

FY 2001 AUDIT ADJUSTMENTS

Based on the results of the FY 2001 Comprehensive Annual Audit, adjustments were made to receipts and expenditures based on the Generally Accepted Accounting Principles (GAAP) of modified accrual accounting. Fairfax County recognizes revenues in the prior fiscal year when it is measurable and available within 45 days after the end of that fiscal year, while expenditures are recognized when the asset is received.

Revenue adjustments result in an increase to the FY 2002 General Fund ending balance of \$255,800. Adjustments in FY 2001 expenditures were made in Special Revenue, Debt Service, Capital Project, Enterprise, Internal Service and Retirement funds. In addition, several revenue adjustments were made in the Special Revenue, Capital Project and Retirement funds. Retirement fund adjustments are based on Governmental Accounting Standards Board (GASB) Statement 28 requirements regarding segregation of securities lending transactions into gross income and expenditures for financial reporting purposes. This audit attachment also outlines changes in the Fairfax County Public Schools and Fairfax County Redevelopment and Housing Authority funds based on the final year-end reconciliation of these accounts.

Detailed audit adjustments were made which require an increase in the FY 2001 appropriation level for Fund 501, County Insurance, Fund 601, County Employees' Retirement and Fund 602, Police Officer Retirement. A Supplemental Appropriation Resolution (SAR) AS 01081 for FY 2001 for these funds is included in the SAR package of the FY 2002 Third Quarter Review.

Fund Type	Fund	Fund Title	Revenue	Expenditure	Fund Balance	FY 2002 Impact	Description
General Fund							
	001	General Fund	\$254,742.00		\$254,742.00		To record Real Estate tax receipts received within the first 45 days of FY 2002 that were actually earned in FY 2001.
			\$243,559.00		\$243,559.00		To record Personal Property tax receipts received within the first 45 days of FY 2002 that were actually earned in FY 2001.
			(\$242,501.00)		(\$242,501.00)		To adjust the accrual recorded for Personal Property tax reimbursement receipts from the Commonwealth, to reflect lower than anticipated receipts within the first 45 days of FY 2002 than originally projected to be earned for FY 2001.
TOTAL GENERAL FUND			\$255,800.00	\$0.00	\$255,800.00	\$0.00	
Special Revenue Funds							
	102	Federal/State Grants		\$17,155.03	(\$17,155.03)	(\$17,155.03)	Accrue expenditures and associated revenues incurred by the schools during FY 2001 for the Early Head Start Program Grant. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	102	Federal/State Grants	\$17,155.03		\$17,155.03	(\$17,155.03)	Accrue expenditures and associated revenues incurred by the schools during FY 2001 for the Early Head Start Program Grant. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	102	Federal/State Grants		\$10,122.52	(\$10,122.52)	(\$10,122.52)	Accrue expenditures and associated revenues incurred by the schools during FY 2001 for the Child Care and Development Block Grant. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	102	Federal/State Grants	\$10,122.52		\$10,122.52	(\$10,122.52)	Accrue expenditures and associated revenues incurred by the schools during FY 2001 for the Child Care and Development Block Grant. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.

