

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



YEAR ENDED JUNE 30, 1999

COUNTY OF FAUQUIER, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 1999

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, 1999

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, 1999, in accordance with Section 15.1-167 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 1999

Fauquier County lies on the fringe of the Northern Virginia suburbs of Washington, D.C. The County's economy remains primarily rural and agricultural. 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. Since 1993, the Army's presence has been phased out culminating with the final closure of the base in September 1997.

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 are its debts 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 1999.

The County encourages appropriate commercial development to bolster the non-residential tax base. For example, a Walmart was approved and opened in September of 1999. Virginia Power has begun construction of a peaking power plant that on completion will increase the yield of the real estate tax levy by approximately \$1 million.

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. This office is fully funded in the FY2000 budget.

Achievements and Initiatives

The budget document for Fiscal Year 1999 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 has received this award. The Comprehensive Annual Financial Report for Fiscal Year 1998 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA. This was the first time the County has received this award.

The County's Director of Information Resources has been tasked to perform a review of all systems with the potential for year 2000 related problems and to develop a plan of corrective action. Although the survey was not complete as of June 30, corrective actions were already underway. At June 30 the County's financial systems, including the general ledger, accounts payable and payroll subsystems, were year 2000 compliant.

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 16.06% 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

	FY1999	FY1998	Variance Increase/ (decrease)
Revenues, transfers & other financing sources	\$ 77,524,663	\$ 93,033,744	(15,509,081)
Expenditures, transfers & other financing sources	72,525,938	93,231,281	(20,705,343)
Fund balance, beginning	7,453,099	7,650,636	(197,537)
Fund balance, ending	\$ 12,451,824	\$ 7,453,099	4,998,725

General Government Operations

The County's governmental funds include the General Fund, Capital Projects Fund, Emergency Communications 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 1999. Prior year data is shown for comparison. The County's two largest sources of revenue are property taxes, constituting 54.3% of the total and intergovernmental revenue, constituting 30.7% of the total.

Governmental Fund Revenues

<u>Revenue Source</u>	<u>Total FY1999</u>	<u>Total FY1998</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
General Property Taxes	\$ 58,383,735	\$ 73,129,661	\$ (14,745,926)	(20.2%)
Other Local Taxes	9,390,568	8,562,552	828,016	9.7%
Licenses and Permits	712,816	564,316	148,500	26.3%
State	29,300,986	24,652,983	4,648,003	18.9%
Federal	3,698,106	3,214,713	483,393	15.0%
Charges for Service	2,940,675	4,215,626	(1,274,951)	(30.2%)
Fines and Forfeitures	201,123	171,262	29,861	17.4%
Use of Money & Property	2,130,997	2,599,301	(468,304)	(18.0%)
Debt Proceeds	0	3,500,000	(3,500,000)	(100%)
Miscellaneous	686,088	446,842	239,246	53.5%
Total	\$ 107,445,094	\$ 121,057,256	\$ (13,612,162)	(11.2%)

The revenue from general property taxes for fiscal year 1998 is significantly higher than that for fiscal year 1999 due to the one-time effect of changing from one annual installment for real estate taxes to two annual installments. On a budgetary basis, this required the County to recognize one and one-half years of revenue in one fiscal year. The one time increase in funds from the change in the tax collection was invested in capital assets for the County and other non-recurring expenditures. There was also a significant increase in revenue received from the State due to distributions of proceeds from the State lottery for purposes of supporting public education. Charges for service decreased as a result of accounting for Fleet Maintenance as an internal service fund in FY1999 and as a governmental fund in FY1998.

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 FY1999</u>	<u>Total FY1998</u>	<u>Increase/ (Decrease)</u>	<u>Per Cent Change</u>
General Government	\$ 5,407,255	\$ 5,269,839	\$ 142,190	2.7%
Judicial	1,523,758	1,458,343	65,415	4.5%
Administration				
Public Safety	9,547,134	9,925,310	(378,176)	(3.8%)
Public Works	3,581,874	7,618,067	(4,036,193)	(53.0%)
Health and Welfare	4,748,294	5,078,681	(330,387)	(6.5%)
Education	60,708,564	57,340,494	3,368,070	5.9%
Parks, Recreation, Cultural	2,280,290	2,179,182	101,108	4.6%
Community Development	2,704,620	2,278,195	426,425	18.7%
Capital Projects	10,586,426	13,807,594	(3,221,168)	(23.3%)
Debt Service	7,646,523	7,011,362	635,161	9.1%
Total	\$ 108,739,512	\$ 111,967,067	\$ (3,227,555)	(2.9%)

Increases over Fiscal Year 1998 were primarily in the areas of education, community development and debt service. The increase in education spending was the result of increases in the number of students and other increases in operating expenses. In addition to the increases in expenditures for the School Division, the County continued to make significant contributions towards the construction of Lord Fairfax Community College. The source of this funding was the Capital Projects Fund. Debt service increased due to increased borrowing to support school construction projects. Community development expenditures reflect the general increase in building activity in the County. Public safety expenditures decreased due to a reduction in prisoner boarding costs as a result of joining the regional jail.

The two largest direct expenditure areas are education, comprising 55.8% of the total, and public safety, comprising 8.8% of the total. Capital projects expenditures are primarily construction and renovation of school 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, Management and Budget, Information Resources and Support Services are accounted for as General

Fund agencies although approximately seventy percent 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 1999, the landfill had net income of \$120,090.

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 and other income. During Fiscal Year 1999, the airport had net income of \$141,362.

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 1999 the Health Insurance fund had a net loss of \$386,476, however, the fund equity remained positive at year end.

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 1999, the Fleet Maintenance Fund had net income of \$32,433.

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 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 "single A plus" from Standard and Poor's Corporation. 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, 1999 was \$46,862,500. Of this amount, \$3,575,000 is self-supporting and \$43,287,500 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, 1999, the amount of tax-supported debt service payments represented 7.1% of revenues.

The County issued no debt during Fiscal Year 1999. The School Board elected to use surplus operating funds identified at the end of the fiscal year to retire the debt to the Virginia Retirement System resulting from an early retirement program. This debt carried an interest rate significantly in excess of the market rates prevailing at year end.

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 State Code. 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, 1999, 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 Office of Management and Budget. 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, 1999 and for the fiscal year ended June 30, 1999 have been audited by Robinson, Farmer, Cox Associates, independent certified public accountants, as required by Section 15.1-167 of the *Code of Virginia*. The audit was conducted in accordance with general 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. 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



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to:

Fauquier County Department of Finance

Fauquier County, Virginia

The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

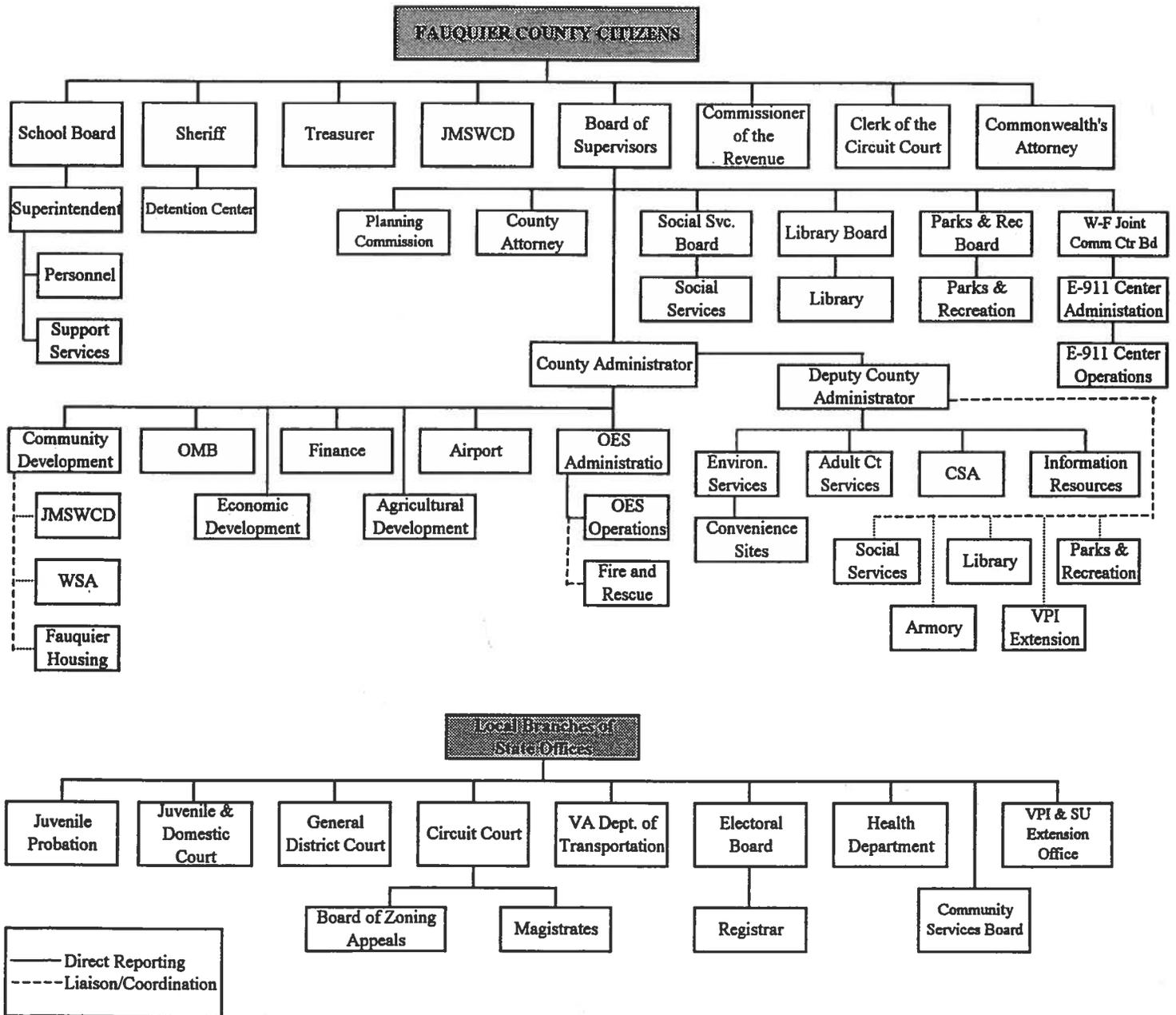
Executive Director

Jeffrey A. Ender

Date

May 28, 1999

FAUQUIER COUNTY ORGANIZATIONAL CHART



COUNTY OF FAUQUIER, VIRGINIA

BOARD OF SUPERVISORS

Larry L. Weeks, Chairman
Joseph Winkelmann, Vice-Chairman
James R. Green, Jr.
Wilbur W. Burton
David C. Mangum
G. Robert Lee, County Administrator

COUNTY SCHOOL BOARD

Mary Charles Ashby, Chairman
Ernest L. Gray, Vice-Chairman
Paul Asciola
Alice Jane Childs
John Williams
Shirley C. Frazier, Clerk

OTHER OFFICIALS

Judge of the Circuit Court William Shore Robertson
Clerk of the Circuit Court William D. Harris
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 Dallas Johnson
Director of Department of Social Services Janis K. Selbo
Director of Finance..... John H. Tuohy, CPA

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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, 1999, 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 generally accepted auditing standards; *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, 1999, 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, 1999 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 generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 1999 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.

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, Tammy Cox Associates

Charlottesville, Virginia
September 28, 1999

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, 1999**

	Governmental Funds			Proprietary Funds	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS					
Assets:					
Cash and investments	\$ 16,359,507	\$ 389,622	\$ 17,428,058	\$ 1,218,384	\$ 1,805,558
Cash in custody of others	8,735	-	-	-	250
Receivables (Net of allowances for uncollectibles):					
Taxes, including penalties	4,947,626	-	-	-	-
Accounts	609,129	165,156	-	331,944	455,618
Note	30,696	-	-	-	-
Inventory	-	-	-	-	152,126
Due from other funds	46,388	-	-	-	-
Due from primary government	-	-	-	-	-
Due from other governmental units	1,563,941	-	98,458	7,802	-
Prepaid expenses	-	-	-	52,500	-
Fixed assets (net of accumulated depreciation)	-	-	-	7,488,255	308,353
Bond issuance costs (net of accumulated amortization)	-	-	-	69,150	-
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	<u>\$ 23,569,322</u>	<u>\$ 554,778</u>	<u>\$ 17,528,596</u>	<u>\$ 9,168,035</u>	<u>\$ 2,721,905</u>
LIABILITIES					
Accounts payable	\$ 726,444	\$ 85,929	\$ 730,985	\$ 81,883	\$ 470,297
Accrued liabilities	159,237	2,331	-	1,569	770,966
Other liabilities	-	-	-	5,000	-
Retainage payable	-	-	205,242	-	-
Amount held for social service clients	-	-	-	-	-
Amount held for prisoners	-	-	-	-	-
Performance bonds payable	-	-	-	-	-
Amounts held for beneficiary	-	-	-	-	-
Due to component units	5,683,129	-	-	-	-
Due to other funds	-	-	-	46,388	-
Deferred revenue	4,548,688	-	-	-	-
Notes payable	-	-	-	-	22,500
Revenue bonds payable	-	-	-	3,575,000	-
General obligation bonds payable	-	-	-	-	-
State Literary Fund loans payable	-	-	-	-	-
Capital lease obligations payable	-	-	-	-	-
Landfill closure and postclosure costs	-	-	-	3,298,950	-
Compensated absences	-	-	-	13,659	-
Total liabilities	<u>\$ 11,117,498</u>	<u>\$ 88,260</u>	<u>\$ 936,227</u>	<u>\$ 7,022,449</u>	<u>\$ 1,263,763</u>
EQUITY AND OTHER CREDITS					
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital	-	-	-	3,107,168	292,887
Retained earnings (deficit)	-	-	-	(961,582)	1,165,255
Fund balances:					
Reserve for encumbrances	85,540	-	-	-	-
Unreserved:					
Designated for subsequent expenditure	-	-	16,592,369	-	-
Unreserved, undesignated	12,366,284	466,518	-	-	-
Total equity and other credits	<u>\$ 12,451,824</u>	<u>\$ 466,518</u>	<u>\$ 16,592,369</u>	<u>\$ 2,145,586</u>	<u>\$ 1,458,142</u>
Total liabilities, equity and other credits	<u>\$ 23,569,322</u>	<u>\$ 554,778</u>	<u>\$ 17,528,596</u>	<u>\$ 9,168,035</u>	<u>\$ 2,721,905</u>

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

Exhibit 1

Fiduciary Funds	Account Group		Totals "Memorandum Only"	Component Unit	Totals "Memorandum Only"
	Trust and Agency	General Fixed Assets	General Long-term Debt	Primary Government	School Board
\$ 309,710	\$ -	\$ -	\$ 37,510,839	\$ 179,599	\$ 37,690,438
1,233,731	-	-	1,242,716	1,350	1,244,066
-	-	-	4,947,626	-	4,947,626
-	-	-	1,561,847	8,500	1,570,347
-	-	-	30,696	-	30,696
-	-	-	152,126	-	152,126
-	-	-	46,388	-	46,388
-	-	-	-	5,683,129	5,683,129
-	-	-	1,670,201	1,387,521	3,057,722
-	-	-	52,500	-	52,500
-	25,332,610	-	33,129,218	99,563,659	132,692,877
-	-	-	69,150	-	69,150
-	-	-	5,380	-	5,380
-	-	4,975,155	4,975,155	43,672,244	48,647,399
<u>\$ 1,543,441</u>	<u>\$ 25,332,610</u>	<u>\$ 4,975,155</u>	<u>\$ 85,393,842</u>	<u>\$ 150,496,002</u>	<u>\$ 235,889,844</u>
\$ 50	\$ -	\$ -	\$ 2,095,588	\$ 603,377	\$ 2,698,965
-	-	-	934,103	6,676,300	7,610,403
-	-	-	5,000	34,046	39,046
-	-	-	205,242	-	205,242
16,514	-	-	16,514	-	16,514
116,014	-	-	116,014	-	116,014
83,397	-	-	83,397	-	83,397
1,106,701	-	-	1,106,701	-	1,106,701
-	-	-	5,683,129	-	5,683,129
-	-	-	46,388	-	46,388
-	-	-	4,548,688	-	4,548,688
-	-	-	22,500	-	22,500
-	-	-	3,575,000	-	3,575,000
-	-	-	-	39,875,000	39,875,000
-	-	-	-	362,500	362,500
-	-	3,050,000	3,050,000	-	3,050,000
-	-	-	3,298,950	-	3,298,950
-	-	1,925,155	1,938,814	3,434,744	5,373,558
<u>\$ 1,322,676</u>	<u>\$ -</u>	<u>\$ 4,975,155</u>	<u>\$ 26,726,028</u>	<u>\$ 50,985,967</u>	<u>\$ 77,711,995</u>
\$ -	\$ 25,332,610	\$ -	\$ 25,332,610	\$ 99,563,659	\$ 124,896,269
-	-	-	3,400,055	-	3,400,055
-	-	-	203,673	-	203,673
-	-	-	85,540	-	85,540
-	-	-	16,592,369	-	16,592,369
220,765	-	-	13,053,567	(53,624)	12,999,943
<u>\$ 220,765</u>	<u>\$ 25,332,610</u>	<u>\$ -</u>	<u>\$ 58,667,814</u>	<u>\$ 99,510,035</u>	<u>\$ 158,177,849</u>
<u>\$ 1,543,441</u>	<u>\$ 25,332,610</u>	<u>\$ 4,975,155</u>	<u>\$ 85,393,842</u>	<u>\$ 150,496,002</u>	<u>\$ 235,889,844</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, 1999**

