

**COUNTY OF FAUQUIER, VIRGINIA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 1998**



**COUNTY OF FAUQUIER, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 1998**

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**PREPARED BY:**

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**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, 1998

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, 1998, 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 are 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 of 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 1998**

Fauquier County lies on the fringe of the Northern Virginia suburbs of Washington, D.C. The County's economy remains primarily rural and agricultural. Approximately sixty 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 has 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 County encourages appropriate commercial development to bolster the non-residential tax base. For example, a Walmart has been approved with an anticipated opening by Christmas 1998.

### **Achievements and Initiatives**

During Fiscal 1998, the County continued the consolidation functions for the School Division and General Government. Vehicle maintenance has been consolidated with the intent to establish an internal service operation in fiscal 1999. The Departments of Personnel, Support Services and Finance had previously been consolidated. The County is beginning the process of consolidating all non-instructional information technology services.

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 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.

The budget document for Fiscal Year 1998 was awarded the Distinguished Budget Presentation Award by the Government Finance Officers' Association of the United States and Canada. This is the first time the County has won this award.

### **Financial Results and Highlights**

#### **General Fund Results**

During the first months of Fiscal Year 1998 staff determined that revenues were likely to be significantly less than anticipated when the budget was adopted the previous April. The Board of Supervisors adopted a series of corrective actions by resolution in December 1997. These included expenditure reductions, recognition of certain non-recurring revenues and transfers from other funds. Revenues were \$1,129,060 less than the budget for the year. Largely as a result of the Board's actions expenditures were \$3,215,695 less than the budget.

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 8.15% of revenues.

During Fiscal Year 1998 the County recognized revenues resulting from changing real estate tax collection from one annual payment on December 5 to semi-annual payments on June 5 and December 5. These revenues of \$16.5 million were devoted entirely to non-recurring capital needs.

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

### Results of Operations for the General Fund

	FY1998	FY1997	Variance Increase/ (Decrease)
Revenues, transfers & other financing sources	\$ 93,033,744	\$ 71,872,828	\$ 21,160,916
Expenditures, transfers & other financing sources	93,231,281	74,035,107	19,196,174
Fund balance, beginning of year	7,650,636	9,812,915	(2,162,279)
Fund balance, end of year	\$ 7,453,099	\$ 7,650,636	\$ (197,537)

### General Government Operations

The County's governmental funds include the General Fund, Special Revenue Funds, Capital Projects Fund, Expendable Trust Funds 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 1998. Prior year data is shown for comparison. The County's two largest sources of revenue are property taxes, constituting 60.1% of the total and intergovernmental revenue, constituting 23.0% of the total.

### Governmental Fund Revenues

Revenue Source	Total FY 1998	Total FY 1997	Increase/ Decrease	Percent Change
General Property Taxes	\$ 73,129,661	\$ 52,049,159	\$ 21,080,502	40.5%
Other Local Taxes	8,562,552	8,025,062	537,490	6.7%
Licenses and Permits	564,316	558,902	5,414	0.1%
State	24,652,983	23,372,681	1,280,302	5.5%
Federal	3,214,713	3,128,241	86,472	2.8%
Charges for Service	4,215,626	2,529,450	1,686,176	66.7%
Fines and Forfeitures	171,262	143,723	27,539	19.2%
Use of Money & Property	2,599,301	2,038,219	581,082	28.5%
Miscellaneous	446,842	578,539	( 131,697 )	( 22.8% )
Total	\$ 117,557,256	\$ 92,423,976	\$ 25,133,280	\$ 27.1%

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 FY 1998</u>	<u>Total FY 1997</u>	<u>Increase/ Decrease</u>	<u>Percent Change</u>
General Government	\$ 6,038,981	\$ 5,251,457	\$ 787,524	14.9%
Judicial Administration	1,469,555	1,668,656	( 199,101 )	( 11.9% )
Public Safety	10,213,570	10,042,660	170,910	1.7%
Public Works	7,618,067	5,690,852	1,927,215	33.9%
Health and Welfare	5,078,681	4,551,422	527,259	11.6%
Education	58,274,869	55,145,975	3,128,894	5.6%
Parks, Recreation Cultural	2,450,153	2,290,625	159,528	6.9%
Community Development	2,316,044	2,332,926	( 16,882 )	( .7% )
Non-departmental	28,529	31,340	( 2,811 )	( 8.9% )
Capital Projects	11,467,256	8,184,804	3,282,452	40.1%
Debt Service	7,011,362	5,755,858	1,255,504	21.8%
<b>Total</b>	<b>\$ 111,967,067</b>	<b>\$ 100,946,575</b>	<b>\$ 11,020,492</b>	<b>\$ 10.9%</b>

Increases over Fiscal Year 1997 were primarily in the area of education, public safety and public works. 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 General Fund balance. Public safety expenditures increased due to larger than usual costs for prisoner boarding and an increase in staffing for fire and rescue services. The increases in public works expenditures are of a non-recurring nature during the transfer of the vehicle maintenance facility to public works from the School operating fund.

The two largest direct expenditure areas are education, comprising 51.2% of the total and public safety, comprising 8.9% 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 Personnel, Finance and Support Services are accounted for as General Fund agencies although approximately seventy percent of their workload is devoted 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 1998, the landfill had a net loss of \$10,740.

The **Airport** serves the Town of Warrenton and 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 1998 the airport had net income of \$21,520.

In addition, the County operates one Internal Service Fund.

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 1998 the Health Insurance fund had a net loss of \$686,532.

## **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. Employees of the Fauquier County School Board are also covered by VRS. All full-time employees must participate in the VRS. Benefit provisions and requirements are established by State statute.

## **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, 1998 was \$50,825,745. Of this amount, \$3,815,000 is self-supporting and \$47,010,745 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, 1998, the amount of tax-supported debt service payments represented 5.8% of revenues.

During Fiscal Year 1998 the County participated in a debt issue through the Virginia Public School Authority in the amount of \$3,500,000. Although this debt is for the renovation of a school facility, it is considered a general obligation of the County.

## **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, 1998, 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, 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. 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, 1998 and for the fiscal year ended June 30, 1998 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**

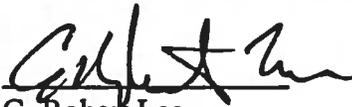
Fauquier County is submitting this Comprehensive Annual Financial Report to the Government Finance Officers' Association of the United States and Canada (GFOA) for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting. To be awarded a Certificate of Achievement, 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, professional 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



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**COUNTY OF FAUQUIER, VIRGINIA**

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**Board of Supervisors**

David C. Mangum, Chairman  
Larry L. Weeks, Vice-Chairman

Wilbur W. Burton

James Rankin

James R. Green, Jr.

G. Robert Lee, County Administrator

**County School Board**

Mary Charles Ashby, Chairman  
Ernest L. Gray, Vice-Chairman

Alice Jane Childs

John Williams

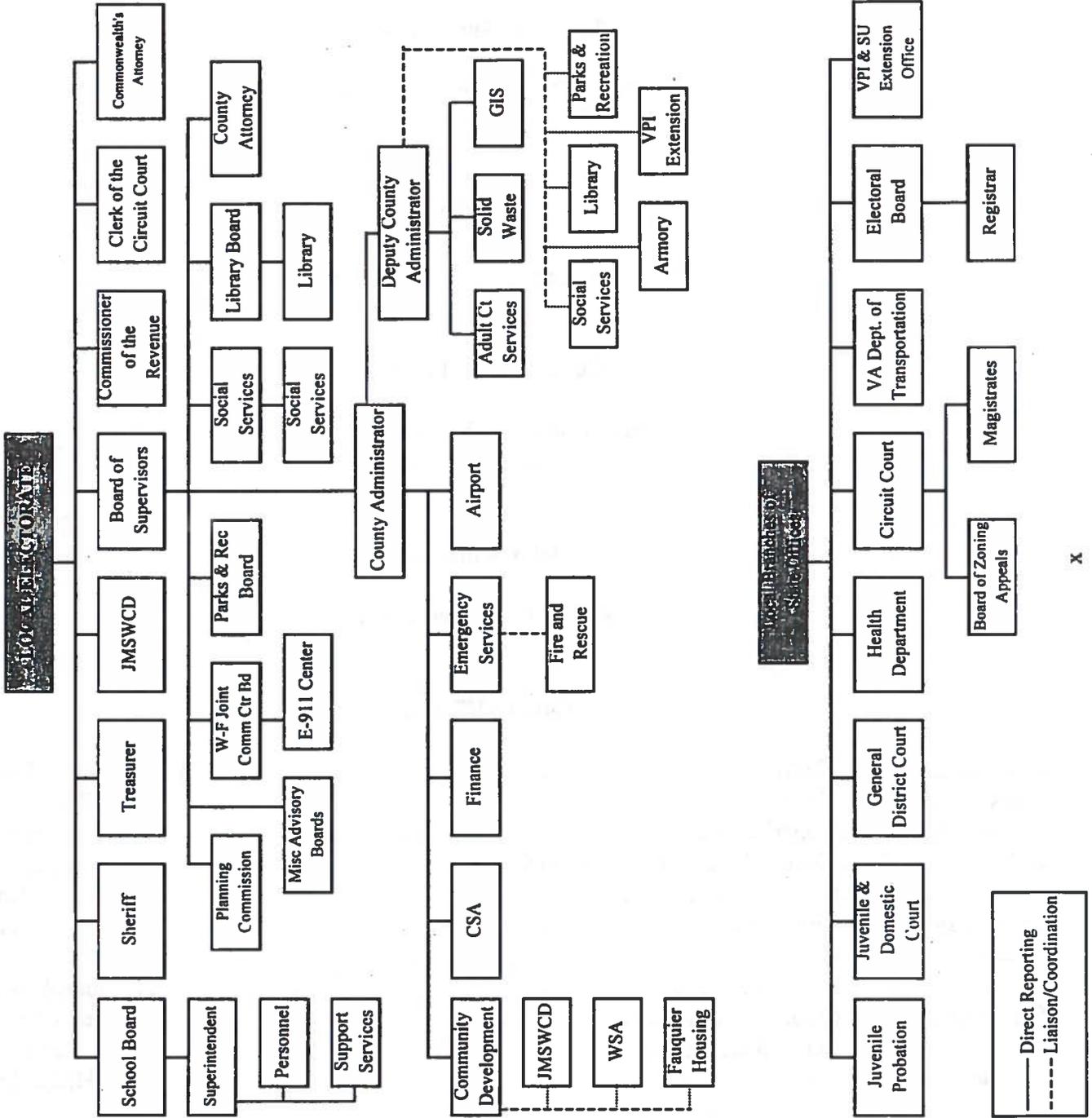
Paul Ascioffa

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 .....	Beth Ledgerton
Sheriff .....	Joseph Higgs, Jr.
Superintendent of Schools .....	Dr. Anthony J. Lease
Director of Department of Social Services .....	Janis K. Selbo
Director of Finance .....	John H. Tuohy, CPA