Fund Type	Fund	Fund Title	Revenue	Expenditure	Fund Balance	FY 2002 Impact	Description
	106	Community Services Board		\$15,408.66	(\$15,408.66)	(\$15,408.66)	Accrue expenditures and associated revenues incurred by the schools during FY 2001 for the Infant Toddler Grant. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	106	Community Services Board	\$15,408.66		\$15,408.66	(\$15,408.66)	Accrue expenditures and associated revenues incurred by the schools during FY 2001 for the Infant Toddler Grant. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	110	Refuse Disposal		\$24,057.00	(\$24,057.00)		Adjustment to accrue expenditure for payment due to Prince William County based on an agreement to exchange yard waste for trash.
	112	Energy Resource Recovery (ERRF)		\$60,739.00	(\$60,739.00)		Accrue expenditures for waste disposal services received in FY 2001 and paid by cash wires in July 2001, FY 2002.
	112	Energy Resource Recovery (ERRF)		(\$1,579,329.00)	\$1,579,329.00		To record reimbursement for overbilling by COVANTA for tipping fees.
Debt Service Funds							
	200	County Debt Service		(\$3,683.42)	\$3,683.42		Record deferred revenue adjustment.
	200	County Debt Service		\$84,092,965.14	(\$84,092,965.14)		Accrue expenditures and associated revenues associated with the 2001A bond refunding.
	200	County Debt Service	(\$193,789.84)		(\$193,789.84)		Correction to the 2001A bond premium.
	200	County Debt Service	\$89,868.37		\$89,868.37		2001A bond proceeds premium.
	200	County Debt Service	\$142,638.72		\$142,638.72		2001A bond proceeds to cover insurance costs.
	200	County Debt Service	\$84,092,965.14		\$84,092,965.14		Accrue expenditures and associated revenues associated with the 2001A bond refunding.
	201	School Debt Service		(\$81,853.79)	\$81,853.79		Record deferred revenue adjustment.
	201	School Debt Service		\$59,557,470.70	(\$59,557,470.70)		Accrue expenditures and associated revenues associated with the 2001A bond refunding.
	201	School Debt Service	(\$365,641.39)		(\$365,641.39)		Correction to the 2001A bond premium.
	201	School Debt Service	\$169,562.96		\$169,562.96		2001A bond proceeds premium.
	201	School Debt Service	\$157,361.28		\$157,361.28		2001A bond proceeds to cover insurance costs.
	201	School Debt Service	\$59,557,470.70		\$59,557,470.70		Accrue expenditures and associated revenues associated with the 2001A bond refunding.
Capital Project Funds							
	301	Contributed Roadway Improvement		\$187,400.00	(\$187,400.00)	(\$187,400.00)	To correct escrow deposit incorrectly transferred to expenditure credit to record as revenue.

Fund Type	Fund	Fund Title	Revenue	Expenditure	Fund Balance	FY 2002 Impact	Description
	301	Contributed Roadway Improvement	\$187,400.00		\$187,400.00	(\$187,400.00)	To correct escrow deposit incorrectly transferred to expenditure credit to record as revenue.
	308	Public Works Construction		\$5,379.76	(\$5,379.76)	(\$5,379.76)	FY 2001 expenditure accrual. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	312	Public Safety Construction		\$25,530.20	(\$25,530.20)	(\$25,530.20)	FY 2001 expenditure accrual. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	314	Neighborhood Improvement Program		\$2,353.95	(\$2,353.95)	(\$2,353.95)	FY 2001 expenditure accrual. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	314	Neighborhood Improvement Program		\$171,447.61	(\$171,447.61)	(\$171,447.61)	FY 2001 expenditure accrual. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	316	Pro Rata Share Drainage		\$13,946.94	(\$13,946.94)	(\$13,946.94)	FY 2001 expenditure accrual. Note: There is a corresponding reduction to the FY 2002 Revised Budget Plan.
	316	Pro Rata Share Drainage	\$13,946.00	\$0.00	\$13,946.00	(\$13,946.00)	FY 2001 reclassification of revenue to deferred.
Enterprise Funds							
	408	Sewer Bond Construction	\$395,905.00		\$395,905.00		Accrue interest earnings on investments held by fiscal agent.
Internal Service Funds							
	501	County Insurance		\$2,697,281.00	(\$2,697,281.00)		To properly state the accrued liability balance per the actuarial valuation June 30, 2000. Adjustment does not impact cash balance. However there is a corresponding reduction to the accrued liability for active worker's compensation and other insurance cases.
Trust Funds							
	600	Uniformed Retirement	\$3,258,346.54	\$3,258,346.54	\$0.00		To record gross income and expenditures associated with securities lending transactions per GASB 28.
	601	Fairfax County Employees' Retirement	\$8,066,605.83	\$8,066,605.83	\$0.00		To record gross income and expenditures associated with securities lending transactions per GASB 28.
	602	Police Officer Retirement	\$3,444,493.56	\$3,444,493.56	\$0.00		To record gross income and expenditures associated with securities lending transactions per GASB 28.

