

**COUNTY OF FAUQUIER, VIRGINIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



YEAR ENDED JUNE 30, 2001

COUNTY OF FAUQUIER, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2001

Prepared by:

The Fauquier County Department of Finance
John H. Tuohy, CPA, Finance Director



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Fauquier County, Virginia
20 Hotel Street
Warrenton, VA 20186-3208

December 1, 2001

To the Fauquier County Board of Supervisors:

We are pleased to present Fauquier County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001, in accordance with Section 15.2-2511 of the *Code of Virginia*. The financial statements included in this report conform with generally accepted accounting principles as established by the Governmental Accounting Standards Board. The County's management is responsible for the accuracy and fairness of presentation of the financial statements and other information presented herein. Included within this report are the funds and account groups of all agencies and boards that have been identified as the primary government or component unit (more fully described in the subsection "Reporting Entity"). Data presented in this report is believed to be accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the County's financial activities have been included.

Though addressed to the governing body, this report is intended to provide informative and relevant financial information for the citizens of the County, investors, creditors and other concerned readers. All are encouraged to contact the Department of Finance with comments or questions.

This report is divided into four sections:

The **Introductory Section** includes this letter of transmittal, providing an overview of the County's economy, achievements, future initiatives and financial condition. An outline of the organizational structure of the County is also included.

The **Financial Section** contains the report from the independent auditor and the general purpose financial statements, the combining and individual fund statements, and the account group statements and schedules for all the organizations, activities and functions of the County as primary government and its component unit.

The **Statistical Section** includes a number of tables of unaudited data depicting the financial history of the County for the last ten fiscal years, demographics and other miscellaneous information.

The **Compliance Section**, or Single Audit, presents a Schedule of Expenditures, Federal Awards and reports on compliance with applicable laws, regulations and internal controls, along with the related auditors' reports.

The remainder of this letter provides an overview of local economic conditions and prospects for the future, reports some of the County's achievements and initiatives, and highlights the County's financial results.

The Fauquier County Economy in 2001

Fauquier County lies on the fringe of the Northern Virginia suburbs of Washington, D.C. The County's economy remains primarily small business and agriculture. Over fifty percent of Fauquier's workforce commutes out of the County to places of employment.

The closure of the Army's base at Vint Hill Farms Station offers both a challenge and an opportunity. In 1993, when the Federal Base Closure and Realignment Commission's recommendation to close the base was accepted, Vint Hill Farms provided 13.9 percent of the County's job base. Beginning in 1993, the Army's presence was phased out culminating with the final closure of the base in September 1997. Due to the strength of the economy in Northern Virginia during this time period, there has been no affect on the County's unemployment as a result of the closure.

To effect the transition of the base to civilian use, the Commonwealth established the Vint Hill Farms Economic Development Authority (VHFEDA). The Authority is an independent public body with no taxing authority nor is its debt secured by either Fauquier County or the Commonwealth of Virginia. The revenues of the Authority are derived from contributions from the Federal Government, the County or the State, grants, on-site sales, borrowings and other financing methods.

The Authority applied to the Army for a conveyance based on a reuse plan. The plan calls for a mix of residential, commercial and public use. The reuse plan has been approved with updates envisioned based on changes in economic factors. The base was handed over to the Authority in the Fall of 2000. The property has been rezoned for 300 housing units and 3,100,000 square feet of commercial development. At this time 500,000 square feet of existing buildings have been rented, bringing 250 jobs to the County. The Federal Aviation Administration is in the process of building a major facility at Vint Hill and the Authority is aggressively seeking other development.

The Board of Supervisors has established an Office of Economic Development as a key element in its overall strategy to promote the County as an attractive place for businesses to locate and for existing businesses to expand.

Achievements and Initiatives

The budget document for Fiscal Year 2001 was awarded the Distinguished Budget Presentation Award by the Government Finance Officers' Association of the United States and Canada (GFOA). This was the second time the County received this award. The Comprehensive Annual Financial Report for Fiscal Year 2000 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA. This was the third time the County has received this award.

Financial Results and Highlights

General Fund Results

One of the County's principle financial policies is to establish and maintain an unreserved, undesignated General Fund balance of not less than 5% of General Fund revenues. The purpose of the unreserved, undesignated fund balance is to provide the County with working capital and to maintain a margin of safety to address emergency needs or unexpected declines in revenues. The undesignated, unreserved fund balance at the end of the year was equal to 19.96% of revenues.

The table that follows shows the results of operations for the General Fund and ending fund balances for the last two fiscal years.

Results of Operations for the General Fund

	FY2001	FY2000	Variance Increase/ (decrease)
Revenues, transfers & other financing sources	\$ 87,447,612	\$ 80,622,386	6,825,226
Expenditures, transfers & other financing sources	84,232,282	78,840,898	5,391,384
Fund Balance, Beginning	14,233,312	12,451,824	1,781,488
Fund Balance, Ending	\$ 17,448,642	\$ 14,233,312	3,215,330

General Government Operations

The County's governmental funds include the General Fund, Capital Projects Fund, Joint Communications Fund, Fire and Rescue Fund and the School Board component unit. The activities of these funds include most of the services provided by the County. Those funds whose activities are financed and operated in a manner similar to a private business are reported separately in the section "Proprietary Fund Operations" below.

The following table is a summary of the governmental funds' revenues for Fiscal Year 2001. Prior year data is shown for comparison. The County's two largest sources of revenue are property taxes, constituting 47.09% of the total and intergovernmental revenue, constituting 34.07% of the total.

Governmental Fund Revenues

<u>Revenue Source</u>	<u>Total FY2001</u>	<u>Total FY2000</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
General Property Taxes	\$ 59,071,677	\$ 57,588,606	\$ 1,483,071	2.58%
Other Local Taxes	10,920,367	10,150,934	769,433	7.58%
Licenses and Permits	1,130,335	739,401	390,934	52.87%
State	38,096,961	33,223,540	4,873,421	14.67%
Federal	4,640,413	3,814,547	825,866	21.65%
Charges for Service	3,104,557	2,745,141	359,416	13.09%
Fines and Forfeitures	362,610	259,781	102,829	39.58%
Use of Money & Property	2,962,308	2,382,840	579,468	23.32%
Debt Proceeds	7,650,000	3,500,000	4,150,000	118.57%
Miscellaneous	586,703	1,424,207	(837,504)	(58.80%)
Total	\$ 128,525,931	\$ 115,828,997	\$ 12,696,934	10.96%

Governmental fund expenditures by function as compared to the prior year are shown in the next table.

Governmental Fund Expenditures

<u>Function</u>	<u>Total FY2001</u>	<u>Total FY2000</u>	<u>Increase/ (Decrease)</u>	<u>Per Cent Change</u>
General Government	\$ 6,497,253	\$ 6,236,490	\$ 260,763	4.18%
Judicial				
Administration	1,925,457	1,741,042	184,415	10.59%
Public Safety	10,904,858	10,558,171	346,687	3.28%
Public Works	3,988,544	3,808,739	179,805	4.72%
Health and Welfare	4,934,176	4,721,916	212,260	4.50%
Education	68,727,136	65,666,097	3,061,039	4.66%
Parks, Recreation, Cultural	2,640,291	2,492,192	148,099	5.94%
Community				
Development	2,651,404	3,531,281	(879,877)	(24.92%)
Capital Projects	6,465,179	10,870,830	(4,405,651)	(40.53%)
Debt Service	6,288,144	6,157,359	130,785	2.12%
Total	\$ <u>115,022,442</u>	\$ <u>115,784,117</u>	\$ <u>(761,675)</u>	<u>(0.66%)</u>

Increases over Fiscal Year 2001 were primarily in the areas of education, public safety and debt service. The increase in education spending was as a result of increases in the number of students and other increases in operating expenses.

The two largest direct expenditure areas are education, comprising 59.75% of the total, and public safety, comprising 9.48% of the total. Capital projects expenditures are primarily construction and renovation of school facilities. In addition, the Board of Supervisors has increased capital spending for the maintenance of existing public facilities. Debt service is primarily to support debt issues related to school construction and renovation. The percentage of direct expenditures for education tends to understate the County's total support for education as the Departments of Human Resources, Finance, Budget, Information Resources and Support Services are accounted for as General Government agencies although approximately 70% of their workload is devoted to providing services to the School Division.

Proprietary Fund Operations

Fauquier County operates two Enterprise Funds.

The **Landfill** provides for solid waste disposal and recycling. The landfill is totally supported by user fees and other revenue. During Fiscal Year 2001, the landfill had net income of \$65,537.

The **Airport** serves Fauquier County by providing landing facilities, hangers and tie-down spaces for small aircraft. The airport is totally supported by user fees, personal property taxes on aircraft and other income. During Fiscal Year 2001, the airport had net income of \$872,065. This is primarily due to reimbursements from the Federal Government of the acquisition of land being recognized as income under the new accounting standards under Governmental Accounting Standards Board Statement 33.

In addition, the County operates two Internal Service Funds.

The **Health Insurance** Fund accounts for the resources devoted to the County's and School Division's self insured health benefit plan. During Fiscal Year 2001 the Health Insurance fund had net income of \$386,899.

The **Fleet Maintenance** Fund accounts for the resources devoted to the repair and maintenance of the vehicles owned by the County and School Division. During Fiscal Year 2001, the Fleet Maintenance Fund had net loss of \$28,013.

Employees' Retirement Plans

Fauquier County contributes to the Virginia Retirement System (VRS), an agent multiple employer public retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. All full-time permanent employees must participate in the VRS. Benefit provisions and requirements are established by State statute.

The County has established a length of service award program for the Fauquier County Fire and Rescue Association and its member companies. This is a single employer defined benefit plan for volunteer firefighters meeting certain criteria for participation.

Debt Administration

The County is a highly rated issuer of debt securities. The County's long-term general obligation bonds carry a rating of "double A2" from Moody's Investor Service and "double A minus" from Standard and Poor's Corporation. The Standard and Poor's rating reflects a recent upgrade by that rating service. These ratings reflect the County's management, low debt ratios and favorable location in Northern Virginia.

The total outstanding debt of the County, including capital leases, and its component units as of June 30, 2001 was \$49,995,455. Of this amount, \$6,140,000 is self-supporting and \$43,855,455 is tax supported. Debt is considered self-supporting if revenues generated by the activity fully support debt repayment, or no tax revenue is used to repay the debt. Debt is considered tax supported if general tax revenues are used or if the County has made a pledge of annual appropriation to repay the debt. This debt includes general obligation debt, capital leases and Virginia Public School Authority loans.

The County has no statutory limit, or "legal debt margin", on the amount of debt it can issue. The Board of Supervisors has adopted certain financial policies limiting the amount of annual debt service payments to no more than ten percent of County revenues. These policies also serve as a guide for a schedule of debt funded projects in the Capital Improvements Program. As of June 30, 2001, the amount of tax-supported debt service payments represented 5.32% of revenues.

During Fiscal Year 2001 the County issued \$4,575,000 in general obligation debt through the Virginia Public School Authority. This debt was issued to fund middle school renovation and expansion. In addition, the County issued \$3,075,000 in bonds to be repaid from revenues for the construction of a sewer line in the New Baltimore Service District.

Cash and Investment Management

The County Treasurer maintains a cash and investment program for the safeguarding and management of the County's funds. The investment of funds is administered in accordance with the *Code of Virginia*.

The County Treasurer invests primarily in the Local Government Investment Pool, managed by the Treasurer of Virginia, bonds issued by the U.S. Treasury and Federal agencies, bankers' acceptances, highly rated commercial paper and certificates of deposit in banks which have qualified as public depositories as defined by the *Code of Virginia*. Proceeds from bond issues subject to arbitrage rebate are invested in Virginia's State Non-Arbitrage Program (SNAP).

Risk Management:

The County maintains a self insurance program for health insurance for employees of the County, School Board, Vint Hill Farms Economic Development Authority, and Water and Sanitation Authority.

The activities of this program are reported in the Health Insurance Fund. Revenues in this Fund come from withholdings from employees and "premiums" collected from other funds set to cover estimated claims and liabilities, other insurance premiums and operating expenses. Claims filed, or expected to be filed, through June 30, 2001, are reported as accrued liabilities. The Health Insurance Fund has sufficient reserves to cover its estimated claims liability.

Reporting Entity

For reporting purposes, Fauquier County's reporting entity consists of the County as primary government and the School System as a discretely presented component unit. The discretely presented component unit is in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position, results of operations and cash flows from those of the primary government.

The Fauquier County Industrial Development Authority and Water and Sanitation Authority do not have a significant operational or financial relationship to the County and the County's accountability extends only to making their respective board appointments. The Vint Hill Farms Economic Development Authority has no significant operational or financial relationship to the County and the board members of the Authority are appointed by the Governor. Accordingly, these organizations are excluded from this report.

Internal and Budgetary Controls

The County's management is responsible for the establishment and maintenance of accounting and other internal controls to ensure compliance with applicable laws and County policies, and that assets are safeguarded and financial transactions are properly recorded and documented. 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, and the valuation of costs and benefits requires estimates and judgments by management. The County's independent external auditors consider certain aspects of these controls during the course of the annual audit, but not for the purpose of providing assurance on the internal control structure.

To ensure compliance with the limits and provisions of the respective budgets as approved by the Board of Supervisors, budgetary controls are maintained at the department level for the operating budget and at the project level for the capital improvements budget. These controls include a formal appropriation system maintained on the County's automated financial system and periodic reviews. Oversight of all budget operations is performed by the Budget Office. Purchase orders, contracts and commitments for the expenditures of funds are recorded as encumbrances. All appropriations lapse at year end.

Independent Audit

The County's financial statements as of June 30, 2001 and for the fiscal year ended June 30, 2001 have been audited by Robinson, Farmer, Cox Associates, independent certified public accountants, as required by Section 15.2-2511 of the *Code of Virginia*. The audit was conducted in accordance with generally accepted auditing standards and the auditors' report is included in the Financial Section of this report.

Audit testing for compliance with the federal Single Audit Act and related OMB Circular A-133 was performed by Robinson, Farmer, Cox Associates, independent certified public accountants. The auditors' reports are reported in the Compliance (Single Audit) Section of this report.

In addition to the independent auditors' reports described above, the auditor furnishes written recommendations to the County Board of Supervisors pertaining to the strengthening and improvement of certain areas of internal accounting control and overall accounting procedure.

Certificate of Achievement

Fauquier County is submitting this Comprehensive Annual Financial Report to the Government Finance Officers' Association of the United States and Canada (GFOA) for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized report that conforms to program standards. Such reports must satisfy both generally accepted accounting principles and all applicable legal requirements.

Acknowledgments

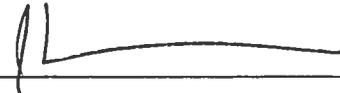
This report was prepared by the professional staff of the Finance Department. Their hard work, dedication and continuing efforts to improve the quality of this report directly benefit all who read and use it. We also acknowledge the cooperation and assistance of the staff of the County Treasurer, the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

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

Respectfully submitted,



G. Robert Lee
County Administrator



John H. Tuohy, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fauquier County,
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

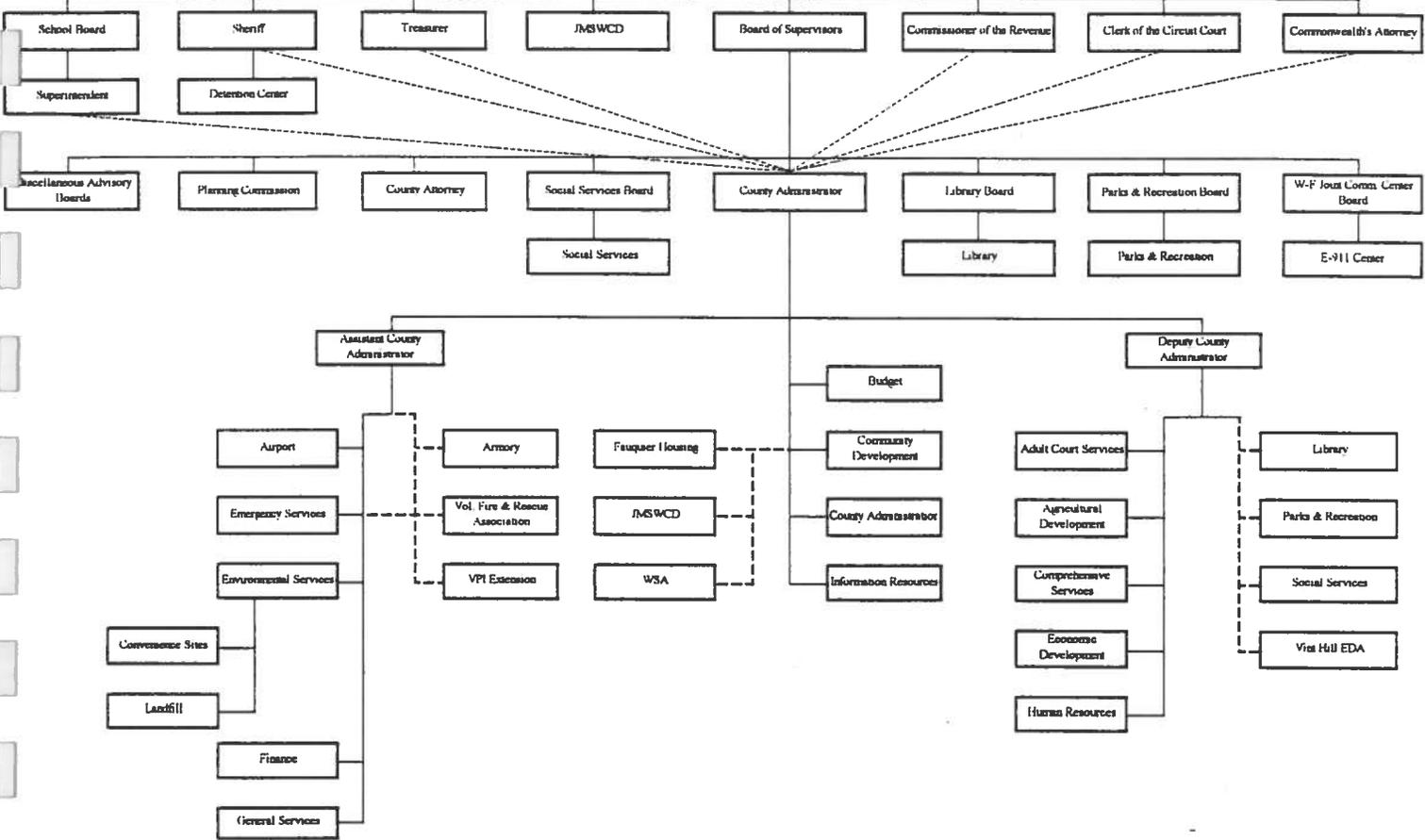
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



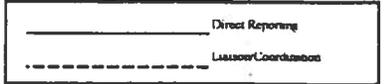
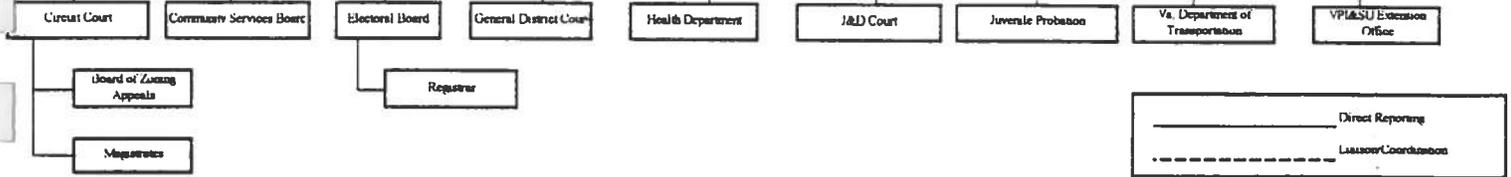
J. Mark Brewer
President

Jeffrey L. Esser
Executive Director

LOCAL ELECTORATE



Local Branches of State Offices



COUNTY OF FAUQUIER, VIRGINIA

BOARD OF SUPERVISORS

Raymond E. Graham, Chairman
Joseph Winkelmann, Vice-Chairman
Sharon Grove McCamy
Larry L. Weeks
Harry Atherton, Jr.
G. Robert Lee, County Administrator

COUNTY SCHOOL BOARD

Bronwyn H. Lambelet, Chairman
John Williams, Vice-Chairman
Gary A. Maloche
Ernest L. Gray
William G. Downey, IV
Shirley C. Frazier, Clerk

OTHER OFFICIALS

Judge of the Circuit Court Jeffery Parker
Clerk of the Circuit Court Gail Barb
Judge of the General District Court Charles B. Foley
Judge of Juvenile & Domestic Relations District Court H. Dudley Payne
Commonwealth's Attorney Jonathan Lynn
Commissioner of the Revenue Ross D'Urso
Treasurer Elizabeth Ledgerton
Sheriff Joseph Higgs, Jr.
Superintendent of Schools J. David Martin
Director of Department of Social Services Janis K. Selbo
Director of Finance..... John H. Tuohy, CPA

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF SUPERVISORS
COUNTY OF FAUQUIER
WARRENTON, VIRGINIA

We have audited the accompanying general purpose financial statements and the combining, individual account group financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 2001, as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Fauquier, Virginia, as of June 30, 2001, and the results of operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the County of Fauquier, Virginia, as of June 30, 2001 and the results of its operations of such funds and cash flows of individual proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2001 on our consideration of the County of Fauquier, Virginia's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining financial statements. The accompanying financial information listed as supporting schedules in the table of contents, including the schedule of expenditures of federal awards required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements of the County of Fauquier, Virginia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose and combining financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

The statistical section listed in the Table of Contents is not a required part of the basic financial statements, and we did not audit or apply limited procedures to such information. Accordingly, we do not express any assurances on such information.

