Plan	Plan	Plan	Non-	Teachers	Non-	Teachers		
				professional		professional			
<u>School Board</u>									
2023	\$ (468,014)	\$ (4,621)	\$ 9,061	\$ (25,929)	\$ (289,981)	\$ 1,903	\$ (159,150)		
2024	(468,013)	(4,621)	2,093	(22,534)	(233,861)	1,903	(160,814)		
2025	(253,330)	(4,621)	1,553	(21,685)	(205,310)	1,903	(143,774)		
2026	(220,059)	(4,621)	4,343	(38,552)	(349,007)	1,903	(105,854)		
2027	(51,201)	(4,621)	-	(11,349)	(87,657)	1,913	(51,512)		
Thereafter	(157,283)	(32,350)	-	-	-	-	(65,892)		

## NOTE 14 – FUND BALANCES

The following is a summary of fund balances as of June 30, 2022:

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	\$ 4,003	\$ -	\$ -	\$ 6,580	\$ -	\$ -	\$ 10,583
Total nonspendable	4,003	-	-	6,580	-	-	10,583
Restricted:							
Public safety	-	-	-	-	17,277	987,060	1,004,337
Public works	-	-	-	-	-	288,957	288,957
Health and welfare	-	-	-	-	-	49,203	49,203
Parks, recreation, and cultural	-	-	-	-	-	461,473	461,473
Community development	-	-	-	-	-	349,315	349,315
Proffers	-	-	-	-	-	5,105,193	5,105,193
Grants	1,065,670	-	-	-	-	-	1,065,670
Capital projects	-	13,824,466	-	-	-	-	13,824,466
Other purposes	-	-	-	-	-	159,709	159,709
Total restricted	1,065,670	13,824,466	-	-	17,277	7,400,910	22,308,323
Committed:							
General government	1,166,981	-	-	-	-	-	1,166,981
Public safety	-	-	-	504,124	-	747,884	1,252,008
Public works	-	-	-	-	-	2,625,093	2,625,093
Community development	30,000	-	-	-	-	-	30,000
Budgeted use of fund balance	1,761,234	-	-	-	-	-	1,761,234
Capital projects	-	24,644,755	-	-	-	-	24,644,755
Total committed	2,958,215	24,644,755	-	504,124	-	3,372,977	31,480,071
Assigned:							
General government administration	10,782,162	-	-	-	-	-	10,782,162
Judicial administration	44,539	-	-	-	-	-	44,539
Public safety	799,859	-	-	-	-	-	799,859
Public works	12,341	-	-	-	-	-	12,341
Education	4,495,785	-	-	-	-	-	4,495,785
Parks, recreation, and cultural	73,235	-	-	-	-	-	73,235
Community development	56,531	-	-	-	-	-	56,531
Other purposes	-	-	1,883,142	-	-	-	1,883,142
Total assigned	16,264,452	-	1,883,142	-	-	-	18,147,594
Unassigned:	29,656,175	-	-	-	-	-	29,656,175
Total	\$ 49,948,515	\$ 38,469,221	\$ 1,883,142	\$ 510,704	\$ 17,277	\$ 10,773,887	\$ 101,602,746
Component unit – School Board	School General Fund	School Asset Replacement Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Component Unit School Board	
Fund Balances:							
Nonspendable:							
Inventories	\$ -	\$ -	\$ -	\$ 185,436	\$ -	\$ 185,436	
Assigned:							
Other purposes	1,511,409	5,977,183	1,516,635	2,530,104	1,937,408	13,472,739	
Total	\$ 1,511,409	\$ 5,977,183	\$ 1,516,635	\$ 2,715,540	\$ 1,937,408	\$ 13,658,175	



---

**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:

	2021	2022
Unpaid claims, beginning of fiscal year	\$ 3,473,013	\$ 2,984,533
Incurred claims, (including IBNR)	28,295,706	27,483,287
Claim payments	<u>(28,784,186)</u>	<u>(27,343,837)</u>
Unpaid claims, end of fiscal year	\$ <u>2,984,533</u>	\$ <u>3,123,983</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 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 9.91% of the regional jail's operating expenses, including debt service, totaling \$2,473,326 in fiscal year 2022.

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](http://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](http://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 2022, Fauquier County contributed a total of \$163,019.

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](http://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 2022, Fauquier County contributed a total of \$307,510.

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](http://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 2022, the Fauquier County School Board contributed a total of \$401,940, with \$790,669 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 [mvgshome.org](http://mvgshome.org).

**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](http://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 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.

---

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

---

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](http://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 were three pending claims against Fauquier County Government and/or Constitutional Officers of Fauquier County during Fiscal Year 2022 which have been determined to have a potentially material effect on the financial statements of the County. The first two claims were related to an automobile accident involving a deputy sheriff that resulted in two fatalities. The cases were assigned counsel by the County's insurance carrier, VACorp, and were vigorously defended. The cases jointly and confidentially settled within the limits of the County's insurance coverage for the matter. The third claim 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 a third party in which tort allegations have also been made. The County has both retained counsel and received appointed counsel by the County's insurance carrier. The claims are disputed and are being vigorously defended.

---

**NOTE 19 – SUBSEQUENT EVENTS**

---

In October 2022, bond proceeds of \$1,246,306 were received from the Virginia Water Facilities Revolving Fund bond, which was issued by the County on May 15, 2018. The bond proceeds were received in reimbursement of costs the County incurred for the Catlett Calverton Wastewater Treatment System. The amount of the bond proceeds was not considered outstanding to the end of the fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**



COUNTY OF FAUQUIER, VIRGINIA

Exhibit 15  
Page 1 of 7

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, 2022

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, 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%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation , no other data is available.  
Additional years will be included as the information becomes available.

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, 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%
June 30, 2013	140,111	140,111	-	29,189,866	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, 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%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation , no other data is available.  
Additional years will be included as the information becomes available.

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, 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. Since 2015 was the first year for this presentation , no other data is available.  
Additional years will be included as the information becomes available.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 15  
Page 2 of 7

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, 2022

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, 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%
June 30, 2013	33,303	33,303	-	6,938,201	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, 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%
June 30, 2013	334,543	334,543	-	69,696,465	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, 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, 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%
June 30, 2013	762,576	762,576	-	68,700,576	1.11%



COUNTY OF FAUQUIER, VIRGINIA

Exhibit 15  
Page 3 of 7

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, 2022

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, 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%
June 30, 2013	311,735	271,169	40,566	35,305,296	0.77%

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, 2022	\$ 107,632	\$ 107,632	\$ -	\$ 49,692,595	0.22%
June 30, 2021	157,477	157,477	-	42,362,379	0.37%
June 30, 2020	152,361	152,361	-	48,888,690	0.31%
June 30, 2019	138,432	138,432	-	42,074,311	0.33%
June 30, 2018	132,797	715,474	(582,677)	40,961,221	1.75%

Schedule is intended to show information for 10 years. Since the plan was new in fiscal year 2018, additional years will be included as the information becomes available.

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, 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%
June 30, 2013	618,816	538,290	80,526	70,083,647	0.77%

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, 2022	\$ 41,795	\$ 41,795	\$ -	\$ 201,288	20.76%
June 30, 2021	33,836	33,836	-	180,274	18.77%
June 30, 2020	34,468	34,468	-	186,584	18.47%
June 30, 2019	32,608	32,608	-	180,274	18.09%

Schedule is intended to show information for 10 years. Since the plan was new in fiscal year 2019, 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, 2022

---

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, 2020, 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 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; Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service

*Largest 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.

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, 2020, 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 termination rates to better fit experience at each 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, 2022

---

**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, 2020, 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, 2022

---

*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 or changes to the benefit terms.

**Changes of assumptions**

The following assumptions were updated for the current valuation as of June 30, 2022:

The discount rate assumption has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2022. The discount rate is 2.19% as of July 1, 2021 and 4.09% as of June 30, 2022.

The mortality assumption has been updated from using the MP-2020 mortality improvement scale to use the MP-2021 mortality improvement scale. The base mortality tables were not changed.

The termination and retirement rate assumptions have been updated based on the VRS actuarial valuation as of June 30, 2021.

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 or changes to the benefit terms.

**Changes of assumptions**

The following assumptions were updated for the current valuation as of June 30, 2022:

The mortality assumption has been updated from using the MP-2020 mortality improvement scale to use the MP-2021 mortality improvement scale. The base mortality tables were not changed.

The termination and retirement rate assumptions have been updated based on the VRS actuarial valuation as of June 30, 2021.

**Continuation Plan - Schools**

**Changes of benefit terms**

There have been no substantive plan provision or changes to the benefit terms.

**Changes of assumptions**

The following assumptions were updated for the current valuation as of June 30, 2022:

The discount rate assumption has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2022. The discount rate is 2.19% as of July 1, 2021 and 4.09% as of June 30, 2022.

The mortality assumption has been updated from using the MP-2020 mortality improvement scale to use the MP-2021 mortality improvement scale. The base mortality tables were not changed.

The termination and retirement rate assumptions have been updated based on the VRS actuarial valuation as of June 30, 2021.

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%.

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, 2022

---

**Credit Plan**

**Changes of benefit terms**

There have been no substantive plan provision or changes to the benefit terms.

**Changes of assumptions**

The first valuation for the credit Plan as it was established during fiscal year 2022:

The Total OPEB Liability as of July 1, 2021 is based on an actuarial valuation date of June 30, 2022 actuarially rolled back to July 1, 2021 on a "no loss / no gain" basis. The Total OPEB Liability as of June 30, 2022 is based on an actuarial valuation date of June 30, 2022 with no adjustments to get to the June 30, 2022 measurement date.

**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, 2022:

The mortality assumption has been updated from using the MP-2020 mortality improvement scale to use the MP-2021 mortality improvement scale. The base mortality tables were not changed.

The termination rate assumption has been updated based on the VRS actuarial valuation as of June 30, 2021.

The retirement rate assumptions have been increased from age 57 to 59.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 16

Schedule of Changes in Net Pension Liability (Asset)  
and Related Ratios  
Last Eight Fiscal Years  
Fiscal Year Ended June 30, 2022

Page 1 of 4

Primary Government:

	2014*	2015	2016	2017
<b>Total pension liability</b>				
Service cost	\$ 3,665,747	\$ 3,813,094	\$ 3,885,984	\$ 3,978,825
Interest	6,300,846	6,765,656	7,184,529	7,609,870
Changes of assumptions	-	-	-	(662,813)
Differences between expected and actual experience	-	(1,032,433)	(1,139,622)	498,300
Benefit payments, including refunds of employee contributions	(3,159,348)	(3,493,529)	(3,631,336)	(4,077,843)
<b>Net change in total pension liability</b>	<b>6,807,245</b>	<b>6,052,788</b>	<b>6,299,555</b>	<b>7,346,339</b>
<b>Total pension liability – beginning</b>	<b>91,591,756</b>	<b>98,399,001</b>	<b>104,451,789</b>	<b>110,751,344</b>
<b>Total pension liability – ending (a)</b>	<b>98,399,001</b>	<b>104,451,789</b>	<b>110,751,344</b>	<b>118,097,683</b>
<b>Plan fiduciary net position</b>				
Contributions – employer	3,555,225	3,177,007	3,284,574	2,752,121
Contributions – employee	1,530,920	1,623,124	1,635,553	1,675,382
Net investment income	12,271,193	4,210,671	1,745,781	12,180,445
Benefit payments, including refunds of employee contributions	(3,159,349)	(3,493,529)	(3,631,336)	(4,077,843)
Administrative expense	(63,910)	(55,473)	(58,461)	(10,918)
Other	647	(895)	(727)	(68,588)
<b>Net change in plan fiduciary net position</b>	<b>14,134,726</b>	<b>5,460,905</b>	<b>2,975,384</b>	<b>12,450,599</b>
<b>Plan fiduciary net position – beginning</b>	<b>76,694,287</b>	<b>90,829,013</b>	<b>96,289,918</b>	<b>99,265,302</b>
<b>Plan fiduciary net position – ending (b)</b>	<b>\$ 90,829,013</b>	<b>\$ 96,289,918</b>	<b>\$ 99,265,302</b>	<b>\$ 111,715,901</b>
<b>Net pension (asset) / liability – ending (a) - (b)</b>	<b>\$ 7,569,988</b>	<b>\$ 8,161,871</b>	<b>\$ 11,486,042</b>	<b>\$ 6,381,782</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>92.31%</b>	<b>92.19%</b>	<b>89.63%</b>	<b>94.60%</b>
<b>Covered payroll</b>	<b>\$ 30,748,986</b>	<b>\$ 31,789,387</b>	<b>\$ 33,188,587</b>	<b>\$ 34,194,157</b>
<b>Net pension (asset) / liability as a percentage of covered payroll</b>	<b>24.62%</b>	<b>25.67%</b>	<b>34.61%</b>	<b>18.66%</b>

\* 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:
2018	2019	2020	2021	
\$ 4,150,641	\$ 4,430,044	\$ 4,916,247	\$ 5,036,308	<b>Total pension liability</b>
8,118,250	8,715,293	9,259,856	9,897,408	Service cost
-	4,327,503	-	6,269,424	Interest
580,157	77,578	877,642	(1,196,210)	Changes of assumptions
(4,245,375)	(4,394,344)	(5,348,771)	(5,868,239)	Differences between expected and actual experience
8,603,673	13,156,074	9,704,974	14,138,691	Benefit payments, including refunds of employee contributions
				<b>Net change in total pension liability</b>
118,097,683	126,701,356	139,857,430	149,562,404	<b>Total pension liability – beginning</b>
126,701,356	139,857,430	149,562,404	163,701,095	<b>Total pension liability – ending (a)</b>
				<b>Plan fiduciary net position</b>
2,911,388	3,382,111	3,518,753	4,137,390	Contributions – employer
1,797,746	1,915,523	2,062,946	2,029,973	Contributions – employee
8,300,573	8,165,891	2,492,136	36,494,625	Net investment income
(4,245,375)	(4,394,344)	(5,348,771)	(5,868,239)	Benefit payments, including refunds of employee contributions
(69,894)	(77,623)	(82,757)	(88,127)	Administrative expense
(7,473)	(5,164)	(2,977)	3,463	Other
8,686,965	8,986,394	2,639,330	36,709,085	<b>Net change in plan fiduciary net position</b>
111,715,901	120,402,866	129,389,260	132,028,590	<b>Plan fiduciary net position – beginning</b>
\$ 120,402,866	\$ 129,389,260	\$ 132,028,590	\$ 168,737,675	<b>Plan fiduciary net position – ending (b)</b>
\$ 6,298,490	\$ 10,468,170	\$ 17,533,814	\$ (5,036,580)	<b>Net pension (asset) / liability – ending (a) - (b)</b>
95.03%	92.52%	88.28%	103.08%	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
\$ 36,454,515	\$ 39,528,477	\$ 41,986,707	\$ 44,389,906	<b>Covered payroll</b>
17.28%	26.48%	41.76%	-11.35%	<b>Net pension (asset) / liability as a percentage of covered payroll</b>

\* 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, 2022

## Component Unit - School Board - Non-professional:

	2014*	2015	2016	2017
<b>Total pension liability</b>				
Service cost	\$ 790,454	\$ 779,639	\$ 723,642	\$ 745,093
Interest	1,314,303	1,397,986	1,485,311	1,568,963
Changes in assumptions	-	-	-	(242,307)
Differences between expected and actual experience	-	76,425	28,543	(111,788)
Benefit payments, including refunds of employee contributions	(821,036)	(997,534)	(1,015,580)	(1,069,340)
<b>Net change in total pension liability</b>	<u>1,283,721</u>	<u>1,256,516</u>	<u>1,221,916</u>	<u>890,621</u>
<b>Total pension liability – beginning</b>	<u>19,186,281</u>	<u>20,470,002</u>	<u>21,726,518</u>	<u>22,948,434</u>
<b>Total pension liability – ending (a)</b>	<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>
<b>Plan fiduciary net position</b>				
Contributions – employer	634,627	422,140	448,949	346,567
Contributions – employee	367,367	326,614	345,096	355,536
Net investment income	3,029,074	1,016,928	401,377	2,817,301
Benefit payments, including refunds of employee contributions	(821,036)	(997,534)	(1,015,580)	(1,069,340)
Administrative expense	(16,035)	(13,964)	(14,272)	(16,287)
Other	160	(215)	(170)	(2,508)
<b>Net change in plan fiduciary net position</b>	<u>3,194,157</u>	<u>753,969</u>	<u>165,400</u>	<u>2,431,269</u>
<b>Plan fiduciary net position – beginning</b>	<u>19,118,695</u>	<u>22,312,852</u>	<u>23,066,821</u>	<u>23,232,221</u>
<b>Plan fiduciary net position – ending (b)</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>
<b>Net pension (asset) / liability – ending (a) - (b)</b>	\$ (1,842,850)	\$ (1,340,303)	\$ (283,787)	\$ (1,824,435)
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	109.00%	106.17%	101.24%	107.65%
<b>Covered payroll</b>	\$ 6,610,884	\$ 6,626,519	\$ 6,978,640	\$ 7,425,942
<b>Net pension (asset) / liability as a percentage of covered payroll</b>	-27.88%	-20.23%	-4.07%	-24.57%

\* 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:
2018	2019	2020	2021	
\$ 727,239	\$ 703,953	\$ 708,963	\$ 701,598	<b>Total pension liability</b>
1,628,956	1,722,409	1,791,476	1,881,376	Service cost
-	725,682	-	926,324	Interest
173,636	121,516	347,733	(443,583)	Changes in assumptions
(1,136,517)	(1,253,057)	(1,424,961)	(1,607,682)	Differences between expected and actual experience
1,393,314	2,020,503	1,423,211	1,458,033	Benefit payments, including refunds of employee contributions
				<b>Net change in total pension liability</b>
23,839,055	25,232,369	27,252,872	28,676,083	<b>Total pension liability – beginning</b>
25,232,369	27,252,872	28,676,083	30,134,116	<b>Total pension liability – ending (a)</b>
				<b>Plan fiduciary net position</b>
340,240	333,665	325,318	330,783	Contributions – employer
351,153	373,811	369,844	349,451	Contributions – employee
1,886,650	1,796,186	535,400	7,594,348	Net investment income
(1,136,517)	(1,253,057)	(1,424,961)	(1,607,682)	Benefit payments, including refunds of employee contributions
(16,342)	(17,904)	(18,584)	(19,277)	Administrative expense
(1,681)	(1,130)	(634)	713	Other
1,423,503	1,231,571	(213,617)	6,648,336	<b>Net change in plan fiduciary net position</b>
25,663,490	27,086,993	28,318,564	28,104,947	<b>Plan fiduciary net position – beginning</b>
\$ 27,086,993	\$ 28,318,564	\$ 28,104,947	\$ 34,753,283	<b>Plan fiduciary net position – ending (b)</b>
\$ (1,854,624)	\$ (1,065,692)	\$ 571,136	\$ (4,619,167)	<b>Net pension (asset) / liability – ending (a) - (b)</b>
107.35%	103.91%	98.01%	115.33%	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
\$ 7,450,252	\$ 7,932,127	\$ 8,077,614	\$ 8,468,533	<b>Covered payroll</b>
-24.89%	-13.44%	7.07%	-54.55%	<b>Net pension (asset) / liability as a percentage of covered payroll</b>

\* 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 Six Fiscal Years  
Fiscal Year Ended June 30, 2022Primary Government:  
Continuation Plan