Fund Type	Fund	Fund Title	Revenue	Expenditure	Fund Balance	FY 2002 Impact Description
Fairfax County Public Schools						
	090	Public School Operating	\$39.82		\$39.82	Adjustment to Tuition, Fees & Other revenue category to appropriately record revenues received for the ER Daniels transfer.
	090	Public School Operating	(\$483,102.00)		(\$483,102.00)	To adjust the accrual recorded for Personal Property tax reimbursement receipts from the Commonwealth, to reflect lower than anticipated receipts within the first 45 days of FY 2002 than originally projected to be earned for FY 2001.
	090	Public School Operating		\$593,864.00	(\$593,864.00)	Adjustment to payroll accruals, to record health subsidy and service connected disability costs and to record operating expenses in the proper fiscal period.
	191	School Food & Nutrition Services	(\$2,316.00)		(\$2,316.00)	Net adjustment to other revenue to record accrued interest receivable offset by bank service charges and an adjustment to revenue accruals.
	191	School Food & Nutrition Services	(\$125,285.00)	(\$125,285.00)	\$0.00	Reconciliation to record USDA inventory adjustment.
	191	School Food & Nutrition Services		\$191,708.00	\$191,708.00	Reconciliation of salary accrual to reflect actual payments.
	192	School Grants & Self Supporting	(\$172,277.86)		(\$172,277.86)	Adjustment to accurately record actual revenues received in FY 2001.
	192	School Grants & Self Supporting		\$325,774.00	(\$325,774.00)	Adjust summer school purchases from the School Central Procurement fund.
	192	School Grants & Self Supporting		\$51,689.00	(\$51,689.00)	Adjust Head Start and VA Pre School Initiative billings to the County to record expenditures in proper fiscal period.
	193	School Adult & Community Education	(\$975.00)		(\$975.00)	Adjustment in interest and bank charges.
	390	School Construction		\$1,808,070.00		To record an accrual for FY 2001 expenditure requirements associated with school construction projects.
	590	School Insurance		(\$718,218.00)	\$718,218.00	Reconciliation to reflect net change in accrued liability.
	591	School Health & Flexible Benefits	\$1,669,930.00		\$1,669,930.00	Record retiree subsidies and disability payments and teacher contributions.
	591	School Health & Flexible Benefits	(\$7,313.00)		(\$7,313.00)	Adjustment in interest and bank charges.
	591	School Health & Flexible Benefits		\$2,159,097.00	(\$2,159,097.00)	Record retiree subsidies and disability payments, accrue drug rebates and administrative fees.
	592	School Central Procurement	(\$71,737.00)		(\$71,737.00)	Record accrued purchases, adjust for purchases for other entities and net change in inventory.