Robinson, Tamm, Cox Associates

Charlottesville, Virginia
September 24, 2001

COMBINED FINANCIAL STATEMENTS
(“LIFTABLE” GENERAL PURPOSE FINANCIAL STATEMENTS)

COUNTY OF FAUQUIER, VIRGINIA

**Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units
At June 30, 2001**

	Governmental Funds			Proprietary Funds	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS					
Assets:					
Cash and investments	\$ 21,801,534	\$ 556,329	\$ 23,647,581	\$ 305,366	\$ 2,374,685
Cash in custody of others	8,835	-	-	-	250
Receivables (Net of allowances for uncollectibles):					
Taxes, including penalties	4,628,429	-	-	-	-
Accounts	1,274,779	200,211	-	362,629	514,276
Interfund	-	-	750,000	-	-
Inventory	-	-	-	-	151,760
Due from primary government	-	-	-	-	-
Due from other governmental units	1,494,892	-	-	-	-
Prepaid expenses	45,911	-	-	68,750	-
Fixed assets (net of accumulated depreciation)	-	-	-	10,666,732	247,307
Bond issuance costs (net of accumulated amortization)	-	-	-	48,651	-
Security deposits	3,300	-	2,080	-	-
Other debits:					
Amount to be provided for the retirement of general long-term debt	-	-	-	-	-
Total assets and other debits	\$ 29,257,680	\$ 756,540	\$ 24,399,661	\$ 11,452,128	\$ 3,288,278
LIABILITIES					
Accounts payable	\$ 826,178	\$ 19,106	\$ 49,424	\$ 41,953	\$ 78,994
Accrued liabilities	224,870	18,891	3,475	4,047	701,946
Retainage payable	-	-	187,295	-	-
Amount held for social service clients	-	-	-	-	-
Amount held for prisoners	-	-	-	-	-
Performance bonds payable	-	-	-	-	-
Due to component units	6,641,138	-	-	-	-
Deferred revenue	4,116,852	-	-	-	-
Interfund payable	-	-	-	750,000	-
Revenue bonds payable	-	-	-	3,065,000	-
General obligation bonds payable	-	-	-	-	-
Capital lease obligations payable	-	-	-	-	-
Landfill closure and postclosure costs	-	-	-	3,429,503	-
Compensated absences	-	-	-	22,740	67,994
Total liabilities	\$ 11,809,038	\$ 37,997	\$ 240,194	\$ 7,313,243	\$ 848,934
EQUITY AND OTHER CREDITS					
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital	-	-	-	3,960,475	224,892
Retained earnings (deficit)	-	-	-	178,410	2,214,452
Fund balances:					
Unreserved:					
Designated for subsequent expenditure	-	-	24,159,467	-	-
Unreserved, undesignated	17,448,642	718,543	-	-	-
Total equity and other credits	\$ 17,448,642	\$ 718,543	\$ 24,159,467	\$ 4,138,885	\$ 2,439,344
Total liabilities, equity and other credits	\$ 29,257,680	\$ 756,540	\$ 24,399,661	\$ 11,452,128	\$ 3,288,278

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

Exhibit 1

Fiduciary Funds	Pension Funds	Account Group		Totals "Memorandum Only"	Component Unit	Totals "Memorandum Only"
		General Fixed Assets	General Long-term Debt	Primary Government	School Board	Reporting Entity
Trust and Agency	Length of Service award Program					
\$ 448,630	\$ 1,526,972	\$ -	\$ -	\$ 50,661,097	\$ 229,828	\$ 50,890,925
86,417	-	-	-	95,502	1,350	96,852
-	-	-	-	4,628,429	-	4,628,429
96,587	-	-	-	2,448,482	47,403	2,495,885
-	-	-	-	750,000	-	750,000
-	-	-	-	151,760	-	151,760
-	-	-	-	-	6,641,138	6,641,138
-	-	-	-	1,494,892	1,539,869	3,034,761
-	-	-	-	114,661	-	114,661
-	-	28,066,680	-	38,980,719	108,253,791	147,234,510
-	-	-	-	48,651	-	48,651
-	-	-	-	5,380	-	5,380
-	-	-	7,928,703	7,928,703	45,177,750	53,106,453
<u>\$ 631,634</u>	<u>\$ 1,526,972</u>	<u>\$ 28,066,680</u>	<u>\$ 7,928,703</u>	<u>\$ 107,308,276</u>	<u>\$ 161,891,129</u>	<u>\$ 269,199,405</u>
\$ 20,041	\$ -	\$ -	\$ -	\$ 1,035,696	\$ 528,118	\$ 1,563,814
-	-	-	-	953,229	7,832,054	8,785,283
-	-	-	-	187,295	-	187,295
35,507	-	-	-	35,507	-	35,507
68,908	-	-	-	68,908	-	68,908
192,130	-	-	-	192,130	-	192,130
-	-	-	-	6,641,138	-	6,641,138
-	-	-	-	4,116,852	-	4,116,852
-	-	-	-	750,000	-	750,000
-	-	-	3,075,000	6,140,000	-	6,140,000
-	-	-	-	-	41,460,000	41,460,000
-	-	-	2,395,455	2,395,455	-	2,395,455
-	-	-	-	3,429,503	-	3,429,503
-	-	-	2,458,248	2,548,982	3,717,750	6,266,732
<u>\$ 316,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,928,703</u>	<u>\$ 28,494,695</u>	<u>\$ 53,537,922</u>	<u>\$ 82,032,617</u>
\$ -	\$ -	\$ 28,066,680	\$ -	\$ 28,066,680	\$ 108,253,791	\$ 136,320,471
-	-	-	-	4,185,367	-	4,185,367
-	-	-	-	2,392,862	-	2,392,862
-	1,526,972	-	-	25,686,439	-	25,686,439
315,048	-	-	-	18,482,233	99,416	18,581,649
<u>\$ 315,048</u>	<u>\$ 1,526,972</u>	<u>\$ 28,066,680</u>	<u>\$ -</u>	<u>\$ 78,813,581</u>	<u>\$ 108,353,207</u>	<u>\$ 187,166,788</u>
<u>\$ 631,634</u>	<u>\$ 1,526,972</u>	<u>\$ 28,066,680</u>	<u>\$ 7,928,703</u>	<u>\$ 107,308,276</u>	<u>\$ 161,891,129</u>	<u>\$ 269,199,405</u>

COUNTY OF FAUQUIER, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Unit

Year Ended June 30, 2001

	Governmental Fund Types			Fiduciary
	General	Special Revenue	Capital Projects	Expendable Trust
Revenues:				
General property taxes	\$ 56,516,278	\$ 2,555,399	\$ -	\$ -
Other local taxes	10,101,599	818,768	-	-
Permits, privilege fees and regulatory licenses	1,130,335	-	-	-
Fines and forfeitures	362,610	-	-	-
Revenue from use of money and property	2,910,337	-	686	11,709
Charges for services	525,814	-	399,750	-
Miscellaneous	5,393	-	61,092	39,801
Recovered costs	125,451	2,870	29,603	-
Intergovernmental:				
Commonwealth	14,019,131	133,110	1,670	-
Federal	1,742,273	-	-	-
Total revenues	\$ 87,439,221	\$ 3,510,147	\$ 492,801	\$ 51,510
Expenditures:				
Current:				
General government administration	\$ 6,255,056	\$ -	\$ 692,999	\$ -
Judicial administration	1,925,457	-	-	-
Public safety	7,643,919	3,260,939	208,095	-
Public works	3,988,544	-	1,391,835	-
Health and welfare	4,934,176	-	-	-
Education	42,423	-	3,493,365	-
Parks, recreation, and cultural	2,640,291	-	539,852	-
Community development	2,651,404	-	29,710	-
Non-departmental	187,107	-	-	55,090
Capital projects	109,323	-	-	-
Debt service:				
Principal retirement	335,273	-	-	-
Interest and other fiscal charges	131,073	-	-	-
Total expenditures	\$ 30,844,046	\$ 3,260,939	\$ 6,355,856	\$ 55,090
Excess (deficiency) of revenues over expenditures	\$ 56,595,175	\$ 249,208	\$ (5,863,055)	\$ (3,580)
Other financing sources (uses):				
Operating transfers in	\$ 8,391	\$ 125,745	\$ 16,710,256	\$ -
Operating transfers out (uses)	(7,207,361)	(192,000)	(4,191,776)	-
Proceeds from indebtedness	-	-	3,075,000	-
Operating transfers to component unit	(46,180,875)	-	-	-
Total other financing sources (uses)	\$ (53,379,845)	\$ (66,255)	\$ 15,593,480	\$ -
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 3,215,330	\$ 182,953	\$ 9,730,425	\$ (3,580)
Fund balances at beginning of year	14,233,312	535,590	14,429,042	220,176
Fund balances at end of year	\$ 17,448,642	\$ 718,543	\$ 24,159,467	\$ 216,596

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

Exhibit 2

<u>Total</u> <u>"Memorandum</u> <u>Only"</u>	<u>Component</u> <u>Unit</u>	<u>Total</u> <u>"Memorandum</u> <u>Only"</u>
Primary Government	School Board	Reporting Entity
\$ 59,071,677	\$ -	\$ 59,071,677
10,920,367	-	10,920,367
1,130,335	-	1,130,335
362,610	-	362,610
2,922,732	39,576	2,962,308
925,564	2,178,993	3,104,557
106,286	322,493	428,779
157,924	-	157,924
14,153,911	23,913,367	38,067,278
1,742,273	2,927,823	4,670,096
<u>\$ 91,493,679</u>	<u>\$ 29,382,252</u>	<u>\$ 120,875,931</u>
\$ 6,948,055	\$ -	\$ 6,948,055
1,925,457	-	1,925,457
11,112,953	-	11,112,953
5,380,379	-	5,380,379
4,934,176	-	4,934,176
3,535,788	68,684,713	72,220,501
3,180,143	-	3,180,143
2,681,114	-	2,681,114
242,197	-	242,197
109,323	-	109,323
335,273	3,487,500	3,822,773
131,073	2,334,298	2,465,371
<u>\$ 40,515,931</u>	<u>\$ 74,506,511</u>	<u>\$ 115,022,442</u>
<u>\$ 50,977,748</u>	<u>\$ (45,124,259)</u>	<u>\$ 5,853,489</u>
\$ 16,844,392	\$ -	\$ 16,844,392
(11,591,137)	(5,485,229)	(17,076,366)
3,075,000	4,575,000	7,650,000
(46,180,875)	46,180,875	-
<u>\$ (37,852,620)</u>	<u>\$ 45,270,646</u>	<u>\$ 7,418,026</u>
\$ 13,125,128	\$ 146,387	\$ 13,271,515
29,418,120	(46,971)	29,371,149
<u>\$ 42,543,248</u>	<u>\$ 99,416</u>	<u>\$ 42,642,664</u>

COUNTY OF FAUQUIER, VIRGINIA

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances --
Budget and Actual -- General, Special Revenue and Capital Projects Funds
And Discretely Presented Component Unit
Year Ended June 30, 2001**

	General Fund			Special Revenue	
	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual
Revenues:					
General property taxes	\$ 61,449,723	\$ 56,516,278	\$ (4,933,445)	\$ 2,486,297	\$ 2,555,399
Other local taxes	9,637,197	10,101,599	464,402	793,500	818,768
Permits, privilege fees and regulatory licenses	921,803	1,130,335	208,532	-	-
Fines and forfeitures	225,000	362,610	137,610	-	-
Revenue from use of money and property	2,245,431	2,910,337	664,906	-	-
Charges for services	532,830	525,814	(7,016)	-	-
Miscellaneous	36,850	5,393	(31,457)	-	-
Recovered costs	120,024	125,451	5,427	3,000	2,870
Intergovernmental:					
Commonwealth	7,403,133	14,019,131	6,615,998	87,350	133,110
Federal	1,804,762	1,742,273	(62,489)	-	-
Total revenues	\$ 84,376,753	\$ 87,439,221	\$ 3,062,468	\$ 3,370,147	\$ 3,510,147
Expenditures:					
Current:					
General government administration	\$ 6,456,337	\$ 6,255,056	\$ 201,281	\$ -	\$ -
Judicial administration	1,976,926	1,925,457	51,469	-	-
Public safety	7,751,380	7,643,919	107,461	3,451,148	3,260,939
Public works	4,019,501	3,988,544	30,957	-	-
Health and welfare	5,635,542	4,934,176	701,366	-	-
Education	42,423	42,423	-	-	-
Parks, recreation, and cultural	2,901,711	2,640,291	261,420	-	-
Community development	2,788,148	2,651,404	136,744	-	-
Nondepartmental	1,817,979	187,107	1,630,872	-	-
Capital projects	117,135	109,323	7,812	-	-
Debt service:					
Principal retirement	335,273	335,273	-	-	-
Interest	131,073	131,073	-	-	-
Total expenditures	\$ 33,973,428	\$ 30,844,046	\$ 3,129,382	\$ 3,451,148	\$ 3,260,939
Excess (deficiency) of revenues over expenditures	\$ 50,403,325	\$ 56,595,175	\$ 6,191,850	\$ (81,001)	\$ 249,208
Other financing sources (uses):					
Operating transfers in	\$ 1,169,198	\$ 8,391	\$ (1,160,807)	\$ 125,745	\$ 125,745
Operating transfers out	(8,369,035)	(7,207,361)	1,161,674	(192,000)	(192,000)
Proceeds from indebtedness	-	-	-	-	-
Operating transfers to component unit	(48,067,245)	(46,180,875)	1,886,370	-	-
Total other financing sources (uses)	\$ (55,267,082)	\$ (53,379,845)	\$ 1,887,237	\$ (66,255)	\$ (66,255)
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ (4,863,757)	\$ 3,215,330	\$ 8,079,087	\$ (147,256)	\$ 182,953
Fund balances at beginning of year	14,233,312	14,233,312	-	535,590	535,590
Fund balances at end of year	\$ 9,369,555	\$ 17,448,642	\$ 8,079,087	\$ 388,334	\$ 718,543

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

Funds	Capital Projects Funds			Component Unit School Board			
	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 69,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,268	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	686	(686)	10,331	39,576	29,245	
-	-	399,750	(399,750)	2,048,591	2,178,993	130,402	
-	1,827,456	61,092	(1,766,364)	287,200	322,493	35,293	
(130)	29,603	29,603	-	-	-	-	
45,760	1,670	1,670	1,670	23,970,550	23,913,367	(57,183)	
-	484,384	-	484,384	2,729,759	2,927,823	198,064	
<u>\$ 140,000</u>	<u>\$ 2,343,113</u>	<u>\$ 492,801</u>	<u>\$ 1,850,312</u>	<u>\$ 29,046,431</u>	<u>\$ 29,382,252</u>	<u>\$ 335,821</u>	
\$ -	\$ 2,668,356	692,999	\$ 1,975,357	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	
190,209	2,002,949	208,095	1,794,854	-	-	-	
-	10,335,811	1,391,835	8,943,976	-	-	-	
-	-	-	-	-	-	-	
-	12,316,680	3,493,365	8,823,315	70,372,816	68,684,713	1,688,103	
-	4,174,332	539,852	3,634,480	-	-	-	
-	484,384	29,710	454,674	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	3,487,500	3,487,500	-	
-	-	-	-	2,343,131	2,334,298	8,833	
<u>\$ 190,209</u>	<u>\$ 31,982,512</u>	<u>\$ 6,355,856</u>	<u>\$ 25,626,656</u>	<u>\$ 76,203,447</u>	<u>\$ 74,506,511</u>	<u>\$ 1,696,936</u>	
<u>\$ 330,209</u>	<u>\$ (29,639,399)</u>	<u>\$ (5,863,055)</u>	<u>\$ 23,776,344</u>	<u>\$ (47,157,016)</u>	<u>\$ (45,124,259)</u>	<u>\$ 2,032,757</u>	
\$ -	\$ 16,710,256	\$ 16,710,256	\$ -	\$ -	\$ -	\$ -	
-	(4,191,776)	(4,191,776)	-	(5,485,229)	(5,485,229)	-	
-	3,075,000	3,075,000	-	4,575,000	4,575,000	-	
-	-	-	-	48,067,245	46,180,875	(1,886,370)	
<u>\$ -</u>	<u>\$ 15,593,480</u>	<u>\$ 15,593,480</u>	<u>\$ -</u>	<u>\$ 47,157,016</u>	<u>\$ 45,270,646</u>	<u>\$ (1,886,370)</u>	
\$ 330,209	\$ (14,045,919)	\$ 9,730,425	\$ 23,776,344	\$ -	\$ 146,387	\$ 146,387	
-	14,666,611	14,429,042	(237,569)	-	(46,971)	(46,971)	
<u>\$ 330,209</u>	<u>\$ 620,692</u>	<u>\$ 24,159,467</u>	<u>\$ 23,538,775</u>	<u>\$ -</u>	<u>\$ 99,416</u>	<u>\$ 99,416</u>	

Combined Statement of Revenues, Expenses and Changes in Retained Earnings
 All Proprietary Funds
 Year Ended June 30, 2001

	Proprietary Funds		Totals
	Enterprise Funds	Internal Service	"Memorandum Only"
Operating revenues:			
Charges for services	\$ 2,367,744	\$ 8,369,392	\$ 10,737,136
Miscellaneous	48,977	7,152	56,129
Total operating revenues	\$ 2,416,721	\$ 8,376,544	\$ 10,793,265
Operating expenses:			
Current:			
Container operations	\$ 81,854	\$ -	\$ 81,854
Landfill operations	1,831,120	-	1,831,120
Contractual services	36,053	-	36,053
Landfill maintenance costs	387,972	-	387,972
Closure and Post Closure Cost	257,984	-	257,984
Airport operation and maintenance	49,636	-	49,636
Health insurance claims and fees	-	8,099,077	8,099,077
Depreciation	131,471	36,731	168,202
Total operating expenses	\$ 2,776,090	\$ 8,135,808	\$ 10,911,898
Operating income (loss)	\$ (359,369)	\$ 240,736	\$ (118,633)
Nonoperating revenues (expenses):			
Interest income	\$ 7,197	\$ 118,150	\$ 125,347
Interest income - bonds	41,718	-	41,718
Rental income	36,726	-	36,726
Operating grant - Commonwealth	452,780	-	452,780
Operating grant - Federal	700,556	-	700,556
Bond issuance cost amortization	(11,559)	-	(11,559)
Interest expense	(153,591)	-	(153,591)
Total nonoperating revenues (expenses)	\$ 1,073,827	\$ 118,150	\$ 1,191,977
Income (loss) before operating transfers	\$ 714,458	\$ 358,886	\$ 1,073,344
Operating transfers:			
Operating transfers in	\$ 223,144	\$ 7,328	\$ 230,472
Total operating transfers	\$ 223,144	\$ 7,328	\$ 230,472
Net income (loss)	\$ 937,602	\$ 366,214	\$ 1,303,816
Add depreciation on fixed assets acquired by contribution from others	23,688	-	23,688
Increase (decrease) in retained earnings	\$ 961,290	\$ 366,214	\$ 1,327,504
Retained earnings (deficit) at beginning of year	(782,880)	1,848,238	1,065,358
Retained earnings (deficit) at end of year	\$ 178,410	\$ 2,214,452	\$ 2,392,862

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

Combined Statement of Cash Flows
All Proprietary Funds
Year Ended June 30, 2001

	Proprietary Funds		Totals "Memorandum Only"
	Enterprise Funds	Internal Service	
<u>Cash Flows From Operating Activities:</u>			
Operating income (loss)	\$ (359,369)	\$ 240,736	\$ (118,633)
Adjustments to reconcile net income to net cash provided by operating by operating activities:			
Depreciation	131,471	36,731	168,202
Bad debt expense	7,618	-	7,618
(Gain) Loss on disposal of fixed assets	-	-	-
Changes in operating assets and liabilities:			
(Increase)decrease in receivables	(164,984)	(185,156)	(350,140)
(Increase) decrease in prepaid	(25,417)	-	(25,417)
Increase(decrease) in amounts due from other governments	-	-	-
(Increase)decrease in inventory	-	22,440	22,440
Increase (decrease) in payables	(144,091)	(283,203)	(427,294)
Increase(decrease) in compensated absences	3,123	-	3,123
Net cash provided by (used in) operating activities	\$ (551,649)	\$ (168,452)	\$ (720,101)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating grants - Commonwealth	\$ 452,780	\$ -	\$ 452,780
Operating grants - Federal	700,556	-	700,556
Operating transfers in	223,144	7,328	230,472
Net cash provided by noncapital financing activities	\$ 1,376,480	\$ 7,328	\$ 1,383,808
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (1,514,200)	\$ (7,078)	\$ (1,521,278)
Interest expense	(153,591)	-	(153,591)
Principal paid on revenue bonds	(260,000)	-	(260,000)
Due to general fund	-	-	-
Increase of accrued landfill closure costs	257,491	-	257,491
Debt obligation	620,692	-	620,692
Contributed capital	-	(67,994)	(67,994)
Net cash (used in) capital and related financing activities	\$ (1,049,608)	\$ (75,072)	\$ (1,124,680)
<u>Cash Flows From Investing Activities:</u>			
Rental income	\$ 36,726	\$ -	\$ 36,726
Interest income	48,915	118,150	167,065
Net cash provided by investing activities	\$ 85,641	\$ 118,150	\$ 203,791
Increase (decrease) in cash and cash equivalents	\$ (139,136)	\$ (118,046)	\$ (257,182)
Cash and cash equivalents at beginning of year	444,502	2,492,731	2,937,233
Cash and cash equivalents at end of year	\$ 305,366	\$ 2,374,685	\$ 2,680,051

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 6

**Pension Trust Fund - Length of Service Award
Statement of Changes in Plan Net Assets
Year Ended June 30, 2001**

Additions:	
Employer contribution	\$ 409,476
Investment income	46,243
Other	<u>20,000</u>
Total additions	\$ <u>475,719</u>
Deductions:	
Members' benefits	\$ 301,473
Other operating expenses	<u>60,767</u>
Total deductions	\$ <u>362,240</u>
Net increase	113,479
Net assets held in trust for plan benefits, beginning of year	\$ <u>1,413,493</u>
Net assets held in trust for plan benefits, end of year	\$ <u><u>1,526,972</u></u>

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

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2001

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the County conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. The Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the County (primary government) and its component unit. The component unit discussed in Note B is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

B. Individual Component Unit Disclosures

Blended Component Units -- The County has no blended component units.

Discretely Presented Component Units -- The component unit column in the combined financial statements includes the financial data of the county's component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Fauquier County School Board operates the elementary and secondary public schools in the County. School Board members are elected by the voters of the County for terms of four years. The School Board is fiscally dependent upon the County because the County Board of Supervisors approves all debt issuances of the School Board, which are general obligations of the County, and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The Uniform Financial Reporting Manual issued by the Auditor of Public Accounts specifies that school divisions are to be disclosed as discretely presented component units. The School Board does not issue separate financial statements.

C. Related Organizations

Fauquier County Water and Sanitation Authority -- The County created the Authority to provide water and sewer services to areas of the County.

Fauquier County Industrial Development Authority -- The County created the Authority to attract and provide financing for industries within the County.

These organizations are not included as component units because although the Board of Supervisors appoints the board members, the County is neither financially accountable for nor can it impose its will on these Authorities.

D. Financial Statement Presentation

The accounts are organized on the basis of fund classifications, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. The various funds are grouped in the financial statements as follows:

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

D. Financial Statement Presentation (Continued)

1. Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

General Fund -- The General Fund accounts for all revenues and expenditures applicable to the general operations of the County that are not accounted for in other funds.

Capital Projects Fund -- The Capital Projects Fund accounts for capital expenditures for all governmental funds, including the Fauquier County School Board.

Special Revenue Fund -- The Special Revenue Fund accounts for all revenue and expenditures for the Joint Dispatch Center that is funded through a tax levied on the basis of telephone connections.

2. Proprietary Funds -- account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position and cash flows. The Proprietary Funds consist of Enterprise and Internal Service Funds.

Enterprise Funds -- The Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of user charges.

Internal Service Funds -- The Internal Service Funds account for the financing goods or services provided by one department or agency to other departments or agencies of the County government. Internal Service Funds consists of the Health Insurance Fund and the Fleet Maintenance Fund.

3. Fiduciary Funds (Trust and Agency Funds) -- account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Expendable Trust and Agency Funds and the Pension Trust Fund.
4. Account Groups -- are used to account for general obligation long-term debt and certain other long term obligations and general fixed assets. A long-term debt account group is included herein, as is a general fixed assets account group. Long-term obligations and fixed assets except those related to proprietary funds are accounted for in these account groups.

5. Combined/Combining Format

Combined Financial Statements -- These statements are referred to as General Purpose Financial Statements and provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. All funds and account groups of a specific fund classification are combined and presented as one in the financial statements. For example, all funds classified as Fiduciary funds are combined and presented under the caption "Fiduciary Funds."

Combining Financial Statements -- By Fund Classification - These statements present individual financial statements for each fund of a given fund classification. For example, each Fiduciary Fund is shown individually.