# FAUQUIER COUNTY ORGANIZATIONAL CHART



**ROBINSON, FARMER, COX ASSOCIATES**

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

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**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, 1998, 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, 1998, 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, 1998 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 October 27, 1998 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 are 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  
October 27, 1998

Investment Funds		Investment Funds	
Investment Funds	Investment Funds	Investment Funds	Investment Funds
1000000	2000000	3000000	4000000
5000000	6000000	7000000	8000000
9000000	10000000	11000000	12000000
13000000	14000000	15000000	16000000
17000000	18000000	19000000	20000000
21000000	22000000	23000000	24000000
25000000	26000000	27000000	28000000
29000000	30000000	31000000	32000000
33000000	34000000	35000000	36000000
37000000	38000000	39000000	40000000
41000000	42000000	43000000	44000000
45000000	46000000	47000000	48000000
49000000	50000000	51000000	52000000
53000000	54000000	55000000	56000000
57000000	58000000	59000000	60000000
61000000	62000000	63000000	64000000
65000000	66000000	67000000	68000000
69000000	70000000	71000000	72000000
73000000	74000000	75000000	76000000
77000000	78000000	79000000	80000000
81000000	82000000	83000000	84000000
85000000	86000000	87000000	88000000
89000000	90000000	91000000	92000000
93000000	94000000	95000000	96000000
97000000	98000000	99000000	100000000

**COMBINED FINANCIAL STATEMENTS**  
**("LIFTABLE" GENERAL PURPOSE FINANCIAL STATEMENTS)**

Investment Funds		Investment Funds	
Investment Funds	Investment Funds	Investment Funds	Investment Funds
1000000	2000000	3000000	4000000
5000000	6000000	7000000	8000000
9000000	10000000	11000000	12000000
13000000	14000000	15000000	16000000
17000000	18000000	19000000	20000000
21000000	22000000	23000000	24000000
25000000	26000000	27000000	28000000
29000000	30000000	31000000	32000000
33000000	34000000	35000000	36000000
37000000	38000000	39000000	40000000
41000000	42000000	43000000	44000000
45000000	46000000	47000000	48000000
49000000	50000000	51000000	52000000
53000000	54000000	55000000	56000000
57000000	58000000	59000000	60000000
61000000	62000000	63000000	64000000
65000000	66000000	67000000	68000000
69000000	70000000	71000000	72000000
73000000	74000000	75000000	76000000
77000000	78000000	79000000	80000000
81000000	82000000	83000000	84000000
85000000	86000000	87000000	88000000
89000000	90000000	91000000	92000000
93000000	94000000	95000000	96000000
97000000	98000000	99000000	100000000

**COUNTY OF FAUQUIER, VIRGINIA**

**Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Unit  
At June 30, 1998**

	Governmental Funds			Proprietary Funds	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
<b>ASSETS AND OTHER DEBITS</b>					
<b>Assets:</b>					
Cash and investments	\$ 11,126,305	\$ 198,999	\$ 24,555,221	\$ 1,444,714	\$ 2,805,492
Cash in custody of others	8,535	-	-	-	-
Investment in deferred compensation funds	-	-	-	-	-
Receivables (Net of allowances for uncollectibles):					
Taxes, including penalties	4,848,785	-	-	-	-
Accounts	868,077	198,038	-	287,276	28,028
Due from other funds	46,398	-	-	-	-
Due from primary government	-	-	-	-	-
Due from other governmental units	1,017,445	-	-	77	-
Prepaid expenses	-	-	-	52,500	-
Fixed assets (net of accumulated depreciation)	-	-	-	6,166,726	-
Bond issuance costs (net of accumulated amortization)	-	-	-	80,485	-
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>\$ 17,918,845</u>	<u>\$ 397,037</u>	<u>\$ 24,557,301</u>	<u>\$ 8,031,778</u>	<u>\$ 2,833,520</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 965,360	\$ 109,835	\$ 721,537	\$ 95,406	\$ 1,419,299
Accrued liabilities	79,152	837	600	1,682	-
Other liabilities	-	-	-	5,000	-
Retainage payable	19,250	-	695,781	-	-
Amount held for social service clients	-	-	-	-	-
Amount held for prisoners	-	-	-	-	-
Performance bonds payable	-	-	-	-	-
Due to component units	5,052,087	-	-	-	-
Due to other funds	-	-	-	46,388	-
Deferred revenue	4,349,897	-	-	-	-
Amount held for security deposits	-	-	-	-	-
Deferred compensation benefits	-	-	-	-	-
Revenue bonds payable	-	-	-	3,815,000	-
General obligation bonds payable	-	-	-	-	-
State Literary Fund loans payable	-	-	-	-	-
Capital lease obligations payable	-	-	-	-	-
Virginia retirement system	-	-	-	-	-
Landfill closure and postclosure costs	-	-	-	3,298,950	-
Compensated absences	-	-	-	15,218	-
Total liabilities	<u>\$ 10,465,746</u>	<u>\$ 110,672</u>	<u>\$ 1,417,918</u>	<u>\$ 7,277,644</u>	<u>\$ 1,419,299</u>
<b>EQUITY AND OTHER CREDITS</b>					
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital	-	-	-	1,982,546	-
Retained earnings (Deficit)	-	-	-	(1,228,412)	1,414,221
Fund balances:					
Reserve for encumbrances	225,056	6,312	-	-	-
Unreserved:					
Designated for subsequent expenditure	-	-	23,139,383	-	-
Unreserved, undesignated	7,228,043	280,053	-	-	-
Total equity and other credits	<u>\$ 7,453,099</u>	<u>\$ 286,365</u>	<u>\$ 23,139,383</u>	<u>\$ 754,134</u>	<u>\$ 1,414,221</u>
Total liabilities, equity and other credits	<u>\$ 17,918,845</u>	<u>\$ 397,037</u>	<u>\$ 24,557,301</u>	<u>\$ 8,031,778</u>	<u>\$ 2,833,520</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
\$ 301,979	-	\$ -	\$ 40,432,710	\$ 138,240	\$ 40,570,950
24,556	-	-	33,091	700	33,791
1,100,256	-	-	1,100,256	-	1,100,256
-	-	-	4,848,785	-	4,848,785
-	-	-	1,381,419	130,923	1,512,342
-	-	-	46,398	-	46,398
-	-	-	-	5,052,087	5,052,087
-	-	-	1,017,522	1,268,719	2,286,241
10	-	-	52,510	109,316	161,826
-	23,321,024	-	29,487,750	93,953,263	123,441,013
-	-	-	80,485	-	80,485
-	-	-	5,380	-	5,380
-	-	5,314,244	5,314,244	47,253,251	52,567,495
<u>\$ 1,426,801</u>	<u>23,321,024</u>	<u>\$ 5,314,244</u>	<u>\$ 83,800,550</u>	<u>\$ 147,906,499</u>	<u>\$ 231,707,049</u>
\$ 2,700	-	\$ -	\$ 3,314,137	\$ 286,129	\$ 3,600,266
-	-	-	82,271	6,459,533	6,541,804
-	-	-	5,000	-	5,000
-	-	-	715,031	1,476	716,507
18,887	-	-	18,887	-	18,887
18,908	-	-	18,908	-	18,908
61,417	-	-	61,417	-	61,417
-	-	-	5,052,087	-	5,052,087
10	-	-	46,398	-	46,398
-	-	-	4,349,897	-	4,349,897
-	-	-	-	-	-
1,100,256	-	-	1,100,256	-	1,100,256
-	-	-	3,815,000	-	3,815,000
-	-	-	-	43,125,000	43,125,000
-	-	-	-	562,500	562,500
-	-	3,323,245	3,323,245	-	3,323,245
-	-	-	-	1,010,703	1,010,703
-	-	-	3,298,950	-	3,298,950
-	-	1,990,999	2,006,217	2,555,048	4,561,265
<u>\$ 1,202,178</u>	<u>\$ -</u>	<u>\$ 5,314,244</u>	<u>\$ 27,207,701</u>	<u>\$ 54,000,389</u>	<u>\$ 81,208,090</u>
\$ -	23,321,024	\$ -	\$ 23,321,024	\$ 93,953,263	\$ 117,274,287
-	-	-	1,982,546	-	1,982,546
-	-	-	185,809	-	185,809
-	-	-	231,368	-	231,368
-	-	-	23,139,383	-	23,139,383
224,623	-	-	7,732,719	(47,153)	7,685,566
<u>\$ 224,623</u>	<u>\$ 23,321,024</u>	<u>\$ -</u>	<u>\$ 56,592,849</u>	<u>\$ 93,906,110</u>	<u>\$ 150,498,959</u>
<u>\$ 1,426,801</u>	<u>\$ 23,321,024</u>	<u>\$ 5,314,244</u>	<u>\$ 83,800,550</u>	<u>\$ 147,906,499</u>	<u>\$ 231,707,049</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, 1998**