	2017*	2018	2019	2020	2021	2022
<b>Total OPEB liability</b>						
Service cost	\$ 224,155	\$ 127,610	\$ 120,931	\$ 132,455	\$ 157,886	\$ 243,556
Interest	80,071	80,443	88,806	79,615	68,513	82,591
Changes in assumptions	(477,330)	(68,613)	96,731	213,242	360,255	(1,258,714)
Differences between expected and actual experience	(348,615)	(35,324)	(290,442)	(88,012)	617,023	71,384
Benefit payments	(85,558)	(42,129)	(57,513)	(50,394)	(60,158)	(127,617)
<b>Net change in total pension liability</b>	<b>(607,277)</b>	<b>61,987</b>	<b>(41,487)</b>	<b>286,906</b>	<b>1,143,519</b>	<b>(988,800)</b>
<b>Total OPEB liability – beginning</b>	<b>2,747,539</b>	<b>2,140,262</b>	<b>2,202,249</b>	<b>2,202,249</b>	<b>2,447,668</b>	<b>3,591,187</b>
<b>Total OPEB liability – ending (a)</b>	<b>2,140,262</b>	<b>2,202,249</b>	<b>2,160,762</b>	<b>2,489,155</b>	<b>3,591,187</b>	<b>2,602,387</b>
<b>Plan fiduciary net position</b>						
Contributions – employer	-	(152,232)	57,513	50,394	60,158	127,617
Net investment income	125,779	-	-	-	-	-
Benefit payments	(1,174,592)	(42,129)	(57,513)	(50,394)	(60,158)	(127,617)
Administrative expenses	(1,655)	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>(1,050,468)</b>	<b>(194,361)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position – beginning</b>	<b>1,244,829</b>	<b>194,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position – ending (b)</b>	<b>\$ 194,361</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB (asset) / liability – ending (a) - (b)</b>	<b>\$ 1,945,901</b>	<b>\$ 2,202,249</b>	<b>\$ 2,160,762</b>	<b>\$ 2,489,155</b>	<b>\$ 3,591,187</b>	<b>\$ 2,602,387</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>9.08%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered employee payroll</b>	<b>\$ 39,576,059</b>	<b>\$ 40,961,221</b>	<b>\$ 42,074,311</b>	<b>\$ 48,888,690</b>	<b>\$ 42,362,379</b>	<b>\$ 44,509,270</b>
<b>Net OPEB (asset) / liability as a percentage of covered employee payroll</b>	<b>4.92%</b>	<b>5.38%</b>	<b>5.14%</b>	<b>5.09%</b>	<b>8.48%</b>	<b>5.85%</b>

\* 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 Five Fiscal Years  
Fiscal Year Ended June 30, 2022Primary Government:  
Credit Plan

	2018*	2019	2020	2021	2022
<b>Total OPEB liability</b>					
Service cost	\$ 48,350	\$ 51,437	\$ 59,565	\$ 61,649	\$ 60,861
Interest	149,998	163,406	182,687	197,302	172,831
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)
Benefit payments	(2,545)	(53,743)	(16,226)	(23,056)	(59,836)
<b>Net change in total pension liability</b>	<b>2,153,687</b>	<b>230,542</b>	<b>196,132</b>	<b>(307,439)</b>	<b>(106,089)</b>
<b>Total OPEB liability – beginning</b>	<b>-</b>	<b>2,153,687</b>	<b>2,384,229</b>	<b>2,580,361</b>	<b>2,272,922</b>
<b>Total OPEB liability – ending (a)</b>	<b>2,153,687</b>	<b>2,384,229</b>	<b>2,580,361</b>	<b>2,272,922</b>	<b>2,166,833</b>
<b>Plan fiduciary net position</b>					
Contributions – employer	715,474	192,175	152,361	157,477	107,632
Net investment income	55,579	35,259	44,949	359,437	(88,721)
Benefit payments	(2,545)	(53,743)	(16,226)	(23,056)	(59,836)
Administrative expenses	(1,151)	(1,304)	(1,512)	(1,738)	(2,190)
<b>Net change in plan fiduciary net position</b>	<b>767,357</b>	<b>172,387</b>	<b>179,572</b>	<b>492,120</b>	<b>(43,115)</b>
<b>Plan fiduciary net position – beginning</b>	<b>-</b>	<b>767,357</b>	<b>939,744</b>	<b>1,119,316</b>	<b>1,611,436</b>
<b>Plan fiduciary net position – ending (b)</b>	<b>\$ 767,357</b>	<b>\$ 939,744</b>	<b>\$ 1,119,316</b>	<b>\$ 1,611,436</b>	<b>\$ 1,568,321</b>
<b>Net OPEB (asset) / liability – ending (a) - (b)</b>	<b>\$ 1,386,330</b>	<b>\$ 1,444,485</b>	<b>\$ 1,461,045</b>	<b>\$ 661,486</b>	<b>\$ 598,512</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>35.63%</b>	<b>39.42%</b>	<b>43.38%</b>	<b>70.90%</b>	<b>72.38%</b>
<b>Covered employee payroll</b>	<b>\$ 40,961,221</b>	<b>\$ 42,074,311</b>	<b>\$ 48,888,690</b>	<b>\$ 42,362,379</b>	<b>\$ 49,692,595</b>
<b>Net OPEB (asset) / liability as a percentage of covered employee payroll</b>	<b>3.38%</b>	<b>3.43%</b>	<b>2.99%</b>	<b>1.56%</b>	<b>1.20%</b>

\* 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 Six Fiscal Years  
Fiscal Year Ended June 30, 2022

## School Board:

## Continuation Plan

	2017*	2018	2019	2020	2021	2022
<b>Total OPEB liability</b>						
Service cost	\$ 444,910	\$ 338,678	\$ 329,960	\$ 300,491	\$ 344,149	\$ 450,012
Interest	158,926	160,918	174,942	120,609	99,448	105,827
Changes in assumptions	(947,418)	(87,092)	(332,143)	162,294	359,927	(667,482)
Differences between expected and actual experience	(691,941)	(179,110)	(1,033,734)	(149,150)	382,663	(433,523)
Benefit payments	(169,819)	(185,321)	(213,308)	(173,877)	(176,565)	(220,324)
<b>Net change in total pension liability</b>	<b>(1,205,342)</b>	<b>48,073</b>	<b>(1,074,283)</b>	<b>260,367</b>	<b>1,009,622</b>	<b>(765,490)</b>
<b>Total OPEB liability – beginning</b>	<b>5,453,401</b>	<b>4,248,059</b>	<b>4,296,132</b>	<b>3,221,849</b>	<b>3,482,216</b>	<b>4,491,838</b>
<b>Total OPEB liability – ending (a)</b>	<b>4,248,059</b>	<b>4,296,132</b>	<b>3,221,849</b>	<b>3,482,216</b>	<b>4,491,838</b>	<b>3,726,348</b>
<b>Plan fiduciary net position</b>						
Contributions – employer	-	(200,450)	213,308	173,877	176,565	220,324
Contributions – retired members	-	-	-	-	-	-
Net investment income	249,649	-	-	-	-	-
Benefit payments	(2,331,368)	(185,321)	(213,308)	(173,877)	(176,565)	(220,324)
Administrative expenses	(3,285)	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>(2,085,004)</b>	<b>(385,771)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position – beginning</b>	<b>2,470,775</b>	<b>385,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position – ending (b)</b>	<b>\$ 385,771</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB (asset) / liability – ending (a) - (b)</b>	<b>\$ 3,862,288</b>	<b>\$ 4,296,132</b>	<b>\$ 3,221,849</b>	<b>\$ 3,482,216</b>	<b>\$ 4,491,838</b>	<b>\$ 3,726,348</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>9.08%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered employee payroll</b>	<b>\$ 78,551,797</b>	<b>\$ 81,301,110</b>	<b>\$ 88,435,009</b>	<b>\$ 89,642,029</b>	<b>\$ 84,335,149</b>	<b>\$ 88,414,884</b>
<b>Net OPEB (asset) / liability as a percentage of covered employee payroll</b>	<b>4.92%</b>	<b>5.28%</b>	<b>3.64%</b>	<b>3.88%</b>	<b>5.33%</b>	<b>4.21%</b>

\* 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 Fiscal Year  
Fiscal Year Ended June 30, 2022School Board:  
Credit Plan

	2022*
<b>Total OPEB liability</b>	
Service cost	\$ 121,235
Interest	247,461
Differences between expected and actual experience	(60,076)
<b>Net change in total pension liability</b>	<b>308,620</b>
<b>Total OPEB liability – beginning</b>	<b>3,178,232</b>
<b>Total OPEB liability – ending (a)</b>	<b>3,486,852</b>
<b>Plan fiduciary net position</b>	
Contributions – employer	-
Net investment income	-
Benefit payments	-
Administrative expenses	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>
<b>Plan fiduciary net position – beginning</b>	<b>-</b>
<b>Plan fiduciary net position – ending (b)</b>	<b>\$ -</b>
<b>Net OPEB (asset) / liability – ending (a) - (b)</b>	<b>\$ 3,486,852</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>0.00%</b>
<b>Covered employee payroll</b>	<b>\$ 88,414,884</b>
<b>Net OPEB (asset) / liability as a percentage of covered employee payroll</b>	<b>3.94%</b>

\* 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 Four Fiscal Years  
Fiscal Year Ended June 30, 2022

## School Board:

## Health Coverage Plan

	2019*	2020	2021	2022
<b>Total OPEB liability</b>				
Service cost	\$ 11,028	\$ 10,688	\$ 10,652	\$ 11,524
Interest	6,657	7,977	9,056	12,113
Changes in assumptions	76,691	-	5,974	(60,493)
Differences between expected and actual experience	<u>1,290</u>	<u>(4,235)</u>	<u>14,204</u>	<u>24,999</u>
<b>Net change in total pension liability</b>	<b>95,666</b>	<b>14,430</b>	<b>39,886</b>	<b>(11,857)</b>
<b>Total OPEB liability – beginning</b>	<b>-</b>	<b>95,666</b>	<b>110,096</b>	<b>149,982</b>
<b>Total OPEB liability – ending (a)</b>	<b><u>95,666</u></b>	<b><u>110,096</u></b>	<b><u>149,982</u></b>	<b><u>138,125</u></b>
<b>Plan fiduciary net position</b>				
Contributions – employer	32,610	34,468	33,836	41,795
Net investment income	-	991	20,264	(11,117)
Administrative expenses	<u>-</u>	<u>(404)</u>	<u>(570)</u>	<u>(621)</u>
<b>Net change in plan fiduciary net position</b>	<b>32,610</b>	<b>35,055</b>	<b>53,530</b>	<b>30,057</b>
<b>Plan fiduciary net position – beginning</b>	<b>-</b>	<b>32,610</b>	<b>67,665</b>	<b>121,195</b>
<b>Plan fiduciary net position – ending (b)</b>	<b><u>\$ 32,610</u></b>	<b><u>\$ 67,665</u></b>	<b><u>\$ 121,195</u></b>	<b><u>\$ 151,252</u></b>
<b>Net OPEB (asset) / liability – ending (a) - (b)</b>	<b>\$ 63,056</b>	<b>\$ 42,431</b>	<b>\$ 28,787</b>	<b>\$ (13,127)</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>34.09%</b>	<b>61.46%</b>	<b>80.81%</b>	<b>109.50%</b>
<b>Covered employee payroll</b>	<b>\$ 180,274</b>	<b>\$ 186,584</b>	<b>\$ 180,274</b>	<b>\$ 201,288</b>
<b>Net OPEB (asset) / liability as a percentage of covered employee payroll</b>	<b>34.98%</b>	<b>22.74%</b>	<b>15.97%</b>	<b>-6.52%</b>

	2017	2018	2019	2020	2021	2022
<b>Money-weighted rate of return on OPEB Plan Investments</b>	<b>12.06%</b>	<b>9.30%</b>	<b>4.39%</b>	<b>2.84%</b>	<b>29.85%</b>	<b>-9.38%</b>

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.

Schedule of Changes in Net OPEB Liability  
and Related Ratios  
Last Two Fiscal Years  
Fiscal Year Ended June 30, 2022

## School Board:

VRS Health Insurance Credit Plan

## Non-Professional

	2021*	2022
<b>Total OPEB liability</b>		
Service cost	\$ -	\$ 11,804
Interest	-	28,356
Current-period benefit changes	420,083	15,378
Differences between expected and actual experience	-	-
Benefit payments	-	-
<b>Net change in total pension liability</b>	<b>420,083</b>	<b>55,538</b>
<b>Total OPEB liability – beginning</b>	<b>-</b>	<b>420,083</b>
<b>Total OPEB liability – ending (a)</b>	<b>420,083</b>	<b>475,621</b>
<b>Plan fiduciary net position</b>		
Contributions – employer	-	39,076
Contributions – retired members	-	-
Net investment income	-	5,263
Benefit payments	-	-
Administrative expenses	-	(173)
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>44,166</b>
<b>Plan fiduciary net position – beginning</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position – ending (b)</b>	<b>\$ -</b>	<b>\$ 44,166</b>
<b>Net OPEB (asset) / liability – ending (a) - (b)</b>	<b>\$ 420,083</b>	<b>\$ 431,455</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>0.00%</b>	<b>9.29%</b>
<b>Covered payroll</b>	<b>\$ 7,662,372</b>	<b>\$ 8,468,533</b>
<b>Net OPEB (asset) / liability as a percentage of covered payroll</b>	<b>5.48%</b>	<b>5.09%</b>

\* 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, 2022

## 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
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
2022	20.40900%	\$ 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
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
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
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, 2022

Exhibit 19  
Page 1 of 2

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Revenues</b>				
Revenue from use of money and property	\$ -	\$ 14,194	\$ 122,086	\$ 107,892
Charges for services	26,000	26,000	119,724	93,724
Gifts and donations	414,781	770,654	314,128	(456,526)
Recovered costs	-	86,903	839,854	752,951
Miscellaneous revenue	250,000	657,182	730,006	72,824
Intergovernmental:				
Contribution from School Board	5,744,998	5,744,998	3,000,000	(2,744,998)
Commonwealth of Virginia	77,089	77,089	60,281	(16,808)
Federal Government	3,422,582	3,422,582	2,156,674	(1,265,908)
Total revenues	9,935,450	10,799,602	7,342,753	(3,456,849)
<b>Expenditures</b>				
Current operating:				
Capital projects:				
Public safety:				
Radio system	415,155	415,155	174,139	241,016
Southern fire station	300,000	300,000	-	300,000
Total public safety	715,155	715,155	174,139	541,016
Public works:				
Landfill Expansion	144,150	144,150	140,455	3,695
Midland service district improvements	617,318	617,318	-	617,318
Marshall water system	500,000	500,000	-	500,000
Marshall Main Street	3,971,217	5,725,868	2,593,343	3,132,525
Catlett-Calverton wastewater treatment system	3,855,165	4,861,080	4,634,345	226,735
Greenville/Kettle Run second entrance	300,000	300,000	-	300,000
Total public works	9,387,850	12,148,416	7,368,143	4,780,273
Education:				
Construction elementary school #12	1,000,000	1,000,000	-	1,000,000
Taylor Middle School	3,990,830	3,990,830	-	3,990,830
Cedar Lee Middle School	2,027,057	20,017,249	7,618,313	12,398,936
Total education	7,017,887	25,008,079	7,618,313	17,389,766
Parks, recreation, and cultural:				
Palmer extension	402,873	402,873	346,612	56,261
Woods of Warrenton	402,783	402,783	96,800	305,983
Safe Routes to School	678,075	678,075	-	678,075
Rappahannock Landing	677,613	681,222	10,215	671,007
Timber fence trail	34,655	34,655	-	34,655
Mintbrook fields	25,960	25,960	25,720	240
Riverside Preserve	4,958	4,958	-	4,958
Tin Pot trail connector	21,714	21,714	4,640	17,074
Elk Run Church Museum	25,000	25,000	-	25,000
Northern swimming pool	22,750	22,750	-	22,750
Marshall Community Center	-	59,998	35,207	24,791
Northern sports complex	312,897	369,126	250,774	118,352
Central library	506,190	506,190	-	506,190
Central sports complex	221,406	221,406	1,959	219,447
Total parks, recreation, and cultural	\$ 3,336,874	\$ 3,456,710	\$ 771,927	\$ 2,684,783

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual  
Capital Projects Fund  
Fiscal Year Ended June 30, 2022

Exhibit 19  
Page 2 of 2

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Expenditures (continued)</b>				
Community development				
Vint Hill Public Streets Network	\$ 363,382	\$ 363,382	\$ -	\$ 363,382
Salem Avenue	182,397	182,397	79,704	102,693
Whiting Road	60,089	60,089	-	60,089
County broadband	6,412,511	-	-	-
Broadband Authority projects	-	483,564	38,101	445,463
Total community development	7,018,379	1,089,432	117,805	971,627
Total current operating expenditures	27,476,145	42,417,792	16,050,327	26,367,465
Capital outlay:				
General government administration	1,954,075	1,963,244	418,927	1,544,317
Judicial administration	16,996	16,996	2,000	14,996
Public safety	7,421,545	7,665,266	1,447,785	6,217,481
Public works	7,170,350	11,421,708	6,891,002	4,530,706
Health and welfare	3,015	103,015	-	103,015
Education	259,592	259,592	-	259,592
Parks, recreation, and cultural	1,659,986	1,659,986	82,924	1,577,062
Community development	-	67,493	67,493	-
Total capital outlay	18,485,559	23,157,300	8,910,131	14,247,169
Debt service:				
Debt covenant	58,853	58,853	-	58,853
Issuance costs	-	54,800	54,800	-
Total debt service	58,853	113,653	54,800	58,853
Total expenditures	46,020,557	65,688,745	25,015,258	40,673,487
Excess (deficiency) of revenues over (under) expenditures	(36,085,107)	(54,889,143)	(17,672,505)	37,216,638
<b>Other financing sources (uses)</b>				
Transfers in	1,778,449	8,285,626	13,303,927	5,018,301
Transfers (out)	(184,964)	(254,150)	(254,150)	-
Issuance of debt	3,750,000	16,180,000	16,180,000	-
Premium on debt	-	1,864,992	1,864,992	-
Total other financing sources (uses)	5,343,485	26,076,468	31,094,769	5,018,301
Net change in fund balances	(30,741,622)	(28,812,675)	13,422,264	42,234,939
Fund balances - beginning	25,046,957	25,046,957	25,046,957	-
Fund balances - ending	\$ (5,694,665)	\$ (3,765,718)	\$ 38,469,221	\$ 42,234,939



### **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, 2022**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance From Amended Positive (Negative)</b>
<b>Revenues</b>				
Miscellaneous revenue	\$ 195,213	\$ 195,213	\$ 304,890	\$ 109,677
Intergovernmental:				
Contribution from School Board	382,430	382,430	382,430	-
Federal Government	393,975	393,975	400,775	6,800
Total revenues	971,618	971,618	1,088,095	116,477
<b>Expenditures</b>				
Current operating:				
Debt service:				
Principal retirement	11,154,315	10,444,035	9,261,893	1,182,142
Interest charges	2,995,162	2,994,462	2,955,688	38,774
Fiscal charges	5,000	5,700	5,700	-
Total expenditures	14,154,477	13,444,197	12,223,281	1,220,916
Excess (deficiency) of revenues over (under) expenditures	(13,182,859)	(12,472,579)	(11,135,186)	1,337,393
<b>Other financing sources (uses)</b>				
Transfers in	13,182,859	13,182,859	13,182,859	-
Transfers (out)	-	(710,280)	(710,280)	-
Total other financing sources (uses)	13,182,859	12,472,579	12,472,579	-
Net change in fund balances	-	-	1,337,393	1,337,393
Fund balances - beginning	545,749	545,749	545,749	-
Fund balances (deficits) - ending	\$ 545,749	\$ 545,749	\$ 1,883,142	\$ 1,337,393

## 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 *Commonwealth Opportunity Fund* is used to account for funds received from the Virginia Economic Development Partnership's Commonwealth Opportunity Fund grant program to aid in the infrastructure costs including public and private utility extension for fiber, water, and sewer.