6. Budgetary Comparison Statements -- The Combined and Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, compare budget and actual data for all governmental funds for which budgets were adopted. A review of the budgetary comparisons presented herein will disclose how accurately the governing body was able to forecast the revenues and expenditures of the County.
7. Memorandum Only -- Total Columns on the Combined Statements - Overview - The total columns on the combined statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

E. Basis of Accounting

1. Governmental Funds

Governmental funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 60 days after year end are reflected as deferred revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received.

Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies.

Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred. Interest on long-term debt is recognized when due except for interest due on July 1, which is accrued.

2. Proprietary Funds

The accrual basis of accounting is used for the Enterprise and Internal Service Funds. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred. The Financial Accounting Standards Board (FASB) and its predecessor organizations have issued accounting standards for activities in the private sector. The County's proprietary funds have elected not to apply those standards issued after November 30, 1989. These funds, however, have applied all applicable standards issued by the Governmental Accounting Standards Board (GASB).

3. Fiduciary Funds

Expendable Trust and Agency funds and the Pension Trust Fund utilize the modified accrual basis of accounting.

F. Budgets and Budgetary Accounting

The following procedures are used by the County in establishing the budget reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted.
4. Appropriations place legal restrictions on expenditures at the department level. Expenditures may not exceed appropriations at the department level. Only the Board of Supervisors can revise the appropriation for each department. The Finance Director approves all transfers within general government departments, with the exception of capital projects which are approved by the Board of Supervisors; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the County Capital Projects Fund. Budgets are legally adopted for these funds and the School Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Encumbrances outstanding at year end may be reappropriated by the Board of Supervisors.

NOTE 1— SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

F. Budgets and Budgetary Accounting (Continued)

8. All budget data presented in the accompanying financial statements is the revised budget for the year.

G. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$947,050 for property taxes at June 30, 2001.

H. Investments

Investments are stated at fair value.

I. Cash and Cash Equivalents

For purposes of the Statement of Cash flows, the County's cash and cash equivalents include cash in banks, Local Government Investment Pool assets and short-term U.S. Government or U. S. Agency obligations with an original maturity of three months or less which are readily convertible to known amounts of cash.

J. Property, Plant and Equipment

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types has been provided over the estimated useful lives of those assets using the straight line method as follows:

Structures.....	25 years
Equipment.....	3-20 years

Capital contributions used to acquire assets in proprietary funds are amortized over the useful life of the related assets.

K. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants from government agencies. Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

L. Landfill Closure Costs

The County has accrued a liability for estimated landfill closure costs at the County landfill. These costs include both final closure costs and post-closure monitoring costs.

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

M. Bond Issuance Costs

Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the “bonds-outstanding method”, which approximates the effective interest method.

N. Compensated Absences

In accordance with GASB Statement 16 "Accounting for Compensated Absences," the County has accrued the liability arising from outstanding compensated absences. County employees earn leave based on length of service. Employees receive a payment based on their balance of unused sick leave upon termination. Accumulated vested unpaid absences for the County and School Board are not expected to be liquidated with expendable available financial resources; therefore, they are recorded in the General Long-term Obligation Account Group. No expenditure for unused compensated absences is reported for the governmental funds.

O. Inventories

Inventories are valued at cost, which approximates market, using the first-in first-out method. These inventories consist primarily of parts held for consumption.

P. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects funds and in the Component Unit School Board funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Funds must be reappropriated in the ensuing fiscal year to provide for the payment of encumbrances that were unliquidated at the end of the previous year.

NOTE 2 – CASH AND INVESTMENTS:

Deposits -- At year-end the reported amount of the County’s primary government deposits with banks and savings institutions was (\$3,807,315), and the bank balances were \$745,963. Of the bank balances, \$429,520 covered by Federal depository insurance. The investment of idle funds through the use of an overnight repurchase arrangement with the County’s main bank results in negative balances because outstanding checks are not taken into account. The reported amount of deposits for the School Board, a discretely presented component unit, was \$174,498, and the bank balances were \$229,828. Of the bank balance, \$229,828 was covered by Federal depository insurance. Bank balances in excess of federal insurance are protected under the provisions of the Virginia Security for Public Deposits Act (“the Act”).

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.

Investments – Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank) and Asian Development Bank, the African Development Bank, “Prime Quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the state Treasurer’s Local Government Investment Pool (LGIP). Bond proceeds subject to arbitrage rebate are invested in the State Non-Arbitrage Program (Virginia SNAP).

NOTE 2 – CASH AND INVESTMENTS: (CONTINUED)

The LGIP is a 2a-7 like external investment pool managed by the Treasurer of the Commonwealth and overseen by the Treasury Board. GASB 31 defines a 2a-7 like pool as an external pool not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. The fair value of the position in the LGIP is the same as the value of the pool shares.

The County's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its safekeeping agent in the County's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's agent (if a broker/dealer) or trust department (if a bank) in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its agent or trust department or safekeeping agent but not in the County's name.

	1	Category 2	3	Carrying Amount	Fair Value
U.S. Treasury & Agencies	\$ 4,768,927	\$ -	\$ -	\$ 4,768,927	\$ 4,759,320
Corporate bonds & commercial paper	2,203,366	-	-	2,203,366	2,200,087
Municipal bonds & notes	-	-	-	-	-
Bankers' Acceptances	-	-	-	-	-
Repurchase Agreements	-	-	25,970,280	25,970,280	25,970,280
Total investments	<u>\$ 6,972,293</u>	<u>\$ -0-</u>	<u>\$ 25,970,280</u>	<u>\$ 32,942,573</u>	<u>\$ 32,929,687</u>
Total deposits				(3,807,315)	(3,807,315)
Cash on hand				1,000	1,000
Investments not subject to categorization:					
Assets in State Non-Arbitrage					
Program Investments Pool				8,421,946	8,421,946
Length of Service Award Fund				1,526,972	1,526,972
Local Government Investment Pool				11,575,921	11,575,921
Total deposits and investments				<u>\$ 50,661,097</u>	<u>\$ 50,648,211</u>

A reconciliation of cash and investments shown on the Combined Balance Sheet for the primary government is as follows:

Reported amount of deposits	\$ (3,807,315)
Reported amount of investments	54,467,412
Cash on hand	1,000
Total	\$ 50,661,097
Cash and investments	\$ 50,634,503
Cash in custody of others	26,594
Total	\$ 50,661,097

Governmental Accounting Standards Board Statement 31, *Accounting and Financial Reporting for certain Investments and for External Investment Pools*, is effective for this year. The County has elected to report fair value for all investments for which the requirements of this Statement are applicable, even if the original maturities are less than one year. Unrealized loss at June 30, 2001 was \$12,886, however there was a gain of \$218,989 accrued in the current year and which reflected in the County's operating statements.

NOTE 2 – CASH AND INVESTMENTS: (CONTINUED)

At year end the Component Unit-School Board's cash and deposit balances were as follows:

Total Deposits	\$ 229,828
Cash on hand	1,350
Total cash and deposits	<u>\$ 231,178</u>

NOTE 3 – PROPERTY TAXES RECEIVABLE::

Real property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two equal installments on June 5 and December 5. 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 payable October 5. The County bills and collects its own property taxes.

NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS:

The following is a summary of amounts due from other governmental units at June 30, 2001.

	Primary Government	Component Units
Commonwealth of Virginia		
State sales tax.....	\$ -	\$ 965,375
Local sales tax.....	819,956	-
Grants.....	-	119,451
Shared expenses.....	5,209	-
Welfare.....	459,312	-
Miscellaneous.....	-	-
Federal Government		
Grants.....	41,563	349,071
Welfare.....	168,852	-
School lunch program.....	-	105,972
Total.....	<u>\$ 1,494,892</u>	<u>\$ 1,539,869</u>

NOTE 5 – INTERFUND OBLIGATIONS:

The following is a summary of interfund obligations at June 30, 2001.

	Due from Primary Government/ to Component Unit School Board		Interfund	
			Receivable	Payable
General Fund	\$ -	\$ 6,641,138	\$ -	\$ -
School Fund	6,641,138	-	-	-
Landfill Fund.....	-	-	-	750,000
Capital Fund	-	-	750,000	-
Totals.....	<u>\$ 6,641,138</u>	<u>\$ 6,641,138</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>

NOTE 6 – FIXED ASSETS:

Primary Government:

The following is a summary of changes in the general fixed asset group during the fiscal year.

	Balance June 30, 2000	Additions	Adjustments And Deletions	Balance June 30, 2001
Land	\$ 8,407,818	\$ 443,999	\$ -	\$ 8,851,817
Buildings and improvements	11,729,752	343,221	602,848	11,470,125
Machinery and equipment	4,687,336	785,652	483,520	4,989,468
Data processing equipment	976,596	488,717	141,993	1,323,320
Construction in progress	1,113,823	504,865	186,738	1,431,950
Total	\$ 26,915,325	\$ 2,566,454	\$ 1,415,099	\$ 28,066,680

A summary of Proprietary fund fixed assets at June 30, 2001 is as follows:

	Balance July 1, 2000	Additions	Adjustments And Deletions	Balance June 30, 2001
Airport Fund:				
Land	\$ 3,819,604	\$ 788,621	\$ -	\$ 4,608,225
Improvements	943,850	-	-	943,850
Construction in progress	-	26,666	-	26,666
Totals	\$ 4,763,454	\$ 815,287	\$ -	\$ 5,578,741
Less accumulated depreciation	(167,921)	(27,471)	-	(195,392)
Net	\$ 4,595,533	\$ 787,816	\$ -	\$ 5,383,349

	Balance July 1, 2000	Additions	Adjustments And Deletions	Balance June 30, 2001
Landfill Fund:				
Landfill site	\$ 1,637,136	\$ -	\$ -	\$ 1,637,136
Cell improvements	2,111,920	-	-	2,111,920
Equipment	214,400	90,586	17,700	287,286
Roads	-	750,000	-	750,000
Facilities	129,334	-	-	129,334
Construction in progress	961,670	-	129,308	832,362
Totals	\$ 5,054,460	\$ 840,586	\$ 147,008	\$ 5,748,038
Less accumulated depreciation	(356,691)	(125,664)	17,700	(464,655)
Net	\$ 4,697,769	\$ 822,886	\$ 164,708	\$ 5,283,383

	Balance July 1, 2000	Additions	Adjustments And Deletions	Balance June 30, 2001
Fleet Maintenance Fund:				
Buildings	\$ 349,000	\$ -	\$ -	\$ 349,000
Equipment	419,044	15,677	-	434,721
Totals	\$ 768,044	\$ 15,677	\$ -	\$ 783,721
Less accumulated depreciation	(491,083)	(45,331)	-	(536,414)
Net	\$ 276,961	\$ (29,654)	\$ -	\$ 247,307

NOTE 6 – FIXED ASSETS: (CONTINUED)

	Balance July 1, 2000	Additions	Adjustments And Deletions	Balance June 30, 2001
Total proprietary funds:				
Land	\$ 3,819,604	\$ 788,621	\$ -	\$ 4,608,225
Landfill site	1,637,136	-	-	1,637,136
Improvements	3,055,770	-	-	3,055,770
Equipment	633,444	106,263	17,700	722,007
Buildings	349,000	-	-	349,000
Roads	-	750,000	-	750,000
Facilities	129,334	-	-	129,334
Construction in progress	961,670	26,666	129,308	859,028
Totals	\$ 10,585,958	\$ 1,647,550	\$ 147,008	\$ 12,110,500
Less accumulated depreciation	(1,015,695)	(198,466)	-	(1,196,461)
Net	\$ 9,570,263	\$ 1,449,084	\$ 147,008	\$ 10,914,039

The following is a summary of changes in the School Board component unit's general fixed asset account group during the fiscal year.

	Balance July 1, 2000	Additions	Adjustments And Deletions	Balance June 30, 2001
Land	\$ 4,204,136	\$ -	\$ -	\$ 4,204,136
Buildings and improvements	80,082,716	7,380,077	7,379,720	80,083,473
Machinery and equipment	11,522,189	956,517	668,854	11,809,452
Data processing equipment	1,120,237	29,882	-	1,150,119
Construction in progress	9,605,980	1,531,592	130,961	11,006,611
Total	\$ 106,535,258	\$ 9,898,068	\$ 8,179,535	\$ 108,253,791

NOTE 7 – CONTRIBUTED CAPITAL:

The following are changes in capital contributed in the Airport Fund for the year ended June 30, 2001:

	Balance July 1, 2000	Additions	Balance June 30, 2001
County	\$ 787	\$ -	\$ 787
Federal	3,570,968	-	3,570,968
Commonwealth	542,130	-	542,130
Total	\$ 4,113,885	\$ -	\$ 4,113,885
Less accumulated amortization	(129,721)	(23,689)	(153,410)
Net	\$ 3,984,164	\$ (23,689)	\$ 3,960,475

The following are changes in capital contributed in the Fleet Maintenance Fund for the year ended June 30, 2001:

	Balance July 1, 2000	Deletion	Balance June 30, 2001
County	\$ 292,887	\$ 67,994	\$ 224,893
Total	\$ 292,887	\$ 67,994	\$ 224,893

NOTE 8 – BOND ISSUE COSTS:

The Landfill incurred bond issue costs totaling \$161,371. The costs are being amortized over the life of the bonds. Amortization expense during the fiscal year ended June 30, 2001 totaled \$9,879 and accumulated amortization totals \$112,721 at year end.

NOTE 8 – BOND ISSUE COSTS: (CONTINUED)

The following table summarizes total bond issue costs with related amortization at June 30, 2001:

Total Bond Issue Costs	Amortization Years	Amortization Expense – Prior	Amortization Expense - Current	Net Book Value
\$ 161,371	\$ 18	\$ 102,842	\$ 9,879	\$ 48,650

NOTE 9 – LONG-TERM OBLIGATION:

Primary Government -- Annual requirements to amortize long-term obligation and related interest are as follows:

Fiscal June 30	Capital Leases		Revenue Bonds	
	Principal	Interest	Principal	Interest
2002	\$ 352,074	\$ 114,271	\$ 275,000	\$ 277,305
2003	369,717	96,628	290,000	298,908
2004	388,245	78,101	420,000	283,828
2005	407,700	58,645	440,000	262,948
2006	428,132	38,214	460,000	240,748
2007	449,586	16,759	485,000	217,365
2008	-	-	510,000	192,185
2009	-	-	535,000	165,588
2010	-	-	560,000	137,872
2011	-	-	155,000	108,377
2012	-	-	160,000	101,248
2013	-	-	170,000	93,487
2014	-	-	175,000	85,242
2015	-	-	185,000	76,755
2016	-	-	195,000	67,320
2017	-	-	205,000	57,375
2018	-	-	215,000	46,920
2019	-	-	225,000	35,955
2020	-	-	235,000	24,480
2021	-	-	245,000	12,495
Totals	\$ 2,395,454	\$ 402,618	\$ 6,140,000	\$ 2,786,401

Changes in long-term obligation: The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2001:

	Compensated Absences	Capital Lease Obligations	Revenue Bonds	Total
Long-term obligations payable at July 1, 2000.....	\$ 2,290,691	\$ 2,730,727	\$ 3,325,000	\$ 8,346,418
Increases:				
Revenue Bonds Payable	-	-	3,075,000	3,075,000
Compensated absences	167,557	-	-	167,557
Total Increases	\$ 167,557	\$ -	\$ 3,075,000	\$ 3,242,557
Retirements:				
Revenue bonds payable.....	-	-	260,000	260,000
Capital lease obligations.....	-	335,273	-	335,273
Total retirements.....	\$ -	\$ 335,273	\$ 260,000	\$ 595,273
Long-term obligations payable at June 30, 2001.....	\$ 2,458,248	\$ 2,395,454	\$ 6,140,000	\$ 10,993,702

NOTE 9 -- LONG-TERM OBLIGATION: (CONTINUED)

Capital Lease:

\$3,580,000 capital lease agreement for lease/purchase of office building located at 320 Hospital Hill	2,395,454
Compensated absences payable, General Government.....	2,458,248
Revenue Bonds:	
\$4,880,000 Solid Waste Management System Revenue Bonds, Series of 1993, maturing annually	3,065,000
Compensated absences payable, Internal Service Fund.....	67,994
\$3,075,000 Sewer revenue Bonds, series 2001, maturing annually beginning April 2004	3,075,000
Compensated absences payable, Enterprise Fund	22,740
Total Long-term obligation.....	<u>\$ 11,084,436</u>

Component Unit--School Board: Annual requirements to amortize long-term debt and related interest are as follows:

Fiscal Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2002	\$ 3,385,000	\$ 2,363,548
2003	3,395,000	2,132,575
2004	3,360,000	2,130,014
2005	3,310,000	1,728,120
2006	3,275,000	1,526,023
2007	3,250,000	1,260,134
2008	3,205,000	1,065,891
2009	3,135,000	928,762
2010	2,515,000	755,223
2011	2,155,000	620,947
2012	2,130,000	501,335
2013	1,830,000	392,371
2014	1,830,000	292,591
2015	1,030,000	215,192
2016	1,030,000	160,263
2017	1,025,000	105,329
2018	575,000	80,566
2019	400,000	44,701
2020	400,000	22,551
2021	225,000	5,738
Totals	<u>\$ 41,460,000</u>	<u>\$ 16,331,867</u>

Changes in Long-term Obligation:

The following is a summary of long-term obligation transactions of the School Board for the year ended June 30, 2001:

	Literary Fund Loans	Compensated Absences	School Bonds	Total
Obligations payable at July 1, 2000.....	\$ 162,500	\$ 3,047,447	\$ 40,210,000	\$ 43,419,947
Increases:				
Compensated absences.....	-	670,303	-	670,303
School Bonds payable	-	-	4,575,000	4,575,000
	<u>\$ -</u>	<u>670,303</u>	<u>\$ 4,575,000</u>	<u>\$ 5,245,303</u>
Retirements:				
School Bonds payable	-	-	3,325,000	3,325,000

NOTE 9 – LONG-TERM OBLIGATION: (CONTINUED)

Changes in Long-term Obligation: (Continued)

	Literary Fund Loans	Compensated Absences	School Bonds	Total
State Literary Fund Loans	162,500	-	-	162,500
Total retirements	\$ 162,500	\$ -	\$ 3,325,000	\$ 3,487,500
Obligations payable at June 30, 2001	\$ -	\$ 3,717,750	\$ 41,460,000	\$ 45,177,750

Details of Long term Obligation:

General obligation bonds:

School bonds:

\$1,570,000 Virginia Public School Authority Bonds 1987B, issued October 8, 1987, maturing annually through December 15, 2007 with interest payable Semiannually at rates from 7.00% to 8.1%	\$ 393,000
\$12,000,000 Virginia Public School Authority Bonds 1988B, issued November 1, 1989, maturing annually through December 15, 2008 with interest payable Semiannually at rates from 6.6% to 8.6%	5,340,000
\$7,480,000 Virginia Public School Authority Bonds 1990A, issued April 18, 1990, maturing annually through December 15, 2009 with interest payable Semiannually at rates from 7.0% to 7.225%.....	3,612,000
\$8,000,000 Virginia Public School Authority Bonds 1992A, issued May 19, 1992 maturing annually through December 15, 2011 with interest payable Semiannually at rates from 6.1% to 6.4%	3,950,000
\$16,000,000 General Obligation School Bonds, Series of 1993, dated May 15, 1993, maturing annually through July 15, 2013 interest payable semiannually at rates from 5.0% to 5.65%	10,400,000
\$9,000,000 Virginia Public School Authority Bonds 1996B, issued November 14, 1996 maturing annually through July, 2017 with interest payable Semiannually at rates from 5.1% to 5.225%.....	7,200,000
\$3,500,000 Virginia Public School Authority Bonds 1997B, issued November 20, 1997 maturing annually through July, 2018 with interest payable Semiannually at rates from 4.35% to 5.35%.....	2,975,000
\$3,500,000 Virginia Public School Authority Bonds 1999A, issued November 18, 1999 maturing annually through July, 2020 with interest payable Semiannually at rates from 5.10% to 6.10%.....	2,975,000

NOTE 9 – LONG-TERM OBLIGATION: (CONTINUED)

Changes in Long-term Obligation: (Continued)

\$4,575,000 Virginia Public School Authority Bonds 2000 B issued November 16, 2000, maturing annually through July, 2021 with interest payable Semiannually at rates from 4.85% to 5.60%.....	4,575,000
Total General Obligation Bonds	\$ 41,460,000
Compensated Absences Payable.....	\$ 3,717,750
Total Long-term Obligations	45,177,750

NOTE 10 – CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES:

The County's primary government has outstanding accrued leave payable totaling \$2,458,248 in the General Long-term Obligation Account Group, \$67,994 in the Fleet Maintenance Internal Service Fund and \$22,740 in the Solid Waste Fund. The Component Unit--School Board has outstanding accrued leave payable totaling \$3,717,750.

NOTE 11 – DEFINED BENEFIT PENSION PLAN:

A. Plan Description

The County contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System (System). All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are entitled to an unreduced benefit at age 65 (age 60 for participating local law enforcement officers, firefighters and Sheriffs) or at age 50 with at least 30 years service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing the System at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. The County has assumed this 5% member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School Board non-professional employee contribution rates for the fiscal year ended 2001 were 9.18% and 5.11% of annual covered payroll, respectively. The School Board's professional employees contributed \$4,823,104, \$3,271,018, and \$2,862,992 to the teacher cost-sharing pool for the fiscal years ended June 30, 2001, 2000, and 1999 respectively and these contributions represented 12.54%, 9.50%, and 8.49%, respectively, of current covered payroll.

NOTE 11 – DEFINED BENEFIT PENSION PLAN:

C. Annual Pension Cost

For 2001, the County's annual pension cost of \$789,685 was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method

For 2001, the School Board's annual pension cost for non-professional employees of \$201,191 was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method

	<u>County</u>	<u>Non-Professional School Board</u>
Valuation date.....	June 30, 2000	June 30, 2000
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent, open	Level percent, open
Payroll growth rate	3%	3%
Remaining amortization period	14 years	18 years
Asset valuation	Modified market	Modified market
Actuarial assumptions:		
Investment rate of return	8%	8%
Projected salary increases	4% to 6.15%	4% to 6.15%
Cost of living adjustments	3%	3%
Inflation	3%	3%

Trend Information for the County

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 1998	\$776,601	100%
June 30, 1999	\$661,893	100%
June 30, 2000	\$666,808	100%
June 30, 2001	\$789,685	100%

Trend Information for the School Board Non-professionals

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 1998	\$138,149	100%
June 30, 1999	\$167,027	100%
June 30, 2000	\$171,726	100%
June 30, 2001	\$201,191	100%

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for the County

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 1994	9,569,094	10,394,011	824,917	92.0%	7,539,849	10.9%
June 30, 1996	13,186,955	13,509,485	322,530	97.6%	8,844,461	3.6%
June 30, 1998	19,240,169	18,632,184	(607,985)	103.3%	10,886,392	(5.6%)
June 30, 1999	22,918,978	21,193,201	(1,725,777)	108.1%	10,913,383	(15.8%)
June 30, 2000	27,308,581	24,123,134	(3,185,447)	113.2%	12,130,332	(26.2%)

NOTE 11 – DEFINED BENEFIT PENSION PLAN: (CONTINUED)

C. Annual Pension Cost (Continued)

Schedule of Funding Progress for the School Board Non-professionals

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 1994	3,254,314	2,843,262	(411,052)	114.4%	2,797,702	(14.7%)
June 30, 1996	4,548,307	4,375,384	(172,923)	104.0%	3,147,563	(5.5%)
June 30, 1998	6,639,823	6,115,922	(523,901)	108.6%	3,224,461	(16.2%)
June 30, 1999	7,851,323	6,477,988	(1,373,335)	121.2%	3,315,179	(41.4%)
June 30, 2000	9,313,162	6,894,129	(2,419,033)	135.1%	3,498,981	(69.4%)

NOTE 12 – FAUQUIER COUNTY LENGTH OF SERVICE AWARDS PROGRAM:

Plan description and provisions:

On January 1, 1995 the Fauquier County Board of Supervisors adopted the length of service awards program for the Fauquier County Fire and Rescue Association and its member companies. The primary purpose of the plan is to provide a retirement means for volunteers in recognition of their service to the county citizens. This plan is a defined benefit plan and is administered by the County Finance Director. The plan is a single employer public employee pension plan established by authority of the Board of Supervisors, who may change or amend the plan. This plan is open to any volunteer firefighter over the age of eighteen. Participants vest in five years. No separate financial report is issued for the plan.