	Governmental Fund Types			Fiduciary Funds
	General	Special Revenue	Capital Projects	Expendable Trust
Revenues:				
General property taxes	\$ 56,130,800	\$ 2,252,935	\$ -	\$ -
Other local taxes	8,676,382	714,186	-	-
Permits, privilege fees and regulatory licenses	712,816	-	-	-
Fines and forfeitures	201,123	-	-	-
Revenue from use of money and property	2,112,671	-	-	11,775
Charges for services	636,211	-	-	45,404
Miscellaneous	28,810	-	115,524	-
Recovered costs	535,627	3,068	-	-
Intergovernmental:				
Commonwealth	6,401,841	81,700	-	-
Federal	1,788,620	-	-	-
Total revenues	\$ 77,224,901	\$ 3,051,889	\$ 115,524	\$ 57,179
Expenditures:				
Current:				
General government administration	\$ 5,134,010	\$ -	\$ 643,179	\$ -
Judicial administration	1,523,758	-	2,356,439	-
Public safety	6,569,808	2,977,326	212,673	-
Public works	3,581,874	-	-	-
Health and welfare	4,748,294	-	-	-
Education	30,675	-	1,883,086	-
Parks, recreation, and cultural	2,280,290	-	115,721	-
Community development	2,704,620	-	12,734	-
Non-departmental	278,019	-	-	46,037
Capital projects	113,515	-	5,249,078	-
Debt service:				
Principal retirement	273,245	-	-	-
Interest and other fiscal charges	164,740	-	-	-
Total expenditures	\$ 27,402,848	\$ 2,977,326	\$ 10,472,910	\$ 46,037
Excess (deficiency) of revenues over expenditures	\$ 49,822,053	\$ 74,563	\$ (10,357,386)	\$ 11,142
Other financing sources (uses):				
Operating transfers in	\$ 245,566	\$ 105,591	\$ 4,055,937	\$ -
Operating transfers out	(3,286,921)	-	(245,566)	(15,000)
Transfers to proprietary funds	(27,747)	-	-	-
Operating transfers to primary government	54,196	-	-	-
Operating transfers to component unit	(41,808,422)	-	-	-
Total other financing sources (uses)	\$ (44,823,328)	\$ 105,591	\$ 3,810,371	\$ (15,000)
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 4,998,725	\$ 180,154	\$ (6,547,015)	\$ (3,858)
Fund balances at beginning of year	7,453,099	286,364	23,139,384	224,623
Fund balances at end of year	\$ 12,451,824	\$ 466,518	\$ 16,592,369	\$ 220,765

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

Exhibit 2

Total "Memorandum Only"	Component Unit	Total "Memorandum Only"
Primary Government	School Board	Reporting Entity
\$ 58,383,735	\$ -	\$ 58,383,735
9,390,568	-	9,390,568
712,816	-	712,816
201,123	-	201,123
2,124,446	6,551	2,130,997
681,615	2,259,060	2,940,675
144,334	3,059	147,393
538,695	-	538,695
6,483,541	22,817,445	29,300,986
1,788,620	1,909,486	3,698,106
<u>\$ 80,449,493</u>	<u>\$ 26,995,601</u>	<u>\$ 107,445,094</u>
\$ 5,777,189	\$ -	\$ 5,777,189
3,880,197	-	3,880,197
9,759,807	-	9,759,807
3,581,874	-	3,581,874
4,748,294	-	4,748,294
1,913,761	60,677,889	62,591,650
2,396,011	-	2,396,011
2,717,354	-	2,717,354
324,056	-	324,056
5,362,593	-	5,362,593
273,245	4,666,163	4,939,408
164,740	2,542,375	2,707,115
<u>\$ 40,899,121</u>	<u>\$ 67,886,427</u>	<u>\$ 108,785,548</u>
<u>\$ 39,550,372</u>	<u>\$ (40,890,826)</u>	<u>\$ (1,340,454)</u>
\$ 4,407,094	\$ -	\$ 4,407,094
(3,547,487)	(869,871)	(4,417,358)
(27,747)	-	(27,747)
54,196	(54,196)	-
(41,808,422)	41,808,422	-
<u>\$ (40,922,366)</u>	<u>\$ 40,884,355</u>	<u>\$ (38,011)</u>
\$ (1,371,994)	\$ (6,471)	\$ (1,378,465)
31,103,470	(47,153)	31,056,317
<u>\$ 29,731,476</u>	<u>\$ (53,624)</u>	<u>\$ 29,677,852</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, 1999**

	General Fund			Special Revenue	
	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual
Revenues:					
General property taxes	\$ 54,550,000	\$ 56,130,800	\$ 1,580,800	\$ 2,115,380	\$ 2,252,935
Other local taxes	8,251,645	8,676,382	424,737	709,466	714,186
Permits, privilege fees and regulatory licenses	576,954	712,816	135,862	-	-
Fines and forfeitures	159,500	201,123	41,623	-	-
Revenue from use of money and property	2,222,824	2,112,671	(110,153)	-	-
Charges for services	582,385	636,211	53,826	-	-
Miscellaneous	93,675	28,810	(64,865)	-	-
Recovered costs	146,281	535,627	389,346	-	3,068
Intergovernmental:					
Commonwealth	6,661,320	6,401,841	(259,479)	62,700	81,700
Federal	1,602,432	1,788,620	186,188	-	-
Total revenues	\$ 74,847,016	\$ 77,224,901	\$ 2,377,885	\$ 2,887,546	\$ 3,051,889
Expenditures:					
Current:					
General government administration	\$ 5,604,894	\$ 5,134,010	\$ 470,884	\$ -	\$ -
Judicial administration	1,608,630	1,523,758	84,872	-	-
Public safety	6,906,400	6,569,808	336,592	3,139,014	2,977,326
Public works	3,687,417	3,581,874	105,543	-	-
Health and welfare	5,132,385	4,748,294	384,091	-	-
Education	30,675	30,675	-	-	-
Parks, recreation, and cultural	2,375,246	2,280,290	94,956	-	-
Community development	2,524,410	2,704,620	(180,210)	-	-
Nondepartmental	988,978	278,019	710,959	-	-
Capital projects	124,436	113,515	10,921	-	-
Debt service:					
Principal retirement	273,245	273,245	-	-	-
Interest	164,830	164,740	90	-	-
Total expenditures	\$ 29,421,546	\$ 27,402,848	\$ 2,018,698	\$ 3,139,014	\$ 2,977,326
Excess (deficiency) of revenues over expenditures	\$ 45,425,470	\$ 49,822,053	\$ (4,396,583)	\$ (251,468)	\$ 74,563
Other financing sources (uses):					
Operating transfers in	\$ 245,566	\$ 245,566	\$ -	\$ 105,591	\$ 105,591
Operating transfers out	(3,286,921)	(3,286,921)	-	-	-
Transfers to proprietary funds	(27,747)	(27,747)	-	-	-
Operating transfers to primary government	54,196	54,196	-	-	-
Operating transfers to component unit	(41,808,422)	(41,808,422)	-	-	-
Total other financing sources (uses)	\$ (44,823,328)	\$ (44,823,328)	\$ -	\$ 105,591	\$ 105,591
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 602,142	\$ 4,998,725	\$ 4,396,583	\$ (145,877)	\$ 180,154
Fund balances at beginning of year	7,453,099	7,453,099	-	-	286,364
Fund balances at end of year	\$ 8,055,241	\$ 12,451,824	\$ 4,396,583	\$ (145,877)	\$ 466,518

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

Funds	Capital Projects Funds			Component Unit School Board		
	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 137,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,720	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	11,000	6,551	(4,449)
-	-	-	-	2,238,362	2,259,060	20,698
-	113,000	17,066	(95,934)	5,000	3,059	(1,941)
3,068	-	-	-	-	-	-
19,000	-	98,458	98,458	21,650,783	22,817,445	1,166,662
-	-	-	-	2,135,926	1,909,486	(226,440)
<u>\$ 164,343</u>	<u>\$ 113,000</u>	<u>\$ 115,524</u>	<u>\$ (2,524)</u>	<u>\$ 26,041,071</u>	<u>\$ 26,995,601</u>	<u>\$ 954,530</u>
\$ -	\$ 1,564,193	\$ 643,179	\$ 921,014	\$ -	\$ -	\$ -
-	3,750,240	2,356,439	1,393,801	-	-	-
161,688	889,212	212,673	676,539	-	-	-
-	-	-	-	-	-	-
-	2,371,912	1,883,086	488,826	61,845,911	60,677,889	1,168,022
-	486,742	115,721	371,021	-	-	-
-	267,101	12,734	254,367	-	-	-
-	472	-	472	-	-	-
-	17,787,707	5,249,078	12,538,629	-	-	-
-	-	-	-	4,666,164	4,666,163	1
-	-	-	-	2,542,375	2,542,375	-
<u>\$ 161,688</u>	<u>\$ 27,117,579</u>	<u>\$ 10,472,910</u>	<u>\$ 16,644,669</u>	<u>\$ 69,054,450</u>	<u>\$ 67,886,427</u>	<u>\$ 1,168,023</u>
<u>\$ 326,031</u>	<u>\$ (27,004,579)</u>	<u>\$ (10,357,386)</u>	<u>\$ 16,647,193</u>	<u>\$ (43,013,379)</u>	<u>\$ (40,890,826)</u>	<u>\$ 2,122,553</u>
\$ -	\$ 4,055,937	\$ 4,055,937	\$ -	\$ -	\$ -	\$ -
-	(245,566)	(245,566)	-	(869,871)	(869,871)	-
-	-	-	-	-	-	-
-	-	-	-	(54,196)	(54,196)	-
-	-	-	-	41,808,422	41,808,422	-
<u>\$ -</u>	<u>\$ 3,810,371</u>	<u>\$ 3,810,371</u>	<u>\$ -</u>	<u>\$ 40,884,355</u>	<u>\$ 40,884,355</u>	<u>\$ -</u>
\$ 326,031	\$ (23,194,208)	\$ (6,547,015)	\$ 16,647,193	\$ (2,129,024)	\$ (6,471)	\$ 2,122,553
286,364	23,139,384	23,139,384	-	-	(47,153)	(47,153)
<u>\$ 612,395</u>	<u>\$ (54,824)</u>	<u>\$ 16,592,369</u>	<u>\$ 16,647,193</u>	<u>\$ (2,129,024)</u>	<u>\$ (53,624)</u>	<u>\$ 2,075,400</u>

**Combined Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Funds
Year Ended June 30, 1999**

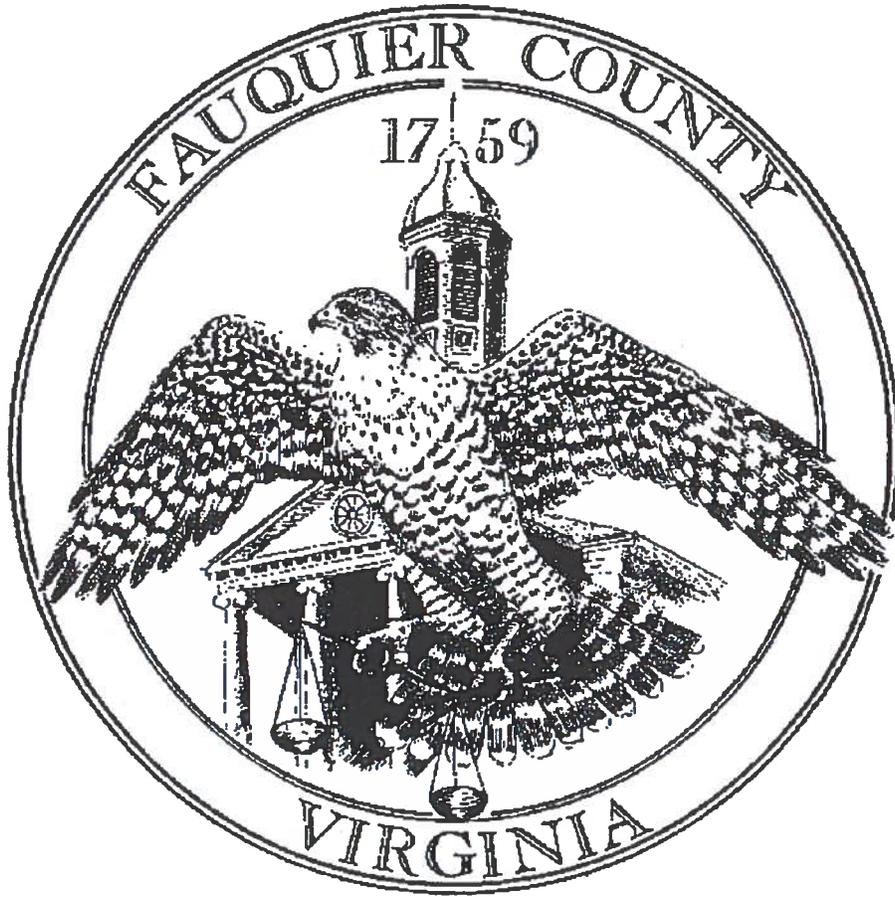
	Proprietary Funds		Totals
	Enterprise Funds	Internal Service	"Memorandum Only"
Operating revenues:			
Charges for services	\$ 1,976,076	\$ 7,053,471	\$ 9,029,547
Miscellaneous	36,538	6,867	43,405
Total operating revenues	\$ 2,012,614	\$ 7,060,338	\$ 9,072,952
Operating expenses:			
Current:			
Container operations	\$ 334,153	\$ -	\$ 334,153
Landfill operations	987,146	-	987,146
Contractual services	148,044	-	148,044
Landfill maintenance costs	137,225	-	137,225
Closure and Post Closure Cost	23,892	-	23,892
Airport operation and maintenance	43,814	-	43,814
Health insurance claims and fees	-	7,472,474	7,472,474
Depreciation	123,071	29,534	152,605
Total operating expenses	\$ 1,797,345	\$ 7,502,008	\$ 9,299,353
Operating income (loss)	\$ 215,269	\$ (441,670)	\$ (226,401)
Nonoperating revenues (expenses):			
Interest income	\$ 8,324	\$ 77,363	\$ 85,687
Interest income - bonds	68,224	-	68,224
Rental income	13,906	-	13,906
Operating grant - Commonwealth	129,047	-	129,047
Bond issuance cost amortization	(11,334)	-	(11,334)
Interest expense	(203,325)	-	(203,325)
Total nonoperating revenues (expenses)	\$ 4,842	\$ 77,363	\$ 82,205
Income (loss) before operating transfers	\$ 220,111	\$ (364,307)	\$ (144,196)
Operating transfers:			
Operating transfers in	\$ 27,747	\$ 10,264	\$ 38,011
Total operating transfers	\$ 27,747	\$ 10,264	\$ 38,011
Net income (loss)	\$ 247,858	\$ (354,043)	\$ (106,185)
Add depreciation on fixed assets acquired by contribution from others	18,973	-	18,973
Increase (decrease) in retained earnings	\$ 266,831	\$ (354,043)	\$ (87,212)
Retained earnings (deficit) at beginning of year, as adjusted	(1,228,413)	1,519,298	290,885
Retained earnings (deficit) at end of year	\$ (961,582)	\$ 1,165,255	\$ 203,673

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, 1999

	Proprietary Funds		Totals
	Enterprise Funds	Internal Service	"Memorandum Only"
Cash Flows From Operating Activities:			
Operating income (loss)	\$ 215,269	\$ (441,670)	\$ (226,401)
Adjustments to reconcile net income to net cash provided by operating by operating activities:			
Depreciation	123,071	29,534	152,605
Amortization of grant contributions	(18,973)	-	(18,973)
Changes in operating assets and liabilities:			
(Increase)decrease in receivables	(36,723)	(427,588)	(464,311)
Increase(decrease) in amounts due from other governments	(77)	-	(77)
(Increase)decrease in inventory	-	(47,300)	
Increase (decrease) in payables	(3,636)	(178,037)	(181,673)
Increase(decrease) in compensated absences	(1,559)	-	(1,559)
Net cash provided by (used in) operating activities	\$ 277,372	\$ (1,065,061)	\$ (740,389)
Cash Flows from Noncapital Financing Activities:			
Operating grants - Commonwealth	\$ 129,047	\$ -	\$ 129,047
Operating transfers in	27,747	10,264	38,011
Net cash provided by noncapital financing activities	\$ 156,794	\$ 10,264	\$ 167,058
Cash Flows From Capital and Related Financing Activities:			
Acquisition and construction of capital assets	\$ (1,189,483)	\$ -	\$ (1,189,483)
Interest expense	(203,325)	-	(203,325)
Principal paid on revenue bonds	(240,000)	-	(240,000)
Principal paid on note payable	-	(22,500)	(22,500)
Contributed capital from federal government	912,190	-	912,190
Net cash (used in) capital and related financing activities	\$ (720,618)	\$ (22,500)	\$ (743,118)
Cash Flows From Investing Activities:			
Rental income	\$ 13,906	\$ -	\$ 13,906
Interest income	76,548	77,363	153,911
Net cash provided by investing activities	\$ 90,454	\$ 77,363	\$ 167,817
Increase (decrease) in cash and cash equivalents	\$ (195,998)	\$ (999,934)	\$ (1,148,632)
Cash and cash equivalents at beginning of year	1,414,382	2,805,492	4,219,874
Cash and cash equivalents at end of year	\$ 1,218,384	\$ 1,805,558	\$ 3,071,242

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



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COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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:

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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.
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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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

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.

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 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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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

F. Budgets and Budgetary Accounting (Continued)

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' Finance Committee; 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.
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 \$1,019,471 for property taxes at June 30, 1999.

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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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

J. Property, Plant and Equipment (Continued)

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.

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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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

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 carrying value of the County's primary government deposits with banks and savings institutions was \$(3,203,524), and the bank balances were \$406,010. Of the bank balances, \$406,010 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 carrying amount of deposits for the School Board, a discretely presented component unit, was \$179,599, and the bank balance was \$399,642. Of the bank balance, \$243,776 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).

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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 2 – CASH AND INVESTMENTS: (CONTINUED)

	1	Category 2	3	Carrying Amount	Fair Value
U.S. Treasury & Agencies	\$ 6,508,637	\$	\$	\$ 6,290,603	\$ 6,290,603
Corporate bonds & commercial paper	6,668,045			6,664,111	6,664,111
Municipal bonds & notes	1,013,125			991,600	991,600
Bankers' Acceptances	1,171,480			1,171,480	1,171,480
Repurchase Agreements			14,352,746	14,352,746	14,352,746
Total investments	<u>15,361,287</u>	-0-	<u>14,352,746</u>	\$ 29,470,540	\$ 29,470,540
Total deposits				(3,203,524)	(3,203,524)
Cash on hand				1,000	1,000
Investments not subject to categorization:					
Assets in State Non-Arbitrage					
Program Investments Pool				3,764,942	3,764,942
Local Government Investment Pool				7,497,882	7,497,882
 Total deposits and investments				<u>\$ 37,530,840</u>	<u>\$ 37,530,840</u>

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

Carrying amount of deposits	\$ (3,209,900)
Carrying amount of investments	40,739,740
Cash on hand	<u>1,000</u>
 Total	<u>\$ 37,530,840</u>
 Cash and investments	\$ 37,510,839
Cash in custody of others	<u>20,001</u>
 Total	<u>\$ 37,530,840</u>

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 losses at June 30, 1999 were \$243,493 and are reflected in the County's operating statements.