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
<b>Assets</b>				
Cash and cash equivalents	\$ 2,628,752	\$ 594,682	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	39,683	78,064
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	31,527	-	-	-
Accounts	765	227,451	-	-
Total assets	2,661,044	822,133	39,683	78,064
Total assets and deferred outflows of resources	2,661,044	822,133	39,683	78,064
<b>Liabilities</b>				
Accounts payable	-	27,846	598	-
Accrued liabilities	4,612	2,909	-	-
Escrows	-	-	-	-
Total liabilities	4,612	30,755	598	-
<b>Deferred inflows of resources</b>				
Revenue advances	5,700	-	-	-
Unavailable revenue	25,639	43,494	-	-
Total deferred inflows of resources	31,339	43,494	-	-
Total liabilities and deferred inflows of resources	35,951	74,249	598	-
<b>Fund balances</b>				
Restricted	-	-	39,085	78,064
Committed	2,625,093	747,884	-	-
Total fund balances	2,625,093	747,884	39,085	78,064
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,661,044	\$ 822,133	\$ 39,683	\$ 78,064

Special Revenue Funds				
Library Fund	Marshall Electric Light and Business Improvement District Fund	Proffer Fund	Stormwater Management Fund	
\$ -	\$ 2,365	\$ -	\$ -	<b>Assets</b>
383,409	77,719	5,300,031	197,005	Cash and cash equivalents
-	274	-	-	Cash and cash equivalents - restricted
-	210	-	3,726	Receivables, net of allowance for uncollectibles:
				Taxes, including penalties
				Accounts
383,409	80,568	5,300,031	200,731	Total assets
383,409	80,568	5,300,031	200,731	Total assets and deferred outflows of resources
-	922	-	-	<b>Liabilities</b>
-	-	-	-	Accounts payable
-	-	194,838	-	Accrued liabilities
-	922	194,838	-	Escrows
				Total liabilities
-	1,504	-	5,345	<b>Deferred inflows of resources</b>
-	-	-	-	Revenue advances
-	1,504	-	5,345	Unavailable revenue
-	2,426	194,838	5,345	Total deferred inflows of resources
				Total liabilities and deferred inflows of resources
383,409	78,142	5,105,193	195,386	<b>Fund balances</b>
-	-	-	-	Restricted
383,409	78,142	5,105,193	195,386	Committed
				Total fund balances
\$ 383,409	\$ 80,568	\$ 5,300,031	\$ 200,731	Total liabilities, deferred inflows of resources, and fund balances

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue Funds				
	Vint Hill Community Enrichment Fund	Vint Hill Transportation Fund	Treasurer's E- Summons Fund	Project Lifesaver Fund	Working Together Committee Fund
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents - restricted	153,929	288,957	181,562	2,874	42,329
Receivables, net of allowance for uncollectibles:					
Taxes, including penalties	-	-	-	-	-
Accounts	-	-	-	-	153
Due from other governmental units	-	-	-	-	-
Total assets	<u>153,929</u>	<u>288,957</u>	<u>181,562</u>	<u>2,874</u>	<u>42,482</u>
Total assets and deferred outflows of resources	<u>153,929</u>	<u>288,957</u>	<u>181,562</u>	<u>2,874</u>	<u>42,482</u>
<b>Liabilities</b>					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Escrows	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Revenue advances	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Restricted	153,929	288,957	181,562	2,874	42,482
Committed	-	-	-	-	-
Total fund balances	<u>153,929</u>	<u>288,957</u>	<u>181,562</u>	<u>2,874</u>	<u>42,482</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 153,929</u>	<u>\$ 288,957</u>	<u>\$ 181,562</u>	<u>\$ 2,874</u>	<u>\$ 42,482</u>

Special Revenue Funds				
Fire and Rescue USDA Debt Service Fund	Coronavirus Aid, Relief, and Economic Security (CARES) Fund	Opioid Abatement Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 3,225,799	<b>Assets</b>
666,122	11,782	-	7,423,466	Cash and cash equivalents
-	-	-	31,801	Cash and cash equivalents - restricted
-	-	1,416,506	1,648,811	Receivables, net of allowance for uncollectibles:
-	344,294	-	344,294	Taxes, including penalties
				Accounts
				Due from other governmental units
666,122	356,076	1,416,506	12,674,171	Total assets
666,122	356,076	1,416,506	12,674,171	Total assets and deferred outflows of resources
-	-	-	29,366	<b>Liabilities</b>
-	-	-	7,521	Accounts payable
-	219,574	-	219,574	Accrued liabilities
-	-	-	194,838	Due to other funds
				Escrows
-	219,574	-	451,299	Total liabilities
-	-	-	12,549	<b>Deferred inflows of resources</b>
-	-	1,367,303	1,436,436	Revenue advances
				Unavailable revenue
-	-	1,367,303	1,448,985	Total deferred inflows of resources
-	219,574	1,367,303	1,900,284	Total liabilities and deferred inflows of resources
666,122	136,502	49,203	7,400,910	<b>Fund balances</b>
-	-	-	3,372,977	Restricted
666,122	136,502	49,203	10,773,887	Committed
				Total fund balances
\$ 666,122	\$ 356,076	\$ 1,416,506	\$ 12,674,171	Total liabilities, deferred inflows of resources, and fund balances

	Special Revenue Funds			
	Conservation Easement Service District Fund	Ambulance Revenue Fund	Social Services Board Fund	Parks and Recreation Fund
<b>Revenues</b>				
General property taxes	\$ 776,411	\$ -	\$ -	\$ -
Revenue from use of money and property	-	-	71	185
Charges for services	-	2,075,784	-	-
Gifts and donations	-	-	-	9,613
Miscellaneous revenue	-	-	11,614	-
Intergovernmental:				
Commonwealth of Virginia	165,286	-	-	-
Federal Government	-	-	-	-
Total revenues	<u>941,697</u>	<u>2,075,784</u>	<u>11,685</u>	<u>9,798</u>
<b>Expenditures</b>				
Current operating:				
Public safety	-	530,089	-	-
Public works	-	-	-	-
Health and welfare	-	-	12,140	-
Parks, recreation, and cultural	-	-	-	36,094
Community development	<u>351,533</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>351,533</u>	<u>530,089</u>	<u>12,140</u>	<u>36,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>590,164</u>	<u>1,545,695</u>	<u>(455)</u>	<u>(26,296)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	<u>-</u>	<u>(1,457,110)</u>	<u>-</u>	<u>(21,764)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,457,110)</u>	<u>-</u>	<u>(21,764)</u>
<b>Net change in fund balances (deficits)</b>	590,164	88,585	(455)	(48,060)
Fund balances - beginning	2,034,929	659,299	39,540	126,124
Fund balances - ending	<u>\$ 2,625,093</u>	<u>\$ 747,884</u>	<u>\$ 39,085</u>	<u>\$ 78,064</u>



Special Revenue Funds

Library Fund	Marshall Electric Light and Business Improvement District Fund	Proffer Fund	Stormwater Management Fund	
\$ -	\$ 55,266	\$ -	\$ 368,501	<b>Revenues</b>
785	-	6,363	-	General property taxes
-	-	-	-	Revenue from use of money and property
15,014	-	117,405	-	Charges for services
-	-	-	-	Gifts and donations
-	-	-	-	Miscellaneous revenue
-	-	-	-	Intergovernmental:
-	-	-	-	Commonwealth of Virginia
-	-	-	3,000	Federal Government
15,799	55,266	123,768	371,501	Total revenues
				<b>Expenditures</b>
-	-	-	-	Current operating:
-	10,843	-	-	Public safety
-	-	-	-	Public works
6,987	-	-	-	Health and welfare
-	-	-	-	Parks, recreation, and cultural
-	-	-	21,078	Community development
6,987	10,843	-	21,078	Total expenditures
8,812	44,423	123,768	350,423	Excess (deficiency) of revenues over (under) expenditures
-	-	-	(358,657)	<b>Other financing sources (uses)</b>
-	-	-	(358,657)	Transfers (out)
-	-	-	(358,657)	Total other financing sources (uses)
8,812	44,423	123,768	(8,234)	<b>Net change in fund balances (deficits)</b>
374,597	33,719	4,981,425	203,620	Fund balances - beginning
\$ 383,409	\$ 78,142	\$ 5,105,193	\$ 195,386	Fund balances - ending

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances – Nonmajor Governmental Funds  
Fiscal Year Ended June 30, 2022

	Special Revenue Funds				
	Vint Hill Community Enrichment Fund	Vint Hill Transportation Fund	Treasurer's E- Summons Fund	Project Lifesaver Fund	Working Together Committee Fund
<b>Revenues</b>					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	33,905	-	-
Revenue from use of money and property	-	597	-	-	49
Charges for services	-	-	-	-	-
Gifts and donations	-	112	-	1,470	39,847
Recovered costs	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Intergovernmental:					
Commonwealth of Virginia	-	-	-	-	-
Federal Government	-	-	-	-	-
Total revenues	-	709	33,905	1,470	39,896
<b>Expenditures</b>					
Current operating:					
General government administration	-	-	-	-	-
Public safety	-	-	9,188	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Community development	-	-	-	-	-
Nondepartmental	-	-	-	-	33,720
Total expenditures	-	-	9,188	-	33,720
Excess (deficiency) of revenues over (under) expenditures	-	709	24,717	1,470	6,176
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
<b>Net change in fund balances (deficits)</b>	-	709	24,717	1,470	6,176
Fund balances - beginning	153,929	288,248	156,845	1,404	36,306
Fund balances - ending	\$ 153,929	\$ 288,957	\$ 181,562	\$ 2,874	\$ 42,482

Special Revenue Funds					
Commonwealth Opportunity Fund	Fire and Rescue USDA Debt Service Fund	Coronavirus Aid, Relief, and Economic Security (CARES) Fund	Opioid Abatement Fund	Total Nonmajor Governmental Funds	
					<b>Revenues</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,200,178	General property taxes
-	-	-	-	33,905	Fines and forfeitures
-	816	146	-	9,012	Revenue from use of money and property
-	-	-	-	2,075,784	Charges for services
-	-	-	-	183,461	Gifts and donations
-	-	9,053	-	9,053	Recovered costs
-	-	-	49,203	60,817	Miscellaneous revenue
-	-	-	-	165,286	Intergovernmental:
-	-	609,954	-	612,954	Commonwealth of Virginia
-	-	-	-	-	Federal Government
-	816	619,153	49,203	4,350,450	Total revenues
					<b>Expenditures</b>
					Current operating:
-	-	5,541	-	5,541	General government administration
-	490,097	340,492	-	1,369,866	Public safety
-	-	146,149	-	156,992	Public works
-	-	400	-	12,540	Health and welfare
-	-	-	-	43,081	Parks, recreation, and cultural
1,250,000	-	-	-	1,622,611	Community development
-	-	2,705	-	36,425	Nondepartmental
1,250,000	490,097	495,287	-	3,247,056	Total expenditures
(1,250,000)	(489,281)	123,866	49,203	1,103,394	Excess (deficiency) of revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
-	510,216	-	-	510,216	Transfers in
-	-	-	-	(1,837,531)	Transfers (out)
-	510,216	-	-	(1,327,315)	Total other financing sources (uses)
(1,250,000)	20,935	123,866	49,203	(223,921)	<b>Net change in fund balances (deficits)</b>
1,250,000	645,187	12,636	-	10,997,808	Fund balances - beginning
\$ -	\$ 666,122	\$ 136,502	\$ 49,203	\$ 10,773,887	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, 2022**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance From Amended Positive (Negative)</b>
<b>Revenues</b>				
General property taxes	\$ 765,196	\$ 765,196	\$ 776,411	\$ 11,215
Intergovernmental:				
Commonwealth of Virginia	115,000	115,000	165,286	50,286
Total revenues	880,196	880,196	941,697	61,501
<b>Expenditures</b>				
Current operating:				
Community development	880,196	2,915,125	351,533	2,563,592
Total expenditures	880,196	2,915,125	351,533	2,563,592
Excess (deficiency) of revenues over (under) expenditures	-	(2,034,929)	590,164	2,625,093
Net change in fund balances (deficits)	-	(2,034,929)	590,164	2,625,093
Fund balances - beginning	2,034,929	2,034,929	2,034,929	-
Fund balances (deficits) - ending	\$ 2,034,929	\$ -	\$ 2,625,093	\$ 2,625,093

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, 2022

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 1,570,305	\$ 1,570,305	\$ 2,075,784	\$ 505,479
Total revenues	1,570,305	1,570,305	2,075,784	505,479
<b>Expenditures</b>				
Current operating:				
Public safety	572,020	572,020	530,089	41,931
Total expenditures	572,020	572,020	530,089	41,931
Excess (deficiency) of revenues over (under) expenditures	998,285	998,285	1,545,695	547,410
<b>Other financing sources (uses)</b>				
Transfers (out)	(1,457,110)	(1,457,110)	(1,457,110)	-
Total other financing sources (uses)	(1,457,110)	(1,457,110)	(1,457,110)	-
Net change in fund balances	(458,825)	(458,825)	88,585	547,410
Fund balances - beginning	659,299	659,299	659,299	-
Fund balances - ending	\$ 200,474	\$ 200,474	\$ 747,884	\$ 547,410

**COUNTY OF FAUQUIER, VIRGINIA**

Exhibit 25

**Statement 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, 2022**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance From Amended Positive (Negative)</b>
<b>Revenues</b>				
Revenue from use of money and property	\$ -	\$ -	\$ 146	\$ 146
Recovered costs	-	9,053	9,053	-
Intergovernmental:				
Federal Government	-	44,847	609,954	565,107
Total revenues	-	53,900	619,153	565,253
<b>Expenditures</b>				
Current operating:				
General government administration	-	5,541	5,541	-
Public safety	-	340,492	340,492	-
Public works	-	146,149	146,149	-
Health and welfare	-	400	400	-
Nondepartmental	-	2,705	2,705	-
Total expenditures	-	495,287	495,287	-
Excess (deficiency) of revenues over (under) expenditures	-	(441,387)	123,866	565,253
Net change in fund balances (deficits)	-	(441,387)	123,866	565,253
Fund balances - beginning	12,636	12,636	12,636	-
Fund balances (deficits) - ending	\$ 12,636	\$ (428,751)	\$ 136,502	\$ 565,253

### **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, 2022

Exhibit 26  
Page 1 of 2

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 18,378,546	\$ 18,378,546
Receivables, net of allowance for uncollectibles	32,165	2,098,304	2,130,469
Inventories	277,048	-	277,048
Prepaid items	-	175,842	175,842
Total current assets	309,213	20,652,692	20,961,905
Noncurrent assets:			
Net pension asset	108,657	-	108,657
Lease assets:			
Buildings	-	48,256	48,256
Accumulated depreciation/amortization	-	(32,170)	(32,170)
Total lease assets, net	-	16,086	16,086
Capital assets (depreciable):			
Buildings and improvements	349,000	-	349,000
Machinery and equipment	727,534	37,521	765,055
Accumulated depreciation/amortization	(903,975)	(24,120)	(928,095)
Total capital assets, net	172,559	13,401	185,960
Total noncurrent assets	281,216	29,487	310,703
Total assets	590,429	20,682,179	21,272,608
<b>Deferred outflow of resources</b>			
Items related to measurement of net pension liability	94,774	-	94,774
Pension contributions subsequent to measurement date	72,612	-	72,612
Items related to measurement of net OPEB liability	28,500	-	28,500
OPEB contributions subsequent to measurement date	3,990	-	3,990
Total deferred outflow of resources	199,876	-	199,876
Total assets and deferred outflows of resources	\$ 790,305	\$ 20,682,179	\$ 21,472,484



COUNTY OF FAUQUIER, VIRGINIA

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2022

Exhibit 26  
Page 2 of 2

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 93,345	\$ 659,962	\$ 753,307
Accrued and other liabilities	32,862	-	32,862
Accrued interest payable - leases	-	3	3
Due to other funds	104,456	-	104,456
Current portion of compensated absences	10,063	-	10,063
Current portion of incurred but not reported claims	-	780,996	780,996
Current portion of lease liabilities	-	16,258	16,258
Total current liabilities	240,726	1,457,219	1,697,945
Noncurrent liabilities:			
Noncurrent portion of compensated absences	90,561	-	90,561
Noncurrent portion of incurred but not reported claims	-	2,342,987	2,342,987
Net OPEB liability	97,876	-	97,876
Total noncurrent liabilities	188,437	2,342,987	2,531,424
Total liabilities	429,163	3,800,206	4,229,369
<b>Deferred inflow of resources</b>			
Items related to measurement of pension liability	319,937	-	319,937
Items related to measurement of OPEB liability	58,663	-	58,663
Total deferred inflow of resources	378,600	-	378,600
Total liabilities and deferred inflows of resources	807,763	3,800,206	4,607,969
<b>Net position</b>			
Investment in capital assets	172,559	13,229	185,788
Pensions	108,657	-	108,657
Unrestricted (deficit)	(298,674)	16,868,744	16,570,070
Total net position	(17,458)	16,881,973	16,864,515
Total liabilities, deferred inflows of resources, and net position	\$ 790,305	\$ 20,682,179	\$ 21,472,484

**COUNTY OF FAUQUIER, VIRGINIA**

**Exhibit 27**

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Funds  
Fiscal Year Ended June 30, 2022**

	<b>Internal Service Funds</b>		
	<b>Fleet Maintenance Fund</b>	<b>Health Insurance Fund</b>	<b>Total</b>
<b>Operating revenues</b>			
Charges for services	\$ 3,519,633	\$ 37,941,976	\$ 41,461,609
Recovered cost	14	3,276,538	3,276,552
Miscellaneous revenue	3,343	6,925	10,268
<b>Total operating revenues</b>	<b>3,522,990</b>	<b>41,225,439</b>	<b>44,748,429</b>
<b>Operating expenses</b>			
Personal services	776,542	-	776,542
Fringe benefits	305,368	-	305,368
Claims and benefits paid	-	32,441,628	32,441,628
Premiums	-	2,716,647	2,716,647
Contractual services	166,635	3,326,314	3,492,949
Other operating expenses	2,301,005	11,913	2,312,918
Depreciation	22,004	5,360	27,364
Lease amortization	-	32,170	32,170
Pension and OPEB expense	(2,710)	-	(2,710)
<b>Total operating expenses</b>	<b>3,568,844</b>	<b>38,534,032</b>	<b>42,102,876</b>
<b>Operating income (loss)</b>	<b>(45,854)</b>	<b>2,691,407</b>	<b>2,645,553</b>
<b>Nonoperating revenues (expenses)</b>			
Interest income (expense)	-	37,117	37,117
<b>Total nonoperating revenues</b>	<b>-</b>	<b>37,117</b>	<b>37,117</b>
<b>Income (loss)</b>	<b>(45,854)</b>	<b>2,728,524</b>	<b>2,682,670</b>
<b>Transfers</b>			
Transfers in	36,260	36,000	72,260
<b>Total transfers</b>	<b>36,260</b>	<b>36,000</b>	<b>72,260</b>
<b>Change in net position</b>	<b>(9,594)</b>	<b>2,764,524</b>	<b>2,754,930</b>
Net position - beginning	(7,864)	14,117,449	14,109,585
Net position - ending	\$ (17,458)	\$ 16,881,973	\$ 16,864,515

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 28

Combining Statement of Cash Flows  
Internal Service Funds  
Fiscal Year Ended June 30, 2022

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
<b>Cash flow from operating activities</b>			
Receipts from customers and users	\$ 245,568	\$ 38,799,867	\$ 39,045,435
Receipts from interfund services provided	3,259,142	1,070,992	4,330,134
Payment to suppliers and other operating activities	(2,472,251)	(37,896,361)	(40,368,612)
Payment to employees (including fringes)	(1,173,773)	-	(1,173,773)
Net cash provided by (used for) operating activities	(141,314)	1,974,498	1,833,184
<b>Cash flow from noncapital financing activities</b>			
Transfers in	36,260	36,000	72,260
Proceeds from interfund obligation	104,456	-	104,456
Net cash provided by noncapital financing activities	140,716	36,000	176,716
<b>Cash flow from capital and related financing activities</b>			
Principal and interest paid on leases	-	(31,998)	(31,998)
Net cash provided by (used in) capital and related financing activities	-	(31,998)	(31,998)
<b>Cash flow from investing activities</b>			
Interest income	-	37,117	37,117
Net cash provided by investing activities	-	37,117	37,117
Net increase (decrease) in cash and cash equivalents	(598)	2,015,617	2,015,019
Cash and cash equivalents - beginning of the year	598	16,362,929	16,363,527
Cash and cash equivalents - end of the year	-	18,378,546	18,378,546
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
Cash flows from operations:			
Operating income (loss)	(45,854)	2,691,407	2,645,553
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	22,004	5,360	27,364
Amortization of leases	-	32,170	32,170
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(18,280)	(1,354,580)	(1,372,860)
(Increase) decrease in inventory	(46,518)	-	(46,518)
(Increase) decrease in net pension assets	(108,657)	-	(108,657)
(Increase) decrease in prepaid items	-	260,623	260,623
(Increase) decrease in deferred outflows of resources	25,763	-	25,763
Increase (decrease) in accounts payable	41,907	200,065	241,972
Increase (decrease) in accrued liabilities	(15,261)	-	(15,261)
Increase (decrease) in accrued interest payable - lease	-	3	3
Increase (decrease) in incurred but not reported claims	-	139,450	139,450
Increase (decrease) in net pension liability	(308,597)	-	(308,597)
Increase (decrease) in net OPEB liability	(38,559)	-	(38,559)
Increase (decrease) in deferred inflows of resources	350,738	-	350,738
Net cash provided by (used for) operating activities	\$ (141,314)	\$ 1,974,498	\$ 1,833,184