At June 30, 2001 the program membership consisted of the following:

Current Volunteers	286
Retirees, disabled members & beneficiaries	53
Terminated vested members	33

Funding policy:

The contributions to the plan for the fiscal year ended June 30, 2001 totaled \$429,476. The Program's funding policy provides for periodic County contributions at actuarially determined rates that are sufficient to accumulate adequate assets to pay benefits when due. At June 30 the plan had net assets available for benefits totaling \$1,526,972. Unfunded prior and past service costs total \$1,690,344 and will be fully amortized in 10 years.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 1997	455,708	100%
June 30, 1998	471,953	100%
June 30, 1999	450,185	100%
June 30, 2000	437,684	100%
June 30, 2001	429,476	100%

Historical trend information about the program is presented below as required supplementary information. This information is intended to help users assess the program's funding status on an on-going basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other public employee retirement systems.

NOTE 12 – FAUQUIER COUNTY LENGTH OF SERVICE AWARDS PROGRAM: (CONTINUED)

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities	Funded Ratio
12/31/97	718,240	2,334,392	1,616,152	30.8%
12/31/98	1,044,776	2,367,901	1,323,125	44.1%
12/31/99	1,254,341	2,472,873	1,218,532	50.7%
12/31/00	1,411,479	2,496,242	1,084,763	56.5%

Since the plan covers volunteers, there is no covered payroll nor a computation of unfunded actuarial accrued liability as a percent of covered payroll. The actuarial cost method used is entry age normal with a frozen initial liability. The method used to determine the actuarial value of the plan assets is modified market.

Analysis of the dollar amounts of plan net assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the program's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker.

NOTE 13 – DEFERRED REVENUE:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$4,116,852 is comprised of the following:

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$4,007,374 at June 30, 2001.

B. Prepaid Taxes

Property taxes due subsequent to June 30, 2001 but paid in advance by the taxpayers totaled \$109,478 at June 30, 2001.

NOTE 14 – DEFERRED COMPENSATION PLAN:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In compliance with revisions to section 457 of the Internal Revenue Code effective August 20, 1996, the assets are held for the exclusive benefit of County employees. Accordingly, assets and the resulting liabilities of the Deferred Compensation Plan are not recorded in the County's financial statements.

NOTE 15 – CLOSURE AND POSTCLOSURE CARE COST:

State and federal laws and regulations require the County to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The County recognizes a portion of these costs in each operating period. The County will incur the estimated total closure cost of \$14,007,133 over the next twenty-five years. The County estimated all closure and post closure costs at June 30, 2001 total \$3,429,503. All amounts recorded as a liability are estimates of all closure and postclosure costs at June 30, 2001.

NOTE 15 - CLOSURE AND POSTCLOSURE CARE COST: (CONTINUED)

Most of the closure and postclosure care costs will be paid only after the landfill is closed. 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 liability reported as of June 30, 2001 is based on use of 20.0% of the total estimated capacity of the new landfill and 100% of the old landfill. The County expects to close the new landfill in 2055. Actual closure and post closure care costs may be higher due to inflation.

If these estimates are inadequate or additional postclosure requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs will need to be paid by the county taxpayers.

NOTE 16 - SEGMENT INFORMATION:

The County maintains two enterprise funds that are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended June 30, 2001 is presented below.

	Solid Waste	Airport	Total
Operating revenues	\$ 2,399,201	\$ 17,520	\$ 2,416,721
Depreciation expense	104,000	27,471	131,471
Operating income	(299,782)	(59,587)	(359,369)
Net income	65,537	872,065	937,602
Operating transfers	195,616	27,528	223,144
Property, plant and equipment additions	698,913	815,287	1,948,539
Net working capital	293,829	121,916	415,745
Total assets	5,944,957	5,507,171	11,452,128
Total equity	(1,366,380)	5,505,265	4,138,885

NOTE 17 - RISK MANAGEMENT:

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County and its component unit carry commercial insurance to cover all losses, including workers' compensation. During the year ended June 30, 2001 there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the County's coverage for any of the past three fiscal years.

Fauquier County, the Fauquier County School Board and the Fauquier County Water and Sanitation Authority established a consolidated health care benefits plan for their employees. The plan is based on a service contract with Trigon which bills amounts derived from actual expenses incurred or claims filed. The plan includes a maximum liability amount of 25% over the annual estimate provided by Trigon. The participating agencies have established a reserve fund should be established to meet the 25% potential liability.

Each participating agency is responsible for paying the amount of actual expense incurred. This plan went into effect October 1, 1994.

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

NOTE 17 – RISK MANAGEMENT: (CONTINUED)

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

	2001	2000
Unpaid claims, beginning of fiscal year	\$ 968,300	\$ 770,697
Incurred claims, (including IBNR's)	6,441,175	6,363,357
Claim payments	<u>6,709,175</u>	<u>6,165,754</u>
Unpaid claims, end of fiscal year	\$ <u>700,300</u>	\$ <u>968,300</u>

NOTE 18 – SURETY BONDS:

	Amount
Fidelity and Deposit Company of Maryland – Surety	
Gail Barb, Clerk of the Circuit Court	\$ 50,000
Beth Ledgerton, Treasurer	500,000
Ross D'Urso, Commissioner of the Revenue	3,000
Joseph Higgs, 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	
All County employees except Treasurer, Sheriff, Clerk of Circuit Court and School Board employees	100,000

NOTE 19 – COMMITMENTS and CONTINGENCIES:

As of June 30, 2001 contractual construction commitments in the Capital Projects fund totaled \$4,137,369 for the School Division.

Federal programs in which the County and School Board participate were audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. 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 20 – SUBSEQUENT EVENTS:

On July 24, 2001 the County advance refunded and defeased \$8,000,000 of the 1993 general obligation bonds. This refunding is expected to result in interest savings of approximately \$260,000 over the next ten years.

On November 15, 2001 the County borrowed \$6,410,000 in general obligation bonds through the Virginia Public School Authority. These bonds are used for school construction and have a term of twenty years.

NOTE 21 – DEFICIT RETAINED EARNINGS:

At June 30, 2001 the Landfill Enterprise fund had negative retained earnings of \$1,366,380. Although current income is sufficient to cover current expenses, the accrual of closure and post closure costs has resulted in operating deficits and therefore, negative retained earnings.

NOTE 22 – CLAIMS AND LITIGATION:

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments and litigation. The estimated potential claims against the County resulting from such litigation should not materially affect the financial statements of the County,

NOTE 23 – COMMITMENTS UNDER NON-CAPITALIZED LEASES:

The County leases the following property:

<u>Property</u>		<u>Annual Payments</u>
Ashby Street Office	\$	6,000
Waterloo Street Parking Lot		7,200
Registrar's Office, John Marshall Building		25,462
Bealton Library		31,895

All leases are subject to annual appropriation of rental payments.

NOTE 24 – SUPPLEMENTAL APPROPRIATIONS:

During the course of the year the Board of Supervisors enacted supplemental appropriations, primarily to authorize expenditures from grants received during the year, to re-appropriate unexpended funds from the prior year and to fund certain capital projects. The effect of these appropriations was an increase in the budget in the amount of \$4,863,758.

NOTE 25 – NEW ACCOUNTING STANDARDS:

The Governmental Accounting Standards Board (GASB) has issued statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments, which establishes specific standards for basic financial statements, management's discussion and analysis (MD&A) and certain supplementary information other than MD&A. This statement will become effective for the County in fiscal year 2003. Management is continuing to review the impact this statement will have on the financial statements. Entity wide statements are included as Tables 13 and 14 in the Statistical Section.

COMBINING FINANCIAL STATEMENTS

Special Revenue Funds

Joint Dispatch Fund - This fund is used to account for the "911" telephone tax that are specifically restricted to the operation and maintenance of "911" systems.

Fire and Rescue Fund - This is used to account for the tax levy set by the Board that are specifically restricted to operation and maintenance of the fire and rescue fund.

SPECIAL REVENUE FUNDS
Combining Balance Sheet
At June 30, 2001

	<u>Joint Dispatch Fund</u>	<u>Fire and Rescue Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents	\$ 115,885	\$ 440,444	\$ 556,329
Receivables (Net of allowances for uncollectibles):			
Accounts	<u>137,489</u>	<u>62,722</u>	<u>200,211</u>
 Total assets	 <u>\$ 253,374</u>	 <u>\$ 503,166</u>	 <u>\$ 756,540</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 7,394	\$ 11,712	\$ 19,106
Accrued liabilities	<u>7,370</u>	<u>11,521</u>	<u>18,891</u>
 Total liabilities	 <u>\$ 14,764</u>	 <u>\$ 23,233</u>	 <u>\$ 37,997</u>
 <u>EQUITY AND OTHER CREDITS</u>			
Fund balances:			
Unreserved:			
Unreserved, undesignated	\$ <u>238,610</u>	\$ <u>479,933</u>	\$ <u>718,543</u>
 Total equity and other credits	 <u>\$ 238,610</u>	 <u>\$ 479,933</u>	 <u>\$ 718,543</u>
 Total liabilities, equity and other credits	 <u>\$ 253,374</u>	 <u>\$ 503,166</u>	 <u>\$ 756,540</u>

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2001

	Joint Dispatch Fund	Fire and Rescue Fund	Totals
Revenues:			
General property taxes	\$ -	\$ 2,555,399	\$ 2,555,399
Other local taxes	818,768	-	818,768
Recovered costs	1,504	1,366	2,870
Intergovernmental:			
Commonwealth of Virginia	43,477	89,633	133,110
 Total revenues	 \$ 863,749	 \$ 2,646,398	 \$ 3,510,147
Expenditures:			
Current:			
Public safety	\$ 941,720	\$ 2,319,219	\$ 3,260,939
 Excess (deficiency) of revenues over expenditures	 \$ (77,971)	 \$ 327,179	 \$ 249,208
Other financing sources (uses):			
Operating transfers in	\$ 112,369	\$ 13,376	\$ 125,745
Operating transfers out (uses)	-	(192,000)	(192,000)
 Total other financing sources (uses)	 \$ 112,369	 \$ (178,624)	 \$ (66,255)
 Excess (deficiency) of revenues & other sources over expenditures & other uses	 \$ 34,398	 \$ 148,555	 \$ 182,953
 Fund balances at beginning of year	 204,212	 331,378	 535,590
 Fund balances at end of year	 \$ 238,610	 \$ 479,933	 \$ 718,543

COUNTY OF FAUQUIER, VIRGINIA

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes

In Fund Balances -- Budget and Actual

Year Ended June 30, 2001

	Joint Dispatch Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenues:			
General property taxes	\$ -	\$ -	\$ -
Other local taxes	793,500	818,768	25,268
Recovered costs	-	1,504	1,504
Intergovernmental:			
Commonwealth of Virginia	4,000	43,477	39,477
Total revenues	<u>\$ 797,500</u>	<u>\$ 863,749</u>	<u>\$ 66,249</u>
Expenditures:			
Current:			
Public safety	\$ 995,781	\$ 941,720	\$ 54,061
Excess (deficiency) of revenues over expenditures	<u>\$ (198,281)</u>	<u>\$ (77,971)</u>	<u>\$ 120,310</u>
Other financing sources (uses):			
Operating transfers in	\$ 112,369	\$ 112,369	\$ -
Operating transfers out (uses)	-	-	-
Total other financing sources (uses)	<u>\$ 112,369</u>	<u>\$ 112,369</u>	<u>\$ -</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ (85,912)</u>	<u>\$ 34,398</u>	<u>\$ 120,310</u>
Fund balances at beginning of year	<u>204,212</u>	<u>204,212</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 118,300</u></u>	<u><u>\$ 238,610</u></u>	<u><u>\$ 120,310</u></u>

Fire and Rescue Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 2,486,297	\$ 2,555,399	\$ 69,102	\$ 2,486,297	\$ 2,555,399	\$ 69,102
-	-	-	793,500	818,768	25,268
3,000	1,366	(1,634)	3,000	2,870	(130)
<u>83,350</u>	<u>89,633</u>	<u>6,283</u>	<u>87,350</u>	<u>133,110</u>	<u>45,760</u>
\$ <u>2,572,647</u>	\$ <u>2,646,398</u>	\$ <u>73,751</u>	\$ <u>3,370,147</u>	\$ <u>3,510,147</u>	\$ <u>140,000</u>
\$ <u>2,455,367</u>	\$ <u>2,319,219</u>	\$ <u>136,148</u>	\$ <u>3,451,148</u>	\$ <u>3,260,939</u>	\$ <u>190,209</u>
\$ <u>117,280</u>	\$ <u>327,179</u>	\$ <u>209,899</u>	\$ <u>(81,001)</u>	\$ <u>249,208</u>	\$ <u>330,209</u>
\$ <u>13,376</u>	\$ <u>13,376</u>	\$ <u>-</u>	\$ <u>125,745</u>	\$ <u>125,745</u>	\$ <u>-</u>
<u>(192,000)</u>	<u>(192,000)</u>	<u>-</u>	<u>(192,000)</u>	<u>(192,000)</u>	<u>-</u>
\$ <u>(178,624)</u>	\$ <u>(178,624)</u>	\$ <u>-</u>	\$ <u>(66,255)</u>	\$ <u>(66,255)</u>	\$ <u>-</u>
\$ <u>(61,344)</u>	\$ <u>148,555</u>	\$ <u>209,899</u>	\$ <u>(147,256)</u>	\$ <u>182,953</u>	\$ <u>330,209</u>
<u>331,378</u>	<u>331,378</u>	<u>-</u>	<u>535,590</u>	<u>535,590</u>	<u>-</u>
\$ <u><u>270,034</u></u>	\$ <u><u>479,933</u></u>	\$ <u><u>209,899</u></u>	\$ <u><u>388,334</u></u>	\$ <u><u>718,543</u></u>	\$ <u><u>330,209</u></u>

Captial Projects Fund

Captial Improvement Projects Fund - This fund is used to account for the activities of the major capital projects.

Utility Fund - This fund is used to account for the activities of water and/or sewer projects.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit B-1

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

At June 30, 2001

	Capital Improvements Fund	Utility Projects Fund	Totals
<u>ASSETS</u>			
<u>Assets:</u>			
Cash and cash equivalents	\$ 16,496,138	\$ 7,151,443	\$ 23,647,581
Receivables (Net of allowances for uncollectibles):			
Notes	750,000	-	750,000
Security deposits	2,080	-	2,080
Total assets	\$ 17,248,218	\$ 7,151,443	\$ 24,399,661
<u>LIABILITIES</u>			
Accounts payable	\$ 49,424	\$ -	\$ 49,424
Accrued liabilities	3,475	-	3,475
Retainage payable	187,295	-	187,295
Total liabilities	\$ 240,194	\$ -	\$ 240,194
<u>EQUITY AND OTHER CREDITS</u>			
Fund balances:			
Unreserved:			
Unreserved, undesignated	\$ 17,008,024	\$ 7,151,443	\$ 24,159,467
Total equity and other credits	\$ 17,008,024	\$ 7,151,443	\$ 24,159,467
Total liabilities, equity and other credits	\$ 17,248,218	\$ 7,151,443	\$ 24,399,661

COUNTY OF FAUQUIER, VIRGINIA

Exhibit B-2

CAPITAL PROJECTS FUND

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2001

	Capital Improvement Fund	Utility Projects Fund	Totals
Revenues:			
Revenue from use of money and property	\$ -	\$ 686	\$ 686
Charges for services	-	399,750	399,750
Miscellaneous	36,704	24,388	61,092
Recovered costs	29,603	-	29,603
Intergovernmental:			
Commonwealth	1,670	-	1,670
Total revenues	\$ 67,977	\$ 424,824	\$ 492,801
Expenditures:			
Current:			
General government administration	\$ 692,999	\$ -	\$ 692,999
Public safety	208,095	-	208,095
Public works	826,678	565,157	1,391,835
Education	3,493,365	-	3,493,365
Parks, recreation, and cultural	539,852	-	539,852
Community development	29,710	-	29,710
Total expenditures	\$ 5,790,699	\$ 565,157	\$ 6,355,856
Excess (deficiency) of revenues over expenditures	\$ (5,722,722)	\$ (140,333)	\$ (5,863,055)
Other financing sources (uses):			
Operating transfers in	\$ 12,493,480	\$ 4,216,776	\$ 16,710,256
Operating transfers out	(4,191,776)	-	(4,191,776)
Proceeds from indebtedness	-	3,075,000	3,075,000
Total other financing sources (uses)	\$ 8,301,704	\$ 7,291,776	\$ 15,593,480
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 2,578,982	\$ 7,151,443	\$ 9,730,425
Fund balances at beginning of year	14,429,042	-	14,429,042
Fund balances at end of year	<u>\$ 17,008,024</u>	<u>\$ 7,151,443</u>	<u>\$ 24,159,467</u>



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COUNTY OF FAUQUIER, VIRGINIA

CAPITAL PROJECTS FUNDS

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Budget and Actual
Year Ended June 30, 2001**

	Capital Improvement Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenues:			
Revenue from use of money and property	\$	\$	\$ -
Charges for services			-
Miscellaneous	1,803,068	36,704	(1,766,364)
Recovered costs	29,603	29,603	-
Intergovernmental:			
Commonwealth	1,670	1,670	-
Federal	484,384	-	(484,384)
Total revenues	<u>\$ 2,318,725</u>	<u>\$ 67,977</u>	<u>\$ (2,250,748)</u>
Expenditures:			
Current:			
General government administration	\$ 2,668,356	\$ 692,999	\$ 1,975,357
Public safety	2,002,949	208,095	1,794,854
Public works	3,019,647	826,678	2,192,969
Education	12,316,680	3,493,365	8,823,315
Parks, recreation, and cultural	4,174,332	539,852	3,634,480
Community development	484,384	29,710	454,674
Total expenditures	<u>\$ 24,666,348</u>	<u>\$ 5,790,699</u>	<u>\$ 18,875,649</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (22,347,623)</u>	<u>\$ (5,722,722)</u>	<u>\$ 16,624,901</u>
Other financing sources (uses):			
Operating transfers in	\$ 12,493,480	\$ 12,493,480	\$ -
Operating transfers out	(4,191,776)	(4,191,776)	-
Proceeds from indebtedness	-	-	-
Total other financing sources (uses)	<u>\$ 8,301,704</u>	<u>\$ 8,301,704</u>	<u>\$ -</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ (14,045,919)</u>	<u>\$ 2,578,982</u>	<u>\$ 16,624,901</u>
Fund balances at beginning of year	14,666,611	14,429,042	(237,569)
Fund balances at end of year	<u>\$ 620,692</u>	<u>\$ 17,008,024</u>	<u>\$ 16,387,332</u>

Utility Projects Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ -	\$ 686	\$ 686	\$ -	\$ 686	\$ 686
-	399,750	399,750	-	399,750	399,750
24,388	24,388	-	1,827,456	61,092	(1,766,364)
-	-	-	29,603	29,603	-
-	-	-	1,670	1,670	-
-	-	-	484,384	-	(484,384)
<u>\$ 24,388</u>	<u>\$ 424,824</u>	<u>\$ 400,436</u>	<u>\$ 2,343,113</u>	<u>\$ 492,801</u>	<u>\$ (1,850,312)</u>
\$ -	\$ -	\$ -	\$ 2,668,356	\$ 692,999	\$ 1,975,357
-	-	-	2,002,949	208,095	1,794,854
7,316,164	565,157	6,751,007	10,335,811	1,391,835	8,943,976
-	-	-	12,316,680	3,493,365	8,823,315
-	-	-	4,174,332	539,852	3,634,480
-	-	-	484,384	29,710	454,674
<u>\$ 7,316,164</u>	<u>\$ 565,157</u>	<u>\$ 6,751,007</u>	<u>\$ 31,982,512</u>	<u>\$ 6,355,856</u>	<u>\$ 25,626,656</u>
<u>\$ (7,291,776)</u>	<u>\$ (140,333)</u>	<u>\$ 7,151,443</u>	<u>\$ (29,639,399)</u>	<u>\$ (5,863,055)</u>	<u>\$ 23,776,344</u>
\$ 4,216,776	\$ 4,216,776	\$ -	\$ 16,710,256	\$ 16,710,256	\$ -
-	-	-	(4,191,776)	(4,191,776)	-
3,075,000	3,075,000	-	3,075,000	3,075,000	-
<u>\$ 7,291,776</u>	<u>\$ 7,291,776</u>	<u>\$ -</u>	<u>\$ 15,593,480</u>	<u>\$ 15,593,480</u>	<u>\$ -</u>
\$ -	\$ 7,151,443	\$ 7,151,443	\$ (14,045,919)	\$ 9,730,425	\$ 23,776,344
-	-	-	14,666,611	14,429,042	(237,569)
<u>\$ -</u>	<u>\$ 7,151,443</u>	<u>\$ 7,151,443</u>	<u>\$ 620,692</u>	<u>\$ 24,159,467</u>	<u>\$ 23,538,775</u>

Enterprise Funds

Airport Fund - This fund is used to account for the activities of the Warrenton-Fauquier County Airport.

Solid Waste Fund - This fund is used to account for the activities of the Solid Waste Disposal Facility.