	Governmental Fund Types			Fiduciary Funds
	General	Special Revenue	Capital Projects	Expendable Trust
<b>Revenues:</b>				
General property taxes	\$ 70,370,423	\$ 2,759,238	\$ -	\$ -
Other local taxes	7,870,604	691,948	-	-
Permits, privilege fees and regulatory licenses	564,316	-	-	-
Fines and forfeitures	171,262	-	-	-
Revenue from use of money and property	2,574,956	-	-	9,797
Charges for services	2,028,327	-	-	-
Miscellaneous	148,461	-	34,667	66,466
Recovered costs	171,303	1,450	-	-
Intergovernmental:				
Commonwealth	5,581,621	77,208	-	-
Federal	1,492,139	-	-	-
<b>Total revenues</b>	<b>\$ 90,973,412</b>	<b>\$ 3,529,844</b>	<b>\$ 34,667</b>	<b>\$ 76,263</b>
<b>Expenditures:</b>				
Current:				
General government administration	\$ 5,250,574	\$ -	\$ 788,407	\$ -
Judicial administration	1,458,343	-	11,212	-
Public safety	6,459,336	3,465,974	288,260	-
Public works	7,618,067	-	-	-
Health and welfare	5,078,681	-	-	-
Education	30,675	-	934,375	-
Parks, recreation, and cultural	2,141,874	-	270,971	37,308
Community development	2,278,195	-	37,849	-
Non-departmental	19,265	-	9,264	-
Capital projects	148,785	-	11,318,471	-
Debt service:				
Principal retirement	316,102	-	-	-
Interest and other fiscal charges	185,970	-	-	-
<b>Total expenditures</b>	<b>\$ 30,985,867</b>	<b>\$ 3,465,974</b>	<b>\$ 13,658,809</b>	<b>\$ 37,308</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 59,987,545</b>	<b>\$ 63,870</b>	<b>\$ (13,624,142)</b>	<b>\$ 38,955</b>
<b>Other financing sources (uses):</b>				
Operating transfers in	\$ 1,482,073	\$ 237,488	\$ 20,926,902	\$ -
Transfers from proprietary funds	503,062	-	157,082	-
Operating transfers out	(21,164,391)	-	(1,482,072)	-
Transfers to proprietary funds	(18,672)	-	-	-
Proceeds from indebtedness	-	-	-	-
Operating transfers to primary government	75,197	-	3,694,101	-
Operating transfers to component unit	(41,062,351)	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (60,185,082)</b>	<b>\$ 237,488</b>	<b>\$ 23,296,013</b>	<b>\$ -</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<b>\$ (197,537)</b>	<b>\$ 301,358</b>	<b>\$ 9,671,871</b>	<b>\$ 38,955</b>
<b>Fund balances at beginning of year, as restated</b>	<b>7,650,636</b>	<b>(14,993)</b>	<b>13,467,512</b>	<b>185,668</b>
<b>Fund balances at end of year</b>	<b>\$ 7,453,099</b>	<b>\$ 286,365</b>	<b>\$ 23,139,383</b>	<b>\$ 224,623</b>

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

**Exhibit 2**

<b>Total "Memorandum Only"</b>		<b>Component Unit</b>	<b>Total "Memorandum Only"</b>	
<b>Primary Government</b>		<b>School Board</b>	<b>Reporting Entity</b>	
\$	73,129,661	\$ -	\$	73,129,661
	8,562,552	-		8,562,552
	564,316	-		564,316
	171,262	-		171,262
	2,584,753	14,548		2,599,301
	2,028,327	2,187,299		4,215,626
	249,594	24,495		274,089
	172,753	-		172,753
	<u>5,658,829</u>	<u>18,994,154</u>		<u>24,652,983</u>
	<u>1,492,139</u>	<u>1,722,574</u>		<u>3,214,713</u>
\$	<u>94,614,186</u>	\$ <u>22,943,070</u>	\$	<u>117,557,256</u>
\$	6,038,981	\$ -	\$	6,038,981
	1,469,555	-		1,469,555
	10,213,570	-		10,213,570
	7,618,067	-		7,618,067
	5,078,681	-		5,078,681
	965,050	57,309,819		58,274,869
	2,450,153	-		2,450,153
	2,316,044	-		2,316,044
	28,529	-		28,529
	11,467,256	-		11,467,256
	<u>316,102</u>	<u>3,947,569</u>		<u>4,263,671</u>
	<u>185,970</u>	<u>2,561,721</u>		<u>2,747,691</u>
\$	<u>48,147,958</u>	\$ <u>63,819,109</u>	\$	<u>111,967,067</u>
\$	<u>46,466,228</u>	\$ <u>(40,876,039)</u>	\$	<u>5,590,189</u>
\$	22,646,463	\$ 90,000	\$	22,736,463
	660,144	-		660,144
	(22,646,463)	(90,000)		(22,736,463)
	(18,672)	-		(18,672)
	-	3,500,000		3,500,000
	3,769,298	(3,769,298)		-
	<u>(41,062,351)</u>	<u>41,062,351</u>		<u>-</u>
\$	<u>(36,651,581)</u>	\$ <u>40,793,053</u>	\$	<u>4,141,472</u>
\$	9,814,647	\$ (82,986)	\$	9,731,661
	<u>21,288,823</u>	<u>35,833</u>		<u>21,324,656</u>
\$	<u>31,103,470</u>	\$ <u>(47,153)</u>	\$	<u>31,056,317</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, 1998**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
<b>Revenues:</b>						
General property taxes	\$ 68,884,740	\$ 70,370,423	\$ 1,485,683	\$ 2,771,000	\$ 2,759,238	\$ (11,762)
Other local taxes	7,847,500	7,870,604	23,104	682,335	691,948	9,613
Permits, privilege fees and regulatory licenses	476,870	564,316	87,446	-	-	-
Fines and forfeitures	150,000	171,262	21,262	-	-	-
Revenue from use of money and property	3,558,002	2,574,956	(983,046)	-	-	-
Charges for services	2,196,166	2,028,327	(167,839)	-	-	-
Miscellaneous	282,059	148,461	(133,598)	-	-	-
Recovered costs	171,285	171,303	18	-	1,450	1,450
Intergovernmental:						
Commonwealth	7,091,883	5,581,621	(1,510,262)	-	77,208	77,208
Federal	1,443,967	1,492,139	48,172	-	-	-
<b>Total revenues</b>	<b>\$ 92,102,472</b>	<b>\$ 90,973,412</b>	<b>\$ (1,129,060)</b>	<b>\$ 3,453,335</b>	<b>\$ 3,529,844</b>	<b>\$ 76,509</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government administration	\$ 5,622,004	\$ 5,250,574	\$ 371,430	\$ -	\$ -	\$ -
Judicial administration	1,488,364	1,458,343	30,021	-	-	-
Public safety	6,761,023	6,459,336	301,687	3,649,026	3,465,974	183,052
Public works	7,819,507	7,618,067	201,440	-	-	-
Health and welfare	4,952,151	5,078,681	(126,530)	-	-	-
Education	30,675	30,675	-	-	-	-
Parks, recreation, and cultural	2,288,950	2,141,874	147,076	-	-	-
Community development	2,433,369	2,278,195	155,174	-	-	-
Nondepartmental	2,154,660	19,265	2,135,395	-	-	-
Capital projects	148,787	148,785	2	-	-	-
Debt service:						
Principal retirement	490,847	316,102	174,745	-	-	-
Interest	11,225	185,970	(174,745)	-	-	-
<b>Total expenditures</b>	<b>\$ 34,201,562</b>	<b>\$ 30,985,867</b>	<b>\$ 3,215,695</b>	<b>\$ 3,649,026</b>	<b>\$ 3,465,974</b>	<b>\$ 183,052</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 57,900,910</b>	<b>\$ 59,987,545</b>	<b>\$ (2,086,635)</b>	<b>\$ (195,691)</b>	<b>\$ 63,870</b>	<b>\$ 259,561</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	\$ 1,482,073	\$ 1,482,073	\$ -	\$ 195,691	\$ 237,488	\$ 41,797
Transfers from proprietary fund	503,062	503,062	-	-	-	-
Operating transfers out	(21,164,391)	(21,164,391)	-	-	-	-
Transfers to proprietary funds	(18,672)	(18,672)	-	-	-	-
Proceeds from indebtedness	-	-	-	-	-	-
Operating transfers to primary government	75,197	75,197	-	-	-	-
Operating transfers to component unit	(41,062,351)	(41,062,351)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (60,185,082)</b>	<b>\$ (60,185,082)</b>	<b>\$ -</b>	<b>\$ 195,691</b>	<b>\$ 237,488</b>	<b>\$ 41,797</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<b>\$ (2,284,172)</b>	<b>\$ (197,537)</b>	<b>\$ 2,086,635</b>	<b>\$ -</b>	<b>\$ 301,358</b>	<b>\$ 301,358</b>
<b>Fund balances at beginning of year, as restated</b>	<b>7,650,636</b>	<b>7,650,636</b>	<b>-</b>	<b>-</b>	<b>(14,993)</b>	<b>(14,993)</b>
<b>Fund balances at end of year</b>	<b>\$ 5,366,464</b>	<b>\$ 7,453,099</b>	<b>\$ 2,086,635</b>	<b>\$ -</b>	<b>\$ 286,365</b>	<b>\$ 286,365</b>