## 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**

**Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2022**

**Exhibit 29  
Page 1 of 2**

	<b>Custodial Funds</b>		
	<b>Volunteer Fire and Rescue Association Fund</b>	<b>Special Welfare Fund</b>	<b>Detention Center Fund</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 138,122	\$ 16,251	\$ -
Cash in custody of others	-	-	150,914
Receivables, net of allowance for uncollectibles:			
Accounts	-	-	12
Loans	-	-	-
Investments at fair market value	-	-	-
<b>Total assets</b>	<b>138,122</b>	<b>16,251</b>	<b>150,926</b>
<b>Liabilities</b>			
Accrued liabilities	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>			
Restricted for:			
Individuals and organizations	138,122	16,251	150,926
<b>Total net position</b>	<b>138,122</b>	<b>16,251</b>	<b>150,926</b>
<b>Total liabilities and net position</b>	<b>\$ 138,122</b>	<b>\$ 16,251</b>	<b>\$ 150,926</b>

Custodial Funds			
Service to Outside Agencies Fund	457(b) Deferred Compensation Plan Fund	Total Custodial Funds	
			<b>Assets</b>
\$ 9,774	\$ -	\$ 164,147	Cash and cash equivalents
-	-	150,914	Cash in custody of others
44,863	-	44,875	Receivables, net of allowance for uncollectibles:
-	79,122	79,122	Accounts
-	15,845,669	15,845,669	Loans
			Investments at fair market value
<u>54,637</u>	<u>15,924,791</u>	<u>16,284,727</u>	Total assets
			<b>Liabilities</b>
<u>50,298</u>	<u>-</u>	<u>50,298</u>	Accrued liabilities
<u>50,298</u>	<u>-</u>	<u>50,298</u>	Total liabilities
			<b>Net Position</b>
<u>4,339</u>	<u>15,924,791</u>	<u>16,234,429</u>	Restricted for:
			Individuals and organizations
<u>4,339</u>	<u>15,924,791</u>	<u>16,234,429</u>	Total net position
\$ <u>54,637</u>	\$ <u>15,924,791</u>	\$ <u>16,284,727</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, 2022

Exhibit 30  
Page 1 of 2

	Custodial Funds		
	Volunteer Fire and Rescue Association Fund	Volunteer Fire and Rescue Operations Fund	Special Welfare Fund
<b>Additions</b>			
Contributions:			
Employees	\$ -	\$ -	\$ -
Governments and organizations	24,164	105,832	39,388
On behalf of inmates	-	-	-
Total contributions	24,164	105,832	39,388
Investment income:			
Net increase (decrease) in the fair value of the investments	-	-	-
Interest and dividends	187	-	31
Less: investment expenses	-	-	-
Total investment income	187	-	31
Miscellaneous revenue:			
Miscellaneous revenue	-	-	-
Total miscellaneous revenue	-	-	-
Total additions	24,351	105,832	39,419
<b>Deductions</b>			
Benefits paid to or on behalf of beneficiaries or participants:			
Personal services	-	-	-
Fringe benefits	-	-	-
Inmate expenses	-	-	-
Aid to dependent children	-	-	32,576
Distributions	-	-	-
Emergency services	5,063	777,109	-
Total deductions	5,063	777,109	32,576
Net increase (decrease) in net position	19,288	(671,277)	6,843
Net position - beginning, restated	118,834	671,277	9,408
Net position - ending	\$ 138,122	\$ -	\$ 16,251



Custodial Funds				
Detention Center Fund	Service to Outside Agencies Fund	457(b) Deferred Compensation Plan Fund	Total Custodial Funds	
				<b>Additions</b>
\$ -	\$ -	\$ 1,401,883	\$ 1,401,883	Contributions:
-	464,141	-	633,525	Employees
151,741	-	-	151,741	Governments and organizations
151,741	464,141	1,401,883	2,187,149	On behalf of inmates
				Total contributions
-	-	(3,695,612)	(3,695,612)	Investment income:
-	-	1,036,992	1,037,210	Net increase (decrease) in the fair value of the investments
-	-	(37,193)	(37,193)	Interest and dividends
-	-	(2,695,813)	(2,695,595)	Less: investment expenses
				Total investment income
-	-	73,531	73,531	Miscellaneous revenue:
-	-	73,531	73,531	Miscellaneous revenue
151,741	464,141	(1,220,399)	(434,915)	Total miscellaneous revenue
				Total additions
				<b>Deductions</b>
-	345,511	-	345,511	Benefits paid to or on behalf of beneficiaries or participants:
-	114,749	-	114,749	Personal services
144,032	-	-	144,032	Fringe benefits
-	-	-	32,576	Inmate expenses
-	-	1,547,164	1,547,164	Aid to dependent children
-	-	-	782,172	Distributions
144,032	460,260	1,547,164	2,966,204	Emergency services
				Total deductions
7,709	3,881	(2,767,563)	(3,401,119)	Net increase (decrease) in net position
143,217	458	18,692,354	19,635,548	Net position - beginning, restated
\$ 150,926	\$ 4,339	\$ 15,924,791	\$ 16,234,429	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, 2022**

---

**Assets**

## Current assets:

Cash and cash equivalents	\$	155,979
Receivables, net of allowance for uncollectibles:		
Loan		<u>50,695</u>
Total current assets		<u>206,674</u>
Total assets		<u><u>206,674</u></u>

**Liabilities**

## Current liabilities:

Accrued and other liabilities		<u>1,454</u>
Total current liabilities		<u>1,454</u>
Total liabilities		<u>1,454</u>

**Net Position**

Unrestricted (deficit)		<u>205,220</u>
Total net position		<u>205,220</u>
Total liabilities and net position	\$	<u><u>206,674</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, 2022**

---

**Operating revenues**

Charges for services	\$ 11,254
Gifts and donations	<u>25,000</u>
Total operating revenues	<u>36,254</u>

**Operating expenses**

Personal services	3,000
Fringe benefits	230
Other operating expenses	<u>3,252</u>
Total operating expenses	<u>6,482</u>

Operating income (loss)	<u>29,772</u>
-------------------------	---------------

**Nonoperating revenues (expenses)**

Interest income (expense)	<u>811</u>
Total nonoperating revenues (expenses)	<u>811</u>

Income (loss) before capital contributions, grants, and transfers	<u>30,583</u>
---	---------------

Change in net position	30,583
------------------------	--------

Net position - beginning	<u>174,637</u>
Net position - ending	<u><u>\$ 205,220</u></u>

**COUNTY OF FAUQUIER, VIRGINIA****Exhibit 33****Statement of Cash Flows****Discretely Presented Component Unit - Economic Development Authority****Fiscal Year Ended June 30, 2022**

---

**Cash Flow from Operating Activities**

Receipts from customers and users	\$ 11,254
Payments to grantees	(1,798)
Payments to board members	(3,230)
Operating grants/donations received	<u>25,000</u>
Net cash provided by (used for) operating activities	<u>31,226</u>

**Cash Flow from Investing Activities**

Payments to loan recipients	(50,000)
Receipts from loan recipients	12,483
Interest income	<u>811</u>
Net cash provided by investing activities	<u>(36,706)</u>

Net increase (decrease) in cash and cash equivalents (5,480)

Cash and cash equivalents - beginning of the year, restated 161,459

Cash and cash equivalents - end of the year 155,979

**Reconciliation of Operating Income (Loss) to Net Cash****Provided by (Used for) Operating Activities**

Cash flows from operations:	
Operating income (loss)	29,772

Changes in operating assets and liabilities:	
Increase (decrease) in accrued liabilities	<u>1,454</u>

Net cash provided by (used for) operating activities \$ 31,226

## 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 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.

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.



## **COMPONENT UNIT – SCHOOL BOARD (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.

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

Exhibit 34

Combining Balance Sheet  
Discretely Presented Component Unit – School Board  
June 30, 2022

	Governmental Funds					
	School General Fund	School Asset Replacement Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents (1)	\$ 5,793,565	\$ 6,238,907	\$ 1,516,762	\$ 2,868,614	\$ -	\$ 16,417,848
Cash and cash equivalents - restricted (1)	322,103	-	-	-	-	322,103
Cash and cash equivalents - activity funds	-	-	-	-	1,957,353	1,957,353
Accounts receivable	125,568	3,080	-	-	26,339	154,987
Inventories	-	-	-	185,436	-	185,436
Due from other funds	17,675	-	-	-	-	17,675
Due from other governmental units	8,549,050	91,678	-	73,009	-	8,713,737
Total assets	<u>14,807,961</u>	<u>6,333,665</u>	<u>1,516,762</u>	<u>3,127,059</u>	<u>1,983,692</u>	<u>27,769,139</u>
<b>Liabilities</b>						
Accounts payable	469,906	356,482	127	9,242	28,369	864,126
Accrued liabilities	12,504,543	-	-	301,800	-	12,806,343
Due to other funds	-	-	-	-	17,675	17,675
Unearned revenue	322,103	-	-	100,477	240	422,820
Total liabilities	<u>13,296,552</u>	<u>356,482</u>	<u>127</u>	<u>411,519</u>	<u>46,284</u>	<u>14,110,964</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	185,436	-	185,436
Assigned	1,511,409	5,977,183	1,516,635	2,530,104	1,937,408	13,472,739
Total fund balances	<u>1,511,409</u>	<u>5,977,183</u>	<u>1,516,635</u>	<u>2,715,540</u>	<u>1,937,408</u>	<u>13,658,175</u>
Total liabilities and fund balances	<u>\$ 14,807,961</u>	<u>\$ 6,333,665</u>	<u>\$ 1,516,762</u>	<u>\$ 3,127,059</u>	<u>\$ 1,983,692</u>	<u>\$ 27,769,139</u>

(1) Cash and cash equivalents on deposit with County of Fauquier, Virginia.

**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, 2022**

<b>Total fund balances - discretely presented component unit - School Board</b>	<b>\$</b>	<b>13,658,175</b>
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.		122,495
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	156,421,453	
Lease assets used in governmental activities	669,743	
Net pension asset	4,619,167	
Net OPEB asset	13,127	
Items related to measurement of the net pension liability	12,445,497	
Items related to measurement of the net OPEB liability	1,792,191	
Contributions to pension plans	12,967,100	
Contributions to OPEB plans	<u>1,470,569</u>	190,398,847
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		(84,832)
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	(671,699)	
Compensated absences	(3,794,599)	
Financing agreements	(10,342,157)	
Net pension liability	(67,474,513)	
Net OPEB liability	(23,552,336)	
Deferred inflows of resources related to pensions	(56,829,639)	
Deferred inflows of resources related to OPEB	<u>(5,411,832)</u>	<u>(168,076,775)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>36,017,910</u></b>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 36

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Discretely Presented Component Unit – School Board  
Fiscal Year Ended June 30, 2022

	Governmental Funds					
	School General Fund	School Asset Replacement Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Governmental Funds
<b>Revenues</b>						
Revenue from use of money and property	\$ -	\$ 4,320	\$ -	\$ 146	\$ 168,715	\$ 173,181
Charges for services	107,415	-	-	513,969	702	622,086
Gifts and donations	2,782	-	-	-	247,987	250,769
Recovered costs	10,024	40,254	204	62	23,629	74,173
Miscellaneous revenue	1,003,493	47,814	3,697	162,260	2,274,418	3,491,682
Intergovernmental:						
Contribution from primary government	95,173,327	-	-	-	-	95,173,327
Commonwealth of Virginia	56,275,548	-	469,432	207,326	-	56,952,306
Federal Government	8,651,150	-	-	8,236,896	-	16,888,046
Total revenues	161,223,739	92,388	473,333	9,120,659	2,715,451	173,625,570
<b>Expenditures</b>						
Current operating:						
Education	152,776,730	1,624,513	927,465	7,092,358	2,053,664	164,474,730
Contribution to primary government	-	3,382,430	-	-	-	3,382,430
Capital outlay - leases	156,449	-	-	15,009	-	171,458
Debt Service:						
Lease principal	337,710	-	-	1,981	-	339,691
Lease interest	2,213	-	-	52	-	2,265
Principal retirement	-	598,938	-	-	-	598,938
Interest charges	-	357,235	-	-	-	357,235
Total expenditures	153,273,102	5,963,116	927,465	7,109,400	2,053,664	169,326,747
Excess (deficiency) of revenues over (under) expenditures	7,950,637	(5,870,728)	(454,132)	2,011,259	661,787	4,298,823
<b>Other financing sources (uses)</b>						
Transfers in	1,680,805	7,622,570	638,308	372,449	78,520	10,392,652
Transfers (out)	(8,692,928)	(1,339,861)	-	-	(359,863)	(10,392,652)
Leases	156,449	-	-	15,009	-	171,458
Total other financing sources (uses)	(6,855,674)	6,282,709	638,308	387,458	(281,343)	171,458
Net change in fund balances	1,094,963	411,981	184,176	2,398,717	380,444	4,470,281
Fund balances - beginning	416,446	5,565,202	1,332,459	316,823	1,556,964	9,187,894
Fund balances - ending	\$ 1,511,409	\$ 5,977,183	\$ 1,516,635	\$ 2,715,540	\$ 1,937,408	\$ 13,658,175

**COUNTY OF FAUQUIER, VIRGINIA**

Exhibit 37

Page 1 of 2

**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, 2022**

<b>Net change in fund balances - discretely presented component unit - School Board</b>	<b>\$</b>	<b>4,470,281</b>
<p>Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:</p> <p>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.</p> <p>Add current year's prepaid items 122,495</p> <p>Less prior year's prepaid items (12,498) 109,997</p>		
<p>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 expense, which is not a use of current financial resources.</p> <p>Capital outlays 1,546,890</p> <p>Capital outlays - leases -</p> <p>Depreciation expense (8,955,676)</p> <p>Lease amortization expense (341,647) (7,750,433)</p>		
<p>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.</p> <p>Add debt principal repayment 598,938</p>		
<p>Lessee leasing agreements provide current financial resources to governmental funds, increase long-term liabilities in the Statement of Net Position. Lease principal payments but on lessee 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.</p> <p>Add lease principal repayment 339,691</p>		
<p>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.</p> <p>Less current year's compensated absences (3,794,599)</p> <p>Add prior year's compensated absences 4,116,347</p> <p>Less current year's accrued interest payable (84,832)</p> <p>Add prior year's accrued interest payable 89,532 326,448</p>		

**COUNTY OF FAUQUIER, VIRGINIA**

Exhibit 37

Page 2 of 2

**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, 2022****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	4,619,167	
Add current year's net OPEB asset	13,127	
Add current year's deferred outflow related to pensions	12,445,497	
Less prior year's deferred outflow related to pensions	(20,164,573)	
Less current year's deferred inflow related to OPEB	(5,411,832)	
Less prior year's deferred outflow related to OPEB	(2,108,811)	
Less current year's net pension liability	(67,474,513)	
Add prior year's net pension liability	131,552,048	
Less current year's net OPEB liability	(23,552,336)	
Add prior year's net OPEB liability	23,732,002	
Less current year's deferred inflow related to pensions	(56,829,639)	
Add prior year's deferred inflow related to pensions	10,002,101	
Add current year's deferred outflow related to OPEB	1,792,191	
Add prior year's deferred inflow related to OPEB	<u>2,691,910</u>	11,306,339

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	12,967,100	
Less prior year's pension contributions	(12,627,176)	
Add current year's OPEB contributions	1,470,569	
Less prior year's OPEB contributions	<u>(1,424,570)</u>	<u>385,923</u>

**Change in net position of governmental activities** **\$ 9,787,184**

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, 2022

Exhibit 38  
Page 1 of 4

	School General Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 582,650	\$ 614,481	\$ 107,415	\$ (507,066)
Gifts and donations	6,000	147,192	2,782	(144,410)
Recovered costs	5,000	5,000	10,024	5,024
Miscellaneous revenue	1,740,202	2,135,871	1,003,493	(1,132,378)
Intergovernmental:				
Contribution from primary government	93,145,478	100,140,069	95,173,327	(4,966,742)
Commonwealth of Virginia	51,830,719	55,562,509	56,275,548	713,039
Federal Government	3,989,453	18,236,355	8,651,150	(9,585,205)
Total revenues	<u>151,299,502</u>	<u>176,841,477</u>	<u>161,223,739</u>	<u>(15,617,738)</u>
<b>Expenditures</b>				
Current operating:				
Education:				
Instruction	113,296,751	131,019,698	117,495,062	13,524,636
Administration, attendance, and health	7,382,327	8,197,016	7,649,934	547,082
Public transportation services	9,941,182	10,885,946	10,690,585	195,361
Operation and maintenance services	10,910,060	12,640,910	12,449,439	191,471
School food services	-	46,275	2,467	43,808
Technology	4,780,110	5,886,621	4,489,243	1,397,378
Total education	<u>146,310,430</u>	<u>168,676,466</u>	<u>152,776,730</u>	<u>15,899,736</u>
Capital outlay - leases				
Education	-	156,449	156,449	-
Total capital outlay - leases	<u>-</u>	<u>156,449</u>	<u>156,449</u>	<u>-</u>
Debt service:				
Lease principal	464,364	467,737	337,710	130,027
Lease interest	-	2,213	2,213	-
Total debt service	<u>464,364</u>	<u>469,950</u>	<u>339,923</u>	<u>130,027</u>
Total expenditures	<u>146,774,794</u>	<u>169,302,865</u>	<u>153,273,102</u>	<u>16,029,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,524,708</u>	<u>7,538,612</u>	<u>7,950,637</u>	<u>412,025</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	1,320,942	1,680,805	359,863
Transfers (out)	(4,524,708)	(8,614,408)	(8,692,928)	(78,520)
Leases	-	-	156,449	156,449
Total other financing sources (uses)	<u>(4,524,708)</u>	<u>(7,293,466)</u>	<u>(6,855,674)</u>	<u>437,792</u>
Net change in fund balance	-	245,146	1,094,963	849,817
Fund balances - beginning	416,446	416,446	416,446	-
Fund balances - ending	<u>\$ 416,446</u>	<u>\$ 661,592</u>	<u>\$ 1,511,409</u>	<u>\$ 849,817</u>

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, 2022

Exhibit 38  
Page 2 of 4

	School Asset Replacement Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Revenues</b>				
Revenue from use of money and property	\$ 465,500	\$ 469,340	\$ 4,320	\$ (465,020)
Gifts and donations	-	23,064	-	(23,064)
Recovered costs	60,000	43,319	40,254	(3,065)
Miscellaneous revenue	32,000	32,000	47,814	15,814
Intergovernmental:				
Commonwealth of Virginia	-	22,919	-	(22,919)
Total revenues	557,500	590,642	92,388	(498,254)
<b>Expenditures</b>				
Current operating:				
Education:				
Instruction	80,000	352,115	56,331	295,784
Public transportation services	125,000	749,590	458,947	290,643
Operation and maintenance services	1,670,714	4,182,486	823,602	3,358,884
School food services	150,000	562,077	284,633	277,444
Technology	50,000	221,160	1,000	220,160
District-wide	1,481,673	1,959,180	-	1,959,180
Contribution to primary government	471,640	3,382,430	3,382,430	-
Debt Service:				
Principal retirement	-	598,938	598,938	-
Interest charges	-	357,235	357,235	-
Total expenditures	4,029,027	12,365,211	5,963,116	6,402,095
Excess (deficiency) of revenues over (under) expenditures	(3,471,527)	(11,774,569)	(5,870,728)	5,903,841
<b>Other financing sources (uses)</b>				
Transfers in	-	7,622,570	7,622,570	-
Transfers (out)	-	(1,339,861)	(1,339,861)	-
Issuance of debt	3,471,527	-	-	-
Total other financing sources (uses)	3,471,527	6,282,709	6,282,709	-
Net change in fund balance (deficit)	-	(5,491,860)	411,981	5,903,841
Fund balances - beginning	5,565,202	5,565,202	5,565,202	-
Fund balances - ending	\$ 5,565,202	\$ 73,342	\$ 5,977,183	\$ 5,903,841