Fund Type	Fund	Fund Title	Revenue	Expenditure	Fund Balance	FY 2002 Impact Description
Fairfax County Redevelopment and Housing Authority Funds						
These changes are not currently reflected in the <u>FY 2003 Advertised Budget Plan</u> . They will be included in the <u>FY 2003 Adopted Budget Plan</u> .						
Appropriated Funds						
	141	Elderly Housing Programs	(\$117.47)		\$117.47	To adjust deferred tenant revenues for Lewinsville
	141	Elderly Housing Programs		\$74,289.93	(\$74,289.93)	To record accrued leave adjustment.
	141	Elderly Housing Programs		\$93,594.11	(\$93,594.11)	To accrue contract services adjustment for Sunrise.
	141	Elderly Housing Programs		\$1,911.56	(\$1,911.56)	To record interest expenditure on deposit held.
	141	Elderly Housing Programs		\$598.75	(\$598.75)	To accrue contract services adjustment for Sunrise.
	141	Elderly Housing Programs		\$360.75	(\$360.75)	To adjust allowance for bad debt
	142	Community Development Block Grant (CDBG)	\$36.20		\$36.20	To correct cash receipts and housing loans receivables.
	143	Homeowner and Business Loan Programs	(\$4,512.44)		(\$4,512.44)	To correctly classify interest earned on a Section 8 loan.
	143	Homeowner and Business Loan Programs	\$17,844.92		\$17,844.92	To correctly record a deposit not previously recorded for Section 8 loans.
	143	Homeowner and Business Loan Programs		\$2,337.00	(\$2,337.00)	To accrue interest payable for Section 8 loans.
	143	Homeowner and Business Loan Programs		\$2,265.08	(\$2,265.08)	To correctly classify receipts for Section 8 loans.
	340	Housing Assistance Program	\$4,512.44		\$4,512.44	To correctly classify interest earned on a Section 8 loan.
Non-Appropriated Funds						
	940	FCRHA General Operating	\$228.16		\$228.16	To reverse prior year interest accrual.
	940	FCRHA General Operating	\$135,021.50		\$135,021.50	To reverse market valuation entry posted in prior year.
	940	FCRHA General Operating	\$14,600.84		\$14,600.84	To record additional interest income received offset by interest expenses.
	940	FCRHA General Operating	(\$4,257.50)		(\$4,257.50)	To record loss on sale of bonds/investments.
	940	FCRHA General Operating	(\$10,009.05)		(\$10,009.05)	To record market value adjustments at 6/30/01.
	940	FCRHA General Operating	\$70,184.16		\$70,184.16	To correctly record administrative/management fees and interest for Stonegate, Murraygate, Tavener, Castellani, & Green.
	940	FCRHA General Operating	\$579,490.25		\$579,490.25	To correctly record receipts and deferred revenues.
	940	FCRHA General Operating	\$47,191.24		\$47,191.24	To record revenue associated with the Drug Elimination Grant.
	940	FCRHA General Operating		\$209,255.04	(\$209,255.04)	To record accrued leave adjustment.
	940	FCRHA General Operating		\$29,225.61	(\$29,225.61)	To correctly recognize consultant fees for services provided.
	940	FCRHA General Operating		\$7,800.00	(\$7,800.00)	To correctly record contribution to Brosar park.
	940	FCRHA General Operating		\$113,673.57	(\$113,673.57)	To correctly record accrued interest payable, principle payments and escrow balance.