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

Capital Projects Funds			Component Unit School Board		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,500	14,548	8,048
-	-	-	2,312,919	2,187,299	(125,620)
-	34,667	34,667	76,792	24,495	(52,297)
-	-	-	-	-	-
-	-	-	18,992,393	18,994,154	1,761
-	-	-	1,563,539	1,722,574	159,035
<u>\$ -</u>	<u>\$ 34,667</u>	<u>\$ (34,667)</u>	<u>\$ 22,952,143</u>	<u>\$ 22,943,070</u>	<u>\$ (9,073)</u>
\$ 1,566,551	\$ 788,407	\$ 778,144	\$ -	\$ -	\$ -
3,318,960	11,212	3,307,748	-	-	-
643,475	288,260	355,215	-	-	-
-	-	-	-	-	-
1,987,767	934,375	1,053,392	58,717,925	57,309,819	1,408,106
638,712	270,971	367,741	-	-	-
301,454	37,849	263,605	-	-	-
9,738	9,264	474	-	-	-
28,116,238	11,318,471	16,797,767	-	-	-
-	-	-	3,947,569	3,947,569	-
-	-	-	2,567,604	2,561,721	5,883
<u>\$ 36,582,895</u>	<u>\$ 13,658,809</u>	<u>\$ 22,924,086</u>	<u>\$ 65,233,098</u>	<u>\$ 63,819,109</u>	<u>\$ 1,413,989</u>
<u>\$ (36,582,895)</u>	<u>\$ (13,624,142)</u>	<u>\$ 22,958,753</u>	<u>\$ (42,280,955)</u>	<u>\$ (40,876,039)</u>	<u>\$ 1,404,916</u>
\$ 24,621,003	\$ 20,926,902	\$ (3,694,101)	\$ -	\$ 90,000	\$ 90,000
157,082	157,082	-	-	-	-
(1,482,072)	(1,482,072)	-	(2,281,396)	(90,000)	2,191,396
-	-	-	-	-	-
-	-	-	3,500,000	3,500,000	-
-	3,694,101	3,694,101	(75,197)	(3,769,298)	(3,694,101)
-	-	-	41,062,351	41,062,351	-
<u>\$ 23,296,013</u>	<u>\$ 23,296,013</u>	<u>\$ -</u>	<u>\$ 42,205,758</u>	<u>\$ 40,793,053</u>	<u>\$ (1,412,705)</u>
\$ (13,286,882)	\$ 9,671,871	\$ 22,958,753	\$ (75,197)	\$ (82,986)	\$ (7,789)
<u>13,286,882</u>	<u>13,467,512</u>	<u>180,630</u>	<u>-</u>	<u>35,833</u>	<u>35,833</u>
<u>\$ -</u>	<u>\$ 23,139,383</u>	<u>\$ 23,139,383</u>	<u>\$ (75,197)</u>	<u>\$ (47,153)</u>	<u>\$ 28,044</u>

**Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
All Proprietary Funds  
Year Ended June 30, 1998**

	Proprietary Funds		Totals "Memorandum Only"
	Enterprise Funds	Internal Service	
Operating revenues:			
Charges for services	\$ 1,906,697	\$ -	\$ 1,906,697
Miscellaneous	111,745	5,477,702	5,589,447
<b>Total operating revenues</b>	<b>\$ 2,018,442</b>	<b>\$ 5,477,702</b>	<b>\$ 7,496,144</b>
Operating expenses:			
Current:			
Container operations	\$ 525,842	\$ -	\$ 525,842
Landfill operations	1,007,631	-	1,007,631
Contractual services	42,133	-	42,133
Landfill maintenance costs	150,535	-	150,535
Closure and Post Closure Cost	11,406	-	11,406
Airport operation and maintenance	93,707	-	93,707
Health insurance claims and fees	-	5,579,873	5,579,873
Depreciation	101,849	-	101,849
<b>Total operating expenses</b>	<b>\$ 1,933,103</b>	<b>\$ 5,579,873</b>	<b>\$ 7,512,976</b>
<b>Operating income (loss)</b>	<b>\$ 85,339</b>	<b>\$ (102,171)</b>	<b>\$ (16,832)</b>
Nonoperating revenues (expenses):			
Interest income	\$ 79,728	\$ 65,783	\$ 145,511
Interest income - bonds	2,012	-	2,012
Rental income	14,400	-	14,400
Operating grant - Commonwealth	81,882	-	81,882
Bond issuance cost amortization	(12,018)	-	(12,018)
Interest expense	(249,235)	-	(249,235)
<b>Total nonoperating revenues (expenses)</b>	<b>\$ (83,231)</b>	<b>\$ 65,783</b>	<b>\$ (17,448)</b>
<b>Income (loss) before operating transfers</b>	<b>\$ 2,108</b>	<b>\$ (36,388)</b>	<b>\$ (34,280)</b>
Operating transfers:			
Operating transfers in	\$ 18,672	\$ -	\$ 18,672
Operating transfers out	(10,000)	(650,144)	(660,144)
<b>Total operating transfers</b>	<b>\$ 8,672</b>	<b>\$ (650,144)</b>	<b>\$ (641,472)</b>
<b>Net income (loss)</b>	<b>\$ 10,780</b>	<b>\$ (686,532)</b>	<b>\$ (675,752)</b>
Add depreciation on fixed assets acquired by contribution from others	16,105	-	16,105
<b>Increase (decrease) in retained earnings</b>	<b>\$ 26,885</b>	<b>\$ (686,532)</b>	<b>\$ (659,647)</b>
Retained earnings (deficit) at beginning of year	(1,245,176)	2,100,753	855,577
Residual transfer (out)	(10,121)	-	(10,121)
<b>Retained earnings (deficit) at end of year</b>	<b>\$ (1,228,412)</b>	<b>\$ 1,414,221</b>	<b>\$ 185,809</b>

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, 1998

	Proprietary Funds		Totals
	Enterprise Funds	Internal Service	"Memorandum Only"
<b>Cash Flows From Operating Activities:</b>			
Operating income (loss)	\$ 85,339	\$ (102,171)	\$ (16,832)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	101,849	-	101,849
Amortization of grant contributions	(16,105)	-	(16,105)
Changes in operating assets and liabilities:			
Decrease in receivables	92,048	182,918	274,966
(Decrease) in amounts due from other governments	(1,786)	-	(1,786)
Increase (decrease) in payables	(88,885)	760,389	671,504
Increase in compensated absences	4,215	-	4,215
Net cash provided by (used in) operating activities	\$ 176,675	\$ 841,136	\$ 1,017,811
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating grants - Commonwealth	\$ 81,882	\$ -	\$ 81,882
Operating transfers from (to)	8,672	(650,144)	(641,472)
Net cash provided by (used in) noncapital financing activities	\$ 90,554	\$ (650,144)	\$ (559,590)
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	\$ (409,949)	\$ -	\$ (409,949)
Interest expense	(249,235)	-	(249,235)
Principal paid on revenue bonds	(230,000)	-	(230,000)
Due to general fund	46,388	-	46,388
Residual equity transfer (out)	(10,121)	-	(10,121)
Contributed capital from federal government	337,256	-	337,256
Net cash (used in) capital and related financing activities	\$ (515,661)	\$ -	\$ (515,661)
<b>Cash Flows From Investing Activities:</b>			
Rental income	\$ 14,400	\$ -	\$ 14,400
Interest income	81,740	65,783	147,523
Net cash provided by investing activities	\$ 96,140	\$ 65,783	\$ 161,923
Increase (decrease) in cash and cash equivalents	\$ (152,292)	\$ 256,775	\$ 104,483
Cash and cash equivalents at beginning of year	1,597,006	2,548,717	4,145,723
Cash and cash equivalents at end of year	\$ 1,444,714	\$ 2,805,492	\$ 4,250,206

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, 1998

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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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**

The Government is a County governed by a elected five member Board of Supervisors. As required by generally accepted accounting principles, these financial statements present the County (primary government) and its component units. The component units discussed in Note B are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. The County includes all organizations for which it is financially accountable.

**B. Individual Component Unit Disclosures**

**Blended Component Units** - Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

The Fauquier County Social Services Board has the responsibility of administering local public welfare programs. The Board is authorized to receive and disburse funds derived from public grant or private sources in the forms of gifts, contributions, bequests or legacies for the purpose of aiding needy persons within Fauquier County. The Social Services Board corporate powers rest with the Primary Government; therefore, they have been blended with the Primary Government for financial statement presentation.

**Discretely Presented Component Units** - Discretely presented component units are reported separate from the primary government to emphasize that they are legally separate from the County. The following organization has been included in the reporting entity as discretely presented component units:

**Fauquier County School Board**

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 Board of Supervisors also approves the School Board budget. The School Board does not issue separate financial statements.

**C. Other 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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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

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**C. Other Related Organizations: (Continued)**

These organizations are not included as component units because although the Board of Supervisors appoints the 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 which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. The various funds are grouped in the financial statements as follows:

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 which are not accounted for in other funds.

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources (other than those derived from expendable trusts or dedicated for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consist of the Joint Dispatch Fund and the Fire and Rescue Fund.

**Capital Projects Fund** - The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of capital expenditures for all governmental funds, including the Fauquier County School Board, other than those financed by Proprietary Funds. The Capital Projects Fund consists of the Capital Improvement Projects Fund.

2. **Proprietary Funds** account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus utilize the accrual basis of accounting whereby the 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 charges to users of such services. The Enterprise Funds consist of the Solid Waste Fund and the Airport Fund.