ENTERPRISE FUNDS
Combining Balance Sheet
At June 30, 2001

	<u>Solid Waste</u> <u>Fund</u>	<u>Airport</u> <u>Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 220,579	\$ 84,787	\$ 305,366
Receivables (Net of allowances for uncollectibles):			
Accounts	323,594	39,035	362,629
Prepaid expenses	68,750	-	68,750
Total current assets	\$ 612,923	\$ 123,822	\$ 736,745
<u>Fixed assets:</u>			
Fixed assets (Net of accumulated depreciation)	\$ 5,283,383	\$ 5,383,349	\$ 10,666,732
Total fixed assets	\$ 5,283,383	\$ 5,383,349	\$ 10,666,732
<u>Other assets:</u>			
Bond issue costs (Net of accumulated amortization)	\$ 48,651	-	\$ 48,651
Total assets	\$ 5,944,957	\$ 5,507,171	\$ 11,452,128
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Accounts payable	\$ 40,047	\$ 1,906	\$ 41,953
Accrued liabilities	4,047		4,047
Current liabilities payable from restricted assets:			
Revenue bonds payable	\$ 275,000	-	\$ 275,000
Total current liabilities	\$ 319,094	\$ 1,906	\$ 321,000
<u>Noncurrent liabilities:</u>			
Revenue bonds payable	\$ 2,790,000	-	\$ 2,790,000
Landfill closure and postclosure costs	3,429,503	-	3,429,503
Notes payable	750,000	-	750,000
Compensated absences	22,740	-	22,740
Total noncurrent liabilities	\$ 6,992,243	\$ -	\$ 6,992,243
Total liabilities	\$ 7,311,337	\$ 1,906	\$ 7,313,243
<u>EQUITY AND OTHER CREDITS</u>			
<u>Contributed capital:</u>			
Commonwealth	\$ -	\$ 542,130	\$ 542,130
Federal	-	3,570,968	3,570,968
General government	-	787	787
Less: accumulated amortization	-	(153,410)	(153,410)
Total contributed capital	\$ -	\$ 3,960,475	\$ 3,960,475
Retained earnings (deficit):	(1,366,380)	1,544,790	178,410
Total equity and other credits	\$ (1,366,380)	\$ 5,505,265	\$ 4,138,885
Total liabilities, equity and other credits	\$ 5,944,957	\$ 5,507,171	\$ 11,452,128

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended June 30, 2001

	Solid Waste Fund	Airport Fund	Totals
Operating revenues:			
Charges for services	\$ 2,367,744	\$ -	\$ 2,367,744
Miscellaneous	31,457	17,520	48,977
Total operating revenues	\$ 2,399,201	\$ 17,520	\$ 2,416,721
Operating expenses:			
Container operations	\$ 81,854	\$ -	\$ 81,854
Landfill operations	1,831,120	-	1,831,120
Contractual services	36,053	-	36,053
Recycling	387,972	-	387,972
Closure and post closure cost	257,984	-	257,984
Airport operation and maintenance	-	49,636	49,636
Depreciation	104,000	27,471	131,471
Total operating expenses	\$ 2,698,983	\$ 77,107	\$ 2,776,090
Operating income (loss)	\$ (299,782)	\$ (59,587)	\$ (359,369)
Nonoperating revenues (expenses):			
Interest income	\$ 84	\$ 7,113	\$ 7,197
Interest income - bonds	41,718	-	41,718
Rental income	-	36,726	36,726
Operating grants - Commonwealth	288,277	164,503	452,780
Operating grants -Federal	4,774	695,782	700,556
Bond issuance cost amortization	(11,559)	-	(11,559)
Interest expense	(153,591)	-	(153,591)
Total nonoperating revenues (expenses)	\$ 169,703	\$ 904,124	\$ 1,073,827
Income before operating transfers	\$ (130,079)	\$ 844,537	\$ 714,458
Operating transfers:			
Operating transfers in	\$ 195,616	\$ 27,528	\$ 223,144
Total operating transfers	\$ 195,616	\$ 27,528	\$ 223,144
Net income (loss)	\$ 65,537	\$ 872,065	\$ 937,602
Add depreciation on fixed assets acquired by contributions from others	-	23,688	23,688
Increase (decrease) in retained earnings	\$ 65,537	\$ 895,753	\$ 961,290
Retained earnings at beginning of year	(1,431,917)	649,037	(782,880)
Retained earnings at end of year	\$ (1,366,380)	\$ 1,544,790	\$ 178,410

ENTERPRISE FUNDS

Combining Statement of Cash Flows

Year Ended June 30, 2001

	<u>Solid Waste</u> <u>Fund</u>	<u>Airport</u> <u>Fund</u>	<u>Totals</u>
<u>Cash Flows From Operating Activities:</u>			
Operating income (loss)	\$ (299,782)	\$ (59,587)	\$ (359,369)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	104,000	27,471	131,471
Bad debt expense	7,618	-	7,618
(Gain)Loss on disposal of fixed assets	-	-	-
Changes in operating assets and liabilities:			
(Increase)decrease in receivables	(125,949)	(39,035)	(164,984)
(Increase)decrease in prepaid	(25,417)	-	(25,417)
(Increase)decrease in amounts due from other governments	-	-	-
Increase(decrease) in payables	(139,841)	(4,250)	(144,091)
Increase in compensated absences	3,123	-	3,123
Net cash provided by operating activities	<u>\$ (476,248)</u>	<u>\$ (75,401)</u>	<u>\$ (551,649)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating grants - Commonwealth	\$ 288,277	\$ 164,503	\$ 452,780
Operating grants - Federal	4,774	695,782	700,556
Operating transfers in	195,616	27,528	223,144
Net cash provided by (used in) noncapital financing activities	<u>\$ 488,667</u>	<u>\$ 887,813</u>	<u>\$ 1,376,480</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (698,913)	\$ (815,287)	\$ (1,514,200)
Interest expense	(153,591)	-	(153,591)
Principal paid on revenue bonds	(260,000)	-	(260,000)
Due to general fund	-	-	-
Increase of accrued landfill closure costs	257,491	-	257,491
Debt obligation	620,692	-	620,692
Contributed capital from federal government	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>\$ (234,321)</u>	<u>\$ (815,287)</u>	<u>\$ (1,049,608)</u>
<u>Cash Flows From Investing Activities:</u>			
Rental income	\$ -	\$ 36,726	\$ 36,726
Interest income	41,802	7,113	48,915
Net cash provided by investing activities	<u>\$ 41,802</u>	<u>\$ 43,839</u>	<u>\$ 85,641</u>
Increase (decrease) in cash and cash equivalents	\$ (180,100)	\$ 40,964	\$ (139,136)
Cash and cash equivalents at beginning of year	400,679	43,823	444,502
Cash and cash equivalents at end of year	<u>\$ 220,579</u>	<u>\$ 84,787</u>	<u>\$ 305,366</u>

Internal Service Fund

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Fleet Maintenance Fund - This fund is used to account for the maintenance cost of motor vehicles and equipment to other departments and related costs.

Health Insurance Fund - This fund is used to account for the revenue and cost associated with hospitalization and medical plans.

INTERNAL SERVICE FUNDS
Combining Balance Sheet
At June 30, 2001

	<u>Fleet Maintenance Fund</u>	<u>Health Insurance Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 28,106	\$ 2,346,579	\$ 2,374,685
Cash in the custody others	250	-	250
Receivables (Net of allowances for uncollectibles):			
Accounts	12,432	501,844	514,276
Inventory	151,760	-	151,760
Total current assets	\$ 192,548	\$ 2,848,423	\$ 3,040,971
<u>Fixed assets:</u>			
Fixed assets (Net of accumulated depreciation)	\$ 247,307	-	\$ 247,307
Total fixed assets	\$ 247,307	\$ -	\$ 247,307
Total assets	\$ 439,855	\$ 2,848,423	\$ 3,288,278
<u>LIABILITIES</u>			
<u>Current liabilities:</u>			
Accounts payable	\$ 39,620	\$ 39,374	\$ 78,994
Accrued liabilities	1,646	700,300	701,946
Compensated absences	67,994	-	67,994
Total current liabilities	\$ 109,260	\$ 739,674	\$ 848,934
Total liabilities	\$ 109,260	\$ 739,674	\$ 848,934
<u>EQUITY AND OTHER CREDITS</u>			
<u>Contributed capital:</u>			
General government	\$ 224,892	-	\$ 224,892
<u>Retained Earnings:</u>			
Retained earnings (deficit) as restated	\$ 105,703	\$ 2,108,749	\$ 2,214,452
Total equity and other credits	\$ 330,595	\$ 2,108,749	\$ 2,439,344
Total liabilities, equity and other credits	\$ 439,855	\$ 2,848,423	\$ 3,288,278

COUNTY OF FAUQUIER, VIRGINIA

Exhibit D-2

INTERNAL SERVICE FUND

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year Ended June 30, 2001

	<u>Fleet Maintenance</u> <u>Fund</u>	<u>Health Insurance</u> <u>Fund</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 1,659,543	\$ 6,709,849	\$ 8,369,392
Miscellaneous	7,077	75	7,152
Total operating revenues	<u>\$ 1,666,620</u>	<u>\$ 6,709,924</u>	<u>\$ 8,376,544</u>
Operating expenses:			
Operation and maintenance	\$ 1,657,902	\$ -	\$ 1,657,902
Health and medical cost	-	6,441,175	6,441,175
Depreciation	36,731	-	36,731
Total operating expenses	<u>\$ 1,694,633</u>	<u>\$ 6,441,175</u>	<u>\$ 8,135,808</u>
Operating income (loss)	<u>\$ (28,013)</u>	<u>\$ 268,749</u>	<u>\$ 240,736</u>
Nonoperating revenues (expenses):			
Interest income	\$ -	\$ 118,150	\$ 118,150
Total nonoperating revenues (expenses)	<u>\$ -</u>	<u>\$ 118,150</u>	<u>\$ 118,150</u>
Income before operating transfers	<u>\$ (28,013)</u>	<u>\$ 386,899</u>	<u>\$ 358,886</u>
Operating transfers:			
Operating transfers in	\$ 7,328	\$ -	\$ 7,328
Total operating transfers	<u>\$ 7,328</u>	<u>\$ -</u>	<u>\$ 7,328</u>
Net income (loss)	<u>\$ (20,685)</u>	<u>\$ 386,899</u>	<u>\$ 366,214</u>
Increase (decrease) in retained earnings	\$ (20,685)	\$ 386,899	\$ 366,214
Retained earnings at beginning of year	<u>126,388</u>	<u>1,721,850</u>	<u>1,848,238</u>
Retained earnings at end of year	<u><u>\$ 105,703</u></u>	<u><u>\$ 2,108,749</u></u>	<u><u>\$ 2,214,452</u></u>

INTERNAL SERVICE FUND
Combining Statement of Cash Flows
Year Ended June 30, 2001

	<u>Fleet Maintenance</u> <u>Fund</u>	<u>Health Insurance</u> <u>Fund</u>	<u>Totals</u>
<u>Cash Flows From Operating Activities:</u>			
Operating income (loss)	\$ (28,013)	\$ 268,749	\$ 240,736
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	36,731	-	36,731
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(3,532)	(181,624)	(185,156)
(Increase) decrease in inventory	22,440	-	22,440
Increase(decrease) in payables	23,306	(306,509)	(283,203)
Net cash provided (used) by operating activities	<u>\$ 50,932</u>	<u>\$ (219,384)</u>	<u>\$ (168,452)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating transfers in	<u>\$ 7,328</u>	<u>\$ -</u>	<u>\$ 7,328</u>
Net cash provided (used) by noncapital financing activities	<u>\$ 7,328</u>	<u>\$ -</u>	<u>\$ 7,328</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (7,078)	\$ -	\$ (7,078)
Contributed capital	(67,994)	-	(67,994)
Net cash provided (used) by capital and related financing activities	<u>\$ (75,072)</u>	<u>\$ -</u>	<u>\$ (75,072)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest income	<u>\$ -</u>	<u>\$ 118,150</u>	<u>\$ 118,150</u>
Net cash provided (used) by investing activities	<u>\$ -</u>	<u>\$ 118,150</u>	<u>\$ 118,150</u>
Increase (decrease) in cash and cash equivalents	\$ (16,812)	\$ (101,234)	\$ (118,046)
Cash and cash equivalents at beginning of year	<u>44,918</u>	<u>2,447,813</u>	<u>2,492,731</u>
Cash and cash equivalents at end of year	<u><u>\$ 28,106</u></u>	<u><u>\$ 2,346,579</u></u>	<u><u>\$ 2,374,685</u></u>

Trust and Agency Funds

Expendable Trust Funds:

The Library Trust Fund is used to account for donations that are received and restricts the use of those donations to providing books and equipment for the various libraries in the County.

The Parks and Recreation Trust Fund is used to restrict amounts received admissions to several lakes for special parks and recreation expenditures as approved by the Parks and Recreation Advisory Board.

Diability Service Board fund is used to account for donations that are received and restricts to use by the Board.

The Public and Private Trust Fund is used to restrict donations received from private individuals as will as public contribution towards the construction of an auditorium at Cedar Lee Middle School.

Agency Funds:

The Special Welfare Fund is used to account for monies provided primarily through private donors for assistance of children in foster care, and needy senior citizens. This fund is also used to account for monies received from other governments and individuals to be paid to special welfare recipients.

Revenue Maximization Fund is used to account for monies provided primarily through reallocating cost percentage from state to federal program for at-risk youth.

The Undistributed Local Sales Tax Fund is used to account for monies received from the Commonwealth of Virginia for Fauquier County's share of local sales tax. The County disburses part of this money to the incorporated towns of the County based on their school age population.

Service to Other Governmental Units is used to account for monies received and disbursed for Authorities within the County.

The Performance Bond Fund is used to account for monies held by the County up on successful completion of various construction contracts.

The Detention Center Fund is used to account for various amounts held for inmates while they are held in the Sheriff's custody.



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COUNTY OF FAUQUIER, VIRGINIA

FIDUCIARY FUNDS
 Combining Balance Sheet
 At June 30, 2001

	Expendable Trust Funds				
	Library Trust Fund	Parks and Recreation Trust Fund	Public and Private Trust Fund	Disability Service Board Fund	Special Welfare Fund
<u>ASSETS AND OTHER DEBITS</u>					
Assets:					
Cash and investments	\$ 64,069	\$ 139,177	\$ -	\$ 200	\$ 35,307
Cash in custody of others	-	-	17,509	-	-
Accounts Receivables	-	31	-	-	-
Total assets and other debits	<u>\$ 64,069</u>	<u>\$ 139,208</u>	<u>\$ 17,509</u>	<u>\$ 200</u>	<u>\$ 35,307</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 2,690	\$ -	\$ -	\$ -	\$ -
Amount held for clients	-	-	-	200	35,307
Performance bonds payable	-	-	-	-	-
Amounts held for prisoners	-	-	-	-	-
Total liabilities	<u>\$ 2,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 35,307</u>
<u>EQUITY AND OTHER CREDITS</u>					
Fund balances:					
Reserved:					
Reserved for employee benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:					
Designated for subsequent expenditure	\$ 61,379	\$ 139,208	\$ 17,509	\$ -	\$ -
Total equity and other credits	<u>\$ 61,379</u>	<u>\$ 139,208</u>	<u>\$ 17,509</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, equity and other credits	<u>\$ 64,069</u>	<u>\$ 139,208</u>	<u>\$ 17,509</u>	<u>\$ 200</u>	<u>\$ 35,307</u>

Agency Trust Funds

Revenue Maximization Fund	Undistributed Local Sales Tax Fund	Service to Other Governmental Units Fund	Performance Bond Fund	Detention Center Fund	Totals
\$ 61,887	\$ -	\$ (44,140)	\$ 192,130	\$ -	\$ 448,630
-	-	-	-	68,908	86,417
-	-	96,556	-	-	96,587
<u>\$ 61,887</u>	<u>\$ -</u>	<u>\$ 52,416</u>	<u>\$ 192,130</u>	<u>\$ 68,908</u>	<u>\$ 631,634</u>
\$ -	\$ -	\$ 17,351	\$ -	\$ -	\$ 20,041
-	-	-	-	-	35,507
-	-	-	192,130	-	192,130
-	-	-	-	68,908	68,908
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,351</u>	<u>\$ 192,130</u>	<u>\$ 68,908</u>	<u>\$ 316,586</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 61,887</u>	<u>\$ -</u>	<u>\$ 35,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,048</u>
<u>\$ 61,887</u>	<u>\$ -</u>	<u>\$ 35,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,048</u>
<u>\$ 61,887</u>	<u>\$ -</u>	<u>\$ 52,416</u>	<u>\$ 192,130</u>	<u>\$ 68,908</u>	<u>\$ 631,634</u>

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2001

	Library Trust Fund	Park and Recreation Trust Fund	Public and Private Trust Fund	Totals
Revenues:				
Revenue from use of money and property	\$ 3,669	\$ 7,476	\$ 564	\$ 11,709
Contributions for beneficiary	-	-	-	-
Miscellaneous revenues	2,357	15,066	22,378	39,801
Total revenues	\$ 6,026	\$ 22,542	\$ 22,942	\$ 51,510
Expenditures:				
Operating expenditures	\$ 29,080	\$ 9,882	\$ 16,128	\$ 55,090
Excess (deficiency) of revenues over expenditures	\$ (23,054)	\$ 12,660	\$ 6,814	\$ (3,580)
Other financing sources(uses):				
Operating in	\$ 1,500	\$ -	\$ -	\$ 1,500
Total operating transfers	\$ 1,500	\$ -	\$ -	\$ 1,500
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ (21,554)	\$ 12,660	\$ 6,814	\$ (2,080)
Fund balances at beginning of year, as restated	82,933	126,548	10,695	220,176
Fund balances at end of year	\$ 61,379	\$ 139,208	\$ 17,509	\$ 218,096

AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2001

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<u>Special Welfare Fund:</u>				
Assets:				
Cash and investments	\$ 21,540	\$ 201,561	\$ 187,794	\$ 35,307
Liabilities:				
Amounts held for social service clients	\$ 21,540	\$ 201,561	\$ 187,794	\$ 35,307
<u>Revenue Maximization Fund:</u>				
Assets:				
Cash and investments	\$ -	\$ 61,887	\$ -	\$ 61,887
Liabilities:				
Other liabilities	\$ -	\$ 61,887	\$ -	\$ 61,887
<u>Undistributed Local Sales Tax Fund:</u>				
Assets:				
Cash and investments	\$ (3,427)	\$ 312,223	\$ 308,796	\$ -
Prepaid expenses	-	-	-	-
Total	\$ (3,427)	\$ 312,223	\$ 308,796	\$ -
Liabilities:				
Sales tax payable to towns	\$ (3,427)	\$ 312,223	\$ 308,796	\$ -
Due to other funds	-	-	-	-
Total	\$ (3,427)	\$ 312,223	\$ 308,796	\$ -
<u>Service to Other Governmental Units:</u>				
Assets:				
Cash and investments	\$ -	\$ -	\$ 44,140	\$ (44,140)
Accounts receivable	-	96,556	-	96,556
Total	\$ -	\$ 96,556	\$ 44,140	\$ 52,416
Liabilities:				
Accounts payable	\$ -	\$ 17,351	\$ -	\$ 17,351
Other liabilities	-	35,065	-	35,065
Total	\$ -	\$ 52,416	\$ -	\$ 52,416
<u>Performance Bond Fund:</u>				
Assets:				
Cash and investments	\$ 270,435	\$ 123,100	\$ 201,405	\$ 192,130
Liabilities:				
Performance bonds payable	\$ 270,435	\$ 123,100	\$ 201,405	\$ 192,130

AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2001 (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<u>Detention Center Fund:</u>				
Assets:				
Cash and investments:				
Cash - Work release	\$ 1,626	\$ 103,069	103,237	\$ 1,458
Cash - Inmate account	4,160	58,903	57,817	5,246
Cash - Canteen account	45,878	62,589	46,263	62,204
Total cash and investments	<u>\$ 51,664</u>	<u>\$ 224,561</u>	<u>\$ 207,317</u>	<u>\$ 68,908</u>
Liabilities:				
Amounts held for prisoners	<u>\$ 51,664</u>	<u>\$ 224,561</u>	<u>\$ 207,317</u>	<u>\$ 68,908</u>
<u>Totals -- All agency funds</u>				
Assets:				
Cash and investments	\$ 340,212	\$ 923,332	\$ 949,452	\$ 314,092
Accounts receivable	-	96,556	-	96,556
Total assets	<u>\$ 340,212</u>	<u>\$ 1,019,888</u>	<u>\$ 949,452</u>	<u>\$ 410,648</u>
Liabilities:				
Amounts held for social service clients	\$ 21,540	\$ 201,561	\$ 187,794	\$ 35,307
Amounts held for performance bonds	270,435	123,100	201,405	192,130
Other liabilities	-	114,303	-	114,303
Sales tax payable to towns	(3,427)	312,223	308,796	-
Amounts held for prisoners	51,664	224,561	207,317	68,908
Total liabilities	<u>\$ 340,212</u>	<u>\$ 975,748</u>	<u>\$ 905,312</u>	<u>\$ 410,648</u>

LENGTH OF SERVICE AWARD

Length of Service Award Fund is used to account for monies provided by the County for insurance to cover the Fire and Rescue Companies' volunteers.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit F-1

**Length of Service Program
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2001**

ASSETS

Assets:

Cash and cash equivalents \$ 1,526,972

Total assets \$ 1,526,972

LIABILITIES

Accounts payable

\$ -

Total liabilities \$ -

EQUITY AND OTHER CREDITS

Fund balances:

Unreserved:

Reserve for pension benefits \$ 1,526,972

Unreserved, undesignated

Total equity and other credits \$ 1,526,972

Total liabilities, equity and other credits \$ 1,526,972

Length of Service Program
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2001

Revenues:		
Revenue from use of money and property	\$	46,243
Contributions for beneficiary		429,476
Miscellaneous revenues		<u>-</u>
Total revenues	\$	<u>475,719</u>
Expenditures:		
Operating expenditures	\$	<u>362,240</u>
Excess (deficiency) of revenues over expenditures	\$	<u>113,479</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$	113,479
Fund balances at beginning of year, as restated		<u>1,413,493</u>
Fund balances at end of year	\$	<u><u>1,526,972</u></u>

General Fixed Assets Account Group

Schedule of General Fixed Assets by Source - Primary
 Government and Discretely Presented Component Unit
 As of June 30, 2001

	<u>Primary Government</u>	<u>Component Unit School Board</u>	<u>Total Reporting Entity</u>
<u>General Fixed Assets:</u>			
Land	\$ 8,851,817	\$ 4,204,136	\$ 13,055,953
Buildings and improvements	11,470,125	80,083,473	91,553,598
Machinery and equipment	4,989,468	11,809,452	16,798,920
Data processing equipment	1,323,320	1,150,119	2,473,439
Construction in progress	1,431,950	11,006,611	12,438,561
 Total General Fixed Assets	 \$ <u>28,066,680</u>	 \$ <u>108,253,791</u>	 \$ <u>136,320,471</u>
<u>Investment in General Fixed Assets by Source:</u>			
General fund revenues	\$ 24,256,559	\$ 32,884,518	\$ 57,141,077
General obligation debt	3,800,000	75,369,273	79,169,273
Donated/Donations	10,121	-	10,121
 Total Investment in General in Fixed Assets	 \$ <u>28,066,680</u>	 \$ <u>108,253,791</u>	 \$ <u>136,320,471</u>

Schedule of General Fixed Assets by Function and Activities- Primary
 Government and Discretely Presented Component Unit
 As of June 30, 2001

Primary Government:

<u>Functions and Activities:</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery And Equipment</u>	<u>Data Processing Equipment</u>	<u>Construction In Progress</u>	<u>Total</u>
General government administration	\$ 5,593,926	\$ 2,965,318	\$ 832,094	\$ 1,215,504	\$ 364,576	\$ 10,971,418
Judicial administration	166,300	2,456,212	435,169	-	12,558	3,070,239
Public safety	1,388,000	3,206,680	2,848,892	43,073	789,026	8,275,671
Public works	287,523	795,799	425,609	12,992	-	1,521,923
Health and welfare	239,500	269,130	6,000	-	-	514,630
Parks, recreation, and cultural	1,176,568	1,519,333	380,294	51,751	265,790	3,393,736
Community development	-	257,653	61,410	-	-	319,063
Total primary government	<u>\$ 8,851,817</u>	<u>\$ 11,470,125</u>	<u>\$ 4,989,468</u>	<u>\$ 1,323,320</u>	<u>\$ 1,431,950</u>	<u>\$ 28,066,680</u>

Component Unit-School Board:

Education	\$ 4,204,136	\$ 80,083,473	\$ 11,809,452	\$ 1,150,119	\$ 11,006,611	\$ 108,253,791
Total component unit - school board	<u>\$ 4,204,136</u>	<u>\$ 80,083,473</u>	<u>\$ 11,809,452</u>	<u>\$ 1,150,119</u>	<u>\$ 11,006,611</u>	<u>\$ 108,253,791</u>
Total reporting entity	<u>\$ 13,055,953</u>	<u>\$ 91,553,598</u>	<u>\$ 16,798,920</u>	<u>\$ 2,473,439</u>	<u>\$ 12,438,561</u>	<u>\$ 136,320,471</u>

Schedule of Changes in General Fixed Assets by Function - Primary
 Government and Discretely Presented Component Unit
 Year Ended June 30, 2001

Primary Government:	General Fixed Assets July 1, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
General government administration	\$ 9,618,071	\$ 1,018,113	\$ 294,584	\$ 10,341,600
Judicial administration	3,049,781	21,688	13,788	3,057,681
Public safety	7,570,006	496,118	579,479	7,486,645
Public works	1,749,863	78,740	78,286	1,750,317
Health and welfare	514,630	-	-	514,630
Parks, recreation, and cultural	3,039,915	436,040	347,303	3,128,652
Community development	259,236	10,890	12,359	257,767
Construction in progress	1,113,823	504,865	89,300	1,529,388
Total primary government	\$ 26,915,325	\$ 2,566,454	\$ 1,415,099	\$ 28,066,680
Component Unit - School Board:				
Education	\$ 106,535,258	\$ 9,925,652	\$ 8,207,119	\$ 108,253,791
Total component unit - school board	\$ 106,535,258	\$ 9,925,652	\$ 8,207,119	\$ 108,253,791
Total reporting entity	\$ 133,450,583	\$ 12,492,106	\$ 9,622,218	\$ 136,320,471

Component Unit

Legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading.