Fund Type	Fund	Fund Title	Revenue	Expenditure	Fund Balance	FY 2002 Impact	Description
	941	Fairfax County Rental Program	\$65,746.13		\$65,746.13		To record interest on replacement reserve and interest income on cash with fiscal agent.
	941	Fairfax County Rental Program	\$4,290.65		\$4,290.65		To record MIP disbursement by escrow agent.
	941	Fairfax County Rental Program	\$240.67		\$240.67		To write-off old balances.
	941	Fairfax County Rental Program		(\$1,902.87)	\$1,902.87		To correctly classify fringe benefit and extra pay expenditures and to write off old balances.
	941	Fairfax County Rental Program		\$69,486.52	(\$69,486.52)		To record accrued leave adjustment.
	941	Fairfax County Rental Program		\$4,290.65	(\$4,290.65)		To record MIP disbursement by escrow agent and to reclass disbursements to HUD.
	941	Fairfax County Rental Program		(\$10,391.97)	\$10,391.97		To correctly record interest and reclass interest expense to principal.
	941	Fairfax County Rental Program		(\$20,746.94)	\$20,746.94		To correctly record bad debt expense.
	946	FCRHA Revolving Development	\$116,951.12		\$116,951.12		To correctly record deferred revenues, deposits and retainage.
	948	FCRHA Private Financing	(\$31,800.00)		(\$31,800.00)	\$31,800.00	To record an adjustment to a Section 108 Loan for Washington Plaza.
	948	FCRHA Private Financing	\$548.00		\$548.00	(\$548.00)	To adjust the accrual for interest earned in FY 2001.
	948	FCRHA Private Financing	\$25,784.52		\$25,784.52	(\$25,784.52)	To record adjustments for bond payable and fiscal agent.
	948	FCRHA Private Financing		\$7,328.84	(\$7,328.84)	(\$7,328.84)	To record interest expenses on bonds.
	948	FCRHA Private Financing		(\$29,920.32)	\$29,920.32	\$29,920.32	To remove a note on the Partnership books.
	948	FCRHA Private Financing		\$203,555.44	(\$203,555.44)	(\$203,555.44)	To record accruals and adjust fiscal agent.
	949	FCRHA Internal Service	\$29,225.23		\$29,225.23		To correctly recognize revenue.
	965	Housing Grants	\$37,984.12		\$37,984.12	(\$37,984.12)	To adjust revenue accruals to correctly reflect reimbursement for FY 2001 expenses.
	965	Housing Grants		\$338.64	(\$338.64)	(\$338.64)	To reflect actual expenditures attributable to Fund 965 as part of the transfer of funding from Fund 941.
	965	Housing Grants		\$4,633.89	(\$4,633.89)	(\$4,633.89)	To record accrued leave adjustment.
	965	Housing Grants		\$15,172.11	(\$15,172.11)	(\$15,172.11)	To correctly record administrative fees.
	965	Housing Grants		(\$14,897.00)	\$14,897.00	\$14,897.00	To record HAP payments in the proper fiscal year.
	966	Federal Section 8 Annual Contribution	\$130,982.46		\$130,982.46		To recognize and reclassify deferred revenues.
	966	Federal Section 8 Annual Contribution	\$397,465.00		\$397,465.00		To recognize and reclassify revenues for reporting purposes.
	966	Federal Section 8 Annual Contribution	(\$111,770.92)		(\$111,770.92)		To recognize revenue associated with fraud expenses and to reimburse HUD for prior year expenses.
	966	Federal Section 8 Annual Contribution		\$32,999.39	(\$32,999.39)		To correctly classify fringe benefit and regular salary expenditures.
	966	Federal Section 8 Annual Contribution		\$168,782.28	(\$168,782.28)		To record accrued leave adjustment.
	966	Federal Section 8 Annual Contribution		\$714.03	(\$714.03)		To write-off old escrow balances and to record distribution of expenditures based on adjusting factors.

Fund Type	Fund	Fund Title	Revenue	Expenditure	Fund Balance	FY 2002 Impact	Description
	967	Public Housing Projects Under Management	\$21,333.46		\$21,333.46		To correctly record interest on investments.
	967	Public Housing Projects Under Management	(\$83,855.92)		(\$83,855.92)		To correctly record annual federal contributions.
	967	Public Housing Projects Under Management		\$2,104.34	(\$2,104.34)		To correctly classify fringe benefit, regular salary and operating expenditures
	967	Public Housing Projects Under Management		\$217,130.00	(\$217,130.00)		To record accrued leave adjustment.
	967	Public Housing Projects Under Management		\$137,784.66	(\$137,784.66)		To record interest expenses on bonds.
	967	Public Housing Projects Under Management		\$12,940.62	(\$12,940.62)		To record principal payments and adjust expenditures.
	968	Public Housing Projects Under Development	(\$21,398.68)		(\$21,398.68)		To correctly record interest on investments.
	969	Public Housing Projects Under Modernization	\$10,569.83		\$10,569.83	(\$10,569.83)	To correctly record revenue accruals for HUD reimbursements.
	969	Public Housing Projects Under Modernization		(\$2,104.34)	\$2,104.34	\$2,104.34	To correctly classify fringe benefit, regular salary and operating expenditures
	969	Public Housing Projects Under Modernization		\$10,569.83	(\$10,569.83)	(\$10,569.83)	To record accrued leave adjustment.