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

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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

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**D. Financial Statement Presentation: (Continued)**

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. The expendable trust funds consist of Library Trust Fund, Parks and Recreation Trust Fund, Legal Defense Fund, and the Public and Private Trust Fund. Agency funds consists of Special Welfare Fund, Department of Social Services Fund, Deferred Compensation Fund, Undistributed Local Sales Tax Fund, Performance Bond Fund, and Detention Center Fund.

Trust funds account for assets held by the government under the terms of a formal trust agreement.

The expendable trust funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

The agency funds are custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

4. Account Groups are used to account for general obligation long-term debt and certain other long term obligations and general fixed assets. The following are the County's account groups:

General Fixed Asset Account Group - This account group is established to account for all fixed assets of the County, other than those accounted for in the Proprietary Funds.

General Long-term Debt Account Group - This account group is established to account for all long-term obligations of the County except those related to Proprietary Funds.

**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, 1998 (CONTINUED)

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

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**D. Financial Statement Presentation (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).

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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

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**E. Basis of Accounting (Continued)**

**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.
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. The Board of Supervisors can revise the appropriation for each department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the County Construction 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.
9. During the course of the year the Board of Supervisors enacted supplemental appropriations, primarily to authorize expenditures from grants received during the year. The effect of these appropriations was an increase in the budget for Public Safety in the amount of \$405,462.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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

**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 \$1,000,535 for property taxes at June 30, 1998.

**H. Investments**

Investments are stated at cost or amortized cost which approximates fair value, except for deferred compensation program assets which are recorded at current market value.

**I. Cash and Cash Equivalents**

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

**J. Property, Plant and Equipment**

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

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

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

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

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>
Structures .....	25 years	25 years
Equipment .....	5 years	5 years

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

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**J. Property, Plant and Equipment: (Continued)**

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 Cost**

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 for governmental funds and as noncurrent liabilities in the proprietary fund. No expenditure for unused compensated absences is reported for the governmental funds.

**O. 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 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 ensuing fiscal year to provide for the payment of encumbrances which were unliquidated at the end of the previous year.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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***NOTE 2—CASH AND CASH EQUIVALENTS:***

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Deposits - At year-end the carrying value of the County's primary government deposits with banks and savings institutions was \$(2,092,212), and the bank balances were \$339,804. Of the bank balances, \$339,804 was 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 \$138,240, and the bank balance was \$203,791. Of the bank balance, \$203,791 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 or trust department in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, 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, 1998 (CONTINUED)

NOTE 2—CASH AND CASH EQUIVALENTS: (CONTINUED)

	Category			Carrying Amount	Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Treasury & Agencies . . . . .	\$ 12,401,796	\$ -	\$ -	\$ 12,401,796	\$ 12,405,086
Bankers' Acceptances . . . . .	4,087,244	-	-	4,087,244	4,087,244
Repurchase Agreements . . . . .	-	-	12,516,516	12,516,516	12,516,516
Sub-total . . . . .	<u>\$ 16,489,040</u>	<u>-</u>	<u>\$ 12,516,516</u>	<u>\$ 29,005,556</u>	<u>\$ 29,008,846</u>
Investments not subject to categorization:					
Assets in State Non-Arbitrage Program Investments Pool . . . . .				\$ 4,106,476	\$ 4,106,476
Local Government Investment Pool . . . . .				9,445,681	9,445,681
Deferred compensation program . . . . .				1,100,256	1,100,256
Total investments . . . . .				<u>\$ 43,657,969</u>	<u>\$ 43,661,259</u>

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

Carrying amount of deposits . . . . .	\$ (2,092,912)
Carrying amount of investments . . . . .	43,657,969
Cash on hand . . . . .	<u>1,000</u>
Total . . . . .	<u>\$ 41,566,057</u>
Cash and investments . . . . .	\$ 40,432,710
Cash in Custody of others . . . . .	33,091
Investment in deferred compensation funds . . . . .	<u>1,100,256</u>
Total . . . . .	<u>\$ 41,566,057</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 gains at June 30, 1998 were \$3,290 and are reflected in the County's operating statements.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 2—CASH AND CASH EQUIVALENTS: (CONTINUED)**

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

Total Deposits .....	\$	138,240
Cash on hand .....		<u>700</u>
Total cash and deposits .....	\$	<u><u>138,940</u></u>

**NOTE 3—PROPERTY TAXES RECEIVABLE:**

Real property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on 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, 1998.

	<u>Primary Government</u>	<u>Component Unit</u>
Commonwealth of Virginia:		
Airport Enterprise Fund .....	\$ 77	\$ -
State sales tax .....	-	869,161
Local sales tax .....	605,278	-
Grants .....	19,523	-
Shared expenses .....	202,159	56,893
Welfare .....	10,307	-
Miscellaneous .....	4,400	-
Federal Government:		
Grants .....	37,668	311,856
Welfare .....	138,110	-
School lunch program .....	<u>-</u>	<u>30,809</u>
Total .....	<u>\$ 1,017,522</u>	<u>\$ 1,268,719</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 5—INTERFUND OBLIGATIONS:**

The following is a summary of interfund and component unit obligations at June 30, 1998.

	Interfund		Component Unit School Board	
	Receivables	Payables	Receivables	Payables
General Fund .....	\$ 46,398	\$ -	\$ -	\$ 5,052,087
School Fund .....	-	-	5,052,087	-
Solid Waste Fund .....	-	46,388	-	-
Local Sales Tax Fund .....	-	10	-	-
Totals .....	<u>\$ 46,398</u>	<u>\$ 46,398</u>	<u>\$ 5,052,087</u>	<u>\$ 5,052,087</u>

**NOTE 6—FIXED ASSETS:**

**Primary Government**

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

	Balance July 1, 1997	Additions	Adjustments and Deletions	Balance June 30, 1998
Land .....	\$ 8,376,983	\$ -	\$ 5,665	\$ 8,371,318
Buildings and improvements ...	8,551,718	1,332,494	72,438	9,811,774
Leasehold improvements .....	-	5,018	-	5,018
Machinery and equipment .....	3,938,573	713,036	351,311	4,300,298
Data processing equipment ....	484,995	43,018	-	528,013
Construction in progress .....	1,043,375	304,603	1,043,375	304,603
Total .....	<u>\$ 22,395,644</u>	<u>\$ 2,398,169</u>	<u>\$ 1,472,789</u>	<u>\$ 23,321,024</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 6—FIXED ASSETS:**

A summary of Proprietary fund fixed assets at June 30, 1998 is as follows:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance June 30, 1998</u>
<b>Airport Fund:</b>				
Land .....	\$ 1,562,401	\$ 326,615	\$ -	\$ 1,889,016
Improvements .....	505,628	-	-	505,628
Construction in progress .....	-	25,675	-	25,675
Totals .....	<u>\$ 2,068,029</u>	<u>\$ 352,290</u>	<u>\$ -</u>	<u>\$ 2,420,319</u>
Less accumulated depreciation	<u>(87,165)</u>	<u>(24,162)</u>	<u>-</u>	<u>(111,327)</u>
Net .....	<u><u>\$ 1,980,864</u></u>	<u><u>\$ 328,128</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,308,992</u></u>
<b>Landfill Fund:</b>				
Landfill site .....	\$ 1,637,136	\$ 30,390	\$ -	\$ 1,667,526
Cell improvements .....	207,751	1,871,547	-	2,079,298
Equipment .....	62,821	7,681	10,120	60,382
Facilities .....	129,334	-	-	129,334
Construction in progress .....	1,864,066	(1,817,678)	-	46,388
Totals .....	<u>\$ 3,901,108</u>	<u>\$ 91,940</u>	<u>\$ 10,120</u>	<u>\$ 3,982,928</u>
Less accumulated depreciation	<u>(47,507)</u>	<u>(77,687)</u>	<u>-</u>	<u>(125,194)</u>
Net .....	<u><u>\$ 3,853,601</u></u>	<u><u>\$ 14,253</u></u>	<u><u>\$ 10,120</u></u>	<u><u>\$ 3,857,734</u></u>
<b>Total proprietary funds:</b>				
Land .....	\$ 1,562,401	\$ 326,615	\$ -	\$ 1,889,016
Landfill site .....	1,637,136	30,390	-	1,667,526
Improvements .....	713,379	1,871,547	-	2,584,926
Equipment .....	62,821	7,681	10,120	60,382
Facilities .....	129,334	0	-	129,334
Construction in progress .....	1,864,066	(1,792,003)	-	72,063
Totals .....	<u>\$ 5,969,137</u>	<u>\$ 444,230</u>	<u>\$ 10,120</u>	<u>\$ 6,403,247</u>
Less accumulated depreciation	<u>(134,672)</u>	<u>(101,849)</u>	<u>-</u>	<u>(236,521)</u>
Net .....	<u><u>\$ 5,834,465</u></u>	<u><u>\$ 342,381</u></u>	<u><u>\$ 10,120</u></u>	<u><u>\$ 6,166,726</u></u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 6—FIXED ASSETS: (CONTINUED)**

**Component Unit-School Board:**

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

	<u>Balance</u> <u>July 1, 1997</u>	<u>Additions</u>	<u>Adjustments</u> <u>and Deletions</u>	<u>Balance</u> <u>June 30, 1998</u>
Land .....	\$ 4,182,658	\$ -	\$ -	\$ 4,182,658
Buildings and Improvements ...	65,223,888	2,326,003	-	67,549,891
Machinery and Equipment .....	9,190,631	1,050,246	351,533	9,889,344
Data Processing Equipment ....	16,671	-	-	16,671
Construction in Progress .....	4,401,663	10,499,310	2,586,274	12,314,699
Total .....	<u>\$ 83,015,511</u>	<u>\$ 13,875,559</u>	<u>\$ 2,937,807</u>	<u>\$ 93,953,263</u>

**NOTE 7—CONTRIBUTED CAPITAL:**

The following are changes in capital contributed in the Airport Fund for the year ended June 30, 1998:

	<u>Balance</u> <u>July 1, 1997</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 1998</u>
County .....	\$ 787	\$ -	\$ 787
Federal .....	1,531,445	336,742	1,868,187
Commonwealth .....	200,632	-	200,632
Total .....	<u>\$ 1,732,864</u>	<u>\$ 336,742</u>	<u>\$ 2,069,606</u>
Less accumulated amortization .....	(70,955)	(16,105)	87,060
Net .....	<u>\$ 1,661,909</u>	<u>\$ 320,637</u>	<u>\$ 1,982,546</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, 1998 totaled \$12,018 and accumulated amortization totals \$80,866 at year end.