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

Total Deposits	\$ 179,599
Cash on hand	<u>1,350</u>
Total cash and deposits	<u>\$ 180,949</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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, 1999.

		Primary Government	Component Units
Commonwealth of Virginia			
State sales tax.....	\$	-	\$ 965,642
Local sales tax		725,234	-
Grants		118,941	113,963
Shared expenses		237,153	-
Welfare		429,349	-
Miscellaneous		240	-
Federal Government			
Grants		16,482	266,816
Airport Enterprise Fund.....		7,802	-
Welfare		124,198	-
School lunch program		-	41,100
Total	\$	<u>1,662,399</u>	<u>1,387,521</u>

NOTE 5 – INTERFUND OBLIGATIONS:

The following is a summary of interfund obligations at June 30, 1999.

		Interfund		Component Unit School Board	
		Receivables	Payables	Receivables	Payables
General Fund	\$	46,388	\$ -	\$ -	\$ 5,683,129
School Fund		-	-	5,683,129	-
Solid Waste Fund		-	46,388	-	-
Totals	\$	<u>46,388</u>	<u>46,388</u>	<u>5,683,129</u>	<u>5,683,129</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 6 -- FIXED ASSETS:

Primary Government:

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

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Adjustments</u> <u>And</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
Land	\$ 8,371,318	\$ 36,500	\$ -	\$ 8,407,818
Buildings and improvements	9,811,774	2,488,666	749,062	11,551,378
Leasehold improvements	5,017	-	-	5,017
Machinery and equipment	4,300,298	446,118	524,918	4,221,498
Data processing equipment	528,013	366,922	-	894,935
Construction in progress	304,603	243,159	295,798	251,964
Total	\$ 23,321,024	\$ 3,581,365	\$ 1,569,779	\$ 25,332,610

A summary of Proprietary fund fixed assets at June 30, 1999 is as follows:

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Adjustments</u> <u>And</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
Airport Fund:				
Land	\$ 1,889,016	\$ 958,491	\$ -	\$ 2,847,507
Improvements	505,628	279,982	-	785,610
Construction in progress	25,675	99,403	(25,676)	99,402
Totals	\$ 2,420,319	\$ 1,337,876	(25,676)	\$ 3,732,519
Less accumulated depreciation	(111,327)	(25,811)	-	(137,138)
Net	\$ 2,308,992	\$ 1,312,065	(25,676)	\$ 3,595,381

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Adjustments</u> <u>And</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
Landfill Fund:				
Landfill site	\$ 1,667,526	\$ -	\$ -	\$ 1,667,526
Cell improvements	2,079,298	-	-	2,079,298
Equipment	60,382	171,256	-	231,638
Facilities	129,334	\$ -	\$ -	\$ 129,334
Construction in progress	46,388	-	-	46,388
Totals	\$ 3,982,928	\$ 171,256	\$ -	\$ 4,154,184
Less accumulated depreciation	(125,194)	(136,116)	-	(261,310)
Net	\$ 3,857,734	\$ 35,140	\$ -	\$ 3,892,874

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Adjustments</u> <u>And</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
Fleet Maintenance Fund:				
Buildings	\$ -	\$ 349,000	\$ -	\$ 349,000
Equipment	-	419,044	-	419,044
Totals	\$ -	\$ 768,044	\$ -	\$ 768,044
Less accumulated depreciation	-	(459,691)	-	(459,691)
Net	\$ -	\$ 308,353	\$ -	\$ 308,353

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 6 – FIXED ASSETS: (CONTINUED)

Total proprietary funds:

Land	\$	1,889,016	\$	958,491	\$	-	\$	2,847,507
Landfill site		1,667,526		-		-		1,667,526
Improvements		2,584,926		628,982		-		3,213,908
Equipment		60,382		590,300		-		650,682
Facilities		129,334		-		-		129,334
Construction in progress		72,063		99,403		25,676		145,790
Totals	\$	6,403,247	\$	2,277,176	\$	25,676	\$	8,654,747
Less accumulated depreciation		(236,521)		(621,618)		-		(858,139)
Net	\$	<u>6,166,726</u>	\$	<u>1,655,558</u>	\$	<u>25,676</u>	\$	<u>7,796,608</u>

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

	Balance		Adjustments	Balance
	July 1, 1998	Additions	And Deletions	June 30, 1999
Land	\$ 4,182,658	\$ 21,478	\$ -	\$ 4,204,136
Buildings and improvements	67,549,891	661,084	359,754	67,851,221
Machinery and equipment	9,889,344	1,252,119	526,076	10,615,387
Data processing equipment	16,671	1,042,342	-	1,059,013
Construction in progress	12,314,699	3,864,749	345,546	15,833,902
Total	\$ <u>93,953,263</u>	<u>6,841,772</u>	<u>1,231,376</u>	\$ <u>99,563,659</u>

NOTE 7 – CONTRIBUTED CAPITAL:

The following are changes in capital contributed in the Airport Fund for the year ended June 30, 1999:

	Balance		Balance
	July 1, 1998	Additions	June 30, 1999
County	\$ 787	\$ -	\$ 787
Federal	1,868,187	919,993	2,788,180
Commonwealth	200,632	223,603	424,235
Total	\$ 2,069,606	\$ 1,143,596	\$ 3,313,202
Less accumulated amortization	(87,060)	(18,973)	(106,033)
Net	\$ <u>1,982,546</u>	<u>1,124,623</u>	\$ <u>3,107,169</u>

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, 1999 totaled \$11,334 and accumulated amortization totals \$92,220 at year end.

The following table summarizes total bond issue costs with related amortization at June 30, 1999:

Total Bond Issue Costs	Amortization Years	Amortization Expense - Prior	Amortization Expense - Current	Net Book Value
\$ <u>161,371</u>	<u>18</u>	\$ <u>80,886</u>	\$ <u>11,334</u>	\$ <u>69,151</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 9 – LONG-TERM OBLIGATION:

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

Fiscal Year ending June 30	Internal Service Fund Note Payable		Capital Leases		Revenue Bonds Solid Waste	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 15,000	\$ -	\$ 319,273	\$ 147,072	\$ 250,000	\$ 190,633
2001	7,500	-	335,273	131,073	260,000	178,508
2002	-	-	352,074	114,271	275,000	165,508
2003	-	-	369,717	96,628	290,000	151,483
2004	-	-	388,245	78,101	305,000	136,403
2005	-	-	407,700	58,645	320,000	120,238
2006	-	-	428,132	38,214	335,000	102,958
2007	-	-	449,586	16,759	355,000	84,700
2008	-	-	-	-	375,000	65,175
2009	-	-	-	-	395,000	44,550
2010	-	-	-	-	415,000	22,825
Totals	<u>22,500</u>	<u>-</u>	<u>\$ 3,050,000</u>	<u>\$ 593,420</u>	<u>\$ 3,575,000</u>	<u>\$ 1,091,381</u>

Changes in long-term obligation: The following is a summary of long-term obligation transactions of the County for the year ended June 30, 1999:

	Compensated Absences	Capital Lease Obligations	Revenue Bonds	Total
Long-term obligations payable at July 1, 1998.....	\$ 1,990,999	\$ 3,323,245	\$ 3,815,000	\$ 9,129,244
Retirements:				
Compensated absences	65,844	-	-	65,844
Revenue bonds payable.....	-	-	240,000	240,000
Capital lease obligations.....	-	273,245	-	273,245
Total retirements.....	\$ 65,844	\$ 273,245	\$ 240,000	\$ 579,089
Long-term obligations payable at June 30, 1999.....	\$ 1,925,155	\$ 3,050,000	\$ 3,575,000	\$ 8,550,155

Capital leases:

\$3,580,000 capital lease agreement for lease/purchase of office building located at 320 Hospital Hill	3,050,000
Compensated absences payable	1,925,155
Revenue Bonds	
\$4,880,000 Solid Waste Management System Revenue Bonds, Series of 1993, maturing annually	3,575,000
Compensated absences payable	13,659
Total Long-term obligation	<u>\$ 8,563,814</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 9 – LONG-TERM OBLIGATION: (CONTINUED)

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		Literary Fund Loans	
	Principal	Interest	Principal	Interest
2000	\$ 3,165,000	\$ 2,294,290	\$ 200,000	\$ 10,875
2001	3,150,000	2,103,107	162,500	4,875
2002	2,980,000	1,917,788	-	-
2003	2,990,000	1,736,763	-	-
2004	2,955,000	1,554,857	-	-
2005	2,905,000	1,373,475	-	-
2006	2,870,000	1,192,395	-	-
2007	2,845,000	1,011,955	-	-
2008	2,800,000	834,942	-	-
2009	2,730,000	660,274	-	-
2010	2,110,000	510,427	-	-
2011	1,750,000	399,406	-	-
2012	1,725,000	301,969	-	-
2013	1,425,000	214,644	-	-
2014	1,425,000	136,832	-	-
2015	625,000	81,619	-	-
2016	625,000	48,985	-	-
2017	625,000	16,328	-	-
2018	125,000	13,716	-	-
Totals	\$ 39,825,000	\$ 16,403,772	\$ 362,500	\$ 15,750

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, 1999:

	Literary Fund Loans	Early Retirement Incentive	Compensated Absences	School Bonds	Total
Obligations payable at July 1, 1998.....	\$ 562,500	\$ 1,010,703	\$ 2,555,048	\$ 43,300,000	\$ 47,428,251
Increases:					
Compensated absences	-	-	879,696	-	879,696
	\$ -	\$ -	\$ 879,696	\$ -	\$ 879,696
Retirements:					
Early retirement incentive.....	\$ -	\$ 1,010,703	\$ -	\$ -	\$ 1,010,703
School Bonds payable	-	-	-	3,425,000	3,425,000
State Literary Fund Loans.....	200,000	-	-	-	200,000
Total retirements	\$ 200,000	\$ 1,010,703	\$ -	\$ 3,425,000	\$ 4,635,703
Obligations payable at June 30, 1999....	\$ 362,500	\$ -	\$ 3,434,744	\$ 39,875,000	\$ 43,672,244

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 1999

NOTE 9 – LONG-TERM OBLIGATION: (CONTINUED)

Details of Long term Obligation:

General obligation bonds:

School bonds:

\$2,500,000 Virginia Public School Authority Bonds 1980, issued June 15, 1980, Maturing annually with interest payable semiannually. Bonds bearing interest at 8.40% Maturing December 15, 1993 through December 15, 2000	\$ 250,000
\$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%.....	550,000
\$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%.....	6,540,000
\$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%.....	4,360,000
\$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%.....	4,750,000
\$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%	12,000,000
\$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%.....	8,100,000
\$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%.....	3,325,000
Total School Bonds.....	\$ <u>39,875,000</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 9 – LONG-TERM OBLIGATION: (CONTINUED)

Literary Fund Loans:

\$750,000, issued February 15, 1980, due annual installments of \$ 37,500 through February 15, 2000, interest payable annually at 3%	\$ 37,500
\$750,000, issued August 15, 1980, due in annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3%.....	75,000
\$750,000 issued August 15, 1980, due annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3%.....	75,000
\$750,000, issued August 15, 1980, due in annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3%.....	75,000
\$1,000,000, issued November 15, 1980 due in annual installments of \$ 50,000 through November 15, 2000, interest payable annually at 3%	100,000
Total State Literary Fund Loans	\$ 362,500
Total General Obligation Bonds/Loans	\$ 40,237,500
Compensated absences payable.....	\$ 3,434,744
Total Long-term Obligation.....	\$ 43,672,244

NOTE 10 – CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES:

The County's primary government has outstanding accrued leave pay totaling \$1,925,155 in the General Long-term Obligation Account Group and \$13,659 in the Solid Waste Fund. The Component Unit--School Board has outstanding accrued leave pay totaling \$3,434,744.

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 who retire with a reduced benefit at age 55 (age 50 for participating law enforcement officers and firefighters) with at least five years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. An optional reduced retirement benefit is available to members of VRS as early as age 50 with 10 years of

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 11 – DEFINED BENEFIT PENSION PLAN: (CONTINUED)

A. Plan Description (Continued)

credited service. Employees with 35 years or more of credited service are entitled to an annual benefit equal to 1.7 percent of AFS for each year of credited service. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. 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 State legislature. 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 1999 were 7.83% and 4.26% of annual covered payroll, respectively. The School Board's professional employees contributed \$2,862,992, \$2,171,795, and \$1,959,017 to the teacher cost-sharing pool for the fiscal years ended June 30, 1999, 1998 and 1997 respectively and these contributions represented 8.49%, 7.28%, and 6.40% respectively, of current covered payroll.

C. Annual Pension Cost

For 1999, the County's annual pension cost of \$661,893 was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 1998 actuarial valuation using the entry age normal actuarial cost method

For 1999, the School Board's annual pension cost for non-professional employees of \$167,027 was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 1998 actuarial valuation using the entry age normal actuarial cost method

	<u>County</u>	<u>Non-Professional School Board</u>
Valuation date.....	June 30, 1998	June 30, 1998
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent, open	Level percent, open
Payroll growth rate	4%	4%
Remaining amortization period	40 years	10 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	3.5%	3.5%
Inflation	4%	4%

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 11 – DEFINED BENEFIT PENSION PLAN: (CONTINUED)

C. Annual Pension Cost (Continued)

Trend Information for the County

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 1998	\$776,601	100%
June 30, 1999	\$661,893	100%

Trend Information for the Non-professional School Board

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 1998	138,149	100%
June 30, 1999	167,027	100%

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for the County

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	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%)

Schedule of Funding Progress for the School Board

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%)

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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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

The Program is a single employer public employee pension plan. This plan is open to any volunteer firefighter over the age of eighteen. Participants vest in five years.

At June 30, 1999 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, 1999 totaled \$450,185. 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 \$1,106,701. Unfunded prior and past service costs total \$1,859,378 and will be fully amortized in 11 years.

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

The pension benefit obligation was determined as part of an actuarial valuation performed as of January 1, 1999. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1999 include a rate of return on the investment of present and future assets of 5.5 percent per year compounded annually. Since the beneficiaries are volunteers, there is no computation of expenses as percent of covered payroll, rate of wage increase or rate of growth in covered payroll.

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.

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liabilities	Funded Ratio
1/1/98	1,044,776	2,334,392	1,289,816	44.8%
1/1/97	828,157	2,436,961	1,608,804	34.0%

Since the plan covers volunteers, there is no covered payroll nor a computation of unfunded actuarial accrued liability as a percent of covered payroll.

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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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 \$4,548,688 is comprised of the following:

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$4,447,446 at June 30, 1999.

B. Prepaid Taxes

Property taxes due subsequent to June 30, 1999 but paid in advance by the taxpayers totaled \$101,242 at June 30, 1999.

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 no longer 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 \$14,616,681 over the next thirty years. The County estimated all closure and post closure costs at June 30, 1999 total \$3,298,950. All amounts recorded as a liability are estimates of all closure and postclosure costs at June 30, 1999.

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, 1999 is based on use of 9.5% of the total estimated capacity. The County expects to close the 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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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, 1999 is presented below.

	Solid Waste	Airport	Total
Operating revenues	\$ 1,991,516	\$ 21,098	\$ 2,012,614
Depreciation expense	102,639	25,811	128,450
Operating income	258,417	(48,527)	209,890
Net income	114,711	122,389	217,861
Operating transfers	7,743	20,004	27,747
Current capital contributions	-	912,190	912,190
Property, plant and equipment additions	142,400	1,047,083	1,189,483
Net working capital	1,168,073	109,105	1,277,178
Total assets	5,447,629	3,720,406	9,168,035
Total equity	(1,553,900)	3,699,486	2,145,586

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 units carry commercial insurance to cover all losses, including workers' compensation. During the year ended June 30, 1999 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.

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

	1999	1998
Unpaid claims, beginning of fiscal year	\$ 741,430	\$ 658,911
Incurred claims, (including IBNR's)	6,011,560	5,662,392
Claim payments	<u>5,982,293</u>	<u>5,579,873</u>
Unpaid claims, end of fiscal year	\$ <u>770,697</u>	\$ <u>741,430</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

NOTE 18 -- SURETY BONDS:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland – Surety	
William D. Harris, 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, 1999 contractual construction commitments in the Capital Projects fund totaled \$7,663,312 as follows:

Pierce School	\$ 14,240
Coleman School	2,193
Brumfield School	6,806,017
Cedar Lee School	840,862

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 November 18, 1999 the County borrowed \$3,500,000 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 FUND BALANCE or RETAINED EARNINGS:

At June 30, 1999 the Landfill Enterprise fund had negative retained earnings of \$1,553,900. 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. The School Cafeteria fund had negative retained earnings of \$54,974.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1999

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 – YEAR 2000 COMPLIANCE:

The County maintains computer systems that are dependent on date sensitive programs for proper functioning. Many of these existing computer programs use only two digits to identify a year in the date field. These programs were designed and developed without considering the impact of the upcoming change in the century. If not corrected, these programs could fail or create erroneous results by or at the year 2000. In addition, the year 2000 is a leap year, which may generate additional problems. The County recognizes the need to ensure its operations will not be adversely impacted by year 2000 software failures. The County has been modifying its computer systems to address this issue, with particular emphasis on its mission critical systems. However, due to the interdependent nature of computer systems, the County may be adversely impacted in the year 2000 depending on whether it or other entities not affiliated with the County address this issue successfully.

The County's Director of Information Services has been tasked to perform a review of all systems with the potential for year 2000 related problems and to develop a plan of corrective action. Although the survey was not complete at June 30, corrective actions were already underway. At June 30 the County's financial systems, including the general ledger, accounts payable and payroll subsystems, were year 2000 compliant.

NOTE 24 – 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 25 – 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 and to fund certain capital projects. The effect of these appropriations was an increase in the budget in the amount of \$3,361,735.