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, 2022

Exhibit 38  
Page 3 of 4

	School Textbook Fund			Variance From Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
<b>Revenues</b>				
Recovered costs	\$ -	\$ -	\$ 204	\$ 204
Miscellaneous revenue	-	-	3,697	3,697
Intergovernmental:				
Commonwealth of Virginia	447,435	470,221	469,432	(789)
Total revenues	447,435	470,221	473,333	3,112
<b>Expenditures</b>				
Current operating:				
Education:				
Instruction	1,085,743	2,440,988	927,465	1,513,523
Total education	1,085,743	2,440,988	927,465	1,513,523
Total expenditures	1,085,743	2,440,988	927,465	1,513,523
Excess (deficiency) of revenues over (under) expenditures	(638,308)	(1,970,767)	(454,132)	1,516,635
<b>Other financing sources (uses)</b>				
Transfers in	638,308	638,308	638,308	-
Total other financing sources (uses)	638,308	638,308	638,308	-
Net change in fund balance (deficit)	-	(1,332,459)	184,176	1,516,635
Fund balances - beginning	1,332,459	1,332,459	1,332,459	-
Fund balances - ending	\$ 1,332,459	\$ -	\$ 1,516,635	\$ 1,516,635

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual  
Discretely Presented Component Unit – School Board  
Fiscal Year Ended June 30, 2022

Exhibit 38  
Page 4 of 4

	School Nutrition Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
<b>Revenues</b>				
Revenue from use of money and property	\$ 4,500	\$ 4,500	\$ 146	\$ (4,354)
Charges for services	2,980,816	2,980,816	513,969	(2,466,847)
Recovered costs	-	-	62	62
Miscellaneous revenue	187,000	187,000	162,260	(24,740)
Intergovernmental:				
Commonwealth of Virginia	85,408	215,508	207,326	(8,182)
Federal Government	2,503,864	3,339,737	8,236,896	4,897,159
Total revenues	5,761,588	6,727,561	9,120,659	2,393,098
<b>Expenditures</b>				
Current operating:				
Education:				
School food services	6,172,261	7,092,358	7,092,358	-
Total education	6,172,261	7,092,358	7,092,358	-
Capital outlay - leases				
Education	-	15,009	15,009	-
Total capital outlay - leases	-	15,009	15,009	-
Debt service:				
Lease principal	4,200	7,600	1,981	5,619
Lease interest	-	52	52	-
Total debt service	4,200	7,652	2,033	5,619
Total expenditures	6,176,461	7,115,019	7,109,400	5,619
Excess (deficiency) of revenues over (under) expenditures	(414,873)	(387,458)	2,011,259	2,398,717
<b>Other financing sources (uses)</b>				
Transfers in	414,873	372,449	372,449	-
Leases	-	15,009	15,009	-
Total other financing sources (uses)	414,873	387,458	387,458	-
Net change in fund balance	-	-	2,398,717	2,398,717
Fund balances- beginning	316,823	316,823	316,823	-
Fund balance - ending	\$ 316,823	\$ 316,823	\$ 2,715,540	\$ 2,398,717

**COUNTY OF FAUQUIER, VIRGINIA****Exhibit 39****Statement of Fiduciary Net Position  
Discretely Presented Component Unit – School Board  
Fiduciary Funds  
June 30, 2022**

	<b>Trust Fund Crockett Private-Purpose Trust Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 434,871	\$ 880,378
Receivables:		
Accounts	213,740	2,309
Loans	-	118,846
Investments at fair market value	-	39,536,176
Total assets	<u>648,611</u>	<u>40,537,709</u>
<b>Liabilities</b>		
Accounts payable	-	1,061
Accrued liabilities	-	116,067
Total liabilities	<u>-</u>	<u>117,128</u>
<b>Net Position</b>		
Restricted for:		
Individuals and organizations	<u>648,611</u>	<u>40,420,581</u>
Total net position	<u>648,611</u>	<u>40,420,581</u>
Total liabilities and net position	<u>\$ 648,611</u>	<u>\$ 40,537,709</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, 2022**

	<u>Trust Fund</u> <u>Crockett</u> <u>Private-Purpose</u> <u>Trust Fund</u>	<u>Custodial</u> <u>Funds</u>
<b>Additions</b>		
Contributions:		
Employees	\$ -	\$ 2,309,821
Students and organizations	-	5,773
Intergovernmental:		
Commonwealth of Virginia	-	535,014
Participating localities	-	1,192,609
Total contributions	<u>-</u>	<u>4,043,217</u>
Investment income:		
Net increase (decrease) in the fair value of the investments	(257,776)	(9,069,831)
Interest and dividends	-	2,601,470
Less: investment expenses	<u>-</u>	<u>(83,766)</u>
Total investment income	<u>(257,776)</u>	<u>(6,552,127)</u>
Miscellaneous revenue:		
Miscellaneous revenue	<u>-</u>	<u>347,196</u>
Total miscellaneous revenue	<u>-</u>	<u>347,196</u>
Total additions	<u>(257,776)</u>	<u>(2,161,714)</u>
<b>Deductions</b>		
Benefits paid to or on behalf of beneficiaries or participants:		
Personal services	-	981,978
Fringe benefits	-	420,053
Contractual services	-	12,984
Other expenses	17,447	38,616
Distributions	-	4,769,102
Educational and recreational supplies	<u>-</u>	<u>156,848</u>
Total deductions	<u>17,447</u>	<u>6,379,581</u>
Net increase (decrease) in net position	(275,223)	(8,541,295)
Net position - beginning	923,834	48,961,876
Net position - ending	<u>\$ 648,611</u>	<u>\$ 40,420,581</u>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 41

Combining Statement of Fiduciary Net Position  
Discretely Presented Component Unit – School Board  
Custodial Funds  
June 30, 2022

	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
<b>Assets</b>					
Cash and cash equivalents	\$ 869,623	\$ 10,755	\$ -	\$ -	\$ 880,378
Receivables:					
Accounts	1,754	555	-	-	2,309
Loans	-	-	9,625	109,221	118,846
Investments at fair market value	-	-	5,109,755	34,426,421	39,536,176
Total assets	<u>871,377</u>	<u>11,310</u>	<u>5,119,380</u>	<u>34,535,642</u>	<u>40,537,709</u>
<b>Liabilities</b>					
Accounts payable	1,061	-	-	-	1,061
Accrued liabilities	<u>116,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,067</u>
Total liabilities	<u>117,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,128</u>
<b>Net Position</b>					
Restricted for:					
Individuals and organizations	<u>754,249</u>	<u>11,310</u>	<u>5,119,380</u>	<u>34,535,642</u>	<u>40,420,581</u>
Total net position	<u>754,249</u>	<u>11,310</u>	<u>5,119,380</u>	<u>34,535,642</u>	<u>40,420,581</u>
Total liabilities and net position	<u>\$ 871,377</u>	<u>\$ 11,310</u>	<u>\$ 5,119,380</u>	<u>\$ 34,535,642</u>	<u>\$ 40,537,709</u>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 42

Combining Statement of Changes in Fiduciary Net Position  
Discretely Presented Component Unit – School Board  
Custodial Funds  
Fiscal Year Ended June 30, 2022

	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
<b>Additions</b>					
Contributions:					
Employees	\$ -	\$ -	\$ 415,458	\$ 1,894,363	\$ 2,309,821
Students and organizations	249	5,524	-	-	5,773
Intergovernmental:					
Commonwealth of Virginia	535,014	-	-	-	535,014
Participating localities	1,192,609	-	-	-	1,192,609
Total contributions	1,727,872	5,524	415,458	1,894,363	4,043,217
Investment income:					
Net increase (decrease) in the fair value of the investments	-	-	(1,125,908)	(7,943,923)	(9,069,831)
Interest and dividends	-	-	296,398	2,305,072	2,601,470
Less: investment expenses	-	-	(11,065)	(72,701)	(83,766)
Total investment income	-	-	(840,575)	(5,711,552)	(6,552,127)
Miscellaneous revenue:					
Miscellaneous revenue	-	152,323	11,414	183,459	347,196
Total miscellaneous revenue	-	152,323	11,414	183,459	347,196
Total additions	1,727,872	157,847	(413,703)	(3,633,730)	(2,161,714)
<b>Deductions</b>					
Benefits paid to or on behalf of beneficiaries or participants:					
Personal services	981,978	-	-	-	981,978
Fringe benefits	420,053	-	-	-	420,053
Contractual services	12,984	-	-	-	12,984
Other expenses	38,616	-	-	-	38,616
Distributions	-	-	545,493	4,223,609	4,769,102
Educational and recreational supplies	-	156,848	-	-	156,848
Total deductions	1,453,631	156,848	545,493	4,223,609	6,379,581
Net increase (decrease) in net position	274,241	999	(959,196)	(7,857,339)	(8,541,295)
Net position - beginning	480,008	10,311	6,078,576	42,392,981	48,961,876
Net position - ending	\$ 754,249	\$ 11,310	\$ 5,119,380	\$ 34,535,642	\$ 40,420,581

## 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				
	2013	2014	2015	2016	2017
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 67,043,310	\$ 67,186,543	\$ 66,912,078	\$ 66,424,250	\$ 67,897,791
Restricted	2,405,814	6,078,884	5,964,927	7,776,690	9,591,829
Unrestricted (deficit)	(75,750,205)	(79,527,398)	(67,694,758)	(51,817,116)	(44,964,783)
Subtotal governmental activities net position	(6,301,081)	(6,261,971)	5,182,247	22,383,824	32,524,837
<b>Business-type Activities:</b>					
Net investment in capital assets	21,784,510	20,424,303	19,381,379	19,399,111	21,932,278
Restricted	2,584,793	1,855,575	-	-	-
Unrestricted (deficit)	(15,182,972)	(15,102,238)	(14,944,300)	(18,421,156)	(21,422,557)
Subtotal business-type activities net position	9,186,331	7,177,640	4,437,079	977,955	509,721
<b>Primary Government:</b>					
Net investment in capital assets	88,827,820	87,610,846	86,293,457	85,823,361	89,830,069
Restricted	4,990,607	7,934,459	5,964,927	7,776,690	9,591,829
Unrestricted (deficit)	(90,933,177)	(94,629,636)	(82,639,058)	(70,238,272)	(66,387,340)
<b>Total Primary Government net position</b>	<b>2,885,250</b>	<b>915,669</b>	<b>9,619,326</b>	<b>23,361,779</b>	<b>33,034,558</b>
<b>Component Units: (1)</b>					
Net investment in capital assets	193,459,026	192,761,193	188,842,434	183,364,033	177,466,992
Restricted	5,000	5,000	5,000	73,567	267,564
Unrestricted (deficit)	(1,156,996)	(124,379,628)	(122,774,417)	(119,400,706)	(144,988,427)
<b>Total Component Units net position</b>	<b>192,307,030</b>	<b>68,386,565</b>	<b>66,073,017</b>	<b>64,036,894</b>	<b>32,746,129</b>
<b>Total Reporting Entity: (2)</b>					
Net investment in capital assets	174,520,072	180,852,943	183,877,351	184,775,961	190,252,913
Restricted	4,995,607	7,939,459	5,969,927	7,850,257	9,859,393
Unrestricted	15,676,601	(119,490,168)	(114,154,964)	(105,227,545)	(134,331,619)
<b>Total Reporting Entity net position (3)</b>	<b>\$ 195,192,280</b>	<b>\$ 69,302,234</b>	<b>\$ 75,692,314</b>	<b>\$ 87,398,673</b>	<b>\$ 65,780,687</b>

- (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					
2018	2019	2020	2021	2022	
\$ 58,593,548	\$ 58,805,643	\$ 60,791,853	\$ 66,653,274	\$ 90,217,528	<b>Governmental Activities:</b>
10,016,685	7,634,090	12,194,288	10,351,623	15,794,707	Net investment in capital assets
(18,486,444)	2,051,825	5,579,625	23,799,780	32,328,872	Restricted
					Unrestricted (deficit)
50,123,789	68,491,558	78,565,766	100,804,677	138,341,107	Subtotal governmental activities net position
					<b>Business-type Activities:</b>
24,454,010	29,829,023	33,670,328	36,529,401	37,412,684	Net investment in capital assets
1,158,020	826,278	403,167	409,917	482,539	Restricted
(22,073,054)	(26,816,023)	(18,149,486)	(16,909,877)	(34,910,741)	Unrestricted (deficit)
3,538,976	3,839,278	15,924,009	20,029,441	2,984,482	Subtotal business-type activities net position
					<b>Primary Government:</b>
83,047,558	88,634,666	94,462,181	103,182,675	127,630,212	Net investment in capital assets
11,174,705	8,460,368	12,597,455	10,761,540	16,277,246	Restricted
(40,559,498)	(24,764,198)	(12,569,861)	6,889,903	(2,581,869)	Unrestricted (deficit)
53,662,765	72,330,836	94,489,775	120,834,118	141,325,589	<b>Total Primary Government net position</b>
					<b>Component Units: (1)</b>
171,287,807	167,071,314	160,471,122	152,889,144	146,077,340	Net investment in capital assets
2,245,775	1,854,624	1,065,692	-	4,632,294	Restricted
(140,277,544)	(133,518,332)	(127,158,316)	(126,483,781)	(114,486,504)	Unrestricted (deficit)
33,256,038	35,407,606	34,378,498	26,405,363	36,223,130	<b>Total Component Units net position</b>
					<b>Total Reporting Entity: (2)</b>
184,973,674	193,065,462	197,527,834	207,328,339	214,514,768	Net investment in capital assets
13,420,480	10,314,992	13,663,147	10,761,540	20,909,540	Restricted
(111,475,351)	(95,642,012)	(82,322,708)	(70,850,398)	(57,875,589)	Unrestricted
\$ 86,918,803	\$ 107,738,442	\$ 128,868,273	\$ 147,239,481	\$ 177,548,719	<b>Total Reporting Entity net position (3)</b>

Table 2

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

Page 1 of 4

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Primary Government:</b>					
<b>Expenses</b>					
Governmental activities:					
General government administration	\$ 12,180,275	\$ 11,821,952	\$ 12,413,433	\$ 13,319,869	\$ 14,182,276
Judicial administration	3,841,643	3,455,862	3,821,911	3,952,902	3,706,073
Public safety	28,929,500	28,306,613	30,694,266	31,471,801	32,780,969
Public works	10,222,875	8,118,419	8,270,407	10,220,949	9,683,958
Health and welfare	9,739,043	10,908,372	12,452,676	12,675,215	11,609,435
Education	93,650,633	80,837,759	81,999,731	82,056,536	83,246,562
Parks, recreation, and cultural	6,601,379	6,342,901	6,302,270	6,870,409	7,014,668
Community development	5,998,815	5,836,086	5,947,344	5,811,825	14,187,875
Interest on long-term debt	4,657,567	4,271,495	2,741,174	3,671,366	3,081,185
Total governmental activities expenses	<u>175,821,730</u>	<u>159,899,459</u>	<u>164,643,212</u>	<u>170,050,872</u>	<u>179,493,001</u>
Business-type activities:					
Airport	2,450,840	1,979,636	2,023,113	1,393,026	992,199
Landfill and recycling	6,138,446	6,170,182	5,990,480	6,930,685	6,864,500
Sewer	-	-	-	-	-
Total business-type activities expenses	<u>8,589,286</u>	<u>8,149,818</u>	<u>8,013,593</u>	<u>8,323,711</u>	<u>7,856,699</u>
Total primary government expenses	<u>184,411,016</u>	<u>168,049,277</u>	<u>172,656,805</u>	<u>178,374,583</u>	<u>187,349,700</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government administration	508,129	87,779	84,459	133,838	107,015
Judicial administration	788,467	703,704	649,606	629,947	590,279
Public safety	1,650,787	1,366,598	1,251,234	1,664,088	1,750,616
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Parks, recreation, and cultural	551,243	547,585	598,233	620,519	603,674
Community development	1,042,011	1,341,645	1,459,245	1,481,973	1,474,724
Operating grants and contributions	13,199,292	13,969,611	13,831,352	15,246,647	20,425,296
Capital grants and contributions	672	3,783,195	185,290	2,546,055	50,605
Total governmental activities program revenues	<u>17,740,601</u>	<u>21,800,117</u>	<u>18,059,419</u>	<u>22,323,067</u>	<u>25,002,209</u>
Business type activities:					
Charges for services:					
Airport	737,208	752,750	685,894	639,442	734,301
Landfill and recycling	4,056,293	4,191,457	3,614,670	3,357,317	3,667,478
Sewer	-	-	-	-	-
Operating grants and contributions	482,326	91,673	136,594	53,611	337,563
Capital grants and contributions	-	-	-	1,298,432	1,671,627
Total business-type activities program revenues	<u>5,275,827</u>	<u>5,035,880</u>	<u>4,437,158</u>	<u>5,348,802</u>	<u>6,410,969</u>
Total primary government program revenues	<u>23,016,428</u>	<u>26,835,997</u>	<u>22,496,577</u>	<u>27,671,869</u>	<u>31,413,178</u>
<b>Net (expense) revenue (1)</b>					
Governmental activities	(158,081,129)	(138,099,342)	(146,583,793)	(147,727,805)	(154,490,792)
Business-type activities	<u>(3,313,459)</u>	<u>(3,113,938)</u>	<u>(3,576,435)</u>	<u>(2,974,909)</u>	<u>(1,445,730)</u>
Total primary government net (expense) revenue	<u>\$ (161,394,588)</u>	<u>\$ (141,213,280)</u>	<u>\$ (150,160,228)</u>	<u>\$ (150,702,714)</u>	<u>\$ (155,936,522)</u>