The following table summarizes total bond issue costs with related amortization at June 30, 1998.

<u>Total Bond</u> <u>Issue Costs</u>	<u>Amortization</u> <u>Years</u>	<u>Amortization</u> <u>Expense-Prior</u>	<u>Amortization</u> <u>Expense-Current</u>	<u>Net Book</u> <u>Value</u>
\$ 161,371	\$ 18	68,467	\$ 12,018	\$ 80,485

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 9—LONG-TERM OBLIGATIONS:**

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

Fiscal Year Ending June 30,	Capital Leases		Revenue Bonds Solid Waste	
	Principal	Interest	Principal	Interest
	1999	\$ 273,245	\$ 164,830	\$ 240,000
2000	319,273	147,072	250,000	190,633
2001	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>\$ 3,323,245</u>	<u>\$ 845,593</u>	<u>\$ 3,815,000</u>	<u>\$ 1,464,774</u>

Changes in long-term obligations: The following is a summary of long-term obligation transactions of the County for the year ended June 30, 1998:

	Compensated Absences	Capital Lease Obligations	Revenue Bonds	Total
Long-term obligations payable at July 1, 1997	\$ 1,476,017	\$ 3,639,347	\$ 4,045,000	\$ 9,160,364
Increases:				
Compensated absences	\$ 514,982	\$ -	\$ -	\$ 514,982
Total increases	<u>\$ 514,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,982</u>
Retirements:				
Revenue bonds payable	\$ -	\$ -	\$ 230,000	\$ 230,000
Capital lease obligations	-	316,102	-	316,102
Total retirements	<u>\$ -</u>	<u>\$ 316,102</u>	<u>\$ 230,000</u>	<u>\$ 546,102</u>
Long-term obligations payable at June 30, 1998	<u>\$ 1,990,999</u>	<u>\$ 3,323,245</u>	<u>\$ 3,815,000</u>	<u>\$ 9,129,244</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)**

Capital leases:

\$3,580,000 capital lease agreement, due in semi-annual installments, including interest, through February 1, 2007 Taxable portion of \$530,000 at an interest rate of 6.65% and tax exempt portion of \$3,050,000 at interest rate of 4.95% ..... \$ 3,323,245

Compensated absences payable ..... 1,990,999

Revenue Bonds:

\$4,880,000 Solid Waste Management System Revenue Bonds, Series 1993, maturing annually through May 1, 2010 interest rate from 2.8% to 5.5% ..... 3,815,000

Total long-term obligations ..... \$ 9,129,244

Component Unit—School Board annual requirements to amortize long-term obligations and related interest are as follows:

Fiscal Year Ending	General Obligation Bonds		Literary Fund Loans		Early Retirement Incentive	
	Principal	Interest	Principal	Interest	Principal	Interest
1999	\$ 3,425,000	\$ 2,492,721	\$ 200,000	\$ 16,875	\$ 137,774	\$ 80,857
2000	3,165,000	2,294,290	200,000	10,875	148,797	69,834
2001	3,150,000	2,103,107	162,500	4,875	160,700	57,931
2002	2,980,000	1,917,788	-	-	173,556	45,075
2003	2,990,000	1,736,763	-	-	187,440	31,191
2004	2,955,000	1,554,857	-	-	202,436	16,195
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	-	-	-	-
Totals	<u>\$ 43,125,000</u>	<u>\$ 18,882,777</u>	<u>\$ 562,500</u>	<u>\$ 32,625</u>	<u>\$ 1,010,703</u>	<u>\$ 301,083</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)**

Changes in Long-term Obligation:

The following is summary of long-term obligation transactions of the School Board for the year ended June 30, 1998:

	<u>Literary Fund Loans</u>	<u>Early Retirement Incentive</u>	<u>Compensated Absences</u>	<u>School Bonds</u>	<u>Total</u>
Obligations payable at July 1, 1997	\$ 762,500	\$ 1,138,272	\$ 2,649,226	\$ 43,245,000	\$ 47,794,998
Increases:					
Bonds Payable .....	\$ -	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000
Retirements:					
Compensated absences .....	\$ -	\$ -	\$ 94,178	\$ -	\$ 94,178
Early retirement incentive .....	-	127,569	-	-	127,569
School Bonds payable .....	-	-	-	3,620,000	3,620,000
State Literary Fund Loans .....	200,000	-	-	-	200,000
Total retirements .....	<u>\$ 200,000</u>	<u>\$ 127,569</u>	<u>\$ 94,178</u>	<u>\$ 3,620,000</u>	<u>\$ 4,041,747</u>
Obligations payable at June 30, 1998	<u>\$ 562,500</u>	<u>\$ 1,010,703</u>	<u>\$ 2,555,048</u>	<u>\$ 43,125,000</u>	<u>\$ 47,253,251</u>

Details of Long-term Obligations:

General obligation bonds:

School bonds:

\$7,500,000, School Bonds 1978, issued December 1, 1978 maturing annually with interest payable semiannually. Bonds bearing interest at 5.75% maturing December 1, 1995 through December 1, 1998 .....	\$ 125,000
\$2,500,000 Virginia Public School Authority Bonds 1980, issued June 15, 1980, Maturing annually with interest payable semiannually. Bonds	375,000
\$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% .....	645,000
\$12,000,000 Virginia Public School Authority Bonds 1988B, issued November 1, 1989, maturing annually through December 15, 2008 with interest payable seminannually at rates from 6.6% to 8.6% .....	7,215,000
\$7,480,000 Virginia Public School Authority Bonds 1990A, issued April 18, 1990, maturing annually through December 15, 2009 with interest payable semiannually at rate from 7.0 to 7.225% .....	4,810,000

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)**

\$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% .....	\$ 5,280,000
\$16,000,000 General Obligation School Bonds, Series 1993, dated May 15, 1993, maturing annually through July 15, 2013 interest payable semiannually at rates from 5.0% to 5.65% .....	12,800,000
\$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% .....	8,550,000
\$3,500,000 Virginia Public School Activity Bonds 1997B, issued November 20, 1997 maturing annually through July, 2017 with interest payable semiannually at rate from 4.35% to 5.35% .....	<u>3,325,000</u>
Total School Bonds .....	<u>\$ 43,125,000</u>
Literary Fund Loans:	
\$750,000, issued February 15, 1980, due in annual installments of \$37,500 through February 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% .....	112,500
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3% .....	112,500
\$750,000, issued August 15, 1980, due in annual installments of \$37,500 through August 15, 2000, interest payable annually at 3% .....	112,500
\$1,000,000, issued November 15, 1980 due in annual installments of \$50,000 through November 15, 2000, interest payable annually at 3% .....	<u>150,000</u>
Total State Literary Fund Loans .....	<u>\$ 562,500</u>
Total General Obligation Bonds/Loans .....	<u>\$ 43,687,500</u>
Early Retirement Incentive:	
\$2,186,310 retirement incentive cost payable in annual installments of \$218,631, including principal and interest .....	<u>\$ 1,010,703</u>
Compensated absences payable .....	<u>\$ 2,555,048</u>
Total long-term obligations .....	<u>\$ 47,253,251</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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***NOTE 10—CLAIMS, JUDGEMENTS AND COMPENSATED ABSENCES:***

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The County's primary government has outstanding accrued leave pay totaling \$1,990,999 in the General Long-term Obligation Account Group and \$15,218 in the Solid Waste Fund. The Component Unit—School Board has outstanding accrued leave pay totaling \$2,555,048.

***NOTE 11—DEFINED BENEFIT PENSION PLAN***

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**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 1.5 percent of their average final salary (AFS) up to \$13,200 plus 1.65 percent of AFS over \$13,200 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 credited service. Employees with 35 years or more of credited service are entitled to an annual benefit equal to 1.65 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. This 5% member contribution may be and has been assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The County and School Board non-professional employee contribution rates for the fiscal year ended 1998 were 7.83% and 4.26% of annual covered payroll, respectively.

The School Board's professional employees contributed \$2,171,795, \$1,959,017, and \$1,677,799, to the teacher cost-sharing pool for the fiscal years ended June 30, 1998, 1997 and 1996 respectively and these contributions represented 7.28%, 6.40% and 6.19% respectively, of current covered payroll.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 11—DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**C. Annual Pension Cost**

For fiscal 1998, the County's annual pension cost of \$776,601 was equal to the County's required and actual contributions. The required contributions were determined as part of the June 30, 1994 actuarial valuation using the entry age normal actuarial cost method.

In fiscal 1998, the County School Board's annual pension cost for the Board's non-professional employees was \$138,149 which was equal to the Board's required and actual contributions. The required contributions were determined as a part of the June 30, 1994 actuarial valuation using the entry age normal actuarial cost method.