NOTE 26 – PRIOR PERIOD ADJUSTMENT:

A prior period adjustment of \$105,077 was posted to record the beginning inventory of the Fleet Maintenance internal service fund. The activities of this fund were previously accounted for in the General Fund. The fund was established as of July 1 as an internal service fund

Balance as previously reported, July 1, 1998	\$ 0
Adjustment to establish internal service fund	<u>105,077</u>
Balance as of July 1, 1998, as adjusted	\$ <u>105,077</u>

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

Joint Dispatch Fund – This fund is used to account for the “911” telephone tax that is specifically restricted to the operation and maintenance of “911” systems.

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

SPECIAL REVENUE FUNDS
Combining Balance Sheet
At June 30, 1999

	<u>Joint Dispatch Fund</u>	<u>Fire and Rescue Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents	\$ 95,882	\$ 293,740	\$ 389,622
Receivables (Net of allowances for uncollectibles):			
Accounts	<u>122,444</u>	<u>42,712</u>	<u>165,156</u>
 Total assets	 <u>\$ 218,326</u>	 <u>\$ 336,452</u>	 <u>\$ 554,778</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 46,297	39,632	85,929
Accrued liabilities	<u>449</u>	<u>1,882</u>	<u>2,331</u>
 Total liabilities	 <u>\$ 46,746</u>	 <u>\$ 41,514</u>	 <u>\$ 88,260</u>
 <u>EQUITY AND OTHER CREDITS</u>			
Fund balances:			
Unreserved:			
Unreserved, undesignated	\$ <u>171,580</u>	\$ <u>294,938</u>	\$ <u>466,518</u>
 Total equity and other credits	 <u>\$ 171,580</u>	 <u>\$ 294,938</u>	 <u>\$ 466,518</u>
 Total liabilities, equity and other credits	 <u>\$ 218,326</u>	 <u>\$ 336,452</u>	 <u>\$ 554,778</u>

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 1999

	Joint Dispatch Fund	Fire and Rescue Fund	Totals
Revenues:			
General property taxes	\$ -	\$ 2,252,935	\$ 2,252,935
Other local taxes	714,186	-	714,186
Recovered costs	-	3,068	3,068
Intergovernmental:			
Commonwealth of Virginia	-	81,700	81,700
Total revenues	<u>\$ 714,186</u>	<u>\$ 2,337,703</u>	<u>\$ 3,051,889</u>
Expenditures:			
Current:			
Public safety	<u>\$ 839,594</u>	<u>\$ 2,137,732</u>	<u>\$ 2,977,326</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (125,408)</u>	<u>\$ 199,971</u>	<u>\$ 74,563</u>
Other financing sources (uses):			
Operating transfers in	<u>\$ 98,696</u>	<u>\$ 6,895</u>	<u>\$ 105,591</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ (26,712)</u>	<u>\$ 206,866</u>	<u>\$ 180,154</u>
Fund balances at beginning of year	<u>198,292</u>	<u>88,072</u>	<u>286,364</u>
Fund balances at end of year	<u>\$ 171,580</u>	<u>\$ 294,938</u>	<u>\$ 466,518</u>

COUNTY OF FAUQUIER, VIRGINIA

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes

In Fund Balances -- Budget and Actual

Year Ended June 30, 1999

	Joint Dispatch Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenues:			
General property taxes	\$ -	\$ -	\$ -
Other local taxes	709,466	714,186	4,720
Recovered costs	-	-	-
Intergovernmental:			
Commonwealth of Virginia	-	-	-
Total revenues	<u>\$ 709,466</u>	<u>\$ 714,186</u>	<u>\$ 4,720</u>
Expenditures:			
Current:			
Public safety	<u>\$ 845,527</u>	<u>\$ 839,594</u>	<u>\$ 5,933</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (136,061)</u>	<u>\$ (125,408)</u>	<u>\$ 10,653</u>
Other financing sources (uses):			
Operating transfers in	<u>\$ 98,696</u>	<u>\$ 98,696</u>	<u>\$ -</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ (37,365)</u>	<u>\$ (26,712)</u>	<u>\$ 10,653</u>
Fund balances at beginning of year	<u>37,365</u>	<u>198,292</u>	<u>198,292</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 171,580</u>	<u>\$ 208,945</u>

Fire and Rescue Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 2,115,380	\$ 2,252,935	\$ 137,555	\$ 2,115,380	\$ 2,252,935	\$ 137,555
-	-	-	709,466	714,186	4,720
-	3,068	3,068	-	3,068	3,068
<u>62,700</u>	<u>81,700</u>	<u>19,000</u>	<u>62,700</u>	<u>81,700</u>	<u>19,000</u>
\$ <u>2,178,080</u>	\$ <u>2,337,703</u>	\$ <u>159,623</u>	\$ <u>2,887,546</u>	\$ <u>3,051,889</u>	\$ <u>164,343</u>
\$ <u>2,293,487</u>	\$ <u>2,137,732</u>	\$ <u>155,755</u>	\$ <u>3,139,014</u>	\$ <u>2,977,326</u>	\$ <u>161,688</u>
\$ <u>(115,407)</u>	\$ <u>199,971</u>	\$ <u>315,378</u>	\$ <u>(251,468)</u>	\$ <u>74,563</u>	\$ <u>326,031</u>
\$ <u>6,895</u>	\$ <u>6,895</u>	\$ <u>-</u>	\$ <u>105,591</u>	\$ <u>105,591</u>	\$ <u>-</u>
\$ <u>(108,512)</u>	\$ <u>206,866</u>	\$ <u>315,378</u>	\$ <u>(145,877)</u>	\$ <u>180,154</u>	\$ <u>326,031</u>
<u>116,312</u>	<u>88,072</u>	<u>88,072</u>	<u>153,677</u>	<u>286,364</u>	<u>286,364</u>
\$ <u><u>7,800</u></u>	\$ <u><u>294,938</u></u>	\$ <u><u>403,450</u></u>	\$ <u><u>7,800</u></u>	\$ <u><u>466,518</u></u>	\$ <u><u>612,395</u></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, 1999

	<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	\$ 1,103,759	\$ 114,625	\$ 1,218,384
Receivables (Net of allowances for uncollectibles):			
Accounts	329,346	2,598	331,944
Due from other governmental units	-	7,802	7,802
Prepaid expenses	52,500	-	52,500
Total current assets	\$ 1,485,605	\$ 125,025	\$ 1,610,630
<u>Fixed assets:</u>			
Fixed assets (Net of accumulated depreciation)	\$ 3,892,874	\$ 3,595,381	\$ 7,488,255
Total fixed assets	\$ 3,892,874	\$ 3,595,381	\$ 7,488,255
<u>Other assets:</u>			
Bond issue costs (Net of accumulated amortization)	\$ 69,150	\$ -	\$ 69,150
Total assets	\$ 5,447,629	\$ 3,720,406	\$ 9,168,035
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Accounts payable	\$ 66,172	\$ 15,711	\$ 81,883
Accrued liabilities	1,360	209	1,569
Current liabilities payable from restricted assets:			
Revenue bonds payable	\$ 250,000	\$ -	\$ 250,000
Total current liabilities	\$ 317,532	\$ 15,920	\$ 333,452
<u>Noncurrent liabilities:</u>			
Revenue bonds payable	\$ 3,325,000	\$ -	\$ 3,325,000
Landfill closure and postclosure costs	3,298,950	-	3,298,950
Due to other funds	46,388	-	46,388
Other liabilities	-	5,000	5,000
Compensated absences	13,659	-	13,659
Total noncurrent liabilities	\$ 6,683,997	\$ 5,000	\$ 6,688,997
Total liabilities	\$ 7,001,529	\$ 20,920	\$ 7,022,449
<u>EQUITY AND OTHER CREDITS</u>			
<u>Contributed capital:</u>			
Commonwealth	\$ -	\$ 424,235	\$ 424,235
Federal	-	2,788,179	2,788,179
General government	-	787	787
Less: accumulated amortization	-	(106,033)	(106,033)
Total contributed capital	\$ -	\$ 3,107,168	\$ 3,107,168
Retained earnings (deficit):	(1,553,900)	592,318	(961,582)
Total equity and other credits	\$ (1,553,900)	\$ 3,699,486	\$ 2,145,586
Total liabilities, equity and other credits	\$ 5,447,629	\$ 3,720,406	\$ 9,168,035

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year Ended June 30, 1999

	Solid Waste Fund	Airport Fund	Totals
Operating revenues:			
Charges for services	\$ 1,976,076	\$ -	\$ 1,976,076
Miscellaneous	15,440	21,098	36,538
Total operating revenues	\$ 1,991,516	\$ 21,098	\$ 2,012,614
Operating expenses:			
Container operations	\$ 334,153	\$ -	\$ 334,153
Landfill operations	987,146	-	987,146
Contractual services	148,044	-	148,044
Recycling	137,225	-	137,225
Closure and post closure cost	23,892	-	23,892
Airport operation and maintenance	-	43,814	43,814
Depreciation	97,260	25,811	123,071
Total operating expenses	\$ 1,727,720	\$ 69,625	\$ 1,797,345
Operating income (loss)	\$ 263,796	\$ (48,527)	\$ 215,269
Nonoperating revenues (expenses):			
Interest income	\$ 365	\$ 7,959	\$ 8,324
Interest income - bonds	68,224	-	68,224
Rental income	-	13,906	13,906
Operating grants - Commonwealth	-	129,047	129,047
Bond issuance cost amortization	(11,334)	-	(11,334)
Interest expense	(203,325)	-	(203,325)
Total nonoperating revenues (expenses)	\$ (146,070)	\$ 150,912	\$ 4,842
Income before operating transfers	\$ 117,726	\$ 102,385	\$ 220,111
Operating transfers:			
Operating transfers in	\$ 7,743	\$ 20,004	\$ 27,747
Total operating transfers	\$ 7,743	\$ 20,004	\$ 27,747
Net income (loss)	\$ 125,469	\$ 122,389	\$ 247,858
Add depreciation on fixed assets acquired by contributions from others	-	18,973	18,973
Increase (decrease) in retained earnings	\$ 125,469	\$ 141,362	\$ 266,831
Retained earnings at beginning of year, as adjusted	(1,679,369)	450,956	(1,228,413)
Retained earnings at end of year	\$ (1,553,900)	\$ 592,318	\$ (961,582)

ENTERPRISE FUNDS
Combining Statement of Cash Flows
Year Ended June 30, 1999

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>	<u>Totals</u>
<u>Cash Flows From Operating Activities:</u>			
Operating income (loss)	\$ 263,796	\$ (48,527)	\$ 215,269
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	97,260	25,811	123,071
Amortization of grant contributions	-	(18,973)	(18,973)
Changes in operating assets and liabilities:			
(Increase)decrease in receivables	(44,596)	7,873	(36,723)
(Decrease) in amounts due from other governments	-	(77)	(77)
Increase(decrease) in payables	(12,227)	8,591	(3,636)
Increase in compensated absences	(1,559)	-	(1,559)
Net cash provided by operating activities	<u>\$ 302,674</u>	<u>\$ (25,302)</u>	<u>\$ 277,372</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating grants - Commonwealth	\$ -	\$ 129,047	\$ 129,047
Operating transfers in	7,743	20,004	27,747
Net cash provided by (used in) noncapital financing activities	<u>\$ 7,743</u>	<u>\$ 149,051</u>	<u>\$ 156,794</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (142,400)	\$ (1,047,083)	\$ (1,189,483)
Interest expense	(203,325)	-	(203,325)
Principal paid on revenue bonds	(240,000)	-	(240,000)
Contributed capital from federal government	-	912,190	912,190
Net cash provided by (used in) capital and related financing activities	<u>\$ (585,725)</u>	<u>\$ (134,893)</u>	<u>\$ (720,618)</u>
<u>Cash Flows From Investing Activities:</u>			
Rental income	\$ -	\$ 13,906	\$ 13,906
Interest income	68,589	7,959	76,548
Net cash provided by investing activities	<u>\$ 68,589</u>	<u>\$ 21,865</u>	<u>\$ 90,454</u>
Increase (decrease) in cash and cash equivalents	\$ (206,719)	\$ 10,721	\$ (195,998)
Cash and cash equivalents at beginning of year	<u>1,310,478</u>	<u>103,904</u>	<u>1,414,382</u>
Cash and cash equivalents at end of year	<u>\$ 1,103,759</u>	<u>\$ 114,625</u>	<u>\$ 1,218,384</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 hospital medical plans.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit C-1

**INTERNAL SERVICE FUNDS
Combining Balance Sheet
At June 30, 1999**

	<u>Fleet Maintenance</u> <u>Fund</u>	<u>Health Insurance</u> <u>Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 25,954	\$ 1,779,604	\$ 1,805,558
Cash in the custody others	250	-	250
Receivables (Net of allowances for uncollectibles):			
Accounts	8,483	447,135	455,618
Inventory	152,126	-	152,126
Due from other governmental units	-	-	-
Total current assets	\$ 186,813	\$ 2,226,739	\$ 2,413,552
<u>Fixed assets:</u>			
Fixed assets (Net of accumulated depreciation)	\$ 308,353	-	\$ 308,353
Total fixed assets	\$ 308,353	\$ -	\$ 308,353
Total assets	\$ 495,166	\$ 2,226,739	\$ 2,721,905
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Accounts payable	\$ 42,000	\$ 428,297	\$ 470,297
Accrued liabilities	269	770,697	770,966
Note payable	15,000	-	15,000
Total current liabilities	\$ 57,269	\$ 1,198,994	\$ 1,256,263
<u>Noncurrent liabilities:</u>			
Note payable	\$ 7,500	-	\$ 7,500
Total noncurrent liabilities	\$ 7,500	\$ -	\$ 7,500
Total liabilities	\$ 64,769	\$ 1,198,994	\$ 1,263,763
<u>EQUITY AND OTHER CREDITS</u>			
Contributed capital:			
General government	\$ 292,887	-	\$ 292,887
Retained Earnings			
Retained earnings (deficit) as restated	\$ 137,510	\$ 1,027,745	\$ 1,165,255
Total equity and other credits	\$ 430,397	\$ 1,027,745	\$ 1,458,142
Total liabilities, equity and other credits	\$ 495,166	\$ 2,226,739	\$ 2,721,905

COUNTY OF FAUQUIER, VIRGINIA

Exhibit C-2

INTERNAL SERVICE FUND

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year Ended June 30, 1999

	<u>Fleet Maintenance</u> <u>Fund</u>	<u>Health Insurance</u> <u>Fund</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 1,505,750	\$ 5,547,721	7,053,471
Miscellaneous	6,867	-	6,867
Total operating revenues	<u>\$ 1,512,617</u>	<u>\$ 5,547,721</u>	<u>\$ 7,060,338</u>
Operating expenses:			
Operation and maintenance	\$ 1,460,914	\$ -	\$ 1,460,914
Health and medical cost	-	6,011,560	6,011,560
Depreciation	29,534	-	29,534
Total operating expenses	<u>\$ 1,490,448</u>	<u>\$ 6,011,560</u>	<u>\$ 7,502,008</u>
Operating income (loss)	<u>\$ 22,169</u>	<u>\$ (463,839)</u>	<u>\$ (441,670)</u>
Nonoperating revenues (expenses):			
Interest income	\$ -	\$ 77,363	\$ 77,363
Total nonoperating revenues (expenses)	<u>\$ -</u>	<u>\$ 77,363</u>	<u>\$ 77,363</u>
Income before operating transfers	<u>\$ 22,169</u>	<u>\$ (386,476)</u>	<u>\$ (364,307)</u>
Operating transfers:			
Operating transfers in	\$ 10,264	\$ -	\$ 10,264
Total operating transfers	<u>\$ 10,264</u>	<u>\$ -</u>	<u>\$ 10,264</u>
Net income (loss)	<u>\$ 32,433</u>	<u>\$ (386,476)</u>	<u>\$ (354,043)</u>
Increase (decrease) in retained earnings	\$ 32,433	\$ (386,476)	\$ (354,043)
Retained earnings at beginning of year, as restated	<u>105,077</u>	<u>1,414,221</u>	<u>1,519,298</u>
Retained earnings at end of year	<u><u>\$ 137,510</u></u>	<u><u>\$ 1,027,745</u></u>	<u><u>\$ 1,165,255</u></u>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit C-3

ENTERPRISE FUNDS
 Combining Statement of Cash Flows
 Year Ended June 30, 1999

	Fleet Maintenance		Health Insurance	Totals
	Fund	Fund	Fund	
<u>Cash Flows From Operating Activities:</u>				
Operating income (loss)	\$ 22,169	\$ (463,839)	\$	(441,670)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	29,534			29,534
Changes in operating assets and liabilities:				
(Increase) decrease in receivables	(8,482)	(419,106)		(427,588)
(Increase) decrease in inventory	(47,300)	-		(47,300)
Increase(decrease) in payables	42,269	(220,306)		(178,037)
Net cash provided (used) by operating activities	\$ 38,190	\$ (1,103,251)	\$	(1,065,061)
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating transfers in	\$ 10,264	\$ -	\$	10,264
Net cash provided (used) by noncapital financing activities	\$ 10,264	\$ -	\$	10,264
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Principal paid on note payable	\$ (22,500)	\$ -	\$	(22,500)
Net cash provided (used) by capital and related financing activities	\$ (22,500)	\$ -	\$	(22,500)
<u>Cash Flows From Investing Activities:</u>				
Interest income	\$	\$ 77,363	\$	77,363
Net cash provided (used) by investing activities	\$ -	\$ 77,363	\$	77,363
Increase (decrease) in cash and cash equivalents	\$ 25,954	\$ (1,025,888)	\$	(999,934)
Cash and cash equivalents at beginning of year	-	2,805,492		2,805,492
Cash and cash equivalents at end of year	\$ 25,954	\$ 1,779,604	\$	1,805,558



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TRUST AND AGENCY FUNDS

Expendable Trust Funds:

The Literary 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 for admissions to several lakes for special parks and recreation expenditures as approved by the Parks and Recreation Advisory Board.

The Public and Private Trust Fund is used to restrict donations received from private individuals as well as public contributions toward 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 to 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.

The Deferred Compensation Fund is used to account for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

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.

The Performance Bond Fund is used to account for monies held by the County upon 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.