School Board - This organization is used to account for the revenues and expenditures of funds for the component unit.

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

Combining Balance Sheet

At June 30, 2001

	<u>Governmental Funds</u>		<u>Account Groups</u>		<u>Totals</u>
	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>General Fixed Assets Group</u>	<u>General Long - Term Debt</u>	
<u>ASSETS</u>					
Cash and investments	\$ 18,577	\$ 212,601	\$ -	\$ -	\$ 231,178
Accounts receivable	47,224	179	-	-	47,403
Due from primary government	6,641,138	-	-	-	6,641,138
Due from other governmental units	1,433,898	105,971	-	-	1,539,869
General fixed assets	-	-	108,253,791	-	108,253,791
Other debits:					
Amount to be provided for the retirement of general long-term debt and compensated obligation	-	-	-	45,177,750	45,177,750
Total assets and other debits	\$ 8,140,837	\$ 318,751	\$ 108,253,791	\$ 45,177,750	\$ 161,891,129
<u>LIABILITIES</u>					
Accounts payable	\$ 495,850	\$ 32,268	\$ -	\$ -	\$ 528,118
Accrued liabilities	7,626,410	205,644	-	-	7,832,054
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
General obligation bonds payable	-	-	-	41,460,000	41,460,000
State Literary Fund loans payable	-	-	-	-	-
Compensated absences	-	-	-	3,717,750	3,717,750
Total liabilities	\$ 8,122,260	\$ 237,912	\$ -	\$ 45,177,750	\$ 53,537,922
<u>EQUITY AND OTHER CREDITS</u>					
Investment in general fixed assets	\$ -	\$ -	\$ 108,253,791	\$ -	\$ 108,253,791
Fund balances:					
Unreserved:					
Unreserved, undesignated	18,577	80,839	-	-	99,416
Total equity and other credits	\$ 18,577	\$ 80,839	\$ 108,253,791	\$ -	\$ 108,353,207
Total liabilities, equity and other credits	\$ 8,140,837	\$ 318,751	\$ 108,253,791	\$ 45,177,750	\$ 161,891,129

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Discretely Presented Component Unit -- School Board
Year Ended June 30, 2001

	Governmental Fund Types		
	School Operating Fund	School Cafeteria Fund	Totals
Revenues:			
Revenue from use of money and use of property	\$ 17,227	\$ 22,349	\$ 39,576
Charges for services	81,555	2,097,438	2,178,993
Miscellaneous	322,493	-	322,493
Intergovernmental:			
Commonwealth of Virginia	23,869,238	44,129	23,913,367
Federal	2,298,348	629,475	2,927,823
Total revenues	\$ 26,588,861	\$ 2,793,391	\$ 29,382,252
Expenditures:			
Current:			
Education	\$ 66,020,482	\$ 2,664,231	\$ 68,684,713
Debt service:			
Principal retirement	3,487,500	-	3,487,500
Interest and other fiscal charges	2,334,298	-	2,334,298
Total expenditures	\$ 71,842,280	\$ 2,664,231	\$ 74,506,511
Excess (deficiency) of revenues over expenditures	\$ (45,253,419)	\$ 129,160	\$ (45,124,259)
Other financing sources (uses):			
Operating transfers out	\$ (5,485,229)	\$ -	\$ (5,485,229)
Process from indebtedness	4,575,000	-	4,575,000
Operating transfers to primary government	-	-	-
Operating transfers from primary government	46,180,875	-	46,180,875
Total other financing sources (uses)	\$ 45,270,646	\$ -	\$ 45,270,646
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 17,227	\$ 129,160	\$ 146,387
Fund balances at beginning of year	1,350	(48,321)	(46,971)
Fund balances at end of year	\$ 18,577	\$ 80,839	\$ 99,416



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COUNTY OF FAUQUIER, VIRGINIA

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Discretely Presented Component Unit -- School Board
Year Ended June 30, 2001**

	School Operating Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor)</u>
Revenues:			
Revenue from use of money and use of property	\$ -	\$ 17,227	\$ 17,227
Charges for services	26,128	81,555	55,427
Miscellaneous	287,200	322,493	35,293
Intergovernmental:			
Commonwealth of Virginia	23,924,550	23,869,238	(55,312)
Federal	2,132,021	2,298,348	166,327
Total revenues	<u>\$ 26,369,899</u>	<u>\$ 26,588,861</u>	<u>\$ 218,962</u>
Expenditures:			
Current:			
Education	\$ 67,696,284	\$ 66,020,482	\$ 1,675,802
Debt service:			
Principal retirement	3,487,500	3,487,500	-
Interest and other fiscal charges	2,343,131	2,334,298	8,833
Total expenditures	<u>\$ 73,526,915</u>	<u>\$ 71,842,280</u>	<u>\$ 1,684,635</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (47,157,016)</u>	<u>\$ (45,253,419)</u>	<u>\$ 1,903,597</u>
Other financing sources (uses):			
Operating transfers out	\$ (5,485,229)	\$ (5,485,229)	\$ -
Process from indebtedness	4,575,000	4,575,000	-
Operating transfers from primary government	48,067,245	46,180,875	(1,886,370)
Total other financing sources (uses)	<u>\$ 47,157,016</u>	<u>\$ 45,270,646</u>	<u>\$ (1,886,370)</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ -</u>	<u>\$ 17,227</u>	<u>\$ 17,227</u>
Fund balances at beginning of year	<u>-</u>	<u>1,350</u>	<u>1,350</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 18,577</u>	<u>\$ 18,577</u>

School Cafeteria Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor)
\$ 10,331	\$ 22,349	\$ 12,018	\$ 10,331	\$ 39,576	\$ 29,245
2,022,463	2,097,438	74,975	2,048,591	2,178,993	130,402
-	-	-	287,200	322,493	35,293
46,000	44,129	(1,871)	23,970,550	23,913,367	(57,183)
597,738	629,475	31,737	2,729,759	2,927,823	198,064
<u>\$ 2,676,532</u>	<u>\$ 2,793,391</u>	<u>\$ 116,859</u>	<u>\$ 29,046,431</u>	<u>\$ 29,382,252</u>	<u>\$ 335,821</u>
\$ 2,676,532	\$ 2,664,231	\$ 12,301	\$ 70,372,816	\$ 68,684,713	\$ 1,688,103
-	-	-	3,487,500	3,487,500	-
-	-	-	2,343,131	2,334,298	8,833
<u>\$ 2,676,532</u>	<u>\$ 2,664,231</u>	<u>\$ 12,301</u>	<u>\$ 76,203,447</u>	<u>\$ 74,506,511</u>	<u>\$ 1,696,936</u>
\$ -	\$ 129,160	\$ 129,160	\$ (47,157,016)	\$ (45,124,259)	\$ 2,032,757
\$ -	\$ -	\$ -	\$ (5,485,229)	(5,485,229)	-
-	-	-	4,575,000	4,575,000	-
-	-	-	48,067,245	46,180,875	(1,886,370)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,157,016</u>	<u>\$ 45,270,646</u>	<u>\$ (1,886,370)</u>
\$ -	\$ 129,160	\$ 129,160	\$ -	\$ 146,387	\$ 146,387
-	(48,321)	(48,321)	-	(46,971)	(46,971)
<u>\$ -</u>	<u>\$ 80,839</u>	<u>\$ 80,839</u>	<u>\$ -</u>	<u>\$ 99,416</u>	<u>\$ 99,416</u>

SUPPORTING SCHEDULES

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2001

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government:			
General Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 38,756,750	\$ 39,045,069	\$ 288,319
Real and personal public service corporation property taxes	2,521,581	2,604,730	83,149
Personal property taxes	19,104,392	13,499,769	(5,604,623)
Penalties	570,000	751,601	181,601
Interest	497,000	615,109	118,109
Total general property taxes	<u>\$ 61,449,723</u>	<u>\$ 56,516,278</u>	<u>\$ (4,933,445)</u>
Other local taxes:			
Local sales and use taxes	\$ 4,650,000	\$ 4,685,485	\$ 35,485
Consumers' utility taxes	2,003,000	2,225,717	222,717
Business license taxes	907,000	988,347	81,347
Cable TV franchise tax	126,000	121,419	(4,581)
Motor vehicle licenses	1,200,000	1,234,955	34,955
Bank stock taxes	73,197	82,689	9,492
Taxes on recordation and wills	678,000	762,987	84,987
Total other local taxes	<u>\$ 9,637,197</u>	<u>\$ 10,101,599</u>	<u>\$ 464,402</u>
Permits, privilege fees and regulatory licenses:			
Animal licenses	\$ 8,000	\$ 6,789	\$ (1,211)
Building & related permits	653,403	844,765	191,362
Transfer fees	2,500	2,266	(234)
Zoning permits and fees	63,100	88,640	25,540
Land use application fees	194,800	187,875	(6,925)
Total permits, privilege fees and regulatory licenses	<u>\$ 921,803</u>	<u>\$ 1,130,335</u>	<u>\$ 208,532</u>
Fines and Forfeitures:			
Court fines and forfeitures	\$ 225,000	\$ 362,610	\$ 137,610
Revenue from use of money and property:			
Revenue from use of money	\$ 1,605,000	\$ 2,268,434	\$ 663,434
Revenue from use of property	640,431	641,903	1,472
Total revenue from use of money and property	<u>\$ 2,245,431</u>	<u>\$ 2,910,337</u>	<u>\$ 664,906</u>
Charges for services:			
Charges for commonwealth's and county's attorney	\$ 1,200	\$ 70,908	\$ 69,708
Excess fees of clerk	100,000	90,731	(9,269)
Sheriff's fees, deputies and reports	4,292	3,820	(472)
Charges for law library	15,000	14,687	(313)
Charges for local costs	800	348	(452)
Charges for courthouse maintenance fees	-	31,272	31,272
Charges for parks and recreation	328,838	242,761	(86,077)
Charges for social services	2,000	3,764	1,764
Charges for CSA	-	-	-
Charges for library	56,000	50,370	(5,630)
Charges for planning and community development	24,700	17,153	(7,547)
Total charges for services	<u>\$ 532,830</u>	<u>\$ 525,814</u>	<u>\$ (7,016)</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2001 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Miscellaneous revenue:			
Miscellaneous	\$ 36,850	\$ 5,393	\$ (31,457)
Total miscellaneous revenue	\$ 36,850	\$ 5,393	\$ (31,457)
Recovered costs:			
John marshall soil and water district	\$	\$	\$ -
Other government charges	10,024	5,000	(5,024)
Board of prisoner - other localities	1,500	2,190	690
Work release	60,000	58,692	(1,308)
E-911 Reimbursement	15,000	10,501	(4,499)
Home incarceration fees	27,000	26,489	(511)
Social services home study	500	-	(500)
Medical reimbursement - prisoners	2,000	2,892	892
Other costs	2,000	17,619	15,619
Hospital hill building	2,000	2,068	68
VHFS economic development authority			-
Total recovered costs	\$ 120,024	\$ 125,451	\$ 5,427
Total revenue from local sources	\$ 75,168,858	\$ 71,677,817	\$ (3,491,041)
Revenue from the Commonwealth:			
Noncategorical aid:			
ABC profits	\$ 101,000	\$ 116,035	\$ 15,035
Wine taxes	65,000	67,146	2,146
Rolling stock tax	79,000	79,041	41
Mobile home titling taxes	25,000	31,315	6,315
Auto rental tax	28,200	27,865	(335)
Recordation tax	445,000	424,735	(20,265)
Total noncategorical aid	\$ 743,200	\$ 746,137	\$ 2,937
Categorical aid:			
Shared expenses:			
Commonwealth's attorney	\$ 334,044	\$ 321,552	\$ (12,492)
Sheriff	2,849,527	2,853,668	4,141
Commissioner of the revenue	198,109	188,111	(9,998)
Treasurer	125,000	175,261	50,261
Medical examiner	500	390	(110)
Registrar/electoral board	48,700	47,698	(1,002)
Clerk of the circuit court	416,400	423,902	7,502
Jail	215,000	247,057	32,057
Total shared expenses	\$ 4,187,280	\$ 4,257,639	\$ 70,359
Welfare:			
Welfare administration and assistance	\$ 699,490	\$ 612,749	\$ (86,741)
Comprehensive services act	932,510	706,542	(225,968)
Total welfare	\$ 1,632,000	\$ 1,319,291	\$ (312,709)

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2001 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Revenue from the Commonwealth:			
Other categorical aid:			
Commonwealth PPTRA	\$ -	\$ 6,854,329	\$ 6,854,329
Records preservation grant	23,376	-	(23,376)
Administrative	13,339	91,088	77,749
Library aid	288,559	288,372	(187)
Judicial and legal	157,105	26,487	(130,618)
Juvenile community control act	104,709	104,709	-
Sheriff department	44,613	30,519	(14,094)
Comprehensive community correction	206,313	300,560	94,247
Other grants	2,639	-	(2,639)
Total other categorical aid	<u>\$ 840,653</u>	<u>\$ 7,696,064</u>	<u>\$ 6,855,411</u>
Total categorical aid	<u>\$ 6,659,933</u>	<u>\$ 13,272,994</u>	<u>\$ 6,613,061</u>
Total revenue from the commonwealth	<u>\$ 7,403,133</u>	<u>\$ 14,019,131</u>	<u>\$ 6,615,998</u>
Revenue from the Federal Government:			
Categorical aid:			
Welfare administration and assistance	\$ 1,601,118	\$ 1,489,108	\$ (112,010)
Virginia JJDP act	46,545	46,545	-
Dea group 33 & 35	18,589	12,948	(5,641)
Local law enforcement block grant	15,069	15,069	-
Judicial and legal grants	-	54,463	54,463
Miscellaneous	24,147	19,147	(5,000)
Cops grants	73,671	75,354	1,683
Transportation safety	25,623	29,639	4,016
Total categorical aid	<u>\$ 1,804,762</u>	<u>\$ 1,742,273</u>	<u>\$ (62,489)</u>
Total revenue from the federal government	<u>\$ 1,804,762</u>	<u>\$ 1,742,273</u>	<u>\$ (62,489)</u>
Total General Fund	<u>\$ 84,376,753</u>	<u>\$ 87,439,221</u>	<u>\$ 3,062,468</u>
Special Revenue Funds:			
Joint Dispatch Fund:			
Revenue from local sources:			
Other local taxes:			
E-911 telephone tax	\$ 793,500	\$ 818,768	\$ 25,268
Recovered cost:			
Street sign reimbursements	-	1,504	1,504
Total revenue from local sources	<u>\$ 793,500</u>	<u>\$ 820,272</u>	<u>\$ 26,772</u>
Revenue from the Commonwealth:			
Categorical aid:			
E911 Wireless Services	\$ 4,000	\$ 43,477	\$ 39,477
Total revenue from local sources	<u>\$ 4,000</u>	<u>\$ 43,477</u>	<u>\$ 39,477</u>
Total Joint Dispatch Fund	<u>\$ 797,500</u>	<u>\$ 863,749</u>	<u>\$ 66,249</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2001 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Fire and Rescue Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 2,486,297	\$ 2,555,399	\$ 69,102
Recovered Cost:			
Community events	3,000	1,366	(1,634)
Total revenue from local sources	<u>\$ 2,489,297</u>	<u>\$ 2,556,765</u>	<u>\$ 67,468</u>
Categorical aid:			
Fire programs	\$ 61,350	\$ 61,351	\$ 1
Emergency medical service	<u>22,000</u>	<u>28,282</u>	<u>6,282</u>
Total revenue from commonwealth	<u>\$ 83,350</u>	<u>\$ 89,633</u>	<u>\$ 6,283</u>
Total Fire and Rescue Fund	<u>\$ 2,572,647</u>	<u>\$ 2,646,398</u>	<u>\$ 73,751</u>
Total Special Revenue Funds	<u>\$ 3,366,147</u>	<u>\$ 3,466,670</u>	<u>\$ 100,523</u>
Capital Improvement Projects Fund:			
Revenue from local sources:			
Recovered Cost:			
Sale of modular house	\$ 29,603	\$ 29,603	\$ -
Miscellaneous revenue:			
Miscellaneous	<u>\$ 1,803,068</u>	<u>\$ 36,704</u>	<u>\$ (1,766,364)</u>
Total revenue from local sources	<u>\$ 1,832,671</u>	<u>\$ 66,307</u>	<u>\$ (1,766,364)</u>
Revenue from the Commonwealth:			
Categorical aid:			
Miscellaneous commonwealth grant	\$ 1,670	\$ 1,670	\$ -
Total revenue from commonwealth	<u>\$ 1,670</u>	<u>\$ 1,670</u>	<u>\$ -</u>
Revenue from the federal government:			
Categorical aid:			
Affordable housing block grant	\$ 484,384	\$ -	\$ (484,384)
Total revenue from federal government	<u>\$ 484,384</u>	<u>\$ -</u>	<u>\$ (484,384)</u>
Total Capital Improvement Projects Fund	<u>\$ 2,318,725</u>	<u>\$ 67,977</u>	<u>\$ (2,250,748)</u>
Utility Projects Fund:			
Revenue from use of money:			
Revenue from use of money	\$ -	\$ 686	\$ 686
Charges for services:			
Sewer tap fees surcharge	\$ -	\$ 399,750	\$ 399,750

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2001 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Miscellaneous revenue:			
Proceeds from indebtedness	\$ 3,075,000	\$ 3,075,000	\$ -
Miscellaneous	24,388	24,388	-
Total miscellaneous revenue	3,099,388	3,099,388	-
Total Utility Projects Fund	\$ 3,099,388	\$ 3,499,824	\$ 400,436
Grand Total Revenues -- Primary Government	\$ 93,161,013	\$ 94,473,692	\$ 1,312,679
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Revenue from local sources:			
Revenue from use of money:			
Revenue from use of money	\$ -	\$ 17,227	\$ 17,227
Charges for services:			
Charges for education	\$ 10,000	\$ 37,222	\$ 27,222
Refunds and fees	16,128	44,333	28,205
Total charges for services	\$ 26,128	\$ 81,555	\$ 55,427
Miscellaneous revenue:			
Miscellaneous revenue	\$ 287,200	\$ 322,493	\$ 35,293
Total revenue from local sources	\$ 313,328	\$ 421,275	\$ 107,947
Revenue from the Commonwealth:			
Categorical aid:			
Share of state sales tax	\$ 5,714,476	\$ 5,593,035	\$ (121,441)
Basic school aid	11,479,990	11,524,528	44,538
Regular foster care	52,351	13,012	(39,339)
Lottery	(96,640)	719,984	816,624
Lottery hold harmless	380,046	380,046	-
Gifted and talented	132,867	133,426	559
At risk youth	71,573	80,018	8,445
GED payments	16,111	16,111	-
Special education	1,546,424	1,552,936	6,512
Special education - homebound	38,040	34,123	(3,917)
Special education - foster child	-	32,455	32,455
Regional programs	19,826	46,593	26,767
Vocational education	306,332	307,622	1,290
Vocational adult education and equipment	20,682	26,370	5,688
School construction grant	360,804	359,849	(955)
Occupational education	50,297	41,084	(9,213)
Primary class size	157,371	152,269	(5,102)
Social security instructional	658,891	685,664	26,773
Social security non-instructional	23,898	20,052	(3,846)
Teacher retirement instructional	682,382	674,545	(7,837)
Teacher retirement non-instructional	22,551	22,638	87
Group life insurance instructional	28,631	29,650	1,019
Group life insurance non-instructional	895	890	(5)

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2001 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Component Unit -- School Board: (continued)			
Revenue from the Commonwealth:			
Categorical aid:			
Salary supplement	195,610	192,727	(2,883)
Dropout prevention	92,217	91,721	(496)
Remedial education	155,012	155,664	652
Remedial summer school	87,770	85,301	(2,469)
Maintenance supplement	55,507	55,594	87
Additional teachers	153,996	155,504	1,508
Textbook payments	226,058	227,010	952
School standard of learning	226,480	224,398	(2,082)
Alternative education	113,310	113,310	-
Technology grant	466,000	-	(466,000)
Early reading intervention	387,548	15,954	(371,594)
Other state funds	97,244	105,155	7,911
Total revenue from the commonwealth	\$ 23,924,550	\$ 23,869,238	\$ (55,312)
Revenue from the federal government:			
Categorical aid:			
Adult basic education	\$ 34,144	\$ 33,978	\$ (166)
Chapter I	437,421	448,716	11,295
Title VI	42,085	45,486	3,401
Title II	28,000	22,672	(5,328)
Miscellaneous federal revenue	17,500	18,606	1,106
Title VI - B - Special Education	1,045,243	1,151,612	106,369
Goals 2000-literacy grant	91,218	127,650	36,432
DOL school to work grant	82,415	132,858	50,443
Pre-school incentive(VI-B)	93,190	71,935	(21,255)
Class size reduction grant	127,661	66,618	(61,043)
Vocational education	98,144	102,322	4,178
Drug free schools	35,000	34,917	(83)
ROTC	-	40,978	40,978
Total revenue from the federal government	\$ 2,132,021	\$ 2,298,348	\$ 166,327
Total School Operating Fund	\$ 26,369,899	\$ 26,588,861	\$ 218,962
School Cafeteria Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ 10,331	\$ 22,349	\$ 12,018
Charges for services:			
Cafeteria sales	2,022,463	2,097,438	74,975
Total revenue from local sources	\$ 2,032,794	\$ 2,119,787	\$ 86,993
School food program	46,000	44,129	(1,871)
Revenue from the federal government:			
Categorical aid:			
School food program	\$ 597,738	\$ 629,475	\$ 31,737
Total School Cafeteria Fund	\$ 2,676,532	\$ 2,793,391	\$ 116,859