	<u>County</u>	<u>Non-Professional School Board</u>
Valuation date .....	June 30, 1996	June 30, 1996
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 .....	30 Years	10 Years
Asset valuation method .....	Modified market	Modified market
Actuarial assumptions:		
Investment rate of return <sup>1</sup> .....	8.00%	8.00%
Projected salary increases <sup>1</sup> .....	4.00% to 6.15%	4.00% to 6.15%
Cost-of-living adjustments .....	3.5%	3.5%

<sup>1</sup> Includes inflation at 4%

Trend Information for the County and School Board:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 1998 .	\$ 776,601	100%	\$ -
School Board:			
Non-Professional:			
June 30, 1998 .	\$ 138,149	100%	\$ -

(1) Employer portion only

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 11—DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**C. Annual Pension Cost : (Continued)**

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress for the County and School Board

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (2) (3)	Annual Covered Payroll	UAAL as % of Payroll (4) (6)
County:						
06/30/94	\$ 9,569,094	\$ 10,394,011	\$ 824,917	93.0%	\$ 7,539,849	10.9%
06/30/96	13,186,955	13,509,485	322,530	73.3%	8,844,465	3.6%
School Board:						
06/30/94	\$ 3,254,314	\$ 2,843,262	(411,052)	114.4%	\$ 2,797,702	(14.7)%
06/30/96	4,548,307	4,375,384	(172,923)	104.0%	3,147,563	( 5.5)%

**NOTE 12—FAUQUIER COUNTY LENGTH OF SERVICE AWARDS PROGRAM:**

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.

This plan is open to any volunteer firefighter over the age of eighteen. Participants vest in five years.

The pension benefit obligation was determined as part of an actuarial valuation performed as of January 1, 1997. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1998 include a rate of return on the investment of present and future assets of 5.5 percent per year compounded annually.

The employer is contributing all costs to the plan. At June 30 the plan had net assets available for benefits totaling \$852,437. Unfunded prior and past service costs total \$2,028,412 and will be fully amortized in 12 years.

The contributions to the plan for the fiscal year ended June 30, 1998 totaled \$471,953.

Due to the relatively short life of the plan there is limited information available to disclose in these notes.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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**NOTE 13—DEFERRED REVENUE:**

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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 \$4,349,897 is comprised of the following:

**A. Deferred Property Tax Revenue**

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$4,253,832 at June 30, 1998.

**B. Prepaid Taxes**

Property taxes due subsequent to June 30, 1998 but paid in advance by the taxpayers totaled \$96,065 at June 30, 1998.

**NOTE 14—DEFERRED COMPENSATION PLAN:**

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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.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

It is in the opinion of the County that the County has not liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The assets are recorded at the current market value.

**NOTE 15—CLOSURE AND POSTCLOSURE CARE COST:**

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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 \$8,376,030 over the next thirty years. The County estimated all closure and postclosure costs at June 30, 1998 total \$3,298,950.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 15—CLOSURE AND POSTCLOSURE CARE COST: (CONTINUED)**

Most of the closure and postclosure care costs will be paid only after the landfill is closed. The County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The liability reported as of June 30, 1998, is based on use of 7% of the total estimated capacity. The County expects to close the landfill in 2030. Actual closure and post closure care costs may be higher due to inflation.

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

**NOTE 16—SEGMENT INFORMATION:**

The County maintain 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, 1998 is presented below.

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>	<u>Total</u>
Operating revenues .....	\$ 1,995,792	\$ 22,650	\$ 2,018,442
Depreciation expense .....	77,687	24,162	101,849
Operating income (loss) .....	180,558	(95,219)	85,339
Net income (loss) .....	(10,740)	21,520	(10,780)
Net Operating transfers .....	6,812	15,484	22,296
Operating grants .....	-	81,882	81,882
Revenue bonds payable long-term .....	3,815,000	-	3,815,000
Landfill closure and postclosure costs ..	3,298,950	-	3,298,950
Current capital contributions .....	-	-	-
Property, plant and equipment additions	91,940	352,290	444,230
Net working capital .....	1,317,968	129,511	1,447,479
Total assets .....	5,585,946	2,445,832	8,031,778
Total equity .....	(1,679,369)	2,433,503	754,134

**NOTE 17—RISK MANAGEMENT:**

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.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 17—RISK MANAGEMENT: (CONTINUED)**

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:

	<u>1998</u>	<u>1997</u>	<u>1996</u>
Unpaid claims, beginning of fiscal year . . .	\$ 658,911	\$ 1,127,336	\$ 536,898
Incurred claims, (including IBNR's) . . . . .	6,340,261	3,440,747	4,639,223
Claim payments . . . . .	<u>5,579,873</u>	<u>3,909,172</u>	<u>4,048,795</u>
Unpaid claims, end of fiscal year . . . . .	<u>\$ 1,419,299</u>	<u>\$ 658,911</u>	<u>\$ 1,127,326</u>

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation and the Virginia Association of Counties Risk Pool for property, general liability, automobile and crime insurance.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays the Virginia Municipal Group Insurance Association and the Virginia Association of Counties Risk Pool contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are paid. In the event of a loss deficit and depletion of all available excess insurance, the Associations may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage.

**NOTE 18—SURETY BONDS:**

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 State Fidelity and Guaranty Company - Surety . . . . .	100,000

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

**NOTE 19—COMMITMENTS AND CONTINGENCIES:**

Federal programs in which the County and School Board participate were audited in accordance with the provisions of 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 audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

As of June 30, 1998 contractual commitments in the Capital Projects fund are as follows:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures</u>	<u>Balance</u>
Pierce Elementary .....	\$ 7,185,767	\$ 6,809,020	\$ 376,747
Fauquier High .....	4,749,759	4,500,111	249,648
Cedar Lee Elementary .....	3,772,482	468,596	3,303,886
Monroe Park .....	301,798	197,544	104,254
Cabling Schools .....	226,500	113,250	113,250
Concession Stand LHS .....	218,757	204,243	14,514
Star Base Software .....	185,415	98,254	87,161
Cooling Tower Replacement .....	34,900	28,052	6,848
Warren Green Upgrade .....	279,419	8,805	270,614
Airport Hanger .....	280,000	25,676	254,324
Landfill Road Const. & Convenience Site	750,000	46,388	703,612

**NOTE 20—SUBSEQUENT EVENTS:**

On October 6, 1998 the Board of Supervisors entered into an agreement to become the fourth jurisdiction to join the Clarke-Frederick-Winchester Regional Adult Detention Center. The County jail will remain in operation mainly to house minimum custody and pre-trial detainees. Approximately fifty prisoners will be housed at the regional facility. The agreement to join the regional facility requires the County to reimburse the three original members for initial capital costs in the amount of \$2,074,000. The County will also pay a portion of the annual operating costs based on an average daily population funding formula. The required capital contribution was accounted for in the Capital Projects fund at June 30, 1998. The agreement to join the Regional Adult Detention Center is retroactive to July 1, 1998.

On October 20, 1998 the Board of Supervisors amended the County's deferred compensation plan to provide that assets held under the plan be held in trust for the benefit of the participating employees and may not be used for other purposes. This amendment was made to bring the plan into compliance with the changes made to Section 457 of the Internal Revenue Code.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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***NOTE 21—DEFICIT FUND BALANCE OR RETAINED EARNINGS:***

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At June 30, 1998 the Solid Waste Enterprise fund had negative retained earnings of \$1,679,369. 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 has a deficit balance of \$47,853. The County is in the process of evaluating the fees charged for lunches to offset the temporary deficit in the fund.

***NOTE 22—CLAIMS AND LITIGATION:***

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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:***

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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—RESIDUAL EQUITY TRANSFERS:***

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The Landfill Enterprise fund transferred recycling equipment valued at \$10,121 to the General Fund during the year. Since these assets are accounted for in the General Fixed Assets Account Group and not on the General Fund's balance sheet, residual equity transfers do not equal for the year.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1998 (CONTINUED)

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***NOTE 25—PRIOR PERIOD ADJUSTMENT:***

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The County reevaluated the reserve for uncollectible accounts as part of the audit for Fiscal Year 1998. As a result, the reserve was reduced by \$1,055,306. Because this change was not attributable to 1998 activity but rather to an accumulation of prior years' activity, the County has elected to account for this as a prior period adjustment to fund balance.

***NOTE 26—COMMITMENTS UNDER NON-CAPITALIZED LEASES:***

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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.