The Length of Service 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

FIDUCIARY FUNDS

Combining Balance Sheet

At June 30, 1999

	Expendable Trust Funds		
	Library Trust Fund	Parks and Recreation Trust Fund	Public and Private Trust Fund
<u>ASSETS AND OTHER DEBITS</u>			
Assets:			
Cash and investments	\$ 101,372	\$ 108,427	\$ -
Cash in custody of others	-	-	11,016
Length of service fund deposits	-	-	-
Total assets and other debits	\$ 101,372	\$ 108,427	\$ 11,016
<u>LIABILITIES</u>			
Accounts payable	\$ 50	\$ -	\$ -
Amount held for social service clients	-	-	-
Performance bonds payable	-	-	-
Amounts held for beneficiary	-	-	-
Amounts held for prisoners	-	-	-
Total liabilities	\$ 50	\$ -	\$ -
<u>EQUITY AND OTHER CREDITS</u>			
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 101,322	\$ 108,427	\$ 11,016
Total equity and other credits	\$ 101,322	\$ 108,427	\$ 11,016
Total liabilities, equity and other credits	\$ 101,372	\$ 108,427	\$ 11,016

Agency Trust Funds

<u>Special Welfare Fund</u>	<u>Performance Bond Fund</u>	<u>Length of Service Fund</u>	<u>Detention Center Fund</u>	<u>Totals</u>
\$ 16,514	\$ 83,397	\$ -	\$ -	\$ 309,710
-	-	-	116,014	127,030
-	-	1,106,701	-	1,106,701
<u>\$ 16,514</u>	<u>\$ 83,397</u>	<u>\$ 1,106,701</u>	<u>\$ 116,014</u>	<u>\$ 1,543,441</u>
\$ -	\$ -	\$ -	\$ -	\$ 50
16,514	-	-	-	16,514
-	83,397	-	-	83,397
-	-	1,106,701	-	1,106,701
-	-	-	116,014	116,014
<u>\$ 16,514</u>	<u>\$ 83,397</u>	<u>\$ 1,106,701</u>	<u>\$ 116,014</u>	<u>\$ 1,322,676</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,765</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,765</u>
<u>\$ 16,514</u>	<u>\$ 83,397</u>	<u>\$ 1,106,701</u>	<u>\$ 116,014</u>	<u>\$ 1,543,441</u>

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 1999

	Library Trust Fund	Park and Recreation Trust Fund	Public and Private Trust Fund	Totals
Revenues:				
Revenue from use of money and property	\$ 5,178	\$ 6,307	\$ 290	\$ 11,775
Miscellaneous revenues	4,340	15,830	25,234	45,404
Total revenues	\$ 9,518	\$ 22,137	\$ 25,524	\$ 57,179
Expenditures:				
Operating expenses	\$ 20,041	\$ 5,840	\$ 20,156	\$ 46,037
Excess (deficiency) of revenues over expenditures	\$ (10,523)	\$ 16,297	\$ 5,368	\$ 11,142
Other financing sources(uses):				
Operating out	\$ -	\$ (15,000)	\$ -	\$ (15,000)
Total operating transfers	\$ -	\$ (15,000)	\$ -	\$ (15,000)
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ (10,523)	\$ 1,297	\$ 5,368	\$ (3,858)
Fund balances at beginning of year	111,845	107,130	5,648	224,623
Fund balances at end of year	\$ 101,322	\$ 108,427	\$ 11,016	\$ 220,765

AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 1999

	<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	\$ 13,204	\$ 57,038	\$ 53,728	\$ 16,514
Liabilities:				
Amounts held for social service clients	\$ 13,204	\$ 57,038	\$ 53,728	\$ 16,514
<u>Length of Service Fund:</u>				
Assets:				
Cash and investments	\$ -	\$ 1,374,319	\$ 267,618	\$ 1,106,701
Liabilities:				
Amounts held for beneficiary	\$ -	\$ 1,374,319	\$ 267,618	\$ 1,106,701
<u>Undistributed Local Sales Tax Fund:</u>				
Assets:				
Cash and investments	\$ -	\$ 228,106	\$ 228,106	\$ -
Prepaid expenses	10	10	10	-
Total	\$ 10	\$ 228,106	\$ 228,116	\$ -
Liabilities:				
Sales tax payable to towns	\$ -	\$ 228,106	\$ 228,106	\$ -
Due to other funds	10	-	10	-
Total	\$ 10	\$ 228,106	\$ 228,116	\$ -
<u>Performance Bond Fund:</u>				
Assets:				
Cash and investments	\$ 61,417	\$ 53,580	\$ 31,600	\$ 83,397
Liabilities:				
Performance bonds payable	\$ 61,417	\$ 53,580	\$ 31,600	\$ 83,397
<u>Detention Center Fund:</u>				
Assets:				
Cash and investments:				
Cash - Work release	\$ 1,121	\$ 97,637	\$ 9,146	\$ 89,612
Cash - Inmate account	2,755	38,369	38,377	2,747
Cash - Canteen account	15,032	39,654	31,031	23,655
Total cash and investments	\$ 18,908	\$ 175,660	\$ 78,554	\$ 116,014
Liabilities:				
Amounts held for prisoners	\$ 18,908	\$ 175,660	\$ 78,554	\$ 116,014
<u>Totals -- All agency funds</u>				
Assets:				
Cash and investments	\$ 93,529	\$ 286,278	\$ 163,882	\$ 215,925
Prepaid expenses	10	228,106	228,116	-
Length of service fund	-	1,374,319	267,618	1,106,701
Total assets	\$ 93,539	\$ 1,888,703	\$ 659,616	\$ 1,322,626
Liabilities:				
Amounts held for social service clients	\$ 13,204	\$ 57,038	\$ 53,728	\$ 16,514
Amounts held for performance bonds	61,417	53,580	31,600	83,397
Due to other funds	-	-	-	-
Amounts held for beneficiary	-	1,374,319	267,618	1,106,701
Sales tax payable to towns	10	228,106	228,116	-
Amounts held for prisoners	18,908	175,660	78,554	116,014
Total liabilities	\$ 93,539	\$ 1,888,703	\$ 659,616	\$ 1,322,626

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group – Fixed assets used in governmental type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets.

COUNTY OF FAUQUIER, VIRGINIA

Exhibit E-1

Schedule of General Fixed Assets by Source - Primary
Government and Discretely Presented Component Unit
Year Ended June 30, 1999

	Primary Government	Component Unit School Board	Total Reporting Entity
<u>General Fixed Assets:</u>			
Land	\$ 8,407,818	\$ 4,204,136	\$ 12,611,954
Buildings and improvements	11,556,395	67,851,221	79,407,616
Machinery and equipment	4,221,498	10,615,387	14,836,885
Data processing equipment	894,935	1,059,013	1,953,948
Construction in progress	251,964	15,833,902	16,085,866
	<u>25,332,610</u>	<u>99,563,659</u>	<u>124,896,269</u>
Total General Fixed Assets	\$ <u>25,332,610</u>	\$ <u>99,563,659</u>	\$ <u>124,896,269</u>
<u>Investment in General Fixed Assets by Source:</u>			
General fund revenues	\$ 19,679,085	\$ 28,013,659	\$ 47,692,744
General obligation debt	5,653,525	71,550,000	77,203,525
	<u>25,332,610</u>	<u>99,563,659</u>	<u>124,896,269</u>
Total Investment in General in Fixed Assets	\$ <u>25,332,610</u>	\$ <u>99,563,659</u>	\$ <u>124,896,269</u>

Schedule of General Fixed Assets by Function and Activities- Primary
Government and Discretely Presented Component Unit
Year Ended June 30, 1999

Primary Government:

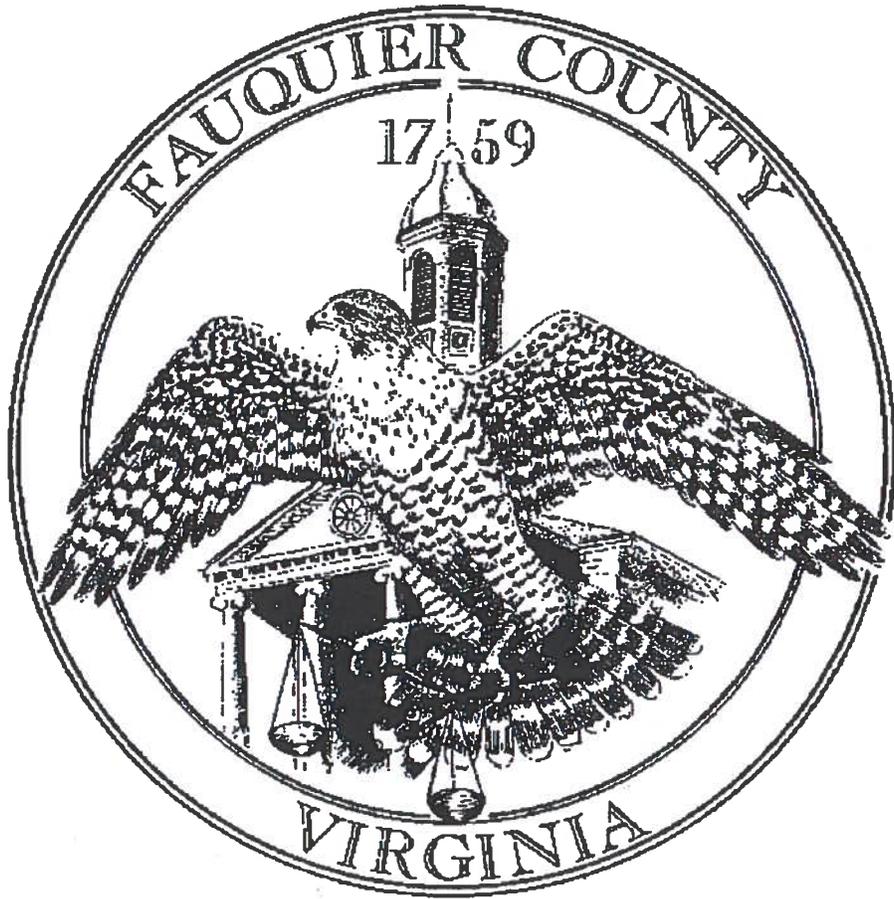
<u>Functions and Activities:</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery And Equipment</u>	<u>Data Processing Equipment</u>	<u>Construction In Progress</u>	<u>Total</u>
General government administration	\$ 5,149,927	\$ 2,965,318	\$ 563,763	\$ 856,384	\$ 84,574	\$ 9,619,966
Judicial administration	166,300	2,456,212	418,784	-	-	3,041,296
Public safety	1,388,000	3,510,600	2,404,475	-	167,390	7,470,465
Public works	287,523	795,799	400,803	-	-	1,484,125
Health and welfare	239,500	269,130	6,000	-	-	514,630
Parks, recreation, and cultural	1,176,568	1,301,683	356,384	38,551	-	2,873,186
Community development	-	257,653	71,289	-	-	328,942
Total primary government	<u>\$ 8,407,818</u>	<u>\$ 11,556,395</u>	<u>\$ 4,221,498</u>	<u>\$ 894,935</u>	<u>\$ 251,964</u>	<u>\$ 25,332,610</u>

Component Unit-School Board:

Education	\$ 4,204,136	\$ 67,851,221	\$ 10,615,387	\$ 1,059,013	\$ 15,833,902	\$ 99,563,659
Total component unit - school board	<u>\$ 4,204,136</u>	<u>\$ 67,851,221</u>	<u>\$ 10,615,387</u>	<u>\$ 1,059,013</u>	<u>\$ 15,833,902</u>	<u>\$ 99,563,659</u>
Total reporting entity	<u>\$ 12,611,954</u>	<u>\$ 79,407,616</u>	<u>\$ 14,836,885</u>	<u>\$ 1,953,948</u>	<u>\$ 16,085,866</u>	<u>\$ 124,896,269</u>

Schedule of Changes in General Fixed Assets by Function - Primary
 Government and Discretely Presented Component Unit
 Year Ended June 30, 1999

Primary Government:	General Fixed Assets July 1, 1998	Additions	Deletions	General Fixed Assets June 30, 1999
General government administration	\$ 9,516,725	\$ 556,781	\$ 538,114	\$ 9,535,392
Judicial administration	3,156,999	40,045	155,748	3,041,296
Public safety	5,136,474	2,354,481	187,880	7,303,075
Public works	1,762,083	45,105	323,063	1,484,125
Health and welfare	531,895	-	17,265	514,630
Parks, recreation, and cultural	2,607,527	341,793	14,838	2,934,482
Community development	304,718	-	37,072	267,646
Construction in progress	304,603	243,159	295,798	251,964
Total primary government	\$ 23,321,024	\$ 3,581,364	\$ 1,569,778	\$ 25,332,610
Component Unit - School Board:				
Education	\$ 93,953,263	\$ 6,841,772	\$ 1,231,376	\$ 99,563,659
Total component unit - school board	\$ 93,953,263	\$ 6,841,772	\$ 1,231,376	\$ 99,563,659
Total reporting entity	\$ 117,274,287	\$ 10,423,136	\$ 2,801,154	\$ 124,896,269



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DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

School Operating Fund – This School Operating Fund accounts for the operations of the County’s school system. Financing is provided by the State and Federal governments as well as appropriations from the General Fund.

School Cafeteria Fund – The School Cafeteria Fund accounts for the County’s school lunch program. Financing is provided from lunch sales and State and Federal reimbursements.

ACCOUNT GROUPS

General Fixed Assets Account Group – Fixed assets used in governmental type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets.

General Long-term Debt Account Group – Long -term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

Combining Balance Sheet

At June 30, 1999

	<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	\$ 35,396	\$ 145,553	\$ -	\$ -	\$ 180,949
Accounts receivable	8,243	257	-	-	8,500
Prepaid expenses	-	-	-	-	-
Due from primary government	5,683,129	-	-	-	5,683,129
Due from other governmental units	1,346,421	41,100	-	-	1,387,521
General fixed assets	-	-	99,563,659	-	99,563,659
Other debits:					
Amount to be provided for the retirement of general long-term debt and compensated obligation	-	-	-	43,672,244	43,672,244
Total assets and other debits	\$ 7,073,189	\$ 186,910	\$ 99,563,659	\$ 43,672,244	\$ 150,496,002
<u>LIABILITIES</u>					
Accounts payable	\$ 550,812	\$ 52,565	\$ -	\$ -	\$ 603,377
Accrued liabilities	6,486,981	189,319	-	-	6,676,300
Deferred revenue	34,046	-	-	-	34,046
General obligation bonds payable	-	-	-	39,875,000	39,875,000
State Literary Fund loans payable	-	-	-	362,500	362,500
Compensated absences	-	-	-	3,434,744	3,434,744
Total liabilities	\$ 7,071,839	\$ 241,884	\$ -	\$ 43,672,244	\$ 50,985,967
<u>EQUITY AND OTHER CREDITS</u>					
Investment in general fixed assets	\$ -	\$ -	\$ 99,563,659	\$ -	\$ 99,563,659
Fund balances:					
Unreserved:					
Unreserved, undesignated	1,350	(54,974)	-	-	(53,624)
Total equity and other credits	\$ 1,350	\$ (54,974)	\$ 99,563,659	\$ -	\$ 99,510,035
Total liabilities, equity and other credits	\$ 7,073,189	\$ 186,910	\$ 99,563,659	\$ 43,672,244	\$ 150,496,002

COUNTY OF FAUQUIER, VIRGINIA

Exhibit F-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Discretely Presented Component Unit – School Board
Year Ended June 30, 1999

	Governmental Fund Types		
	School Operating Fund	School Cafeteria Fund	Totals
Revenues:			
Revenue from use of money and use of property	\$ 2,000	\$ 4,551	\$ 6,551
Charges for services	361,911	1,897,149	2,259,060
Miscellaneous	3,059	-	3,059
Intergovernmental:			
Commonwealth of Virginia	22,771,124	46,321	22,817,445
Federal	1,309,844	599,642	1,909,486
Total revenues	\$ 24,447,938	\$ 2,547,663	\$ 26,995,601
Expenditures:			
Current:			
Education	\$ 58,123,105	\$ 2,554,784	\$ 60,677,889
Debt service:			
Principal retirement	4,666,163	-	4,666,163
Interest and other fiscal charges	2,542,375	-	2,542,375
Total expenditures	\$ 65,331,643	\$ 2,554,784	\$ 67,886,427
Excess (deficiency) of revenues over expenditures	\$ (40,883,705)	\$ (7,121)	\$ (40,890,826)
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(869,871)	-	(869,871)
Operating transfers to primary government	(54,196)	-	(54,196)
Operating transfers from primary government	41,808,422	-	41,808,422
Total other financing sources (uses)	\$ 40,884,355	\$ -	\$ 40,884,355
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ 650	\$ (7,121)	\$ (6,471)
Fund balances at beginning of year	700	(47,853)	(47,153)
Fund balances at end of year	\$ 1,350	\$ (54,974)	\$ (53,624)

COUNTY OF FAUQUIER, VIRGINIA

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Discretely Presented Component Unit – School Board
Year Ended June 30, 1999**

	School Operating Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor)</u>
Revenues:			
Revenue from use of money and use of property	\$ 6,500	\$ 2,000	\$ (4,500)
Charges for services	298,801	361,911	63,110
Miscellaneous	5,000	3,059	(1,941)
Intergovernmental:			
Commonwealth of Virginia	21,608,083	22,771,124	1,163,041
Federal	1,549,100	1,309,844	(239,256)
Total revenues	<u>\$ 23,467,484</u>	<u>\$ 24,447,938</u>	<u>\$ 980,454</u>
Expenditures:			
Current:			
Education	\$ 59,272,324	\$ 58,123,105	\$ 1,149,219
Debt service:			
Principal retirement	4,666,164	4,666,163	1
Interest and other fiscal charges	2,542,375	2,542,375	-
Total expenditures	<u>\$ 66,480,863</u>	<u>\$ 65,331,643</u>	<u>\$ 1,149,220</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (43,013,379)</u>	<u>\$ (40,883,705)</u>	<u>\$ 2,129,674</u>
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(869,871)	(869,871)	-
Process from indebtedness	-	-	-
Operating transfers to primary government	(54,196)	(54,196)	-
Operating transfers from primary government	41,808,422	41,808,422	-
Total other financing sources (uses)	<u>\$ 40,884,355</u>	<u>\$ 40,884,355</u>	<u>\$ -</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>\$ (2,129,024)</u>	<u>\$ 650</u>	<u>\$ 2,129,674</u>
Fund balances at beginning of year	<u>-</u>	<u>700</u>	<u>700</u>
Fund balances at end of year	<u>\$ (2,129,024)</u>	<u>\$ 1,350</u>	<u>\$ 2,130,374</u>