Governmental Funds and Discretely Presented Component Units

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2001 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Component Unit -- School Board: (continued)			
Grand Total Revenues -- Component Unit -- School Board	\$ <u>29,046,431</u>	\$ <u>29,382,252</u>	\$ <u>335,821</u>
Grand Total Revenues -- Reporting Entity	\$ <u>122,207,444</u>	\$ <u>123,855,944</u>	\$ <u>1,648,500</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units

Schedule of Expenditures -- Budget and Actual

Year Ended June 30, 2001

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government:			
General Fund:			
General government administration:			
Legislative:			
Board of supervisors	\$ 390,219	\$ 389,722	\$ 497
General and financial administration:			
County administrator	\$ 409,206	\$ 408,718	\$ 488
County attorney	413,309	401,281	12,028
Personnel	525,552	515,669	9,883
Independent auditor	56,000	56,000	-
Commissioner of the revenue	1,432,681	1,349,330	83,351
Treasurer	749,194	719,743	29,451
Director of finance	919,651	941,764	(22,113)
Office of management and budget	191,504	188,888	2,616
Risk management	199,006	115,360	83,646
Central store	-	(1,226)	1,226
Management information systems	901,275	901,071	204
Total general and financial administration	\$ 5,797,378	\$ 5,596,598	\$ 200,780
Board of Elections:			
Registrar	\$ 268,740	\$ 268,736	\$ 4
Total general government administration	\$ 6,456,337	\$ 6,255,056	\$ 201,281
Judicial administration:			
Courts:			
Circuit court	\$ 115,391	\$ 99,378	\$ 16,013
General district court	14,039	14,039	-
Magistrates	56,009	55,759	250
Juvenile and domestic relations district court	44,866	43,870	996
Clerk of the circuit court	688,822	679,578	9,244
Commissioner of accounts	2,400	2,400	-
Law library	19,000	15,150	3,850
Adult court service	384,166	384,162	4
Total courts	\$ 1,324,693	\$ 1,294,336	\$ 30,357
Commonwealth's attorney:			
Commonwealth's attorney	\$ 652,233	\$ 631,121	\$ 21,112
Total judicial administration	\$ 1,976,926	\$ 1,925,457	\$ 51,469
Public safety:			
Law enforcement and traffic control:			
Sheriff	\$ 6,450,424	\$ 6,450,586	\$ (162)

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units
 Schedule of Expenditures -- Budget and Actual
 Year Ended June 30, 2001 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Correction and detention:			
Sheriff	\$ 871,000	\$ 801,253	\$ 69,747
Probation office	34,154	30,705	3,449
Juvenile detention	191,672	164,684	26,988
Juvenile crime control	130,199	123,835	6,364
Total correction and detention	<u>\$ 1,227,025</u>	<u>\$ 1,120,477</u>	<u>\$ 106,548</u>
Other protection:			
Emergency services (civil defense)	\$ 73,931	\$ 72,856	\$ 1,075
Total other protection	<u>\$ 73,931</u>	<u>\$ 72,856</u>	<u>\$ 1,075</u>
Total public safety	<u>\$ 7,751,380</u>	<u>\$ 7,643,919</u>	<u>\$ 107,461</u>
Public works:			
Sanitation and waste removal:			
Litter control/recycling	\$ 18,313	\$ 14,169	\$ 4,144
Solid waste operations	1,581,371	1,554,654	26,717
Total sanitation and waste removal	<u>\$ 1,599,684</u>	<u>\$ 1,568,823</u>	<u>\$ 30,861</u>
Maintenance of general buildings and grounds:			
Support services/administration	\$ 143,778	\$ 143,005	\$ 773
General properties	2,276,039	2,276,716	(677)
Total maintenance of general buildings and grounds	<u>\$ 2,419,817</u>	<u>\$ 2,419,721</u>	<u>\$ 96</u>
Total public works	<u>\$ 4,019,501</u>	<u>\$ 3,988,544</u>	<u>\$ 30,957</u>
Health and welfare:			
Health:			
Supplement of local health department	\$ 412,362	\$ 388,962	\$ 23,400
Mental health and mental retardation:			
Chapter X board	\$ 170,316	\$ 170,316	\$ -
Welfare:			
Social services	\$ 3,090,861	\$ 2,836,063	\$ 254,798
Institutional care	79,554	74,394	5,160
Comprehensive services act	1,882,449	1,464,441	418,008
Total welfare	<u>\$ 5,052,864</u>	<u>\$ 4,374,898</u>	<u>\$ 677,966</u>
Total health and welfare	<u>\$ 5,635,542</u>	<u>\$ 4,934,176</u>	<u>\$ 701,366</u>
Education:			
Community colleges	\$ 42,423	\$ 42,423	\$ -

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units

Schedule of Expenditures -- Budget and Actual

Year Ended June 30, 2001 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Parks, recreation and cultural:			
Parks and recreation			
Parks and recreation	\$ 1,489,644	\$ 1,319,498	\$ 170,146
Library:			
Public library	\$ 1,412,067	1,320,793	\$ 91,274
Total parks, recreation and cultural	\$ 2,901,711	\$ 2,640,291	\$ 261,420
Community development:			
Planning and community development:			
Community development	\$ 1,420,009	\$ 1,341,056	\$ 78,953
Planning	116,901	112,681	4,220
Economic development	229,848	215,888	13,960
Contributions to community organizations	582,676	565,124	17,552
Agriculture development	82,388	79,766	2,622
Disability service board	10,250	3,678	6,572
Total planning and community development	\$ 2,442,072	\$ 2,318,193	\$ 123,879
Environmental management:			
Soil and water conservation district	\$ 210,640	\$ 210,640	\$ -
Cooperative extension program:			
VPI extension	\$ 135,428	\$ 122,570	\$ 12,858
Johnsongrass office	8	1	7
Total cooperative extension program	\$ 135,436	\$ 122,571	\$ 12,865
Total community development	\$ 2,788,148	\$ 2,651,404	\$ 136,744
Capital projects:			
Hospital hill	\$ 117,135	\$ 109,323	\$ 7,812
Nondepartmental:			
Nondepartmental operations	\$ 1,817,979	\$ 187,107	\$ 1,630,872
Debt service on capital lease:			
Principal retired	\$ 335,273	\$ 335,273	\$ -
Interest and fiscal charges	131,073	131,073	-
Total debt service	\$ 466,346	\$ 466,346	\$ -
Total General Fund	\$ 33,973,428	\$ 30,844,046	\$ 3,129,382
Special Revenue Funds:			
Joint Dispatch Fund:			
Public safety:			
Other protection:			
Emergency operations center	\$ 995,781	\$ 941,720	\$ 54,061
Total Joint Dispatch Fund	\$ 995,781	\$ 941,720	\$ 54,061

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units
 Schedule of Expenditures -- Budget and Actual
 Year Ended June 30, 2001 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Fire and Rescue Fund:			
Contribution to fire and rescue associations	\$ 1,722,402	\$ 1,621,909	\$ 100,493
Rescue services	732,965	697,310	35,655
Total Fire and Rescue Fund	<u>\$ 2,455,367</u>	<u>\$ 2,319,219</u>	<u>\$ 136,148</u>
Total Special Revenue Funds	<u>\$ 3,451,148</u>	<u>\$ 3,260,939</u>	<u>\$ 190,209</u>
Capital Improvement Projects Fund:			
Capital Outlay:			
General government administration:			
General government	\$ 348,305	\$ 79,262	\$ 269,043
Judicial administration	181,211	3,347	177,864
Public safety	349,842	399,705	(49,863)
Public works	830,000	16,009	813,991
Health and welfare	4,627	4,301	326
Education	579,691	91,570	488,121
Parks, recreation, and cultural	1	-	1
Community development	374,679	98,805	275,874
Total general government administration	<u>\$ 2,668,356</u>	<u>\$ 692,999</u>	<u>\$ 1,975,357</u>
Public Safety			
Radio safety	\$ 1,360,740	\$ 77,167	\$ 1,283,573
Detention center	187,024	29,830	157,194
Fire and rescue	192,000	-	192,000
Computer aid dispatch center	263,185	101,098	162,087
Total public safety	<u>\$ 2,002,949</u>	<u>\$ 208,095</u>	<u>\$ 1,794,854</u>
Public Works:			
Comprehensive maintenance plan	\$ 907,005	\$ 654,851	\$ 252,154
Warren green building	1,500,000	-	1,500,000
John marshall building	39,170	39,170	-
John barton payne building	1	-	1
Main library	10,173	4,000	6,173
Old jail museum	400	-	400
Warrenton community center	284,492	18,332	266,160
Capital Outlay:			
Judicial center	\$ 2,262	\$ -	\$ 2,262
Courthouse maintenance fund	60,022	2,547	57,475
John marshall branch library	146,122	96,358	49,764
Solid waste convenience site	70,000	11,420	58,580
Total public works	<u>\$ 3,019,647</u>	<u>\$ 826,678</u>	<u>\$ 2,192,969</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units

Schedule of Expenditures -- Budget and Actual

Year Ended June 30, 2001 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Capital outlay: (continued)			
Education:			
Modular house for vocational education	\$ 44,274	\$ 8,798	\$ 35,476
Food service equipment	50,000	49,259	741
Liberty high school(air quality)	1,229,187	95,764	1,133,423
Schools non-reoccurring projects	615,466	494,092	121,374
Motor vehicles and equipment	347,513	345,870	1,643
Asbestos abatement	75,514	75,514	-
School technology	345,256	317,582	27,674
School repairs and maintenance projects	23,238	-	23,238
School roof maintenance	314,323	276,551	37,772
School hvac/paving maintenance	227,717	62,368	165,349
Total education	\$ 3,272,488	\$ 1,725,798	\$ 1,546,690
Parks and Recreation:			
Monroe park	\$ 44,300	\$ 12,477	\$ 31,823
Vint hill farm station park	183,043	3,174	179,869
Marshall community center	147,996	23,113	124,883
Rady park	83,000	-	83,000
Outside court maintenance	26,690	-	26,690
Ballfield maintenance	-	-	-
Central storage	75,600	1,150	74,450
Recreational parks	51,146	13,835	37,311
Corral farm ballfield construction	5,528	5,528	-
Park planning	9,704	-	9,704
Total parks, recreational	\$ 627,007	\$ 59,277	\$ 567,730
Cultural:			
Bealeton library expansion	\$ 51,975	\$ 1,790	\$ 50,185
Total parks, recreational and cultural	\$ 678,982	\$ 61,067	\$ 617,915
Capital Outlay:			
Community development:			
Affordable housing block grant(botha)	\$ 484,384	\$ 29,710	\$ 454,674
Master sewer plan	-	-	-
Subdivision improvement	-	-	-
Total community development	\$ 484,384	\$ 29,710	\$ 454,674
Total Capital Outlay	\$ 12,126,806	\$ 3,544,347	\$ 8,582,459

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units
 Schedule of Expenditures -- Budget and Actual
 Year Ended June 30, 2001 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Capital outlay: (continued)			
Capital Projects:			
Education:			
Northwestern elementary school	\$ 1,768,068	\$ -	\$ 1,768,068
Marshall middle school	5,674,877	428,512	5,246,365
Fauquier high school	140,412	13,673	126,739
Brumfield elementary school	1,409,479	1,328,376	81,103
Cedar lee middle school	51,356	(2,994)	54,350
Total education	<u>\$ 9,044,192</u>	<u>\$ 1,767,567</u>	<u>\$ 7,276,625</u>
Total Capital Projects	<u>\$ 9,044,192</u>	<u>\$ 1,767,567</u>	<u>7,276,625</u>
Park, recreation, and cultural:	<u>\$ 3,495,350</u>	<u>\$ 478,785</u>	<u>3,016,565</u>
Total Capital Improvement Projects Fund	<u><u>\$ 24,666,348</u></u>	<u><u>\$ 5,790,699</u></u>	<u><u>\$ 18,875,649</u></u>
Utility Fund:			
Public works:			
Paris water system	\$ 205,236	\$ 5,950	\$ 199,286
Rt. 28 sewer system	1,698,729	1,384	1,697,345
Master sewer plan	-	1,479	(1,479)
New baltimore sewer project	3,099,388	418,279	2,681,109
Auburn dam	2,201,699	96,405	2,105,294
Subdivision impoundment	101,690	32,238	69,452
Frytown project	9,422	9,422	-
Total Utility Projects	<u>\$ 7,316,164</u>	<u>\$ 565,157</u>	<u>\$ 6,751,007</u>
Grand Total Expenditures -- Primary Government	<u><u>\$ 69,407,088</u></u>	<u><u>\$ 40,460,841</u></u>	<u><u>\$ 28,946,247</u></u>
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Education:			
Instruction	\$ 55,078,321	\$ 53,937,156	\$ 1,141,165
Administration, attendance and health	3,003,608	2,846,199	157,409
Pupil transportation services	4,130,752	3,800,363	330,389
Operation and maintenance services	5,483,603	5,436,764	46,839
Total education	<u>\$ 67,696,284</u>	<u>\$ 66,020,482</u>	<u>\$ 1,675,802</u>
Debt Service:			
Principal retirement	\$ 3,487,500	\$ 3,487,500	-
Interest and other debt costs	2,343,131	2,334,298	8,833
Total debt service	<u>\$ 5,830,631</u>	<u>\$ 5,821,798</u>	<u>\$ 8,833</u>
Total School Operating Fund	<u><u>\$ 73,526,915</u></u>	<u><u>\$ 71,842,280</u></u>	<u><u>\$ 1,684,635</u></u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units

Schedule of Expenditures -- Budget and Actual

Year Ended June 30, 2001 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Component Unit -- School Board (Continued):			
Special Revenue Funds (Continued):			
School Operating Fund (Continued):			
School Cafeteria Fund:			
Education:			
School food services	\$ 2,676,532	\$ 2,664,231	\$ 12,301
Grand Total Expenditures -- Component Unit -- School Board	\$ 76,203,447	\$ 74,506,511	\$ 1,696,936
Grand Total Expenditures -- Reporting Entity	\$ 145,610,535	\$ 114,967,352	\$ 30,643,183

Schedule of the Treasurer's Accountability

At June 30, 2001

Assets held by the Treasurer:

Cash on hand	\$ 1,000
Cash in banks:	
Checking:	
The Fauquier Bank	21,554,450
Farmers and Merchants - Peoples	28,105
Savings	
First Virginia Bank	18,135
Money Market Accounts:	
The Fauquier Bank	64,262
Marshall National Bank	198,826
State Bank of Remington	377,521
Farmers and Merchants - Peoples	185,296
Sun Trust	31,204
Wachovia	1,947
Southern Financial Bank	13,700

Investments:

Investment Account	6,943,669
Virginia State Non-Arbitrage Program	5,365,151
Local Government Investment Pool	11,575,920
Virginia Recourse Authority	3,056,795
Length of Service Award	1,526,972
Total Assets	<u>\$ 50,942,953</u>

Liabilities of the Treasurer:

Balance of County Funds(Schedule 4)	\$ 50,890,925
Amount due to Commonwealth of Virginia	11,245
Other Credits	<u>40,783</u>
Total Liabilities	<u>\$ 50,942,953</u>

COUNTY OF FAUQUIER, VIRGINIA

**Schedule of the Treasurer's Accountability to the County
All County Funds and Component Unit
For the Year Ended June 30, 2001**

	Governmental Funds			Proprietary
	General	Special Revenue	Capital Projects	Enterprise
Balance July 1, 2000	\$ 18,851,180	\$ 469,447	\$ 15,747,243	\$ 444,502
Receipts (net):				
General property taxes	\$ 56,516,278	\$ 2,555,399	\$ -	\$ -
Other local taxes	10,101,599	818,768	-	-
Permits, privilege fees and regulatory licenses	1,130,335	-	-	-
Fines and forfeitures	362,610	-	-	-
Revenue from use of money and property	2,910,337	-	686	85,641
Contribution for beneficiary	-	-	-	-
Charges for services	525,814	-	399,750	2,367,744
Miscellaneous	5,393	-	85,480	48,977
Recovered costs	125,451	2,870	-	-
Intergovernmental	15,761,404	133,110	-	-
Other financing sources	-	-	3,075,000	-
Total receipts	\$ 87,439,221	\$ 3,510,147	\$ 3,560,916	\$ 2,502,362
Total receipts and balance	\$ 106,290,401	\$ 3,979,594	\$ 19,308,159	\$ 2,946,864
Disbursements (net):				
Warrants (checks) issued	\$ 30,642,677	\$ 3,357,010	\$ 8,179,058	\$ 2,451,052
Retirement of indebtedness	335,273	-	-	260,000
Interest and fiscal charges	131,073	-	-	153,591
Total disbursements	\$ 31,109,023	\$ 3,357,010	\$ 8,179,058	\$ 2,864,643
Interfund transfers:				
Transfers in	\$ 8,392	\$ 125,745	\$ 16,710,256	\$ 223,145
Transfers out	53,388,236	192,000	4,191,776	-
Balance, June 30, 2001	\$ 21,801,534	\$ 556,329	\$ 23,647,581	\$ 305,366

Schedule 4

<u>Funds</u>	<u>Fiduciary</u>	<u>Pension</u>	<u>Component</u>	<u>Total</u>
<u>Internal</u>	<u>Funds</u>	<u>Fund</u>	<u>Unit</u>	<u>"Memorandum</u>
<u>Service</u>	<u>Trust &</u>	<u>Length of</u>	<u>School</u>	<u>Only"</u>
	<u>Agency</u>	<u>Service</u>	<u>Board</u>	
\$ 2,492,731	\$ 498,540	\$ 1,413,493	\$ 175,978	\$ 40,093,114
\$ -	\$ -	\$ -	\$ -	\$ 59,071,677
-	-	-	-	10,920,367
-	-	-	-	1,130,335
-	-	-	-	362,610
-	11,709	46,243	39,576	3,094,192
		429,476		429,476
8,369,392	512,609	-	2,178,993	14,354,302
7,152	39,801	-	322,493	509,296
-	-	-	-	128,321
-	-	-	26,841,190	42,735,704
-	-	-	3,500,000	6,575,000
\$ 8,376,544	\$ 564,119	475,719	\$ 32,882,252	\$ 139,311,280
\$ 10,869,275	\$ 1,062,659	\$ 1,889,212	\$ 33,058,230	\$ 179,404,394
\$ 8,501,918	\$ 615,529	362,240	\$ 67,702,250	\$ 121,811,734
-	-	-	3,487,500	4,082,773
-	-	-	2,334,298	2,618,962
\$ 8,501,918	\$ 615,529	\$ 362,240	\$ 73,524,048	\$ 128,513,469
\$ 7,328	\$ 1,500	-	\$ 46,180,875	\$ 63,257,241
-	-	-	5,485,229	63,257,241
\$ 2,374,685	\$ 448,630	\$ 1,526,972	\$ 229,828	\$ 50,890,925

Schedule of the Treasurer's Accountability to the Commonwealth
For the Year Ended June 30, 2001

	<u>Balance July 1, 2000</u>	<u>Collections</u>	<u>Remittances</u>	<u>Balance June 30, 2001</u>
2001 Taxes:				
Estimated income taxes	\$ -	\$ 4,843,736	\$ 4,842,956	\$ 780
2000 Taxes:				
Taxable year income taxes	-	4,560,393	4,554,587	5,806
Estimated income taxes	-	7,674,267	7,674,267	-
1999 Taxes:				
Taxable year income taxes	-	574,229	574,229	-
Other Collections:				
Penalty	-	4,150	4,150	-
Interest	-	823	823	-
Share of fees of sheriff and deputies	(6,995)	63,884	60,459	(3,570)
Total	\$ <u>(6,995)</u>	\$ <u>17,721,482</u>	\$ <u>17,711,471</u>	\$ <u>3,016</u>

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

COUNTY OF FAUQUIER, VIRGINIA

Government Expenditures by Function(1)
Last Ten Fiscal Years

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare		Education		Recreation and Cultural		Community Development	Debt Service	Total
					Welfare	Education	Education	Cultural					
1991-92	\$ 3,264,804	\$ 883,435	\$ 4,999,490	\$ 990,293	\$ 2,449,113	\$ 43,390,849	\$ 1,467,637	\$ 1,113,988	\$ 3,957,162	\$ 62,516,771			
1992-93	3,336,681	876,865	4,878,359	1,440,581	2,544,881	44,395,046	1,417,448	1,497,886	4,944,684	65,332,431			
1993-94	3,787,665	910,145	5,293,874	1,624,721	2,814,113	46,061,151	1,536,063	1,618,601	5,802,071	69,448,404			
1994-95	3,347,351	980,382	7,095,895	1,837,059	3,150,622	50,848,284	1,673,107	1,957,757	6,107,034	76,997,491			
1995-96	4,448,074	1,035,026	8,223,415	5,573,828	3,622,004	48,023,722	1,767,245	2,073,464	6,091,387	80,858,165			
1996-97	8,898,098	1,668,656	10,042,660	5,690,852	4,551,422	59,600,276	2,290,625	2,448,128	5,755,858	100,946,575			
1997-98	6,067,510	1,469,555	10,213,570	7,618,067	5,078,681	69,742,125	2,450,153	2,316,044	7,011,362	111,967,067			
1998-99	6,214,760	3,880,197	9,759,807	3,581,874	4,748,294	67,840,728	2,396,011	2,717,354	7,646,523	108,785,548			
1999-2000	6,875,901	2,132,796	11,217,942	3,808,739	4,721,916	74,462,071	2,657,226	3,750,168	6,157,359	115,784,118			
2000-01	7,299,575	1,925,457	11,112,953	5,380,379	4,934,176	72,220,501	3,180,143	2,681,114	6,288,144	115,022,442			

(1) Includes the General Fund, the Capital Projects Fund and Special Revenue Funds of the Primary Government and the Discretely Presented Component Unit - School Board

COUNTY OF FAUQUIER, VIRGINIA

Table 2

Government Revenues by Source(1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Revenues from the Use of Money & Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
1991-92	\$ 37,202,099	\$ 6,595,335	\$ 456,613	\$ 61,665	\$ 629,862	\$ 2,135,821	\$ 827,857	\$ 384,823	\$ 18,504,967	\$ 66,799,042
1992-93	39,603,352	6,286,132	393,613	130,103	620,588	2,068,769	347,404	80,699	18,668,754	68,199,414
1993-94	43,016,486	6,880,131	437,690	147,400	889,244	2,530,523	377,114	663,786	19,327,976	74,270,350
1994-95	48,029,231	7,374,936	589,711	147,975	1,633,286	2,418,307	183,482	379,367	23,171,823	83,928,118
1995-96	49,650,697	7,663,235	492,519	121,389	1,725,383	2,179,034	1,181,682	155,276	23,672,366	86,841,581
1996-97	52,049,159	8,025,062	558,902	143,723	2,038,219	2,529,450	297,392	281,147	26,500,922	92,423,976
1997-98	73,184,354	8,562,552	564,316	171,262	2,599,301	4,215,626	274,989	171,303	27,814,462	117,558,165
1998-99	58,383,735	9,390,568	712,816	201,123	2,130,997	2,940,675	147,393	538,695	32,999,092	107,445,094
1999-2000	57,588,606	10,150,934	739,401	259,781	2,382,840	2,769,062	103,957	853,977	37,038,087	111,886,645
2000-01	59,071,677	10,920,367	1,130,335	362,610	2,950,599	3,104,557	388,978	157,924	42,737,374	120,824,421

(1) Includes the General Fund, the Capital Projects Fund, Trust Funds and Special Revenue Funds of the Primary Government and the Discretely Presented Component Unit - School Board
Revenue does not include proceeds from indebtedness or fiduciary funds.