- (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						
2018	2019	2020	2021	2022		
						<b>Primary Government:</b>
						<b>Expenses</b>
						Governmental activities:
\$ 14,266,200	\$ 12,828,508	\$ 15,366,384	\$ 18,336,209	\$ 8,582,156		General government administration
4,213,354	4,054,177	4,403,007	4,787,727	4,589,192		Judicial administration
38,993,075	51,080,252	44,330,177	45,286,141	45,905,512		Public safety
9,379,721	10,028,420	10,010,927	10,880,651	12,115,589		Public works
12,206,022	13,585,126	13,469,468	13,794,758	13,677,110		Health and welfare
85,029,264	90,255,631	91,595,644	89,462,446	93,850,074		Education
7,490,761	6,821,358	7,903,910	7,629,310	8,415,558		Parks, recreation, and cultural
10,307,487	7,808,917	8,315,849	11,202,836	8,134,030		Community development
3,083,112	3,334,515	3,465,061	2,422,364	3,033,052		Interest on long-term debt
184,968,996	199,796,904	198,860,427	203,802,442	198,302,273		Total governmental activities expenses
						Business-type activities:
985,999	958,674	1,052,222	1,152,244	1,398,738		Airport
7,692,836	9,683,753	8,279,176	10,355,981	27,848,259		Landfill and recycling
-	-	-	-	12,179		Sewer
8,678,835	10,642,427	9,331,398	11,508,225	29,259,176		Total business-type activities expenses
193,647,831	210,439,331	208,191,825	215,310,667	227,561,449		Total primary government expenses
						<b>Program Revenues</b>
						Governmental activities:
						Charges for services:
119,312	95,035	62,580	74,460	130,357		General government administration
812,773	720,768	512,868	542,959	690,095		Judicial administration
2,083,619	1,515,100	1,750,361	1,835,850	2,265,776		Public safety
-	-	-	4,000	100,000		Public works
47,237	300	80	205	2,331		Health and welfare
623,295	606,884	381,828	307,435	639,972		Parks, recreation, and cultural
1,377,032	1,711,058	1,504,729	1,694,861	1,922,370		Community development
22,700,129	23,205,957	19,506,557	26,939,937	18,675,847		Operating grants and contributions
653,945	3,714,438	2,611,843	4,047,309	6,145,202		Capital grants and contributions
28,417,342	31,569,540	26,330,846	35,447,016	30,571,950		Total governmental activities program revenues
						Business type activities:
						Charges for services:
681,749	698,639	781,215	922,885	907,442		Airport
3,933,980	3,592,926	3,370,335	2,270,226	2,586,350		Landfill and recycling
-	-	-	1,500	103,744		Sewer
79,775	43,383	44,867	89,958	37,996		Operating grants and contributions
4,056,833	4,605,543	3,902,172	4,635,424	364,713		Capital grants and contributions
8,752,337	8,940,491	8,098,589	7,919,993	4,000,245		Total business-type activities program revenues
37,169,679	40,510,031	34,429,435	43,367,009	34,572,195		Total primary government program revenues
						<b>Net (expense) revenue (1)</b>
(156,551,654)	(168,227,364)	(172,529,581)	(168,355,426)	(167,730,323)		Governmental activities
73,502	(1,701,936)	(1,232,809)	(3,588,232)	(25,258,931)		Business-type activities
\$ (156,478,152)	\$ (169,929,300)	\$ (173,762,390)	\$ (171,943,658)	\$ (192,989,254)		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				
	2013	2014	2015	2016	2017
<b>Primary Government: (continued)</b>					
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
General property taxes	\$ 115,379,407	\$ 120,882,416	\$ 125,741,425	\$ 130,409,532	\$ 136,643,418
Local sales and use taxes	7,151,477	7,558,981	8,024,703	8,305,286	9,241,227
Consumers' utility taxes	1,576,645	1,650,054	1,658,205	1,631,861	1,608,950
Business and professional taxes	1,381,176	1,436,850	1,353,040	1,444,902	1,632,643
Motor vehicle taxes	1,786,005	1,826,612	1,870,836	1,911,876	1,957,392
Taxes on recordation and wills	1,576,702	1,656,673	1,514,756	1,720,164	1,731,125
Other local taxes	210,656	198,096	259,151	235,719	260,204
Investment income	312,455	348,189	301,739	408,673	600,847
Miscellaneous	882,876	977,300	389,682	481,040	156,345
Grants and contributions not restricted to specific programs	16,819,694	17,555,313	17,705,302	17,867,956	17,284,375
Transfers	(42,934)	(1,459,775)	(790,828)	512,373	(1,155,862)
Total governmental activities general revenues and other changes in net position	147,034,159	152,630,709	158,028,011	164,929,382	169,960,664
Business-type activities:					
Investment income (loss)	7,710	50,683	1,057	3,524	9,247
Miscellaneous	(11,084)	-	43,989	24,634	3,304
Transfers	42,934	1,459,775	790,828	(512,373)	1,155,862
Total business-type activities general revenues and other changes in net position	39,560	1,510,458	835,874	(484,215)	1,168,413
Total primary government general revenues and other changes in net position	147,073,719	154,141,167	158,863,885	164,445,167	171,129,077
<b>Change in Net Position (2)</b>					
Governmental activities	(11,046,970)	14,531,367	11,444,218	17,201,577	15,469,872
Business-type activities	(3,273,899)	(1,603,480)	(2,740,561)	(3,459,124)	(277,317)
Total Primary Government change in net position	(14,320,869)	12,927,887	8,703,657	13,742,453	15,192,555
<b>Component Units (3)</b>					
<b>Expenses</b>					
Economic Development Authority	-	-	-	-	-
School Board	134,714,730	127,821,631	139,471,783	139,806,883	147,319,359
Total component units - expenses	134,714,730	127,821,631	139,471,783	139,806,883	147,319,359
<b>Program Revenues</b>					
Charges for services	3,308,029	3,204,445	3,402,127	3,277,727	3,411,390
Operating grants and contributions	16,425,197	16,929,078	15,910,673	17,904,582	16,699,061
Total component units-revenues	19,733,226	20,133,523	19,312,800	21,182,309	20,110,451
<b>Net (expense) revenue (1)</b>	(114,981,504)	(107,688,108)	(120,158,983)	(118,624,574)	(127,208,908)
<b>General Revenues and Other Changes in Net Position</b>					
Contribution from primary government	92,996,302	81,889,891	83,276,115	82,152,277	84,355,571
Investment income	96	94	65	809	2,456
Miscellaneous	341,789	321,631	272,457	159,900	1,076,399
Grants and contributions not restricted to specific programs	34,047,850	33,940,698	34,296,769	34,275,494	33,864,072
Total component units - general revenues and other changes in net position	127,386,037	116,152,314	117,845,406	116,588,480	119,298,498
Total Component Units - change in net position	\$ 12,404,533	\$ 8,464,206	\$ (2,313,577)	\$ (2,036,094)	\$ (7,910,410)

- (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										
2018	2019	2020	2021	2022						
					Primary Government: (continued)					
					General Revenues and Other Changes in Net Position					
					Governmental activities:					
					Taxes:					
\$	142,406,712	\$	152,069,874	\$	154,969,913	\$	158,880,374	\$	173,352,481	General property taxes
	9,057,564		9,571,159		10,533,415		12,696,419		13,399,789	Local sales and use taxes
	1,813,473		1,742,954		1,748,470		1,797,046		1,689,430	Consumers' utility taxes
	1,564,338		1,760,438		1,801,247		2,247,173		2,724,747	Business and professional taxes
	1,984,960		2,018,892		2,011,001		2,011,920		68,595	Motor vehicle taxes
	1,789,913		1,746,669		2,271,130		3,348,241		2,922,087	Taxes on recordation and wills
	296,329		309,902		223,430		368,070		590,249	Other local taxes
	1,096,000		2,018,074		1,585,837		578,485		419,232	Investment income
	138,972		235,204		296,774		26,440		1,759,784	Miscellaneous
	16,923,612		17,067,268		17,567,750		16,326,688		16,266,425	Grants and contributions not restricted to specific programs
	(2,921,267)		(1,945,301)		(13,211,107)		(7,686,519)		(7,926,066)	Transfers
	174,150,606		186,595,133		179,797,860		190,594,337		205,266,753	Total governmental activities general revenues and other changes in net position
					Business-type activities:					
	22,460		56,523		38,381		3,260		52,464	Investment income (loss)
	12,026		414		68,052		3,885		235,442	Miscellaneous
	2,921,267		1,945,301		13,211,107		7,686,519		7,926,066	Transfers
	2,955,753		2,002,238		13,317,540		7,693,664		8,213,972	Total business-type activities general revenues and other changes in net position
					Total primary government general revenues and other changes in net position					
	177,106,359		188,597,371		193,115,400		198,288,001		213,480,725	
					Change in Net Position (2)					
	17,598,952		18,367,769		7,268,279		22,238,911		37,536,430	Governmental activities
	3,029,255		300,302		12,084,731		4,105,432		(17,044,959)	Business-type activities
	20,628,207		18,668,071		19,353,010		26,344,343		20,491,471	Total Primary Government change in net position
					Component Units (3)					
					Expenses					
	-		152,391		2,551,201		1,551,884		6,482	Economic Development Authority
	143,149,770		146,093,108		156,938,269		167,058,595		164,297,399	School Board
	143,149,770		146,245,499		159,489,470		168,610,479		164,303,881	Total component units - expenses
					Program Revenues					
	3,312,563		3,250,370		2,382,683		153,984		633,340	Charges for services
	20,010,793		19,741,702		23,385,509		33,084,373		35,128,756	Operating grants and contributions
	23,323,356		22,992,072		25,768,192		33,238,357		35,762,096	Total component units - revenues
	(119,826,414)		(123,253,427)		(133,721,278)		(135,372,122)		(128,541,785)	Net (expense) revenue (1)
					General Revenues and Other Changes in Net Position					
	85,244,161		89,887,969		92,288,149		88,606,131		95,173,327	Contribution from primary government
	3,896		67,020		74,949		121,605		173,992	Investment income
	1,336,262		1,682,221		4,357,342		2,380,468		3,491,682	Miscellaneous
	33,443,964		33,767,785		34,365,728		36,290,783		39,520,551	Grants and contributions not restricted to specific programs
	120,028,283		125,404,995		131,086,168		127,398,987		138,359,552	Total component units - general revenues and other changes in net position
\$	201,869	\$	2,151,568	\$	(2,635,110)	\$	(7,973,135)	\$	9,817,767	Total Component Units - change in net position

Table 3

**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Page 1 of 2

	Fiscal Year				
	2013	2014	2015 <sup>(1)</sup>	2016 <sup>(2)</sup>	2017
General Fund:					
Nonspendable	\$ 350,816	\$ 492,533	\$ 426,775	\$ 50,162	\$ -
Restricted	212,918	205,588	210,291	337,264	314,269
Committed	1,459,328	1,458,931	1,119,654	2,201,888	1,697,470
Assigned	5,661,633	4,290,578	3,383,573	4,555,618	8,486,368
Unassigned	<u>16,506,543</u>	<u>16,622,908</u>	<u>17,031,448</u>	<u>19,150,449</u>	<u>19,801,927</u>
Total General Fund	<u>24,191,238</u>	<u>23,070,538</u>	<u>22,171,741</u>	<u>26,295,381</u>	<u>30,300,034</u>
Other Governmental Funds:					
Nonspendable					
Capital Projects Fund	642,522	580,254	512,481	-	-
Debt Service Fund	2,370,625	-	-	-	185,988
Fire and Rescue Fund	-	-	168,138	-	-
Nonmajor governmental funds	187,775	201,934	-	-	-
Restricted					
Capital Projects Fund	4,503,238	4,214,963	3,835,930	4,529,804	5,492,607
Fire and Rescue Fund	-	-	-	-	-
CARES Fund	-	-	-	-	-
American Rescue Plan Fund	-	-	-	-	-
Nonmajor governmental funds	1,477,487	1,658,333	2,098,674	3,080,914	3,977,274
Committed					
Capital Projects Fund	4,736,630	5,248,626	4,791,049	5,659,230	5,189,597
Fire and Rescue Fund	-	-	4,650,941	5,549,950	5,920,085
Nonmajor governmental funds	4,821,958	5,434,684	795,049	855,493	1,063,675
Assigned					
Debt Service Fund	-	565,240	886,092	407,118	22,914
Fire and Rescue Fund (1)	-	-	-	-	-
Nonmajor governmental funds	1,372,457	1,328,924	994,558	1,320,288	2,681,933
Unassigned					
Debt Service Fund	(2,150,688)	-	-	-	-
Nonmajor governmental funds	-	-	-	(3,162)	-
Total Other Governmental Funds	<u>17,962,004</u>	<u>19,232,958</u>	<u>18,732,912</u>	<u>21,399,635</u>	<u>24,534,073</u>
Total Governmental Funds	\$ <u>42,153,242</u>	\$ <u>42,303,496</u>	\$ <u>40,904,653</u>	\$ <u>47,695,016</u>	\$ <u>54,834,107</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					
2018	2019	2020 <sup>(3)</sup>	2021	2022	
\$ -	\$ -	\$ -	\$ -	\$ 4,003	General Fund:
219,021	183,022	199,039	192,296	1,065,670	Nonspendable
1,203,816	1,884,459	5,587,507	4,117,569	2,958,215	Restricted
10,386,767	8,936,622	6,295,917	13,455,156	16,264,452	Committed
19,085,314	21,191,160	20,555,314	23,536,528	29,656,175	Assigned
30,894,918	32,195,263	32,637,777	41,301,549	49,948,515	Unassigned
					Total General Fund
					Other Governmental Funds:
-	-	-	-	-	Nonspendable
-	-	-	-	-	Capital Projects Fund
-	-	-	-	6,580	Debt Service Fund
-	-	-	-	-	Fire and Rescue Fund
					Nonmajor governmental funds
2,538,619	11,344,860	4,089,348	3,007,775	13,824,466	Restricted
3,396,958	-	-	-	-	Capital Projects Fund
-	-	-	12,636	-	Fire and Rescue Fund
-	-	-	972	17,277	CARES Fund
5,059,087	5,799,488	9,058,901	8,290,944	7,400,910	American Rescue Plan Fund
					Nonmajor governmental funds
12,907,898	18,825,745	22,107,227	22,039,182	24,644,755	Committed
6,707,733	6,753,601	2,456,176	487,443	504,124	Capital Projects Fund
812,962	1,150,080	2,018,339	2,694,228	3,372,977	Fire and Rescue Fund
					Nonmajor governmental funds
82,831	86,231	86,233	545,749	1,883,142	Assigned
-	-	-	-	-	Debt Service Fund
-	-	-	-	-	Fire and Rescue Fund (1)
					Nonmajor governmental funds
-	-	-	-	-	Unassigned
-	-	-	-	-	Debt Service Fund
31,506,088	43,960,005	39,816,224	37,078,929	51,654,231	Nonmajor governmental funds
					Total Other Governmental Funds
\$ 62,401,006	\$ 76,155,268	\$ 72,454,001	\$ 78,380,478	\$ 101,602,746	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				
	2013	2014	2015	2016	2017
<b>Revenues</b>					
General property and other local taxes	\$ 130,570,935	\$ 135,160,010	\$ 140,265,298	\$ 145,958,511	\$ 153,130,626
Permits, privilege fees, and regulatory licenses	1,541,522	1,418,324	1,532,066	1,569,769	1,561,027
Fines and forfeitures	548,076	499,746	465,431	431,902	458,810
Revenue from use of money and property	289,678	335,394	284,998	367,166	525,021
Charges for services	2,468,314	2,295,264	2,394,233	2,466,019	2,559,972
Gifts and donations	167,862	221,411	515,976	1,031,810	917,095
Recovered costs	434,215	427,366	568,798	389,486	424,520
Miscellaneous	882,876	4,068,300	389,682	2,407,938	799,404
Intergovernmental:					
Contribution from School Board	-	-	-	-	-
Commonwealth of Virginia	26,922,538	28,049,395	27,752,268	28,376,246	30,173,577
Federal Government	2,929,258	3,946,313	3,242,138	3,867,596	6,250,432
<b>Total revenues</b>	<b>166,755,274</b>	<b>176,421,523</b>	<b>177,410,888</b>	<b>186,866,443</b>	<b>196,800,484</b>
<b>Expenditures</b>					
Current operating:					
General government administration	11,678,971	12,457,887	12,190,628	12,802,295	13,736,444
Judicial	3,541,030	3,642,931	3,749,075	3,890,324	3,874,425
Public safety	26,542,674	28,645,320	29,595,738	31,383,502	31,271,719
Public works	9,706,397	7,915,339	8,006,917	9,998,893	8,184,775
Health and welfare	9,586,398	11,328,226	12,594,333	12,817,543	11,667,455
Education	93,017,474	82,208,303	83,339,470	82,217,289	84,418,916
Parks, recreation, and cultural	5,500,954	5,776,405	6,057,766	6,179,184	6,281,542
Community development	5,729,630	6,142,311	6,292,928	6,163,981	14,263,203
Nondepartmental	753,584	754,421	738,963	390,751	754,859
Capital outlay	1,464,968	1,924,000	3,472,214	1,903,204	5,418,998
Capital outlay - leases	-	-	-	-	-
Debt service:					
Lease principal	-	-	-	-	-
Lease interest	-	-	-	-	-
Principal retirement (1)	8,826,681	9,007,000	8,767,748	9,053,340	9,612,158
Interest (1)	5,129,215	4,992,129	4,554,692	4,157,411	3,796,630
Fiscal charges (1)	6,950	8,400	9,150	7,750	6,801
Bond issuance costs (2)	34,284	-	111,700	-	169,620
<b>Total expenditures</b>	<b>181,519,210</b>	<b>174,802,672</b>	<b>179,481,322</b>	<b>180,965,467</b>	<b>193,457,545</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,763,936)</u>	<u>1,618,851</u>	<u>(2,070,434)</u>	<u>5,900,976</u>	<u>3,342,939</u>
<b>Other financing sources (uses)</b>					
Transfers in	16,942,106	19,714,744	20,805,913	20,111,099	21,000,709
Transfers (out)	(18,479,808)	(21,183,341)	(21,596,741)	(19,613,370)	(22,164,368)
Leases	-	-	-	-	-
Issuance of debt (1)	3,305,000	-	1,386,719	391,658	4,878,380
Issuance of refunding bonds	-	-	9,101,000	-	2,775,000
Premium on refunding debt	-	-	-	-	704,772
Payment to bond escrow agent	-	-	(9,025,300)	-	(3,398,341)
Premiums on issuance of debt	453,980	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,221,278</b>	<b>(1,468,597)</b>	<b>671,591</b>	<b>889,387</b>	<b>3,796,152</b>
<b>Net change in fund balances</b>	<b>\$ (12,542,658)</b>	<b>\$ 150,254</b>	<b>\$ (1,398,843)</b>	<b>\$ 6,790,363</b>	<b>\$ 7,139,091</b>

- (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						
2018	2019	2020 <sup>(4)</sup>	2021	2022		
\$ 158,963,558	\$ 168,921,271	\$ 172,986,781	\$ 181,049,317	\$ 193,284,610		<b>Revenues</b>
1,475,745	1,799,330	1,555,569	1,731,540	1,879,154		General property and other local taxes
728,722	546,549	373,936	361,169	431,668		Permits, privilege fees, and regulatory licenses
882,699	1,621,107	1,323,514	549,594	527,712		Fines and forfeitures
2,468,680	2,610,278	2,300,004	2,339,787	3,373,891		Revenue from use of money and property
1,169,196	850,926	1,582,744	529,181	525,364		Charges for services
625,234	489,035	467,330	308,566	1,255,219		Gifts and donations
943,671	4,390,125	2,579,756	1,318,251	2,048,234		Recovered costs
-	-	-	1,754,170	3,382,430		Miscellaneous
29,651,120	27,595,757	28,068,833	27,698,635	27,201,639		Intergovernmental:
4,608,104	5,006,409	7,629,624	16,391,813	8,689,506		Contribution from School Board
						Commonwealth of Virginia
						Federal Government
201,516,729	213,830,787	218,868,091	234,032,023	242,599,427		Total revenues
						<b>Expenditures</b>
14,004,974	14,125,547	14,994,480	17,792,525	16,134,919		Current operating:
3,940,365	4,096,274	4,143,025	4,396,098	4,518,982		General government administration
36,869,480	51,557,318	43,663,429	43,908,773	45,554,899		Judicial
8,521,245	9,437,855	8,764,742	10,798,909	12,843,923		Public safety
12,168,492	12,613,367	13,408,284	13,661,231	13,877,578		Public works
85,309,188	89,958,394	92,363,346	91,790,132	102,870,404		Health and welfare
7,220,351	9,543,091	18,526,165	8,518,895	8,076,368		Education
10,424,417	8,155,151	8,756,840	12,474,782	7,963,618		Parks, recreation, and cultural
904,726	605,562	697,995	2,660,211	650,906		Community development
4,037,770	4,419,969	4,071,357	1,743,986	8,910,131		Nondepartmental
-	-	-	-	120,204		Capital outlay
-	-	-	-	368,879		Capital outlay - leases
-	-	-	-	8,513		Debt service:
8,396,812	8,456,382	9,293,630	9,636,250	9,261,893		Lease principal
3,444,576	3,324,317	3,576,074	3,314,642	2,955,688		Lease interest
5,850	4,901	7,450	3,825	5,700		Principal retirement (1)
-	186,938	45,450	-	54,800		Interest (1)
						Fiscal charges (1)
						Bond issuance costs (2)
195,248,246	216,485,066	222,312,267	220,700,259	234,177,405		Total expenditures
6,268,483	(2,654,279)	(3,444,176)	13,331,764	8,422,022		Excess (deficiency) of revenues over (under) expenditures
						<b>Other financing sources (uses)</b>
25,799,292	26,473,627	29,069,911	24,497,891	28,880,263		Transfers in
(29,577,564)	(28,453,675)	(36,971,564)	(32,685,410)	(32,245,213)		Transfers (out)
-	-	-	-	120,204		Leases
4,608,587	16,551,161	13,643,400	782,232	16,180,000		Issuance of debt (1)
-	-	-	-	-		Issuance of refunding bonds
421,259	1,837,428	-	-	1,864,992		Premium on refunding debt
-	-	(8,804,767)	-	-		Payment to bond escrow agent
-	-	-	-	-		Premiums on issuance of debt
1,251,574	16,408,541	(3,063,020)	(7,405,287)	14,800,246		Total other financing sources (uses)
\$ 7,520,057	\$ 13,754,262	\$ (6,507,196)	\$ 5,926,477	\$ 23,222,268		Net change in fund balances