School Cafeteria Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor)
\$ 4,500	\$ 4,551	\$ 51	\$ 11,000	\$ 6,551	\$ (4,449)
1,939,561	1,897,149	(42,412)	2,238,362	2,259,060	20,698
-	-	-	5,000	3,059	(1,941)
42,700	46,321	3,621	21,650,783	22,817,445	1,166,662
586,826	599,642	12,816	2,135,926	1,909,486	(226,440)
<u>\$ 2,573,587</u>	<u>\$ 2,547,663</u>	<u>\$ (25,924)</u>	<u>\$ 26,041,071</u>	<u>\$ 26,995,601</u>	<u>\$ 954,530</u>
\$ 2,573,587	\$ 2,554,784	\$ 18,803	\$ 61,845,911	\$ 60,677,889	\$ 1,168,022
-	-	-	4,666,164	4,666,163	1
-	-	-	2,542,375	2,542,375	-
<u>\$ 2,573,587</u>	<u>\$ 2,554,784</u>	<u>\$ 18,803</u>	<u>\$ 69,054,450</u>	<u>\$ 67,886,427</u>	<u>\$ 1,168,023</u>
\$ -	\$ (7,121)	\$ (7,121)	\$ (43,013,379)	\$ (40,890,826)	\$ 2,122,553
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	(869,871)	(869,871)	-
-	-	-	-	-	-
-	-	-	(54,196)	(54,196)	-
-	-	-	41,808,422	41,808,422	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,884,355</u>	<u>\$ 40,884,355</u>	<u>\$ -</u>
\$ -	\$ (7,121)	\$ (7,121)	\$ (2,129,024)	\$ (6,471)	\$ 2,122,553
-	(47,853)	(47,853)	-	(47,153)	(47,153)
<u>\$ -</u>	<u>\$ (54,974)</u>	<u>\$ (54,974)</u>	<u>\$ (2,129,024)</u>	<u>\$ (53,624)</u>	<u>\$ 2,075,400</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, 1999

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	\$ 35,853,000	\$ 37,004,340	\$ 1,151,340
Real and personal public service corporation property taxes	1,690,000	2,069,772	379,772
Personal property taxes	16,035,000	16,024,603	(10,397)
Penalties	510,000	576,220	66,220
Interest	462,000	455,865	(6,135)
Total general property taxes	\$ 54,550,000	\$ 56,130,800	\$ 1,580,800
Other local taxes:			
Local sales and use taxes	\$ 3,700,000	\$ 3,833,146	\$ 133,146
Consumers' utility taxes	1,880,000	1,837,994	(42,006)
Business license taxes	810,000	863,306	53,306
Cable TV franchise tax	105,000	116,891	11,891
Motor vehicle licenses	1,080,000	1,119,296	39,296
Bank stock taxes	50,000	73,430	23,430
Taxes on recordation and wills	626,645	832,319	205,674
Total other local taxes	\$ 8,251,645	\$ 8,676,382	\$ 424,737
Permits, privilege fees and regulatory licenses:			
Animal licenses	\$ 9,000	\$ 7,101	\$ (1,899)
Building & related permits	499,254	611,257	112,003
Transfer fees	2,000	2,323	323
Zoning permits and fees	49,700	70,738	21,038
Land use application fees	17,000	21,397	4,397
Total permits, privilege fees and regulatory licenses	\$ 576,954	\$ 712,816	\$ 135,862
Fines and Forfeitures:			
Court fines and forfeitures	\$ 159,500	\$ 201,123	\$ 41,623
Revenue from use of money and property:			
Revenue from use of money	\$ 1,573,124	\$ 1,429,493	\$ (143,631)
Revenue from use of property	649,700	683,178	33,478
Total revenue from use of money and property	\$ 2,222,824	\$ 2,112,671	\$ (110,153)
Charges for services:			
Charges for commonwealth's and county's attorney	\$ 115,500	\$ 124,621	\$ 9,121
Excess fees of clerk	60,000	125,870	65,870
Sheriff's fees, deputies and reports	8,600	4,310	(4,290)
Charges for law library	11,000	13,226	2,226
Charges for local costs	1,500	646	(854)
Charges for courthouse maintenance fees	-	29,492	29,492
Charges for environment management	7,000	7,274	274
Charges for parks and recreation	285,985	215,667	(70,318)
Charges for social services	18,500	39,793	21,293
Charges for CSA	-	782	782
Charges for library	60,000	55,636	(4,364)
Charges for planning and community development	14,300	18,894	4,594
Total charges for services	\$ 582,385	\$ 636,211	\$ 53,826

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units
 Schedule of Revenues – Budget and Actual
 Year Ended June 30, 1999 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Miscellaneous revenue:			
Miscellaneous	\$ 93,675	\$ 28,810	\$ (64,865)
Total miscellaneous revenue	\$ 93,675	\$ 28,810	\$ (64,865)
Recovered costs:			
John marshall soil and water district	\$ 62,754	\$ 62,491	\$ (263)
Other government charges	5,000	5,000	-
Board of prisoner - other localities	1,100	1,890	790
Work release	40,000	55,468	15,468
E-911 Reimbursement	17,377	15,509	(1,868)
Home incarceration fees	10,000	22,647	12,647
Medics working events	1,000	-	(1,000)
Social services home study	500	-	(500)
Medical reimbursement - prisoners	2,000	2,766	766
Other costs	4,550	3,256	(1,294)
Hospital hill building	2,000	1,976	(24)
VHFS economic development authority	-	364,624	364,624
Total recovered costs	\$ 146,281	\$ 535,627	\$ 389,346
Total revenue from local sources	\$ 66,583,264	\$ 69,034,440	\$ 2,451,176
Revenue from the Commonwealth:			
Noncategorical aid:			
ABC profits	\$ 110,000	\$ 124,670	\$ 14,670
Wine taxes	62,000	61,024	(976)
Rolling stock tax	70,000	74,615	4,615
Mobile home titling taxes	18,000	31,114	13,114
Auto rental tax	10,000	23,479	13,479
Recordation tax	397,000	407,464	10,464
Total noncategorical aid	\$ 667,000	\$ 722,366	\$ 55,366
Categorical aid:			
Shared expenses:			
Commonwealth's attorney	\$ 270,215	\$ 287,238	\$ 17,023
Sheriff	2,514,285	2,378,720	(135,565)
Commissioner of the revenue	158,000	182,884	24,884
Treasurer	136,132	140,651	4,519
Medical examiner	500	690	190
Registrar/electoral board	43,500	45,753	2,253
Clerk of the circuit court	399,647	390,986	(8,661)
Jail	250,000	189,952	(60,048)
Total shared expenses	\$ 3,772,279	\$ 3,616,874	\$ (155,405)
Welfare:			
Welfare administration and assistance	\$ 696,576	\$ 671,116	\$ (25,460)
Comprehensive services act	878,236	821,666	(56,570)
Total welfare	\$ 1,574,812	\$ 1,492,782	\$ (82,030)

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

**Governmental Funds and Discretely Presented Component Units
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 1999 (Continued)**

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Revenue from the Commonwealth:			
Other categorical aid:			
Fire programs fund	\$ -	\$ 14,647	\$ 14,647
Records preservation grant	7,000	34,273	27,273
Administrative	202,000	224,087	22,087
Library aid	35,000	20,343	(14,657)
Litter control	36,818	23,500	(13,318)
Judicial and legal	104,709	104,709	-
Juvenile community control act	109,800	15,621	(94,179)
Sheriff department	134,600	132,639	(1,961)
Comprehensive community correction	17,302	-	(17,302)
Other grants	-	-	-
Total other categorical aid	\$ 647,229	\$ 569,819	\$ (77,410)
Total categorical aid	\$ 5,994,320	\$ 5,679,475	\$ (314,845)
Total revenue from the commonwealth	\$ 6,661,320	\$ 6,401,841	\$ (259,479)
Revenue from the Federal Government:			
Payments in lieu of taxes			
	\$ 2,000	\$ -	\$ (2,000)
Categorical aid:			
Welfare administration and assistance	\$ 1,343,778	\$ 1,510,125	\$ 166,347
Gypsy moth	-	6,302	6,302
Dea group 33 & 35	121,714	122,986	1,272
Anti-drug abuse grant	1,272	-	(1,272)
Victim-witness grant	15,659	43,091	27,432
Miscellaneous	9,324	-	(9,324)
Cops fast/universal hire	59,000	36,435	(22,565)
Cops grants	49,685	48,179	(1,506)
Transportation safety	-	21,502	21,502
Total categorical aid	\$ 1,600,432	\$ 1,788,620	\$ 188,188
Total revenue from the federal government	\$ 1,602,432	\$ 1,788,620	\$ 186,188
Total General Fund	\$ 74,847,016	\$ 77,224,901	\$ 2,377,885
Special Revenue Funds:			
Joint Dispatch Fund:			
Revenue from local sources:			
Other local taxes:			
E-911 telephone tax	\$ 709,466	\$ 714,186	\$ 4,720
Total Joint Dispatch Fund	\$ 709,466	\$ 714,186	\$ 4,720
Fire and Rescue Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 2,115,380	\$ 2,252,935	\$ 137,555
Recovered Cost:			
Community events	-	3,068	3,068
Total revenue from local sources	\$ 2,115,380	\$ 2,256,003	\$ 140,623

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 1999 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Revenue from the Commonwealth:			
Categorical aid:			
Fire programs	\$ -	\$ 24,983	\$ 24,983
Emergency medical service	62,700	56,717	(5,983)
Total revenue from commonwealth	\$ 62,700	\$ 81,700	\$ 19,000
Total Fire and Rescue Fund	\$ 2,178,080	\$ 2,337,703	\$ 159,623
Total Special Revenue Funds	\$ 2,887,546	\$ 3,051,889	\$ 164,343
Capital Improvement Projects Fund:			
Revenue from local sources:			
Miscellaneous revenue:			
Miscellaneous	\$ 113,000	\$ 17,066	\$ (95,934)
Total miscellaneous revenue	\$ 113,000	\$ 17,066	\$ (95,934)
Revenue from the Commonwealth:			
Categorical aid:			
Parks and recreation grant	\$ -	\$ 98,458	\$ 98,458
Total revenue from commonwealth	\$ -	\$ 98,458	\$ 98,458
Total Capital Improvement Projects Fund	\$ 113,000	\$ 115,524	\$ 2,524
Grand Total Revenues -- Primary Government	\$ 77,847,562	\$ 80,392,314	\$ 2,544,752
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of property	\$ 6,500	\$ 2,000	\$ (4,500)
Charges for services:			
Charges for education	\$ 200,580	\$ 270,343	\$ 69,763
Refunds and fees	98,221	91,568	(6,653)
Total charges for services	\$ 298,801	\$ 361,911	\$ 63,110
Miscellaneous revenue:			
Miscellaneous revenue	\$ 5,000	\$ 3,059	\$ (1,941)
Total revenue from local sources	\$ 310,301	\$ 366,970	\$ 56,669
Revenue from the Commonwealth:			
Categorical aid:			
Share of state sales tax	\$ 5,305,659	\$ 5,440,686	\$ 135,027
Basic school aid	10,576,764	10,543,773	(32,991)
Regular foster care	87,640	29,036	(58,604)
Lottery	-	737,071	737,071
Lottery hold harmless	-	385,943	385,943
Gifted and talented	125,623	126,058	435
At risk youth	288,831	77,611	(211,220)
ESL payments	8,408	-	(8,408)
Special education	1,466,836	1,471,917	5,081
Special education - homebound	38,040	52,234	14,194

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units

Schedule of Revenues – Budget and Actual

Year Ended June 30, 1999 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Component Unit -- School Board: (continued)			
Revenue from the Commonwealth: (continued)			
Categorical aid: (continued)			
Special education - foster child	17,515	30,303	12,788
Regional programs	19,826	38,294	18,468
Vocational education	229,078	229,871	793
Vocational adult education and equipment	-	12,636	12,636
School construction grant	363,642	363,642	-
Occupational education	-	40,967	40,967
Primary class size	-	242,714	242,714
Social security instructional	610,086	655,935	45,849
Social security non-instructional	25,420	21,424	(3,996)
Teacher retirement instructional	649,361	696,026	46,665
Teacher retirement non-instructional	34,177	24,187	(9,990)
Group life insurance instructional	16,442	-	(16,442)
Group life insurance non-instructional	2,032	-	(2,032)
Salary supplement	144,097	144,596	499
Dropout prevention	92,217	92,217	-
Remedial education	169,961	166,842	(3,119)
Remedial summer school	-	66,125	66,125
Maintenance supplement	50,300	55,614	5,314
Educational technology	425,000	425,000	-
Textbook payments	142,582	139,814	(2,768)
School standard of learning	222,128	191,177	(30,951)
Alternative education	285,259	92,739	(192,520)
Other state funds	211,159	176,672	(34,487)
Total revenue from the commonwealth	\$ 21,608,083	\$ 22,771,124	\$ 1,163,041
Revenue from the federal government:			
Categorical aid:			
Adult basic education	\$ 52,765	\$ 38,193	\$ (14,572)
Chapter I	353,220	290,280	(62,940)
Chapter II	42,085	27,533	(14,552)
Title II	24,600	18,761	(5,839)
Miscellaneous federal revenue	189,426	79,768	(109,658)
Title VI - B - Special Education	852,004	647,843	(204,161)
Vocational education	-	98,499	98,499
Drug free schools	35,000	49,260	14,260
ROTC	-	59,707	59,707
Total revenue from the federal government	\$ 1,549,100	\$ 1,309,844	\$ (239,256)
Total School Operating Fund	\$ 23,467,484	\$ 24,447,938	\$ 980,454
School Cafeteria Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ 4,500	\$ 4,551	\$ 51
Charges for services:			
Cafeteria sales	1,939,561	1,897,149	(42,412)
Total revenue from local sources	\$ 1,944,061	\$ 1,901,700	\$ (42,361)

COUNTY OF FAUQUIER, VIRGINIA

Schedule 1

Governmental Funds and Discretely Presented Component Units

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 1999 (Continued)

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
Component Unit -- School Board: (continued)			
Revenue from the Commonwealth:			
Categorical aid:			
School food program	\$ 42,700	\$ 46,321	\$ 3,621
Revenue from the federal government:			
Categorical aid:			
School food program	\$ 586,826	\$ 599,642	\$ 12,816
Total School Cafeteria Fund	\$ 2,573,587	\$ 2,547,663	\$ (25,924)
Grand Total Revenues -- Component Unit -- School Board	\$ 26,041,071	\$ 26,995,601	\$ 954,530
Grand Total Revenues -- Reporting Entity	\$ 103,888,633	\$ 107,387,915	\$ 3,499,282

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

**Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures – Budget and Actual
Year Ended June 30, 1999**

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government:			
General Fund:			
General government administration:			
Legislative:			
Board of supervisors	\$ 330,009	\$ 327,079	\$ 2,930
General and financial administration:			
County administrator	\$ 358,906	\$ 330,193	\$ 28,713
County attorney	484,663	458,733	25,930
Personnel	657,575	526,395	131,180
Independent auditor	37,500	25,675	11,825
Commissioner of the revenue	918,867	879,796	39,071
Treasurer	690,773	612,680	78,093
Director of finance	868,104	853,681	14,423
Office of management and budget	245,864	222,709	23,155
Geographic information systems	183,598	167,169	16,429
Risk management	209,609	165,753	43,856
Central store	-	2,399	(2,399)
Management information systems	409,534	353,334	56,200
Total general and financial administration	\$ 5,064,993	\$ 4,598,517	\$ 466,476
Board of Elections:			
Registrar	\$ 209,892	\$ 208,414	\$ 1,478
Total general government administration	\$ 5,604,894	\$ 5,134,010	\$ 470,884
Judicial administration:			
Courts:			
Circuit court	\$ 108,399	\$ 80,781	\$ 27,618
General district court	11,500	11,841	(341)
Magistrates	38,042	37,817	225
Juvenile and domestic relations district court	29,743	27,435	2,308
Clerk of the circuit court	603,802	593,322	10,480
Multidisciplinary partnership	3,871	3,871	-
Commissioner of accounts	2,400	2,400	-
Law library	22,001	18,752	3,249
Adult court service	188,642	185,020	3,622
Total courts	\$ 1,008,400	\$ 961,239	\$ 47,161
Commonwealth's attorney:			
Commonwealth's attorney	\$ 600,230	\$ 562,519	\$ 37,711
Total judicial administration	\$ 1,608,630	\$ 1,523,758	\$ 84,872
Public safety:			
Law enforcement and traffic control:			
Sheriff	\$ 5,768,760	\$ 5,465,796	\$ 302,964

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units
 Schedule of Expenditures -- Budget and Actual
 Year Ended June 30, 1999 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Correction and detention:			
Sheriff	\$ 669,166	\$ 678,541	\$ (9,375)
Probation office	25,510	17,171	8,339
Juvenile detention	92,373	65,185	27,188
Juvenile crime control	181,734	179,722	2,012
Total correction and detention	\$ 968,783	\$ 940,619	\$ 28,164
Other protection:			
Animal control	\$ 103,969	\$ 98,773	\$ 5,196
Emergency services (civil defense)	64,888	64,620	268
Total other protection	\$ 168,857	\$ 163,393	\$ 5,464
Total public safety	\$ 6,906,400	\$ 6,569,808	\$ 336,592
Public works:			
Sanitation and waste removal:			
Litter control/recycling	\$ 194,213	\$ 163,659	\$ 30,554
Solid waste operations	1,257,689	1,258,869	(1,180)
Total sanitation and waste removal	\$ 1,451,902	\$ 1,422,528	\$ 29,374
Maintenance of general buildings and grounds:			
Support services/administration	\$ 130,299	\$ 127,437	\$ 2,862
General properties	2,105,216	2,031,909	73,307
Total maintenance of general buildings and grounds	\$ 2,235,515	\$ 2,159,346	\$ 76,169
Total public works	\$ 3,687,417	\$ 3,581,874	\$ 105,543
Health and welfare:			
Health:			
Supplement of local health department	\$ 358,673	\$ 362,636	\$ (3,963)
Mental health and mental retardation:			
Chapter X board	\$ 195,952	\$ 195,952	\$ -
Welfare:			
Social services	\$ 2,739,762	\$ 2,633,693	\$ 106,069
Institutional care	53,611	45,276	8,335
Comprehensive services act	1,784,387	1,510,737	273,650
Total welfare	\$ 4,577,760	\$ 4,189,706	\$ 388,054
Total health and welfare	\$ 5,132,385	\$ 4,748,294	\$ 384,091
Education:			
Community colleges	\$ 30,675	\$ 30,675	\$ -