COUNTY OF FAUQUIER, VIRGINIA

Table 3

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total(1) Tax Levy	Current Tax(1) Collections	Percentage of Levy Collected	Delinquent(1) Tax(2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding(1) Delinquent(3) Taxes	Percent of Delinquent Taxes to Tax Levy
1991-92	\$ 37,515,586	\$ 34,988,407	93.26%	\$ 1,082,529	\$ 36,070,936	96.15%	\$ 4,418,739	11.78%
1992-93	39,486,468	36,907,864	93.47%	1,618,156	38,526,020	97.57%	4,925,857	12.47%
1993-94	42,166,153	40,074,085	95.04%	1,966,571	42,040,656	99.70%	4,397,492	10.43%
1994-95	46,297,895	43,520,809	94.00%	2,004,527	45,525,336	98.33%	2,627,735	5.68%
1995-96	47,580,344	45,105,097	94.80%	1,461,059	46,566,156	97.87%	2,927,028	6.15%
1996-97	51,745,756	49,475,390	95.61%	1,616,170	51,091,560	98.74%	2,205,998	4.26%
1997-98 (4)	72,647,034	69,456,067	95.61%	1,666,145	71,122,212	97.90%	3,330,854	4.58%
1998-99	56,612,254	55,294,787	97.67%	1,812,388	57,107,175	100.87%	3,130,424	5.53%
1999-2000	61,185,988	60,527,627	98.92%	1,696,797	62,224,424	101.70%	3,353,139	5.48%
2000-01	63,854,161	62,009,789	97.11%	2,050,333	64,060,122	100.32%	3,292,855	5.16%

Include General Fund and Special Revenue Fund

Source: Fauquier County Treasurer

- (1) Exclusive of penalties.
- (2) Does not include land redemptions.
- (3) Includes all delinquent years' taxes
- (4) Includes effect of change to twice yearly billing cycle.

COUNTY OF FAUQUIER, VIRGINIA

Table 4

Assessed Value of All Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Airplane	Mobile Homes	Machinery and Tools	Public Service	Handicapped Equipment	Camper Trailers	Fire & Rescue	Total
1991-92	\$ 3,112,929,825	\$ 207,661,484	\$ 1,761,325	\$ 5,402,293	\$ 13,760,045	\$ 119,289,578	\$ -	\$ -	\$ -	\$ 3,460,804,550
1992-93	3,172,703,130	204,244,507	1,861,830	5,521,339	10,030,443	121,997,262	-	-	-	3,516,358,511
1993-94	3,203,089,889	205,822,817	2,141,750	5,310,872	8,745,079	137,752,001	-	-	-	3,562,862,408
1994-95	3,326,023,307	225,348,686	2,199,898	4,511,633	7,718,678	168,355,738	-	-	-	3,734,157,940
1995-96	3,379,288,221	265,044,520	2,367,444	4,812,375	6,157,665	168,080,556	-	-	-	3,825,750,781
1996-97	3,428,662,770	311,006,694	2,388,816	4,812,419	5,042,614	159,429,091	514,500	2,417,631	-	3,914,274,535
1997-98	3,580,410,049	318,172,142	2,820,795	4,747,942	6,833,515	161,304,562	661,840	3,304,376	1,215,464	4,078,255,221
1998-99	3,667,585,036	335,750,838	3,183,817	3,938,111	7,417,720	182,512,529	861,420	3,702,994	1,401,108	4,204,952,465
1999-2000	3,763,470,235	371,110,903	3,306,095	4,612,434	7,292,514	181,193,023	623,700	4,196,246	1,718,120	4,337,523,270
2000-01	3,959,582,800	420,854,436	4,760,347	5,014,093	7,743,026	224,191,709	566,080	5,360,009	1,830,104	4,629,902,604

Assessed value approximates market or actual value
Source: Fauquier County Commissioner of the Revenue

COUNTY OF FAUQUIER, VIRGINIA

Table 5

Property Tax Rates
Last Ten Years

Fiscal Year	Real Estate	Personal Property	Airplanes	Machinery and Tools	Handicapped Equipment	Camper Trailers	Fire & Rescue
1992-93	\$ 0.93	\$ 4.20	\$ 1.50	\$ 4.20	\$ -	\$ -	-
1993-94	0.98	4.50	1.50	4.50	-	-	-
1994-95	1.03	4.90	1.50	4.90	-	-	-
1995-96	1.03	4.80	1.50	4.80	-	-	-
1996-97	1.03	4.70	1.50	4.70	0.05	1.50	-
1997-98	1.03	4.65	0.60	4.65	0.05	1.50	0.25
1998-99	1.06	4.65	0.60	4.65	0.05	1.50	0.25
1999-2000	1.06	4.65	0.60	4.65	0.05	1.50	0.25
2000-01	1.06	4.65	0.60	4.65	0.05	1.50	0.25

Source: Fauquier County Department of Finance

Notes: All years assessed at fair market value.
Rates per \$100 of assessed value

Table 6

COUNTY OF FAUQUIER, VIRGINIA

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Year	Population(1)	Value(2)	Gross Debt(3)	Ratio of Net General Obligation Debt to Value	Net Bonded Capita
1991-92	48,860	\$ 3,460,804,550	33,610,000	0.0097	688
1992-93	49,800	3,516,361,511	47,122,500	0.0134	946
1993-94	50,700	3,562,862,408	44,470,000	0.0125	877
1994-95	51,200	3,734,157,940	41,472,500	0.0111	810
1995-96	51,600	3,826,611,553	38,197,500	0.0100	740
1996-97	51,900	3,979,088,363	42,684,760	0.0107	822
1997-98	52,900	3,580,410,049	43,687,500	0.0122	826
1998-99	53,500	3,667,585,036	40,237,500	0.0110	752
1999-2000	54,600	3,763,470,235	40,372,500	0.0107	739
2000-01	55,139	3,959,532,800	41,460,000	0.0105	752

(1) Weldon Cooper Center for Public Service

(2) From Table 4

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans. Excludes revenue bonds, capital leases, early retirement obligations and compensated absences.

COUNTY OF FAUQUIER, VIRGINIA

Table 7

**Ratio of Debt Service to Total Government Expenditures
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Expenditures</u>	<u>Debt Service</u>	<u>Ratio</u>
1991-92	\$ 62,516,771	\$ 3,957,162	6.33%
1992-93	65,332,431	4,944,684	7.57%
1993-94	69,448,404	5,802,071	8.35%
1994-95	76,997,491	6,107,034	7.93%
1995-96	80,858,165	6,091,387	7.53%
1996-97	100,946,575	5,755,858	5.70%
1997-98	111,967,067	7,011,362	6.26%
1998-99	108,785,548	7,646,523	7.03%
1999-2000	115,784,118	6,157,359	5.32%
2000-01	115,022,442	6,288,144	5.47%

Includes All Funds of Primary Government and Discretely Presented
Component Unit (School Board)

Table 8

COUNTY OF FAUQUIER, VIRGINIA

REVENUE BOND COVERAGE
LAST EIGHT FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993 - 94	\$ 1,726,791	\$ 951,456	\$ 775,335	\$ 200,000	\$ 242,758	\$ 442,758	1.75
1994 - 95	2,148,907	1,145,770	1,003,137	205,000	237,158	442,158	2.27
1995 - 96	2,222,253	2,349,183	(126,930)	210,000	229,778	439,778	(0.29)
1996 - 97	2,180,429	2,153,232	27,197	220,000	221,378	441,378	0.06
1997 - 98	2,072,559	1,815,234	257,325	230,000	212,028	442,028	0.58
1998 - 99	2,060,005	1,733,099	326,906	240,000	201,793	441,793	0.74
1999-2000	2,212,272	1,873,800	338,472	250,000	190,633	440,633	0.77
2000-01	2,734,054	2,698,983	35,071	260,000	153,591	413,591	0.08

Bonds were issued in 1993

Gross revenue includes both operating and non-operating revenues

Table 9

COUNTY OF FAUQUIER, VIRGINIA

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

<u>Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1991-92	48,860	8,307	4.80%
1992-93	49,800	8,446	5.20%
1993-94	50,700	8,478	3.30%
1994-95	51,200	8,660	3.30%
1995-96	51,600	8,888	3.20%
1996-97	51,900	9,030	2.20%
1997-98	52,900	9,176	1.14%
1998-99	53,500	9,269	2.00%
1999-2000	54,600	9,588	1.00%
2000-01	55,139	9,623	1.00%

Sources: Weldon Cooper Center for Public Service
Fauquier County Schools

COUNTY OF FAUQUIER, VIRGINIA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Table 10

Year	Residential Construction		Commercial Construction		Miscellaneous Construction		Bank Deposits		Real Property Value		
	Permits	Valuation	Permits	Valuation	Permits	Valuation	Deposits	Residential	Commercial	Agriculture	Non-Taxable
1991-92	751	35,290,779	52	25,505,175	264	1,209,550	341,083,431	2,094,741,430	295,772,580	785,525,150	281,230,500
1992-93	787	40,883,822	66	1,827,332	221	976,600	368,648,743	2,106,242,550	31,698,540	785,857,290	283,181,000
1993-94	883	43,536,530	56	2,266,690	285	1,103,320	382,973,636	2,231,833,500	314,291,500	780,814,800	323,257,100
1994-95	936	43,108,067	65	2,455,884	350	1,326,446	397,537,418	2,275,945,100	329,053,300	774,313,700	330,210,100
1995-96	926	46,485,601	75	6,230,169	311	1,195,436	497,734,767	2,325,702,500	335,412,500	767,889,700	338,177,800
1996-97	900	54,648,607	83	7,274,205	403	1,927,505	592,624,595	2,370,193,400	342,954,200	762,746,800	347,251,700
1997-98	1,053	74,999,145	88	2,981,452	322	1,645,614	671,125,209	2,504,060,000	366,663,900	791,832,300	356,595,900
1998-99	1,186	81,599,656	115	23,668,418	283	1,479,231	742,903,332	2,575,571,000	370,544,400	804,429,800	363,892,100
1999-2000	1,215	91,718,862	99	3,648,699	354	1,474,250	788,298,114	2,656,247,900	387,275,800	808,032,100	371,632,000
2000-01	1,477	#####	114	26,461,134	316	1,501,962	830,162,002	2,751,109,100	392,858,900	815,564,800	394,813,400

Sources: Fauquier County Commissioner of the Revenue
Fauquier County Department of Community Development

COUNTY OF FAUQUIER, VIRGINIA

Table 11

PRINCIPAL TAXPAYERS
June 30, 2001

TAXPAYER/ TYPE OF BUSINESS	2001 Assessed Valuation	% of Total Assessed Valuation
Virginia Electric & Power Company Utilities	\$ 215,597,208	5.01%
Verizon - Virginia, Inc. Utilities	47,074,998	1.09%
Jefferson Associates LP Shopping Centers	23,107,000	0.54%
Northern Virginia Electric Co-op Utilities	17,191,712	0.40%
Oak Springs Farm Farm	12,986,400	0.30%
Rappahannock Electric Co-op Utilities	11,607,492	0.27%
Colonial Pipeline Company Utilities	10,259,842	0.24%
Norfolk Southern Railway Company Utilities	10,083,245	0.23%
Warrenton Development Company Shopping Center	9,613,500	0.22%
Wal-mart Real Estate Business Shopping Center	8,185,400	0.19%
Total	\$ 365,706,797	8.50%

Source: Fauquier County Commissioner of the Revenue

COUNTY OF FAUQUIER, VIRGINIA

Table 12

**Miscellaneous Statistics
At June 30, 2001**

Date of Organization	1759
Form of Government	Five member Board of Supervisors County Administrator
Area (square miles)	660
Public Safety	Fire and Rescue Companies 13 Career Firefighters 9 Volunteer Firefighters 467 Sheriff's Office employees 109
Education	Schools 17 Number of Students 9,623
Recreation and Culture	Number of Parks and Recreation Facilities 22 Number of Libraries 3 Number of Volumes 139,609
Employees at June 30	General Government (excludes Sheriff) 499 School Division (includes teachers) 1,447

County of Fauquier, Virginia
Statement of Net Assets
June 30, 2001

Table 13

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 49,916,186	\$ 305,366	\$ 50,221,552	\$ 231,178
Prepaid Expenses	45,911	68,750	114,661	
Receivables(net)	28,551,785	362,629	28,914,414	1,587,272
Due from primary government	-	-	-	6,641,138
Inventories	151,760		151,760	
Bond insurance cost, net	-	48,651	48,651	
Security deposit	5,380		5,380	
Others	-		-	
Capital assets.net	20,537,144	10,666,732	31,203,876	77,207,619
Amount to be provided for long-term	-		-	-
Total assets	99,208,166	11,452,128	110,660,294	85,667,207
LIABILITIES				
Accounts Payable	2,426,765	46,000	2,472,765	8,360,172
Deferred revenue	23,806,050		23,806,050	
Due to component unit	6,641,138		6,641,138	
Interfund Payable	-	750,000	750,000	
Landfill closure and postclosure costs	-	3,429,503	3,429,503	
Other	-		-	
Long-term liabilities	-		-	
Due within one year	-		-	
Due in more than one year	7,996,697	3,087,740	11,084,437	3,717,750
Total liabilities	40,870,650	7,313,243	48,183,893	12,077,922
NET ASSETS				
Invested in capital assets, net of related debt	(23,318,311)	7,601,732	(15,716,579)	77,207,619
Restricted for:				
Capital project	24,159,467	-	24,159,467	
Debt service	-	-	-	
Community development projects	-	-	-	
Other purpose	1,526,972	-	1,526,972	
Unrestricted (deficit)	55,969,388	(3,462,847)	52,506,541	(3,618,334)
Total net asset	\$ 58,337,516	\$ 4,138,885	\$ 62,476,401	\$ 73,589,285

Functions/Programs	Net(Expenses) Revenue and Changes in Net Assets										Component Unit		
	Program Revenue					Primary Government							
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Types Activities	Total					
Primary Government:													
Governmental Activities:													
General Government	\$ 6,704,627	\$ 17,967	\$ 1,267,442	\$ -	\$ (5,419,218)	\$ (5,419,218)	\$ -	\$ (5,419,218)	\$ -	\$ (121,714)	\$ (5,419,218)	\$ -	
Judicial administration	1,925,457	579,028	1,224,715		(121,714)	(121,714)		(121,714)		(7,981,471)	(7,981,471)		
Public Safety	11,242,201	108,919	3,108,334	43,477	(7,981,471)	(7,981,471)		(7,981,471)		(5,632,413)	(5,632,413)		
Public works	5,632,413				(1,840,840)	(1,840,840)		(1,840,840)		(2,695,576)	(2,695,576)		
Health and welfare	4,953,563	3,764	3,108,959		(1,566,265)	(1,566,265)		(1,566,265)		(185,039)	(185,039)		
Culture and recreation	3,277,079	293,131	288,372		(3,110,573)	(3,110,573)		(3,110,573)		(46,223,298)	(46,223,298)		
Community development	2,706,964	1,140,699			(335,273)	(335,273)		(335,273)					
Non-departmental	187,107	2,068											
Capital projects	3,602,688	490,445	1,670										
Education	46,223,298												
Interest on long-term debt	335,273												
Principal retirement													
Total governmental activities	<u>86,790,670</u>	<u>2,636,021</u>	<u>8,999,492</u>	<u>43,477</u>	<u>(75,111,680)</u>	<u>(75,111,680)</u>		<u>(75,111,680)</u>					
Business-type activities:													
Landfill	2,864,133	2,367,744	293,051	860,285	(203,338)	(203,338)		(203,338)		783,178	783,178		
Airport	77,107				783,178	783,178		783,178					
Total business-type activities	<u>2,941,240</u>	<u>2,367,744</u>	<u>293,051</u>	<u>860,285</u>	<u>(203,338)</u>	<u>(203,338)</u>		<u>(203,338)</u>		<u>783,178</u>	<u>783,178</u>		
Total primary government	<u>\$ 89,731,910</u>	<u>\$ 5,003,765</u>	<u>\$ 9,292,543</u>	<u>\$ 43,477</u>	<u>\$ (75,111,680)</u>	<u>\$ (75,111,680)</u>		<u>\$ (75,111,680)</u>		<u>\$ 779,840</u>	<u>\$ 779,840</u>		
Component unit:													
Public school	75,026,924	2,260,548	25,381,311	1,459,879	(45,925,186)	(45,925,186)		(45,925,186)					
Total component unit	<u>\$ 75,026,924</u>	<u>\$ 2,260,548</u>	<u>\$ 25,381,311</u>	<u>\$ 1,459,879</u>	<u>\$ (45,925,186)</u>	<u>\$ (45,925,186)</u>		<u>\$ (45,925,186)</u>					
General revenues:													
Taxes													
Property taxes, levied for general purpose					73,472,206	73,472,206		73,472,206					
Property taxes, levied for special revenue purpose					3,374,167	3,374,167		3,374,167					
Payment to school system													
Grants and contributions not restricted to specific programs													
Investment earnings					2,910,337	2,910,337		2,910,337		85,641	2,995,978		39,576
Miscellaneous					5,393	5,393		5,393		48,976	54,369		322,493
Proceeds from debt issuance					3,075,000	3,075,000		3,075,000			3,075,000		4,575,000
Transfers					5,253,255	5,253,255		5,253,255		223,144	5,476,399		(5,485,229)
Total general revenues, special items, and transfers					<u>88,090,358</u>	<u>88,090,358</u>		<u>88,090,358</u>		<u>357,761</u>	<u>88,448,119</u>		<u>45,632,715</u>
Change in net assets					<u>12,978,678</u>	<u>12,978,678</u>		<u>12,978,678</u>		<u>937,601</u>	<u>13,916,279</u>		<u>(292,471)</u>
Net assets - beginning					<u>45,358,838</u>	<u>45,358,838</u>		<u>45,358,838</u>		<u>3,201,284</u>	<u>48,560,122</u>		<u>73,881,756</u>
Net assets - ending					<u>58,337,516</u>	<u>58,337,516</u>		<u>58,337,516</u>		<u>4,138,885</u>	<u>62,476,401</u>		<u>73,589,285</u>

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**TO THE BOARD OF SUPERVISORS
COUNTY OF FAUQUIER
WARRENTON, VIRGINIA**

We have audited the financial statements of the County of Fauquier, Virginia as of and for the year ended June 30, 2001, and have issued our report thereon dated September 24, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Fauquier, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Fauquier, Virginia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated September 24, 2001.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Jensen, Cox Associates
Charlottesville, Virginia
September 24, 2001

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO THE BOARD OF SUPERVISORS
COUNTY OF FAUQUIER
WARRENTON, VIRGINIA

Compliance

We have audited the compliance of the County of Fauquier, Virginia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The County of Fauquier, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Fauquier, Virginia's management. Our responsibility is to express an opinion on the County of Fauquier, Virginia's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Fauquier, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Fauquier, Virginia's compliance with those requirements.

In our opinion, the County of Fauquier, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of the County of Fauquier, Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Fauquier, Virginia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson Tammy A. Associates

Charlottesville, Virginia
September 24, 2001

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2001

<u>Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
<u>Primary Government:</u>		
<u>DEPARTMENT OF AGRICULTURE:</u>		
<u>Pass through payments:</u>		
Department of Social Services:		
Food Stamp Program	10.561	\$ 198,327
Total Department of Agriculture		\$ 198,327
<u>DEPARTMENT OF FEDERAL AVIATION ADMINISTRATION</u>		
<u>Direct payments:</u>		
Airport Improvement Program	20.106	\$ 695,782
<u>U. S. DEPARTMENT OF TRANSPORTATION / DEPARTMENT OF MOTOR VEHICLES:</u>		
<u>Pass through payments:</u>		
Alcohol Traffic Safety Incentive	20.601	\$ 29,639
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>		
<u>Pass through payments:</u>		
Virginia Department of Social Services:		
Foster Care - Title IV-E	93.658	\$ 68,204
Social services block grant	93.667	401,867
Child care development	93.596	156,213
Independent living	93.674	4,500
Medical assistance program	93.778	157,419
Child welfare services - state grants	93.645	15,644
Adoption assistance	93.659	27,614
Child care assistance	93.575	252,404
Low income home energy assistance	93.568	8,735
Temporary assistance to needy families	93.558	192,605
Refugee and entrant assistance - discretionary	93.566	425
Virginia Department of Education:		
Developmental disability grant	93.630	5,151
Total Department of Health and Human Services		\$ 1,290,781
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES/ NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITES</u>		
<u>Pass through payments:</u>		
The Library of Virginia:		
State library grant		\$ 19,147
<u>DEPARTMENT OF JUSTICE:</u>		
<u>Direct payments:</u>		
Cops grant	16.000	\$ 75,354
<u>Pass through payments:</u>		
Department of Criminal Justice Services:		
Crime victim assistance	16.575	7,863
Juvenile Justice and Delinquency Prevention	16.540	46,545
Juvenile Accountability Incentive Block Grant	16.523	5,786
Violence against women	16.588	40,814
Local law enforcement block grant	16.592	15,069
Police assisted community drug enforcement program	16.580	12,948
Total Department of Justice		\$ 204,379
Total Primary Government		\$ 2,438,055

COUNTY OF FAUQUIER, VIRGINIA

**Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2001 (continued)**

**Federal Granting Agency / Recipient State Agency/
Grant Program / Grant Number**

Component Unit - School Board:

DEPARTMENT OF AGRICULTURE:

Pass through payments:

Department of Agriculture and Consumer Services:

Food distribution * 10.555 \$ 163,565

Department of Education:

National school breakfast program 10.553 106,004

National school lunch program * 10.555 523,471

Total Department of Agriculture \$ 793,040

DEPARTMENT OF LABOR:

Direct payments:

ROTC Instruction 17.000 \$ 40,978

Pass Through Payments:

Department of Education:

School to work grant 17.249 132,858

Total Department of Labor \$ 173,836

DEPARTMENT OF EDUCATION:

Pass Through Payments:

Department of Education:

Education Consolidation and Improvement
Act of 1981:

Adult education state-administered program 84.002 \$ 33,978

Chapter I:

Financial assistance to meet special
educational needs of disadvantaged
children - programs operated by local
education agencies * 84.010 448,716

Elementary and secondary education act (ESEA):

Title VI-B * 84.027 1,151,612

Sliver grant 84.027 15,682

Title II-Education for economic security 84.281 22,672

Vocational Education:

Basic grants to states 84.048 102,409

Title VI 84.298 45,486

AP Grant 84.330 813

Goals 2000 84.276 127,650

Refugee school impact 93.576 2,111

Preschool incentive grant 84.173 71,935

Class size reduction grant 84.340 66,618

Drug free schools and communities 84.186 34,917

Total Department of Education \$ 2,124,599

Total Component Unit School Board \$ 3,091,475

Total Federal Assistance Reporting Entity \$ 5,529,530

* Denotes major program

COUNTY OF FAUQUIER, VIRGINIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2001

Section I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes X No
- Reportable conditions identified that are not considered to be material weaknesses? Yes X none reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes X No
- Reportable conditions identified that are not considered to be material weaknesses? Yes X No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

CDF.A Numbers Name of Federal Program or Cluster

84.027	Title VI-B
10.553	Nutrition Cluster - School Breakfast Program
10.555	Nutrition Cluster - National School Lunch Program
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

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.