Table 4

**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Page 3 of 4

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Debt Service as a Percentage of Noncapital Expenditures: (1)</b>					
<b>Primary Government:</b>					
Total debt service	\$ 13,955,896	\$ 13,999,129	\$ 13,322,440	\$ 13,210,751	\$ 13,408,788
Total expenditures	181,519,210	174,802,672	179,481,322	180,965,467	193,457,545
Capital outlay primary government only (3)	1,162,088	3,146,923	3,672,064	1,846,546	4,606,649
Non-capital expenditures	180,357,122	171,655,749	175,809,258	179,118,921	188,850,896
Debt service as a percentage of noncapital expenditures: Primary Government only	7.74%	8.16%	7.58%	7.38%	7.10%
<b>Component Unit - School Board:</b>					
Schools expenditures excluding County contribution	53,594,864	54,160,921	53,805,742	55,915,274	54,571,202
Capital outlay Component Unit - School Board only (3)	1,524,264	2,549,290	2,658,590	2,784,141	2,226,249
Non-capital expenditures	52,070,600	51,611,631	51,147,152	53,131,133	52,344,953
<b>Total Reporting Entity:</b>					
Total debt service	13,955,896	13,999,129	13,322,440	13,210,751	13,408,788
Total non-capital expenditures	\$ 232,427,722	\$ 223,267,380	\$ 226,956,410	\$ 232,250,054	\$ 241,195,849
Debt service as a percentage of noncapital expenditures: Total Reporting Entity	6.00%	6.27%	5.87%	5.69%	5.56%

- (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					
2018	2019	2020 <sup>(4)</sup>	2021	2022	
					<b>Debt Service as a Percentage of Noncapital Expenditures: (1)</b>
					<b>Primary Government:</b>
\$ 11,841,388	\$ 11,972,538	\$ 12,922,604	\$ 12,954,717	\$ 12,655,473	Total debt service
195,248,246	216,485,066	222,312,267	220,700,259	234,177,405	Total expenditures
5,115,341	11,005,851	17,519,268	12,988,504	24,388,298	Capital outlay primary government only (3)
190,132,905	205,479,215	204,792,999	207,711,755	209,789,107	Non-capital expenditures
6.23%	5.73%	6.28%	6.24%	6.00%	Debt service as a percentage of noncapital expenditures: Primary Government only
					<b>Component Unit - School Board:</b>
57,724,088	63,770,075	61,745,925	71,033,008	74,153,420	Schools expenditures excluding County contribution
1,866,169	7,264,443	6,598,049	3,658,633	1,546,890	Capital outlay Component Unit - School Board only (3)
55,857,919	56,505,632	55,147,876	67,374,375	72,606,530	Non-capital expenditures
					<b>Total Reporting Entity:</b>
11,841,388	11,972,538	12,922,604	12,954,717	12,655,473	Total debt service
\$ 245,990,824	\$ 261,984,847	259,940,875	\$ 275,086,130	\$ 282,395,637	Total non-capital expenditures
4.81%	4.50%	4.95%	4.71%	4.33%	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:	
	Residential Property	Commercial Property	Agricultural Property	Public Service SCC Assessed	Total Taxable Real Property Assessed Value	Tax-Exempt Real Property	Total Value
2013	\$ 6,951,154,200	\$ 1,081,100,700	\$ 1,711,068,100	\$ 692,329,732	\$ 10,435,652,732	\$ 1,006,955,100	\$ 11,442,607,832
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

Table 5-B

Tax Relief for the Elderly  
Last Ten Calendar Years

Taxable Year	Tax Relief for the Elderly
2013	\$ 238,370,300
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

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			
\$ 596,389,332	\$ 104,311,182	\$ 700,700,514	\$ 11,136,353,246	1.186	2013
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

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>FAUQUIER COUNTY</b>										
Countywide tax levies:										
Real property:										
General Fund	\$ 0.929	\$ 0.941	\$ 0.948	\$ 0.975	\$ 0.975	\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.758
Fire and Rescue Special Revenue Fund	0.045	0.045	0.045	0.058	0.058	0.121	0.133	0.133	0.133	0.140
Conservation Easement Purchase Levy	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.005
Total direct real property tax rate	0.980	0.992	0.999	1.039	1.039	0.982	0.994	0.994	0.994	0.903
Personal property:										
General class	4.650	4.650	4.650	4.650	4.650	4.650	4.650	4.650	4.650	3.450
Airplanes	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.003
Machinery and tools	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	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	0.980	0.992	0.999	1.039	1.039	0.982	0.994	0.994	0.994	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	2.300	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	4.255	4.241	4.200	4.200	5.206	5.149	5.149	5.149	3.390
Total direct tax rate (2)	1.186	1.197	1.211	1.254	1.254	0.920	0.925	1.825	1.810	1.140
Special district levies:										
Marshall Street Light Levy (3)	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	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
<b>OVERLAPPING GOVERNMENTS</b>										
Town of Warrenton:										
Real estate	0.015	0.015	0.015	0.050	0.050	0.050	0.050	0.050	0.050	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	2022			2013		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Virginia Electric & Power Company	\$ 428,698,097	1	2.65%	\$ 318,525,008	1	3.06%
Old Dominion Electric Co-Op	88,960,392	2	0.55%	150,146,423	2	1.44%
Fauquier Medical Center LLC	80,364,200	3	0.50%			
Northern Virginia Electric Co-Op	34,490,801	4	0.21%	31,984,609	4	0.31%
Warrenton Center LLC	33,606,000	5	0.21%	29,666,400	5	0.28%
Amazon Data Services Inc.	31,282,500	6	0.19%			
Rappahannock Electric Co-Op	23,119,563	7	0.14%	20,656,508	7	0.20%
Fauquier Long-Term Care LLC	22,771,700	8	0.14%			
Verizon - Virginia LLC	22,063,819	9	0.14%	35,415,429	3	0.34%
Goose Pond Grove LTD	20,141,000	10	0.12%			
Oak Spring Farms LLC				23,858,700	6	0.23%
Saul Holdings Limited Partnership				19,582,100	8	0.19%
Warrenton Development Company				18,774,000	9	0.18%
Norfolk Southern Railway Corp.				18,738,825	10	0.18%
Total	\$ 785,498,072		4.85%	\$ 667,348,002		6.41%

Source: Fauquier County Commissioner of the Revenue

Table 7-B

Principal Personal Property Taxpayers (1)  
Current Year and Nine Years Ago

TAXPAYER	2022			2013		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Amazon Data Services Inc.	\$ 74,603,933	1	6.39%			
Microsoft Corp	49,678,986	2	4.26%			
Data Center Vint Hill LLC	23,123,965	3	1.98%			
B&M Crane LLC	23,036,821	4	1.97%			
LCI Holdings Of Virginia Inc.	10,812,230	5	0.93%			
H & E Equipment Services Inc.	5,913,514	6	0.51%	\$ 2,778,760	4	0.41%
LCI Industrial Inc.	4,925,523	7	0.42%			
LCI Virginia Inc.	4,917,248	8	0.42%			
Comcast of CA/MD/PA/VA/WV LLC	4,826,097	9	0.41%	5,196,123	1	0.77%
Luck Stone Corp.	4,765,229	10	0.41%	2,883,598	3	0.43%
Vulcan Materials Company				4,556,258	2	0.67%
Toyota Motor Credit Corp. (TLT)				2,237,261	5	0.33%
Smith-Midland Corp.				1,557,265	6	0.23%
D. L. Peterson Trust				1,349,158	7	0.20%
Penske Truck Leasing Company LP				1,183,517	8	0.18%
Financial Services Vehicles Trust				1,078,600	9	0.16%
Daimler Trust				1,007,689	10	0.15%
Total	\$ 206,603,546		17.70%	\$ 23,828,229		3.53%

(1) Original TY 2022 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
2013	\$ 130,416,940	\$ (1,693,367)	\$ 128,723,573	\$ 127,043,501	98.69%	\$ 1,483,174	\$ 128,526,675	99.85%
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%	-	184,743,971	98.54%

The Personal Property Tax Relief Act amounts received for tax years 2013 to 2022 are as follows:

FY 2013	\$ 13,657,516	CY 2013
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



COUNTY OF FAUQUIER, VIRGINIA

Table 9

Ratios of Outstanding Debt by Type (1)  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Component Unit				Percentage of Personal Income (2)	Per Capita (2)
	Financing Agreements	Lease Liabilities	General Obligation Bonds	Virginia Public School Authority Bonds	Financing Agreements	Lease Liabilities	Solid Waste Revenue Bonds	Sewer Revenue Bonds	Total Primary Government	Lease Liabilities	Financing Agreements	Personal Income		
2013	\$ 11,144,985	\$ -	\$ 32,555,866	\$ 76,580,596	\$ -	\$ -	\$ 5,925,854	\$ -	\$ 126,207,301	\$ -	\$ -	\$ 4,007,110,000	3.15%	1,908
2014	9,769,939	-	29,368,052	71,241,989	-	-	5,387,159	-	115,767,139	-	-	4,122,954,000	2.81%	1,739
2015	9,400,835	-	27,727,283	65,756,480	-	-	9,646,698	-	112,531,296	-	-	4,367,150,000	2.58%	1,667
2016	7,963,597	-	25,267,136	60,272,709	-	-	9,430,964	-	102,934,406	-	-	4,496,180,000	2.29%	1,516
2017	10,842,031	-	22,762,210	54,797,067	9,129,028	-	-	-	97,530,336	-	-	4,720,604,000	2.07%	1,431
2018	14,580,137	-	20,210,265	49,480,501	8,814,800	-	-	118,587	93,204,290	-	-	4,928,340,000	1.89%	1,349
2019	31,153,322	-	17,733,115	44,338,192	8,493,518	-	-	483,089	102,201,236	-	10,672,434	5,226,581,000	1.96%	1,457
2020	33,650,650	-	15,399,876	39,090,403	8,165,214	-	-	204,792	96,510,935	-	10,672,434	5,444,716,000	1.77%	1,367
2021	31,719,408	1,562,947	13,028,034	33,917,539	8,225,194	176,059	-	1,364,625	89,993,806	839,932	10,941,095	5,817,340,000	1.55%	1,268
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	671,699	10,342,157	*	*	1,562

(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

**COUNTY OF FAUQUIER, VIRGINIA**

**Table 10**

**Ratios of General Bonded Debt Outstanding (1)  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Virginia Public School Authority Bonds</b>	<b>Net General Bonded Debt</b>	<b>Percentage of Personal Income</b>	<b>Percentage of Estimated Actual Value of Taxable Property (2)</b>	<b>Per Capita (3)</b>
2013	\$ 32,555,866	\$ 76,580,596	\$ 109,136,462	2.72%	0.98%	1,650
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	*	0.33%	788

(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	
2013	\$ 4,101,859	\$ 4,073,371	\$ 28,488	\$ -	\$ 212,629	\$ 212,629	0.13
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

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				
	2013	2014	2015	2016	2017
Budgeted revenues (1)	\$ 159,945,659	\$ 163,855,490	\$ 170,353,442	\$ 174,239,206	\$ 181,242,684
Debt limit (2)	15,994,566	16,385,549	17,035,344	17,423,921	18,124,268
Total net debt applicable to limit (3)	<u>14,609,344</u>	<u>14,936,587</u>	<u>14,259,898</u>	<u>14,148,209</u>	<u>14,346,246</u>
County policy margin	\$ <u>1,385,222</u>	\$ <u>1,448,962</u>	\$ <u>2,775,446</u>	\$ <u>3,275,712</u>	\$ <u>3,778,022</u>
Total net debt applicable to the limit as a percentage of general revenues	9.13%	9.12%	8.37%	8.12%	7.92%

- (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						
2018	2019	2020	2021	2022		
\$ 186,361,492	\$ 200,257,948	\$ 208,093,792	\$ 208,969,831	\$ 213,284,259		Budgeted revenues (1)
18,636,149	20,025,795	20,809,379	20,896,983	21,328,426		Debt limit (2)
<u>12,778,846</u>	<u>13,145,314</u>	<u>13,359,801</u>	<u>13,440,989</u>	<u>12,707,678</u>		Total net debt applicable to limit (3)
\$ <u>5,857,303</u>	\$ <u>6,880,481</u>	\$ <u>7,449,578</u>	\$ <u>7,455,994</u>	\$ <u>8,620,748</u>		County policy margin
6.86%	6.56%	6.42%	6.43%	5.96%		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)
2013	66,131	\$ 4,007,110	\$ 59,252	5.0%	36,781	21,213	11,032
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	3.4%	36,968	22,116	10,885
2018	69,098	4,928,340	68,443	2.7%	37,626	22,417	10,955
2019	70,150	5,226,581	71,845	2.4%	38,794	22,249	10,987
2020	70,580	5,444,716	74,649	6.7%	36,955	21,370	10,891
2021	70,996	5,817,340	78,810	3.5%	36,830	21,813	10,145
2022	73,291	*	*	2.5%	37,430	21,924	10,648

- Sources:
- (1) Weldon Cooper Center for Public Service final population estimates as of July 1<sup>st</sup> for FY2013 through FY2021, and provisional estimate for FY2022, as of July 1, 2021.
  - (2) Bureau of Economic Analysis, calendar year data. Revised estimates for 2013-2021.
  - (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 FY2013 through FY2015 and Virginia Department of Education for FY2016 through FY2022.
- \* Unavailable

**COUNTY OF FAUQUIER, VIRGINIA**

**Table 14**

**Principal Employers (1)  
Current Year and Nine Years Ago**

Employer	2022		2013	
	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 Partner LLC	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	6	100 to 249
Food Lion	7	100 to 249	7	100 to 249
White Horse OPCO LLC	8	100 to 249		
Blue Ridge Orthopedic Associates	9	100 to 249		
The Home Depot	10	100 to 249		
Vangent Inc.			8	100 to 249
Oak Springs of Warrenton			9	100 to 249
Commonwealth of Virginia			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 2022 and 2nd Quarter of 2013)

Table 15

County Government Employees by Function  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government administration	113.4	114.4	116.8	117.5	119.6	122.5	123.5	125.2	125.2	125.2
Judicial administration	42.8	42.8	44.1	45.1	45.1	45.1	45.1	45.0	45.0	45.0
Public safety	238.5	238.5	248.9	248.9	260.5	266.5	299.5	310.5	310.5	311.5
Public works (2)	76.1	75.5	79.5	78.5	79.5	79.5	81.5	81.5	107.0	107.0
Health and welfare	47.5	47.5	48.5	48.5	48.5	48.5	58.5	59.5	59.5	60.5
Parks, recreation, and cultural	61.9	61.9	62.9	63.2	64.2	65.2	65.2	65.2	64.2	64.2
Community development (2)	62.1	62.1	72.1	75.1	76.1	76.1	76.1	75.7	49.7	50.2
<b>Total Primary Government</b>	<b>642.3</b>	<b>642.7</b>	<b>672.8</b>	<b>676.8</b>	<b>693.5</b>	<b>703.4</b>	<b>749.4</b>	<b>762.6</b>	<b>761.1</b>	<b>763.6</b>
<b>Component Unit - School Board</b>										
Education	1,816.3	1,819.5	1,831.1	1,836.1	1,819.1	1,831.0	1,890.7	1,900.9	1,905.0	1,915.2
<b>Total Reporting Entity</b>	<b>2,458.6</b>	<b>2,462.2</b>	<b>2,503.9</b>	<b>2,512.9</b>	<b>2,512.6</b>	<b>2,534.4</b>	<b>2,640.1</b>	<b>2,663.5</b>	<b>2,666.1</b>	<b>2,678.8</b>

(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				
	2013	2014	2015	2016	2017
<b>General government administration</b>					
Commissioner of the revenue					
Real estate number of parcels	32,897	32,967	33,276	33,466	33,591
Land use number of parcels	3,925	3,950	3,914	3,867	3,847
PPTRA qualifying vehicles	71,931	70,800	74,556	75,741	77,413
County attorney (5)					
Total litigation files opened	11	9	13	13	-
Active open litigation cases	-	-	-	351	390
Finance					
Vendor checks issued	17,555	17,971	17,071	17,247	17,290
Human resources					
Employment applications received	11,814	9,125	9,668	9,065	10,162
New employees orientated	548	526	841	737	840
Payroll annual checks/direct deposits	53,104	68,750	43,467	66,835	77,610
Information technology					
Website hits (6)	1,043,798	1,056,552	1,582,195	1,199,765	210,985
Unique page views (8)	-	-	-	-	-
Treasurer					
General Revenue Collections:					
Real estate bills mailed	63,101	63,486	64,548	64,550	65,655
Personal property bills mailed	63,494	64,910	66,643	68,310	69,726
Dog tags issued	3,340	3,434	3,737	3,576	4,466
<b>Judicial administration</b>					
Adult court services					
Average daily caseload	564	425	450	315	310
Circuit court (2)					
Civil cases	884	640	561	687	595
Criminal cases	1,168	1,211	1,123	974	1,150
Clerk of the circuit court (by calendar year)					
Deed book recording	14,153	10,188	11,986	12,515	11,555
Judgments	1,758	1,927	1,555	1,290	1,348
Criminal cases	1,166	1,221	950	1,082	1,085
Concealed weapon permits	1,607	1,078	1,218	1,417	1,368
<b>Public safety</b>					
Detention center					
Prisoner transports	6,119	6,967	7,441	6,958	6,678
Average daily inmate population	103	104	102	91	82
Juvenile detention (9)					
Youth detained	44	50	50	50	50
Child care days	259	300	300	300	300
Juvenile probation					
Probation and paroles per month	102	75	110	110	110
Intakes	1,108	1,250	1,200	1,200	1,283

- (1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2022 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.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

\* Unavailable

Fiscal Year					
2018	2019	2020	2021	2022 (1)	
					<b>General government administration</b>
					Commissioner of the revenue
32,785	32,898	33,045	33,133	*	Real estate number of parcels
3,768	3,767	3,867	3,714	*	Land use number of parcels
78,961	80,590	82,202	79,902	*	PPTRA qualifying vehicles
					County attorney (5)
-	-	-	-	*	Total litigation files opened
346	331	86	121	*	Active open litigation cases
					Finance
18,119	17,011	17,583	16,050	*	Vendor checks issued
					Human resources
10,509	4,042	7,852	8,786	*	Employment applications received
880	770	498	685	*	New employees orientated
71,008	72,004	76,722	75,701	*	Payroll annual checks/direct deposits
					Information technology
210,651	-	-	-	*	Website hits (6)
-	1,343,804	1,376,035	1,625,059	*	Unique page views (8)
					Treasurer
					General Revenue Collections:
65,916	66,252	66,139	66,429	*	Real estate bills mailed
70,206	71,883	71,115	71,211	*	Personal property bills mailed
4,283	4,118	2,970	3,967	*	Dog tags issued
					<b>Judicial administration</b>
					Adult court services
350	322	288	222	*	Average daily caseload
					Circuit court (2)
849	600	600	445	*	Civil cases
861	860	900	607	*	Criminal cases
					Clerk of the circuit court (by calendar year)
10,562	11,500	15,936	16,235	*	Deed book recording
1,256	1,300	810	838	*	Judgments
861	850	688	785	*	Criminal cases
1,534	1,200	2,971	1,389	*	Concealed weapon permits
					<b>Public safety</b>
					Detention center
6,680	6,338	4,953	2,398	*	Prisoner transports
86	70	42	45	*	Average daily inmate population
					Juvenile detention (9)
2	12	13	21	*	Youth detained
19	5	472	23	*	Child care days
					Juvenile probation
50	15	9	3	*	Probation and paroles per month
1,283	928	1,020	880	*	Intakes