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units
 Schedule of Expenditures -- Budget and Actual
 Year Ended June 30, 1999 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Parks, recreation and cultural:			
Parks and recreation			
Parks and recreation	\$ 1,252,970	\$ 1,179,015	\$ 73,955
Library:			
Public library	\$ 1,122,276	\$ 1,101,275	\$ 21,001
Total parks, recreation and cultural	\$ 2,375,246	\$ 2,280,290	\$ 94,956
Community development:			
Planning and community development:			
Community development	\$ 1,088,442	\$ 1,043,006	\$ 45,436
Planning	86,070	76,115	9,955
Economic development	125,096	45,887	79,209
Contributions to community organizations	564,083	538,547	25,536
Agriculture development	70,058	58,247	11,811
VHFS economic development authority	67	367,950	(367,883)
Vint hill farms station	230,000	230,000	-
Total planning and community development	\$ 2,163,816	\$ 2,359,752	\$ (195,936)
Environmental management:			
Soil and water conservation district	\$ 198,043	\$ 193,250	\$ 4,793
Cooperative extension program:			
VPI extension	\$ 128,792	\$ 120,488	\$ 8,304
Johnsongrass office	12,213	9,305	2,908
Volunteer center	21,546	21,825	(279)
Total cooperative extension program	\$ 162,551	\$ 151,618	\$ 10,933
Total community development	\$ 2,524,410	\$ 2,704,620	\$ (180,210)
Capital projects:			
Hospital hill	\$ 124,436	\$ 113,515	\$ 10,921
Nondepartmental:			
Nondepartmental operations	\$ 988,978	\$ 278,019	\$ 710,959
Debt service on capital lease:			
Principal retired	\$ 273,245	\$ 273,245	\$ -
Interest and fiscal charges	164,830	164,740	90
Total debt service	\$ 438,075	\$ 437,985	\$ 90
Total General Fund	\$ 29,421,546	\$ 27,402,848	\$ 2,018,698
Special Revenue Funds:			
Joint Dispatch Fund:			
Public safety:			
Other protection:			
Emergency operations center	\$ 845,527	\$ 839,594	\$ 5,933
Total Joint Dispatch Fund	\$ 845,527	\$ 839,594	\$ 5,933

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units
 Schedule of Expenditures – Budget and Actual
 Year Ended June 30, 1999 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Fire and Rescue Fund:			
Contribution to fire and rescue associations	\$ 1,691,541	\$ 1,498,809	\$ 192,732
Rescue services	601,946	638,923	(36,977)
Total Fire and Rescue Fund	\$ 2,293,487	\$ 2,137,732	\$ 155,755
Total Special Revenue Funds	\$ 3,139,014	\$ 2,977,326	\$ 161,688
Capital Improvement Projects Fund:			
Capital Outlay:			
General government administration:			
General government	\$ 690,840	\$ 402,886	\$ 287,954
Judicial administration	216,404	12,588	203,816
Public safety	83,765	72,413	11,352
Solid waste	5,000	-	5,000
Health and welfare	14,627	-	14,627
Education	223,583	83,234	140,349
Parks, recreation, and cultural	190,268	56,863	133,405
Community development	16,000	10,000	6,000
Non-departmental	123,706	5,195	118,511
Total general government administration	\$ 1,564,193	\$ 643,179	\$ 921,014
Public Safety			
Radio safety	\$ 717,809	\$ 18,196	\$ 699,613
Detention center	2,331,497	2,108,820	222,677
Computer aid dispatch center	700,934	229,423	471,511
Total public safety	\$ 3,750,240	\$ 2,356,439	\$ 1,393,801
Public Works:			
Marshall community center	\$ 72,554	\$ -	\$ 72,554
Warren green building	228,792	80,795	147,997
John marshall building	72,434	18,986	53,448
John barton payne building	2,134	1,743	391
Main library	45,248	30,426	14,822
Old jail museum	-	(1,400)	1,400
Shadow lawn building and grounds	1,163	-	1,163
Capital Outlay:			
White property	\$ 3,000	\$ 1,098	\$ 1,902
Judicial center	37,285	23	37,262
Courthouse maintenance fund	79,347	53,656	25,691
John marshall branch library	77,149	-	77,149
Solid waste convenience site	70,000	-	70,000
District Water Testing	73,124	-	73,124
Paris WSA system repairs	126,982	27,346	99,636
Total public works	\$ 889,212	\$ 212,673	\$ 676,539

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units

Schedule of Expenditures -- Budget and Actual

Year Ended June 30, 1999 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Capital outlay: (continued)			
Education:			
Modular house for vocational education	\$ 40,127	\$ 13,456	\$ 26,671
Marshall middle school renovations	1,500	-	1,500
Warrenton middle school renovations	1,500	-	1,500
Schools non-reoccurring projects	445,699	276,240	169,459
Motor vehicles and equipment	380,000	378,861	1,139
Asbestos abatement	4,996	1,733	3,263
School technology	246,438	149,643	96,795
School repairs and maintenance projects	257,090	177,165	79,925
School electrical systems	18,345	18,954	(609)
School roof maintenance	175,764	161,441	14,323
School hvac/paving maintenance	800,453	705,593	94,860
Total education	<u>\$ 2,371,912</u>	<u>\$ 1,883,086</u>	<u>\$ 488,826</u>
Parks and Recreation:			
Monroe park	\$ 123,254	\$ 61,296	\$ 61,958
Vint hill farm station park	106,684	21,175	85,509
Marshall community center	35,043	1,250	33,793
Outside court maintenance	26,690	-	26,690
Ballfield maintenance	62,921	-	62,921
Central storage	36,800	-	36,800
Recreational parks	24,646	-	24,646
Corral farm ballfield construction	29,000	-	29,000
Park planning	41,704	32,000	9,704
Total parks, recreational and cultural	<u>\$ 486,742</u>	<u>\$ 115,721</u>	<u>\$ 371,021</u>
Community Development:			
Bealeton library expansion	2,058	-	2,058
Capital Outlay:			
Frytown project	\$ 12,734	\$ 12,734	-
Subdivision improvement	252,309	-	252,309
Total community development	<u>\$ 267,101</u>	<u>\$ 12,734</u>	<u>\$ 254,367</u>
Total Capital Outlay	<u>\$ 9,329,400</u>	<u>\$ 5,223,832</u>	<u>\$ 4,105,568</u>
Capital Projects:			
Education:			
Pierce school	\$ 266,110	\$ 214,662	\$ 51,448
Coleman school	2,194	-	2,194
Fauquier high school	173,735	75,538	98,197
Central elementary school	8,672,216	888,701	7,783,515
Cedar lee middle school	3,480,292	2,875,688	604,604
Lord Fairfax community college	1,254,570	1,171,285	83,285
Total education	<u>\$ 13,849,117</u>	<u>\$ 5,225,874</u>	<u>\$ 8,623,243</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

**Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures -- Budget and Actual
Year Ended June 30, 1999 (Continued)**

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Primary Government: (continued)			
Capital outlay: (continued)			
Community Development:			
Auburn dam	\$ 2,226,778	\$ 13,638	\$ 2,213,140
Route 28 project plan	1,711,812	9,566	1,702,246
Total community development	\$ 3,938,590	\$ 23,204	\$ 3,915,386
Total Capital Projects	\$ 17,787,707	\$ 5,249,078	12,538,629
Non-Departmental:	\$ 472	\$ -	472
Total Capital Improvement Projects Fund	\$ 27,117,579	\$ 10,472,910	\$ 16,644,669
Grand Total Expenditures -- Primary Government	\$ 59,678,139	\$ 40,853,084	\$ 18,825,055
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Education:			
Instruction	\$ 48,304,249	\$ 47,414,269	\$ 889,980
Administration, attendance and health	2,081,332	2,077,240	4,092
Pupil transportation services	3,606,616	3,403,082	203,534
Operation and maintenance services	5,280,127	5,228,514	51,613
Total education	\$ 59,272,324	\$ 58,123,105	\$ 1,149,219
Debt Service:			
Principal retirement	\$ 4,666,164	\$ 4,666,163	\$ 1
Interest and other debt costs	2,542,375	2,542,375	-
Total debt service	\$ 7,208,539	\$ 7,208,538	\$ 1
Total School Operating Fund	\$ 66,480,863	\$ 65,331,643	\$ 1,149,220
School Cafeteria Fund:			
Education:			
School food services	\$ 2,573,587	\$ 2,554,784	\$ 18,803
Grand Total Expenditures -- Component Unit -- School Board	\$ 69,054,450	\$ 67,886,427	\$ 1,168,023
Grand Total Expenditures -- Reporting Entity	\$ 128,732,589	\$ 108,739,511	\$ 19,993,078

COUNTY OF FAUQUIER, VIRGINIA

Schedule 3

Schedule of the Treasurer's Accountability

At June 30, 1999

Assets held by the Treasurer:

Cash on hand	\$	1,000
Cash in banks:		
Checking:		
The Fauquier Bank		10,231,149
Farmers and Merchants - Peoples		60,587
Savings		
First Virginia Bank		18,269
Money Market Accounts:		
The Fauquier Bank		251,618
Marshall National Bank		201,580
State Bank of Remington		408,041
Farmers and Merchants - Peoples		37,702
Crestar		32,468
Wachovia		29,416
Southern Financial Bank		51,614

Investments:

Investment Account		15,117,794
Virginia State Non-Arbitrage Program		3,763,735
Local Government Investment Pool		7,499,089

Total Assets \$ 37,704,062

Liabilities of the Treasurer:

Balance of County Funds(Schedule 4)	\$	37,690,438
Amount due to Commonwealth of Virginia		7,530
Other Credits		6,094

Total Liabilities \$ 37,704,062

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, 1999**

	Governmental Funds			Proprietary
	General	Special Revenue	Capital Projects	Enterprise
Balance July 1, 1998	\$ 11,126,305	\$ 198,999	\$ 24,555,221	\$ 1,444,714
Receipts (net):				
General property taxes	\$ 56,130,800	\$ 2,236,171	\$ -	\$ -
Other local taxes	8,676,382	766,900	-	-
Permits, privilege fees and regulatory licenses	712,816	-	-	6,720
Fines and forfeitures	201,123	-	-	-
Revenue from use of money and property	2,112,671	-	-	90,383
Charges for services	636,211	-	-	1,943,997
Miscellaneous	28,810	-	17,066	17,299
Recovered costs	535,627	-	-	-
Intergovernmental	8,190,461	57,726	98,458	121,322
Other financing sources	-	-	-	-
Total receipts	\$ 77,224,901	\$ 3,060,797	\$ 115,524	\$ 2,179,721
Total receipts and balance	\$ 88,351,206	\$ 3,259,796	\$ 24,670,745	\$ 3,624,435
Disbursements (net):				
Warrants (checks) issued	\$ 26,730,386	\$ 2,975,765	\$ 11,053,058	\$ 1,990,473
Retirement of indebtedness	273,245	-	-	240,000
Interest and fiscal charges	164,740	-	-	203,325
Total disbursements	\$ 27,168,371	\$ 2,975,765	\$ 11,053,058	\$ 2,433,798
Interfund transfers:				
Transfers in	\$ 299,762	\$ 105,591	\$ 4,055,937	\$ 27,747
Transfers out	45,123,090	-	245,566	-
Balance, June 30, 1999	\$ 16,359,507	\$ 389,622	\$ 17,428,058	\$ 1,218,384

Schedule 4

<u>Funds</u>	<u>Fiduciary Funds</u>	<u>Component Unit</u>	<u>Total</u>
<u>Internal Service</u>	<u>Trust & Agency</u>	<u>School Board</u>	<u>"Memorandum Only"</u>
\$ 2,805,492	\$ 301,979	\$ 138,240	\$ 40,570,950
\$ -	\$ -	\$ -	\$ 58,366,971
-	-	-	9,443,282
-	-	-	719,536
-	-	-	201,123
77,363	11,485	6,551	2,298,453
6,625,882	335,276	2,218,205	11,759,571
6,866	20,370		90,411
-	57,038	166,593	759,258
-	-	24,642,175	33,110,142
-	-	-	-
\$ 6,710,111	\$ 424,169	\$ 27,033,524	\$ 116,748,747
\$ 9,515,603	\$ 726,148	\$ 27,171,764	\$ 157,319,697
\$ 7,697,809	\$ 401,438	\$ 60,667,982	\$ 111,516,911
22,500	-	4,666,163	5,201,908
-	-	2,542,375	2,910,440
\$ 7,720,309	\$ 401,438	\$ 67,876,520	\$ 119,629,259
\$ 10,264	\$ -	\$ 41,808,422	\$ 46,307,723
-	15,000	924,067	46,307,723
\$ 1,805,558	\$ 309,710	\$ 179,599	\$ 37,690,438

Schedule of the Treasurer's Accountability to the Commonwealth
For the Year Ended June 30, 1999

	<u>Balance July 1, 1998</u>	<u>Collections</u>	<u>Remittances</u>	<u>Balance June 30, 1999</u>
1999 Taxes:				
Estimated income taxes	\$ -	\$ 3,249,045	\$ 3,249,045	\$ -
1998 Taxes:				
Taxable year income taxes	-	3,056,611	3,056,611	-
Estimated income taxes	-	5,069,157	5,069,157	-
1997 Taxes:				
Taxable year income taxes	-	256,856	256,856	-
Other Collections:				
Penalty	-	3,164	3,164	-
Interest	-	549	549	-
Share of fees of sheriff and deputies	-	76,792	83,787	(6,995)
Total	<u>\$ -</u>	<u>\$ 11,712,174</u>	<u>\$ 11,719,169</u>	<u>\$ (6,995)</u>

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

STATISTICAL TABLES

COUNTY OF FAUQUIER, VIRGINIA

**Government Expenditures by Function(1)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>
1989-90	\$ 2,959,934	\$ 492,597	\$ 4,280,231	\$ 1,880,083	\$ 1,951,262
1990-91	3,185,919	774,240	4,564,187	1,848,586	2,212,918
1991-92	3,264,804	883,435	4,999,490	990,293	2,449,113
1992-93	3,336,681	876,865	4,878,359	1,440,581	2,544,881
1993-94	3,787,665	910,145	5,293,874	1,624,721	2,814,113
1994-95	3,347,351	980,382	7,095,895	1,837,059	3,150,622
1995-96	4,448,074	1,035,026	8,223,415	5,573,828	3,622,004
1996-97	8,898,098	1,668,656	10,042,660	5,690,852	4,551,422
1997-98	6,067,510	1,469,555	10,213,570	7,618,067	5,078,681
1998-99	6,214,760	3,880,197	9,759,807	3,581,874	4,748,294

(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

Table 1

	<u>Education</u>	<u>Recreation and Cultural</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Total</u>
\$	39,217,923	\$ 1,421,475	\$ 1,369,908	\$ 3,364,398	\$ 56,937,811
	43,543,672	1,552,706	1,179,258	4,023,564	62,885,050
	43,390,849	1,467,637	1,113,988	3,957,162	62,516,771
	44,395,046	1,417,448	1,497,886	4,944,684	65,332,431
	46,061,151	1,536,063	1,618,601	5,802,071	69,448,404
	50,848,284	1,673,107	1,957,757	6,107,034	76,997,491
	48,023,722	1,767,245	2,073,464	6,091,387	80,858,165
	59,600,276	2,290,625	2,448,128	5,755,858	100,946,575
	69,742,125	2,450,153	2,316,044	7,011,362	111,967,067
	67,840,728	2,396,011	2,717,354	7,646,523	108,785,548

COUNTY OF FAUQUIER, VIRGINIA

**Government Revenues by Source(1)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Property Taxes</u>	<u>Other Local Taxes</u>	<u>Permit Privilege Fees & Regulatory Licenses</u>	<u>Fines & Forfeitures</u>	<u>Revenues from the Use of Money & Property</u>
1989-90	\$ 27,334,024	\$ 6,031,357	\$ 494,961	\$ 15,568	\$ 1,916,988
1990-91	34,595,261	5,631,251	433,172	37,034	721,940
1991-92	37,202,099	6,595,335	456,613	61,665	629,862
1992-93	39,603,352	6,286,132	393,613	130,103	620,588
1993-94	43,016,486	6,880,131	437,690	147,400	889,244
1994-95	48,029,231	7,374,936	589,711	147,975	1,633,286
1995-96	49,650,697	7,663,235	492,519	121,389	1,725,383
1996-97	52,049,159	8,025,062	558,902	143,723	2,038,219
1997-98	73,184,354	8,562,552	564,316	171,262	2,599,301
1998-99	58,383,735	9,390,568	712,816	201,123	2,130,997

(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 Revenue does not include proceeds from indebtedness

Table 2

<u>Charges for Services</u>	<u>Miscellaneous</u>	<u>Recovered Costs</u>	<u>Inter- governmental</u>	<u>Total</u>
\$ 2,283,941	\$ 557,625	\$ 208,769	\$ 18,493,530	\$ 57,336,763
2,601,207	502,029	402,511	18,918,026	63,842,431
2,135,821	827,857	384,823	18,504,967	66,799,042
2,068,769	347,404	80,699	18,668,754	68,199,414
2,530,523	377,114	663,786	19,327,976	74,270,350
2,418,307	183,482	379,367	23,171,823	83,928,118
2,179,034	1,181,682	155,276	23,672,366	86,841,581
2,529,450	297,392	281,147	26,500,922	92,423,976
4,215,626	274,989	171,303	27,814,462	117,558,165
2,940,675	147,393	538,695	32,999,092	107,445,094

COUNTY OF FAUQUIER, VIRGINIA

**Property Tax Levies and Collections
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total(1) Tax Levy</u>	<u>Current Tax(1) Collections</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent(1) Tax(2) Collections</u>
1989-90	\$ 27,639,958	\$ 26,443,360	\$ 95.67%	\$ 348,365
1990-91	35,624,866	33,478,769	93.98%	534,519
1991-92	37,515,586	34,988,407	93.26%	1,082,529
1992-93	39,486,468	36,907,864	93.47%	1,618,156
1993-94	42,166,153	40,074,085	95.04%	1,966,571
1994-95	46,297,895	43,520,809	94.00%	2,004,527
1995-96	47,580,344	45,105,097	94.80%	1,461,059
1996-97	51,745,756	49,475,390	95.61%	1,616,170
1997-98 (4)	72,647,034	69,456,067	95.61%	1,666,145
1998-99	56,612,254	55,294,787	97.67%	1,812,388

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.

