NOTE 18 – RISK MANAGEMENT (CONTINUED)

Changes in the balances of claims liabilities during the year are as follows:

	2004	2005
Unpaid claims, beginning July 1, 2004	$ 1,021,975	$ 1,175,260
Incurred claims, (including IBNR)	10,300,563	10,637,885
Claim payments	10,147,278	10,566,785
Unpaid claims, ending June 30, 2005	$ 1,175,260	$ 1,246,360

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS

The Clarke-Fauquier-Frederick-Winchester Jail Board was created in 1987 to construct and operate the Clarke-Fauquier-Frederick-Winchester Regional Adult Detention Center. The Center charges, on a per diem basis, other localities and the Federal Government for their prisoners placed in the jail. The fourteen member board consists of four members each from the County of Frederick and the City of Winchester, and three each from the Counties of Clarke and Fauquier. The County and other participants have no equity interest in the jail. The County made operating contributions for 22.8% of the regional jail's operating expenses, including debt service totaling $1,061,154 in fiscal year 2005.

NOTE 20 – SURETY BONDS

Fidelity and Deposit Company of Maryland – Surety	Amount
Gail Barb, Clerk of the Circuit Court	$ 50,000
Elizabeth A. Ledgerton, Treasurer	500,000
Ross D'Urso, Commissioner of the Revenue	3,000
Charlie Ray Fox, Jr., Sheriff	30,000
Above constitutional officers' employees – blanket bond	50,000
Clerk of the School Board	10,000
United States Fidelity and Guaranty Company – Surety	
County employees except above Constitutional Offices and School Board employees	$ 100,000

NOTE 21 – COMMITMENTS UNDER NONCAPITALIZED LEASES

The County leases the following property:

Property	Annual Payments
Lee and John Marshall Street, Corner Parking Lot	$ 6,000
Registrar's Office, John Marshall Building	30,107
Economic Development Office, 35 Culpeper Street	12,000
Tax Reassesor's Office, 183-1 Keith Street	11,820
Commonwealth Attorney Office, 70 Main Street	57,780

All leases are subject to annual appropriation of rental payments.