Table 16

Operating Indicators by Function  
Last Ten Fiscal Years

Page 3 of 6

Function	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Public safety (continued)</b>					
Operations					
911 calls for service	26,553	24,196	27,607	26,593	24,845
Hazardous material response	20 calls	25 calls	7 calls	10 calls	6 calls
Emergency Response - EMS	7,187	7,230	7,533	7,706	4,551
Emergency Response - Fire	3,938	3,964	4,386	4,648	2,655
Emergency Response - Fire and EMS (11)	-	-	-	-	-
Sheriff (7)					
Traffic summonses issued	6,992	6,864	5,952	6,077	7,734
Misdemeanor arrests	2,283	2,345	1,937	1,811	1,184
Felony arrests	930	1,089	1,028	937	504
Civil papers served	15,364	21,548	19,342	14,412	13,528
Calls for service	71,048	65,565	68,577	24,099	23,997
Animal control calls for service	3,177	3,116	2,589	2,532	2,497
Joint communications					
Telephone calls processed	158,493	160,078	157,410	141,730	144,256
Dispatch actions performed	886,108	912,691	921,379	914,143	962,493
Calls for service	133,542	116,948	114,435	111,563	118,344
<b>Public works</b>					
Environmental services - convenience sites					
Trash - tons	17,702	17,841	17,608	19,368	19,653
Recycled materials - tons (3)	2,446	2,654	2,634	2,878	3,039
Resident visits	523,106	527,506	526,812	578,393	585,793
General services					
Facility work orders completed	8,405	8,500	7,542	8,500	8,210
Fleet vehicles/small engines	618	725	800	817	915
Preventive maintenance schedule	2,009	2,000	2,029	2,000	2,610
<b>Health and welfare</b>					
Children's Services Act (CSA)					
Congregate care	28	45	65	51	28
Foster care - therapeutic, specialized, regular	81	112	75	75	78
Community based services	155	196	195	196	194
Special Education Day Placements	29	35	46	52	50
SPED Wraps	26	13	20	10	8
Social services					
Adoption assistance	42	44	59	68	79
Long term care screenings	102	135	136	141	115

- (1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2022 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.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

\* Unavailable

Fiscal Year					
2018	2019	2020	2021	2022 (1)	
					<b>Public safety (continued)</b>
					Operations:
24,085	23,951	23,403	25,081	*	911 calls for service
5 calls	5 calls	4 calls	3 calls	*	Hazardous material response
7,705	7,980	*	*	*	Emergency Response - EMS
4,819	5,527	*	*	*	Emergency Response - Fire
-	-	9,116	9,270	*	Emergency Response - Fire and EMS (11)
					Sheriff (7)
9,564	7,665	5,243	7,570	*	Traffic summonses issued
1,955	1,532	1,110	1,071	*	Misdemeanor arrests
986	673	521	539	*	Felony arrests
16,065	17,032	13,081	12,351	*	Civil papers served
24,839	24,866	18,629	17,699	*	Calls for service
3,986	3,898	3,529	2,448	*	Animal control calls for service
					Joint communications
144,712	146,111	142,850	141,277	*	Telephone calls processed
1,001,636	967,744	846,844	892,344	*	Dispatch actions performed
126,864	118,019	104,723	110,181	*	Calls for service
					<b>Public works</b>
					Environmental services - convenience sites
19,476	19,304	18,190	18,624	*	Trash - tons
3,005	3,080	3,255	3,068	*	Recycled materials - tons (3)
584,522	581,005	603,698	608,338	*	Resident visits
					General services
8,300	8,300	7,200	7,522	*	Facility work orders completed
930	996	895	989	*	Fleet vehicles/small engines
2,500	2,570	2,450	2,616	*	Preventive maintenance schedule
					<b>Health and welfare</b>
					Children's Services Act (CSA)
21	26	23	17	*	Congregate care
59	62	51	27	*	Foster care - therapeutic, specialized, regular
198	198	174	44	*	Community based services
40	37	49	28	*	Special Education Day Placements
17	27	20	35	*	SPED Wraps
					Social services
89	93	66	102	*	Adoption assistance
122	180	153	130	*	Long term care screenings

Table 16

**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Parks, recreation, and cultural</b>					
Library					
Materials cataloged/processed	11,562	11,981	11,014	11,892	13,090
Periodicals cataloged/processed	3,455	3,336	3,387	3,208	3,154
Library patron visits	264,436	261,090	266,496	259,773	253,182
Parks and recreation					
Park attendance	729,807	667,485	789,325	850,526	894,230
Shelter rentals	336	357	343	356	369
<b>Education</b>					
Per pupil expenditures	11,746	11,920	12,173	12,097	12,141
High school completion rate	96%	97%	95%	97%	97%
SAT scores (10)	1,532	1,549	1,546	1,561	1,125
Federal subsidized meals program	23.4%	24.8%	24.3%	24.5%	24.7%
<b>Community development</b>					
Tourism e-newsletter distribution	22,640	39,578	44,217	50,407	54,400
Rezoning/comp plans	4	12	8	70	9
Preliminary/final subdivisions	5	20	2	1	1
Zoning, Permitting, and Inspections:					
Building permits issued	1,493	1,583	1,544	1,458	1,782
Building plans reviewed	1,288	1,446	1,312	1,490	1,898
Technical/Environmental Division:					
Land disturbing permits issued	109	111	230	281	390
Marketing response to website (6)	191,150	217,750	225,588	232,355	48,720
<b>Other funds</b>					
Environmental services					
Residents using the landfill	2,581	1,877	1,630	1,705	1,757
Total tons recycled	24,470	25,240	17,011	15,756	19,942
Solid waste - tons to the landfill	52,749	52,588	47,957	5,821	7,994
Solid waste - tons to the transfer station (4)	-	-	-	44,962	43,635
Recycling rate	43%	43%	40%	43%	41%
Fleet maintenance					
Internal service fund county users	40	42	46	46	45
Internal service fund non-county users	12	12	12	15	13
Total vehicles serviced	5,471	6,000	6,031	6,500	6,073

- (1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2022 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.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

\* Unavailable

Fiscal Year					
2018	2019	2020	2021	2022 (1)	
					<b>Parks, recreation, and cultural</b>
					Library
11,325	10,039	8,736	8,136	*	Materials cataloged/processed
2,982	2,825	2,513	2,076	*	Periodicals cataloged/processed
237,201	218,062	148,265	58,454	*	Library patron visits
					Parks and recreation
783,884	987,052	818,830	1,051,555	*	Park attendance
356	357	198	418	*	Shelter rentals
					<b>Education</b>
12,394	13,342	13,092	14,368	*	Per pupil expenditures
97%	96%	98%	97	*	High school completion rate
1,092	1,101	1,095	1,120	*	SAT scores (10)
26.6%	26.9%	27.4%	-	*	Federal subsidized meals program
					<b>Community development</b>
57,120	16,150	16,240	16,190	*	Tourism e-newsletter distribution
12	10	7	5	*	Rezoning/comp plans
-	3	-	-	*	Preliminary/final subdivisions
					Zoning, Permitting, and Inspections:
2,110	2,046	1,813	2,294	*	Building permits issued
1,594	1,361	1,335	1,703	*	Building plans reviewed
					Technical/Environmental Division:
402	258	297	302	*	Land disturbing permits issued
33,326	39,725	44,177	35,750	*	Marketing response to website (6)
					<b>Other funds</b>
					Environmental services
3,108	5,057	5,500	7,689	*	Residents using the landfill
19,921	10,617	7,967	5,596	*	Total tons recycled
10,931	1,309	1,340	1,833	*	Solid waste - tons to the landfill
44,643	50,759	49,362	49,215	*	Solid waste - tons to the transfer station (4)
39%	36%	29%	35%	*	Recycling rate
					Fleet maintenance
46	58	75	46	*	Internal service fund county users
15	8	6	8	*	Internal service fund non-county users
6,500	6,442	6,080	6,500	*	Total vehicles serviced

COUNTY OF FAUQUIER, VIRGINIA

Table 17

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Judicial administration</b>										
Detention center capacities	56	56	56	56	56	56	56	56	56	56
<b>Public safety</b>										
Fire and rescue companies	11	11	11	11	10	10	10	10	10	9
<b>Public works (1)</b>										
Active vehicles	270	277	454	494	362	386	413	426	452	393
County owned buildings	57	57	57	57	64	66	69	71	71	75
Sq. ft. in buildings	396,744	396,744	455,883	540,986	422,325	436,067	456,244	467,913	467,913	488,663
<b>Parks, recreation, and cultural</b>										
Libraries	3	3	3	3	3	3	3	3	3	3
Volumes	208,691	210,698	210,356	210,933	207,989	210,181	204,321	198,473	196,814	190,392
Parks and recreation facilities	35	35	35	36	35	38	40	40	46	54
Land acres	932	932	886	890	892	909	1,109	1,085	1,139	1,139
Water acres	110	110	115	115	115	116	116	115	116	116
Trails (miles)	14	20	20	20	20	25	26	26	26	25
Fields	58	58	57	57	57	57	57	58	58	74
Boats	35	36	34	34	34	40	42	42	42	41
Shelters	21	21	19	19	18	19	19	19	20	15
Swimming pools	2	2	2	2	2	2	2	2	2	2
<b>Education</b>										
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	717,016
Capacity	6,095	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	514,110
Capacity	3,183	3,045	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194
High schools										
Buildings	3	3	3	3	3	3	3	3	3	3
Sq. ft. in buildings	817,163	834,710	848,210	848,210	848,210	848,210	848,210	848,210	848,210	848,210
Capacity	4,554	4,342	4,342	4,342	4,342	4,364	4,364	4,364	4,364	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	191	220	220	220	220	220	220	220
Number of school buses	181	182	170	179	179	173	159	163	178	180
<b>Airport</b>										
Miles of runways	0.96	0.96	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Number of hangars	10	11	11	11	11	11	11	11	11	6

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, 2022, 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 15, 2022.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## 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*.

### 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 15, 2022



**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 2022. 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, 2022.

***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 15, 2022



COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards  
Primary Government and Discretely Presented Component Unit  
For the Period Ended June 30, 2022

Page 1 of 4

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass- Through Agency Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients	Totals by Agency
<b>Primary Government:</b>					
<b>DEPARTMENT OF AGRICULTURE:</b>					
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	10120,40120	\$ 915,311	\$ -	
Total SNAP Cluster			915,311	-	
Total Department of Agriculture					915,311
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
Passed through the Commonwealth of Virginia:					
<u>Department of Social Services:</u>					
Guardianship Assistance	93.090	950119	534	-	
Title IV-E Prevention Program	93.472	950119	5,898	-	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950119	34,797	-	
COVID-19 MaryLee Allen Promoting Safe and Stable Families Program	93.556	CVS-19-057-A-14	4,204	-	
Total 93.556			39,001		
Temporary Assistance for Needy Families	93.558	400120	210,941	-	
Temporary Assistance for Needy Families	93.558	CVS-19-057-A-14	56,800	-	
Total 93.558			267,741	-	
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	93.566	500120	845	-	
Low-Income Home Energy Assistance	93.568	600420	29,658	-	
CCDF Cluster:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760120	48,611	-	
Total CCDF Cluster			48,611	-	
Community Based Child Abuse Prevention Grants Stephanie Tubbs Jones Child Welfare Services Program	93.590		417	-	
Foster Care Title IV-E	93.645	900119	538	-	
Adoption Assistance	93.658	1100120	428,677	-	
Social Services Block Grant	93.659	1120120	797,102	-	
Social Services Block Grant	93.667	1000120	219,743	-	
Social Services Block Grant	93.667		27,876	-	
Social Services Block Grant	93.667	CVS-19-057-A-14	5,752	-	
Total 93.667			253,371	-	
Family Violence Prevention and Services / Domestic Violence Shelter and Supportive Services	93.671	CVS-19-057-A-14	57,546	-	
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	CVS-19-057-A-14	4,956	-	
Total 93.671			62,502	-	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150019	3,072	-	
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	CVS-19-057-A-14	9,181	-	
Total 93.674			12,253		
Elder Abuse Prevention Interventions Program	93.747	CVS-19-057-A-14	6,717	-	
Children's Health Insurance Program	93.767	540120	4,967	-	
Medicaid Cluster:					
Medical Assistance Program	93.778	1200120	478,665	-	
Total Medicaid Cluster			478,665		
Total Department of Health and Human Services					\$ 2,437,497

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards  
Primary Government and Discretely Presented Component Unit  
For the Period Ended June 30, 2022

Page 2 of 4

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass- Through Agency Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients	Totals by Agency
<b>DEPARTMENT OF HOMELAND SECURITY:</b>					
Direct payments:					
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not Applicable	\$ 781,401	-	
Passed through the Commonwealth of Virginia:					
<u>Department of Emergency Management:</u>					
COVID-19 Disaster Grants Public Assistance	97.036	FEMA-4512-DR-VA	344,295	-	
Passed through the Commonwealth of Virginia:					
<u>Department of Emergency Services:</u>					
Emergency Management Performance Grants	97.042	EMP-2021-EP-00004	17,678	-	
Total Department of Homeland Security					1,143,374
<b>DEPARTMENT OF JUSTICE:</b>					
Direct payments:					
Bulletproof Vest Partnership Program	16.607	Not Applicable	7,412	-	
Passed through the Commonwealth of Virginia:					
<u>Department of Criminal Justice Services:</u>					
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-MU-BX-0026	3,269	-	
Crime Victim Assistance	16.575	21-B3423VP19	181,400	-	
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	20-A5070CE20	1,700	-	
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	10698	34,920	-	
Total 16.034			36,620	-	
Total Department of Justice					228,701
<b>DEPARTMENT OF TRANSPORTATION:</b>					
Direct payments:					
COVID-19 Airport Improvement Program	20.106	Not Applicable	194,542	-	
Passed through the Commonwealth of Virginia:					
<u>Department of Transportation:</u>					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	UPC 91227	2,156,674	-	
Total Highway Planning and Construction Cluster			2,156,674	-	
Highway Safety Cluster:					
Passed through DriveSmart Virginia:					
State and Community Highway Safety	20.600	Unknown	1,180	-	
Passed through the Commonwealth of Virginia:					
<u>Department of Motor Vehicles:</u>					
State and Community Highway Safety	20.600	FSC-2021-501108-21108	6,241	-	
State and Community Highway Safety	20.600	FSC-2022-52055-22055	1,717	-	
Total 20.600			9,138	-	
Total Highway Safety Cluster			9,138	-	
Alcohol Open Container Requirements	20.607	154AL-2021-51058-21058	306	-	
Alcohol Open Container Requirements	20.607	154AL-2022-52115-22115	5,754	-	
Total 20.607			6,061	-	
Total Department of Transportation					2,366,414
<b>DEPARTMENT OF THE TREASURY:</b>					
Direct Payments:					
Secret Service Task Force	21.000	Not Applicable	572	-	
Passed through the Commonwealth of Virginia:					
<u>Department of the Treasury:</u>					
COVID-19 Coronavirus Relief Fund	21.019	Not Available	240,959	-	
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	1,002,814	58,432	
<u>Department of Criminal Justice Services:</u>					
Coronavirus State and Local Fiscal Recovery Funds	21.027	22-A3423ARRF	60,356	-	
Total 21.027			1,063,170	-	
Total Department of the Treasury			\$ 58,432	\$ 1,304,701	



Schedule of Expenditures of Federal Awards  
Primary Government and Discretely Presented Component Unit  
For the Period Ended June 30, 2022

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass-Through Agency Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients	Totals by Agency
<b>THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</b>					
Passed through the Commonwealth of Virginia:					
<u>Library of Virginia:</u>					
COVID- 19 Grants to States	45.310	LVA-ARPA-016	\$ 15,464	\$ -	
Total Institute of Museum and Library Services					15,464
<b>ENVIRONMENTAL PROTECTION AGENCY:</b>					
Passed through the State of Maryland:					
Chesapeake Bay Program	66.466	Not Available	3,000	-	
Total Environmental Protection Agency					3,000
Total Expenditures of Federal Awards - Primary Government					8,414,462
<b>Component Unit - School Board:</b>					
<b>DEPARTMENT OF AGRICULTURE:</b>					
Passed through the Commonwealth of Virginia:					
<u>Department of Education:</u>					
Pandemic EBT Administrative Costs	10.649	DOE865560	3,063	-	
Child Nutrition Discretionary Grants Limited Availability	10.579	DOE868040	11,040	-	
Child Nutrition Cluster:					
School Breakfast Program	10.553	APE40253	1,507,264	-	
<u>Department of Agriculture and Consumer Services:</u>					
National School Lunch Program	10.555	Not Available	5,803,997	-	
National School Lunch Program - Commodities	10.555	Not Available	460,928	-	
Total 10.555			6,264,925	-	
		APE60175,60176, 60302, 60303			
Summer Food Service Program for Children	10.559		120,423	-	
Total Child Nutrition Cluster			7,892,612	-	
Child and Adult Care Food Program	10.558	APE70027	341,221	-	
Total Department of Agriculture				-	8,247,936
<b>DEPARTMENT OF DEFENSE:</b>					
Direct Payments:					
Junior ROTC Program	12.000	Not Applicable	63,834	-	
Passed through the University of Maryland:					
Language Grant Program	12.900	Not Available	87,521	-	
Total Department of Defense				-	\$ 151,355

Schedule of Expenditures of Federal Awards  
Primary Government and Discretely Presented Component Unit  
For the Period Ended June 30, 2022

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass-Through Agency Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients	Totals by Agency
<b>DEPARTMENT OF EDUCATION:</b>					
Passed through the Commonwealth of Virginia:					
<u>Department of Education:</u>					
Title I Grants to Local Educational Agencies	84.010	APE42901	\$ 1,104,182	-	
		APE600410, 60170, 60173, 60172 70037, 60041, 60042, 60170,			
ESSER-American Rescue Plan -Elementary and Secondary School Emergency Relief Fund	84.425	U 70037, 50175	774,407	-	
ESF-SEA-Education Stabilization Fund-State Education Agency	84.425	A APE50195	1,957,001	-	
ESSER-Elementary and Secondary School Emergency Relief Fund	84.425	U APE43071, APE61110 APE70037	1,567,687	-	
GEER - Governor's Emergency Education Relief Fund	84.425	C APE60177, 60170, 60172, 60173	61,283	-	
ESSER-Elementary and Secondary School Emergency Relief Fund	84.425	D 60173	259,987	-	
	Total 84.425		4,620,365	-	
Special Education Cluster (IDEA):					
Special Education Grants to States	84.027	APE43071, APE61110	1,773,871	-	
COVID-19 Special Education Grants to States	84.027	APE50175	188,513	-	
	Total 84.027		1,962,384	-	
COVID-19 Special Education Preschool Grants	84.173	DOE86537	9,840	-	
Special Education Preschool Grants	84.173	APE62521	58,717	-	
	Total 84.173		68,557	-	
Total Special Education Cluster (IDEA)					
			2,030,941	-	
Career and Technical Education -- Basic Grants to States	84.048	APE60031, APE61095	153,027	-	
English Language Acquisition State Grants	84.365	APE60512	66,881	-	
Supporting Effective Instruction State Grant	84.367	APE61480	112,448	-	
Student Support and Academic Enrichment	84.424	APE60281	29,236	-	
Total Department of Education					
				-	8,117,080
<b>FEDERAL COMMUNICATIONS COMMISSION</b>					
Direct Payments:					
Emergency Connectivity Fund Program	32.009	Not Applicable	382,715	-	
Total Federal Communications Commission					
					382,715
Total Expenditures of Federal Awards - Component Unit - School Board					
					16,899,086
Total Expenditures of Federal Awards - Reporting Entity					
				\$	25,313,548

COUNTY OF FAUQUIER, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards  
Fiscal Year Ended June 30, 2022

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, 2022. 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	\$ 3,560,217
Capital Projects Fund	2,156,674
Debt Service Fund	400,775
Fire and Rescue Fund	799,079
American Rescue Plan Fund	1,159,807
Other Governmental Funds	612,954
Airport Fund	130,245
Total primary government	8,819,751
Component Unit – School Board:	
School General Fund	8,651,150
School Nutrition Fund	8,236,896
Total component unit school board	16,888,046
Total federal revenues per basic financial statements	25,707,797

Reconcile Federal revenues to expenditures

Less: Payments in Lieu of Taxes	(3,014)
Less: Social Security incentive payments	(1,500)
Less: Federal Tax Credit Subsidy on QSCB Bond	(400,775)
Add: FY2021 expenditures in ALN 10.579-Child Nutrition Discretionary Grants Limited Availability that were not reported in FY21 and identified as federal funding when reimbursed.	11,040
Total reconciling items	(394,249)
Total expenditures reimbursed by federal revenues	25,313,548
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 25,313,548

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

---

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

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
84.425A/84.425C/84.425D/84.425U	COVID-19 - Education Stabilization Fund
10.561	SNAP Cluster
93.659	Adoption Assistance
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$759,406

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

There are no federal award findings and questioned costs to report.

**Section IV - Prior Year Findings**

There are no prior year findings to report.