Table 3

	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding(1) Delinquent(3) Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
\$	26,791,725	96.93%	\$ 1,821,313	6.59%
	34,013,288	95.48%	3,273,753	9.19%
	36,070,936	96.15%	4,418,739	11.78%
	38,526,020	97.57%	4,925,857	12.47%
	42,040,656	99.70%	4,397,492	10.43%
	45,525,336	98.33%	2,627,735	5.68%
	46,566,156	97.87%	2,927,028	6.15%
	51,091,560	98.74%	2,205,998	4.26%
	71,122,212	97.90%	3,330,854	4.58%
	57,107,175	100.87%	3,130,424	5.53%

COUNTY OF FAUQUIER, VIRGINIA

**Assessed Value of All Taxable Property
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Airplane</u>	<u>Mobile Homes</u>	<u>Machinery and Tools</u>
1989-90	\$ 3,005,951,399	\$ 194,685,171	\$ 1,325,849	\$ 5,510,432	\$ 12,351,141
1990-91	3,096,038,974	207,471,221	1,590,250	5,491,323	12,895,230
1991-92	3,112,929,825	207,661,484	1,761,325	5,402,293	13,760,045
1992-93	3,172,703,130	204,244,507	1,861,830	5,521,339	10,030,443
1993-94	3,203,089,889	205,822,817	2,141,750	5,310,872	8,745,079
1994-95	3,326,023,307	225,348,686	2,199,898	4,511,633	7,718,678
1995-96	3,379,288,221	265,044,520	2,367,444	4,812,375	6,157,665
1996-97	3,428,662,770	311,006,694	2,388,816	4,812,419	5,042,614
1997-98	3,580,410,049	318,172,142	2,820,795	4,747,942	6,833,515
1998-99	3,663,585,036	335,750,838	3,183,817	3,938,111	7,417,720

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

Table 4

<u>Public Service</u>	<u>Handicapped Equipment</u>	<u>Camper Trailers</u>	<u>Fire & Rescue</u>	<u>Total</u>
\$ 125,293,746	\$ -	\$ -	\$ -	\$ 3,345,117,738
128,044,315	-	-	-	3,451,531,313
119,289,578	-	-	-	3,460,804,550
121,997,262	-	-	-	3,516,358,511
137,752,001	-	-	-	3,562,862,408
168,355,738	-	-	-	3,734,157,940
168,080,556	-	-	-	3,825,750,781
159,429,091	514,500	2,417,631	-	3,914,274,535
161,304,562	661,840	3,304,376	1,215,464	4,079,470,685
182,512,529	861,420	3,702,994	1,401,108	4,202,353,573

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
1989-90	\$ 0.62	\$ 3.95	\$ 1.50	\$ 3.55	-	-	-
1990-91	0.83	4.00	1.50	4.00	-	-	-
1991-92	0.88	4.00	1.50	4.00	-	-	-
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	4.36	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

COUNTY OF FAUQUIER, VIRGINIA

Table 6

**Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years**

<u>Year</u>	<u>Population(1)</u>	<u>Value(2)</u>	<u>Gross Debt(3)</u>	<u>Ratio of Net General Obligation Debt to Value</u>	<u>Net Bonded Capita</u>
1989-90	48,860 \$	3,345,117,738 \$	29,390,000	0.0088	602
1990-91	49,600	3,451,531,313	27,562,500	0.0080	556
1991-92	50,400	3,460,804,550	33,610,000	0.0097	667
1992-93	50,900	3,516,361,511	47,122,500	0.0134	926
1993-94	51,100	3,562,862,408	44,470,000	0.0125	870
1994-95	50,900	3,734,157,940	41,472,500	0.0111	815
1995-96	51,100	3,826,611,553	38,197,500	0.0100	748
1996-97	52,000	3,979,088,363	42,684,760	0.0107	821
1997-98	52,600	3,580,410,049	43,687,500	0.0122	831
1998-99	53,100	3,663,585,036	40,237,500	0.0110	758

(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>
1989-90	\$ 56,937,811	\$ 3,364,398	\$ 5.91%
1990-91	62,885,050	4,023,564	6.40%
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%

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

COUNTY OF FAUQUIER, VIRGINIA

Table 8

**REVENUE BOND COVERAGE
LAST SIX 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

Bonds were issued in 1993

Gross revenue includes both operating and non-operating revenues

COUNTY OF FAUQUIER, VIRGINIA

Table 9

**DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1989-90	48,860	8,090	1.90%
1990-91	49,600	8,161	2.50%
1991-92	50,400	8,307	4.80%
1992-93	50,900	8,446	5.20%
1993-94	51,100	8,478	3.30%
1994-95	50,900	8,660	3.30%
1995-96	51,100	8,888	3.20%
1996-97	52,000	9,030	2.20%
1997-98	52,600	9,176	1.14%
1998-99	53,100	9,269	2.00%

Sources: Weldon Cooper Center for Public Service
Fauquier County Schools



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COUNTY OF FAUQUIER, VIRGINIA

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

Year	Residential Construction		Commercial Construction		Miscellaneous Construction	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
1989-90	1,022	68,090,393	81	23,029,152	228	719,337
1990-91	809	32,727,702	91	5,351,417	307	1,201,841
1991-92	751	35,290,779	52	25,505,175	264	1,209,550
1992-93	787	40,883,822	66	1,827,332	221	976,600
1993-94	883	43,536,530	56	2,266,690	285	1,103,320
1994-95	936	43,108,067	65	2,455,884	350	1,326,446
1995-96	926	46,485,601	75	6,230,169	311	1,195,436
1996-97	900	54,648,607	83	7,274,205	403	1,927,505
1997-98	1,053	74,999,145	88	2,981,452	322	1,645,614
1998-99	1,186	81,599,656	115	23,668,418	283	1,479,231

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

Table 10

Bank Deposits	Real Property Value			
	Residential	Commercial	Agriculture	Non-Taxable
NA	1,998,003,130	287,354,060	815,995,510	252,823,958
NA	2,064,195,231	292,401,720	784,101,240	276,333,300
341,083,431	2,094,741,430	295,772,580	785,525,150	281,230,500
368,648,743	2,106,242,550	31,698,540	785,857,290	283,181,000
382,973,636	2,231,833,500	314,291,500	780,814,800	323,257,100
397,537,418	2,275,945,100	329,053,300	774,313,700	330,210,100
497,734,767	2,325,702,500	335,412,500	767,889,700	338,177,800
592,624,595	2,370,193,400	342,954,200	762,746,800	347,251,700
671,125,209	2,504,060,000	366,663,900	791,832,300	356,595,900
742,903,332	2,575,571,000	370,544,400	804,429,800	363,892,100

COUNTY OF FAUQUIER, VIRGINIA

Table 11

**PRINCIPAL TAXPAYERS
June 30, 1999**

<u>TAXPAYER/ TYPE OF BUSINESS</u>	<u>1999 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Virginia Electric & Power Company Utilities	\$ 58,718,882	1.49%
Bell Atlantic - Virginia, Inc. Utilities	45,571,141	1.16%
Oak Springs Farm Farm	23,438,400	0.60%
Jefferson Associates LP Shopping Centers	23,107,000	0.59%
Northern Virginia Electric Co-op Utilities	18,240,239	0.46%
Rappahannock Electric Co-op Utilities	11,322,989	0.29%
Colonial Pipeline Company Utilities	11,261,913	0.26%
Norfolk Southern Railway Company Utilities	10,074,997	0.26%
Warrenton Development Company Shopping Center	9,558,500	0.24%
Troy CMBS Property, LLC Shopping Center	6,590,700	0.17%
Total	\$ 217,884,761	5.52%

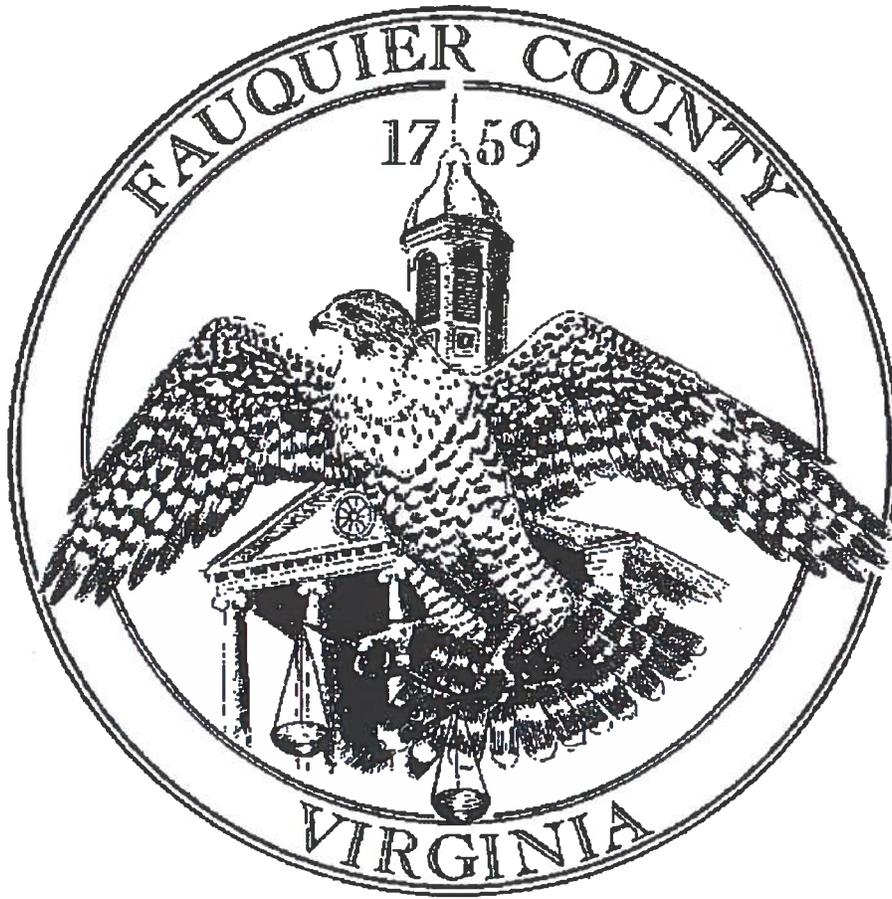
Source: Fauquier County Commissioner of the Revenue

COUNTY OF FAUQUIER, VIRGINIA

Table 12

**Miscellaneous Statistics
At June 30, 1999**

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	9,269
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)	531
	School Division (includes teachers)	1,681



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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

***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, 1999, and have issued our report thereon dated September 28, 1999. We conducted our audit in accordance with generally accepted auditing standards; *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 28, 1999.

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, Tammer, Cox Associates

Charlottesville, Virginia
September 28, 1999

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

***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, 1999. 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 generally accepted auditing standards; 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, 1999.

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, Turner, Cox Associates

Charlottesville, Virginia
September 28, 1999

COUNTY OF FAUQUIER, VIRGINIA

**Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit
Year Ended June 30, 1999**

<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>		
Virginia Department of Agriculture and Consumer Services:		
Food distribution	10.550	\$ 471
Cooperative forestry assistance	10.664	6,302
Department of Social Services:		
Food Stamp Program	* 10.551	<u>1,266,134</u>
Total Department of Agriculture		<u>\$ 1,272,907</u>
<u>DEPARTMENT OF FEDERAL AVIATION ADMINISTRATION</u>		
<u>Direct payments:</u>		
Airport Improvement Program	* 20.106	<u>\$ 919,993</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION / DEPARTMENT OF MOTOR VEHICLES:</u>		
<u>Pass through payments:</u>		
Alcohol Traffic Safety Incentive	20.601	<u>\$ 21,502</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>		
<u>Pass through payments:</u>		
Virginia Department of Social Services:		
Social services block grant	* 93.667	\$ 466,539
Low income home energy assistance	93.568	5,642
Daycare	* 93.667	342,386
Foster care	93.658	109,520
Employment services	93.569	160,639
General administration for financial assistance services	* 93.000	<u>425,399</u>
Total Department of Health and Human Services		<u>\$ 1,510,125</u>
<u>DEPARTMENT OF JUSTICE:</u>		
<u>Direct payments:</u>		
Cops fast grant	16.000	\$ 36,435
Cops more grant	16.000	48,179
<u>Pass through payments:</u>		
Department of Criminal Justice Services:		
Crime Victim Assistance	16.575	43,091
Juvenile Justice and Delinquency Prevention	16.540	
Police Assisted Community Drug Enforcement Program	16.580	<u>122,986</u>
Total Department of Justice		<u>\$ 250,691</u>
Total Primary Government		<u><u>\$ 3,975,218</u></u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit
Year Ended June 30, 1999 (Continued)

<u>Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
Component Unit - School Board:		
<u>DEPARTMENT OF AGRICULTURE:</u>		
<u>Pass through payments:</u>		
Department of Agriculture and Consumer Services:		
Food distribution	10.555	\$ 134,666
Department of Education:		
National school breakfast program	* 10.553	89,335
National school lunch program	* 10.555	510,307
		<hr/>
Total Department of Agriculture		\$ 734,308
Department of the Interior:		
Direct Payments:		
Bureau of Land Management - National Forest		
Acreage payment	15.000	\$ 1,295
<u>DEPARTMENT OF LABOR:</u>		
<u>Direct payments:</u>		
ROTC Instruction	17.000	\$ 59,707
<u>DEPARTMENT OF EDUCATION:</u>		
Pass Through Payments:		
Department of Education:		
Education Consolidation and Improvement		
Act of 1981:		
Adult education state-administered program	84.002	\$ 38,193
Chapter I:		
Financial assistance to meet special		
educational needs of disadvantaged		
children - programs operated by local		
education agencies	84.010	290,280
Chapter II:		
Improving school program - state		
block grant	84.151	27,533
Elementary and secondary education act (ESEA):		
Title VI-B:		
Handicapped - state grants	* 84.027	647,843
Vocational Education:		
Basic grants to states	84.048	98,499
Title II	84.000	18,761
Goals 2000	84.000	78,473
Drug free schools and communities	84.186	49,260
		<hr/>
Total Department of Education		\$ 1,248,842
		<hr/>
Total Component Unit School Board		\$ 2,044,152
		<hr/>
Total Federal Assistance Reporting Entity		\$ 6,019,370
		<hr/>

* Indicates major program

COUNTY OF FAUQUIER, VIRGINIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999

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:

<u>CDFA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.551	Food Stamp Program
20.106	Airport Improvement Program
84.027	Title VI-B
10.553	Nutrition Cluster - School Breakfast Program
10.555	Nutrition Cluster - National School Lunch Program
93.778	Other Benefit Programs
93.667	Social Services Block Grant

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

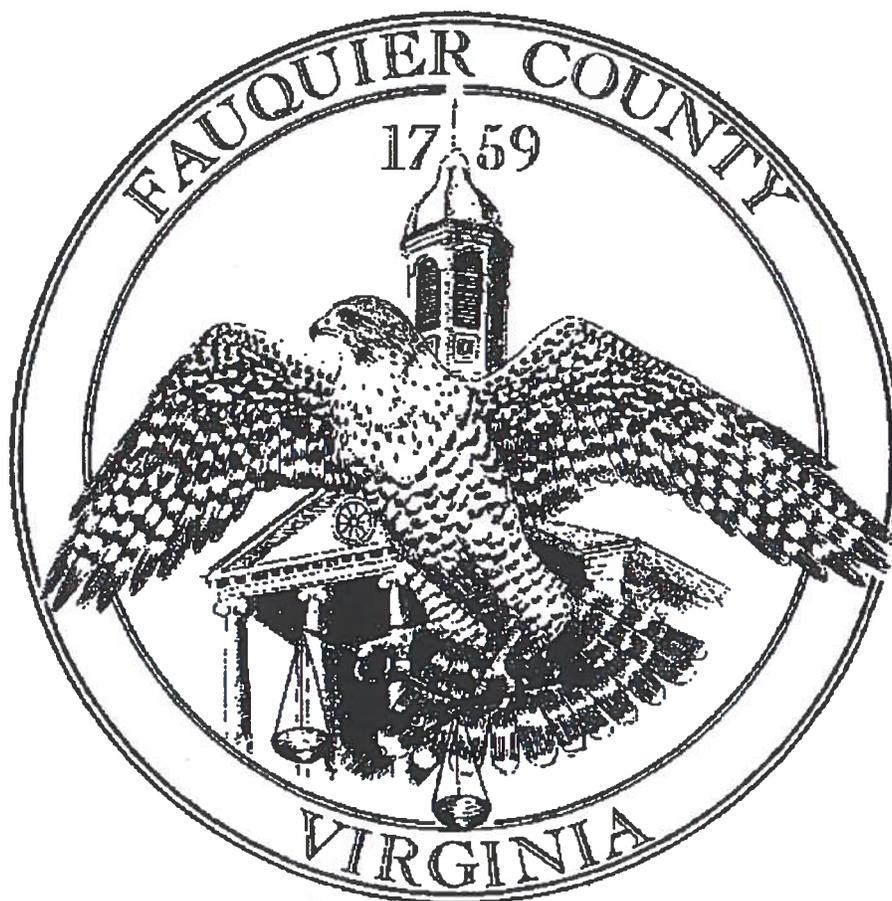
Auditee qualified as low-risk auditee? X Yes No

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.



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