**COMBINING FINANCIAL STATEMENTS**

THE BOARD OF THE UNIVERSITY OF VIRGINIA



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**SPECIAL REVENUE FUNDS**

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

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

**COUNTY OF FAUQUIER, VIRGINIA**

**Exhibit A-1**

**SPECIAL REVENUE FUNDS**

**Combining Balance Sheet**

**At June 30, 1998**

	<u>Joint Dispatch Fund</u>	<u>Fire and Rescue Fund</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
<b><u>Assets:</u></b>			
Cash and cash equivalents	\$ 32,801	\$ 166,198	\$ 198,999
Receivables (Net of allowances for uncollectibles):			
Accounts	<u>175,159</u>	<u>22,879</u>	<u>198,038</u>
Total assets	<u>\$ 207,960</u>	<u>\$ 189,077</u>	<u>\$ 397,037</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 9,668	100,167	109,835
Accrued liabilities	<u>-</u>	<u>837</u>	<u>837</u>
Total liabilities	<u>\$ 9,668</u>	<u>\$ 101,004</u>	<u>\$ 110,672</u>
<b><u>EQUITY AND OTHER CREDITS</u></b>			
<b>Fund balances:</b>			
<b>Unreserved:</b>			
Reserve for encumbrance	\$ -	\$ 6,312	\$ 6,312
Unreserved, undesignated	<u>198,292</u>	<u>81,761</u>	<u>280,053</u>
Total equity and other credits	<u>\$ 198,292</u>	<u>\$ 88,073</u>	<u>\$ 286,365</u>
Total liabilities, equity and other credits	<u>\$ 207,960</u>	<u>\$ 189,077</u>	<u>\$ 397,037</u>

**COUNTY OF FAUQUIER, VIRGINIA**

**Exhibit A-2**

**SPECIAL REVENUE FUNDS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 1998**

	<u>Joint Dispatch Fund</u>	<u>Fire and Rescue Fund</u>	<u>Totals</u>
<b>Revenues:</b>			
General property taxes	\$ -	\$ 2,759,238	\$ 2,759,238
Other local taxes	691,948	-	691,948
Recovered costs	-	1,450	1,450
<b>Intergovernmental:</b>			
Commonwealth of Virginia	-	77,208	77,208
<b>Total revenues</b>	<u>\$ 691,948</u>	<u>\$ 2,837,896</u>	<u>\$ 3,529,844</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public safety	<u>\$ 871,508</u>	<u>\$ 2,594,466</u>	<u>\$ 3,465,974</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (179,560)</u>	<u>\$ 243,430</u>	<u>\$ 63,870</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	<u>\$ 231,412</u>	<u>\$ 6,076</u>	<u>\$ 237,488</u>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<u>\$ 51,852</u>	<u>\$ 249,506</u>	<u>\$ 301,358</u>
<b>Fund balances at beginning of year</b>	<u>146,440</u>	<u>(161,433)</u>	<u>(14,993)</u>
<b>Fund balances at end of year</b>	<u>\$ 198,292</u>	<u>\$ 88,073</u>	<u>\$ 286,365</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, 1998**

	<u>Joint Dispatch Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Revenues:</b>			
General property taxes	\$ -	\$ -	\$ -
Other local taxes	682,335	691,948	9,613
Recovered costs	-	-	-
Intergovernmental:			
Commonwealth of Virginia	-	-	-
<b>Total revenues</b>	<u>\$ 682,335</u>	<u>\$ 691,948</u>	<u>\$ 9,613</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public safety	<u>\$ 871,950</u>	<u>\$ 871,508</u>	<u>\$ 442</u>
<b>Excess (deficiency) of revenues   over expenditures</b>	<u>\$ (189,615)</u>	<u>\$ (179,560)</u>	<u>\$ 10,055</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	<u>\$ 189,615</u>	<u>\$ 231,412</u>	<u>\$ 41,797</u>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<u>\$ -</u>	<u>\$ 51,852</u>	<u>\$ 51,852</u>
<b>Fund balances at beginning of year</b>	<u>-</u>	<u>146,440</u>	<u>146,440</u>
<b>Fund balances at end of year</b>	<u>\$ -</u>	<u>\$ 198,292</u>	<u>\$ 198,292</u>

Fire and Rescue Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
\$ 2,771,000	\$ 2,759,238	\$ (11,762)	\$ 2,771,000	\$ 2,759,238	\$ (11,762)
-	-	-	682,335	691,948	9,613
-	1,450	1,450	-	1,450	1,450
-	77,208	77,208	-	77,208	77,208
<u>\$ 2,771,000</u>	<u>\$ 2,837,896</u>	<u>\$ 66,896</u>	<u>\$ 3,453,335</u>	<u>\$ 3,529,844</u>	<u>\$ 76,509</u>
\$ 2,777,076	\$ 2,594,466	\$ 182,610	\$ 3,649,026	\$ 3,465,974	\$ 183,052
\$ (6,076)	\$ 243,430	\$ 249,506	\$ (195,691)	\$ 63,870	\$ 259,561
\$ 6,076	\$ 6,076	\$ -	\$ 195,691	\$ 237,488	\$ 41,797
\$ -	\$ 249,506	\$ 249,506	\$ -	\$ 301,358	\$ 301,358
-	(161,433)	(161,433)	-	(14,993)	(14,993)
<u>\$ -</u>	<u>\$ 88,073</u>	<u>\$ 88,073</u>	<u>\$ -</u>	<u>\$ 286,365</u>	<u>\$ 286,365</u>



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COUNTY OF FAUQUIER, VIRGINIA

Exhibit B-1

ENTERPRISE FUNDS  
Combining Balance Sheet  
At June 30, 1998

	Solid Waste Fund	Airport Fund	Totals
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,310,478	\$ 134,236	\$ 1,444,714
Receivables (Net of allowances for uncollectibles):			
Accounts	284,749	2,527	287,276
Prepaid expenses	52,500	-	52,500
Due from other governmental units	-	77	77
<b>Total current assets</b>	<b>\$ 1,647,727</b>	<b>\$ 136,840</b>	<b>\$ 1,784,567</b>
<b>Fixed assets:</b>			
Fixed assets (Net of accumulated depreciation)	\$ 3,857,734	\$ 2,308,992	\$ 6,166,726
<b>Total fixed assets</b>	<b>\$ 3,857,734</b>	<b>\$ 2,308,992</b>	<b>\$ 6,166,726</b>
<b>Other assets:</b>			
Bond issue costs (Net of accumulated amortization)	\$ 80,485	-	\$ 80,485
<b>Total assets</b>	<b>\$ 5,585,946</b>	<b>\$ 2,445,832</b>	<b>\$ 8,031,778</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 88,622	\$ 6,784	\$ 95,406
Accrued liabilities	1,137	545	1,682
Current liabilities payable from restricted assets:			
Revenue bonds payable	\$ 240,000	-	\$ 240,000
<b>Total current liabilities</b>	<b>\$ 329,759</b>	<b>\$ 7,329</b>	<b>\$ 337,088</b>
<b>Noncurrent liabilities:</b>			
Revenue bonds payable	\$ 3,575,000	-	\$ 3,575,000
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	15,218	-	15,218
<b>Total noncurrent liabilities</b>	<b>\$ 6,935,556</b>	<b>\$ 5,000</b>	<b>\$ 6,940,556</b>
<b>Total liabilities</b>	<b>\$ 7,265,315</b>	<b>\$ 12,329</b>	<b>\$ 7,277,644</b>
<b>EQUITY AND OTHER CREDITS</b>			
<b>Contributed capital</b>			
Commonwealth	\$ -	\$ 200,633	\$ 200,633
Federal	-	1,868,186	1,868,186
General government	-	787	787
Less: accumulated amortization	-	(87,060)	(87,060)
<b>Total contributed capital</b>	<b>\$ -</b>	<b>\$ 1,982,546</b>	<b>\$ 1,982,546</b>
Retained earnings (deficit)	(1,679,369)	450,957	(1,228,412)
<b>Total equity and other credits</b>	<b>\$ (1,679,369)</b>	<b>\$ 2,433,503</b>	<b>\$ 754,134</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 5,585,946</b>	<b>\$ 2,445,832</b>	<b>\$ 8,031,778</b>

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
Year Ended June 30, 1998

	Solid Waste Fund	Airport Fund	Totals
<b>Operating revenues:</b>			
Charges for services	\$ 1,906,697	\$ -	\$ 1,906,697
Miscellaneous	89,095	22,650	111,745
<b>Total operating revenues</b>	<b>\$ 1,995,792</b>	<b>\$ 22,650</b>	<b>\$ 2,018,442</b>
<b>Operating expenses:</b>			
Container operations	\$ 525,842	\$ -	\$ 525,842
Landfill operations	1,007,631	-	1,007,631
Contractual services	42,133	-	42,133
Recycling	150,535	-	150,535
Closure and post closure cost	11,406	-	11,406
Airport operation and maintenance	-	93,707	93,707
Depreciation	77,687	24,162	101,849
<b>Total operating expenses</b>	<b>\$ 1,815,234</b>	<b>\$ 117,869</b>	<b>\$ 1,933,103</b>
<b>Operating income (loss)</b>	<b>\$ 180,558</b>	<b>\$ (95,219)</b>	<b>\$ 85,339</b>
<b>Nonoperating revenues (expenses):</b>			
Interest income	\$ 74,755	\$ 4,973	\$ 79,728
Interest income - bonds	2,012	-	2,012
Rental income	-	14,400	14,400
Operating grants - Commonwealth	-	81,882	81,882
Bond issuance cost amortization	(12,018)	-	(12,018)
Interest expense	(249,235)	-	(249,235)
<b>Total nonoperating revenues (expenses)</b>	<b>\$ (184,486)</b>	<b>\$ 101,255</b>	<b>\$ (83,231)</b>
<b>Income before operating transfers</b>	<b>\$ (3,928)</b>	<b>\$ 6,036</b>	<b>\$ 2,108</b>
<b>Operating transfers:</b>			
Operating transfers in	\$ 3,188	\$ 15,484	\$ 18,672
Operating transfers out	(10,000)	-	(10,000)
<b>Total operating transfers</b>	<b>\$ (6,812)</b>	<b>\$ 15,484</b>	<b>\$ 8,672</b>
<b>Net income (loss)</b>	<b>\$ (10,740)</b>	<b>\$ 21,520</b>	<b>\$ 10,780</b>
Add depreciation on fixed assets acquired by contributions from others	-	16,105	16,105
<b>Increase (decrease) in retained earnings</b>	<b>\$ (10,740)</b>	<b>\$ 37,625</b>	<b>\$ 26,885</b>
Retained earnings at beginning of year	(1,658,508)	413,332	(1,245,176)
Residual transfer in (out)	(10,121)	-	(10,121)
<b>Retained earnings at end of year</b>	<b>\$ (1,679,369)</b>	<b>\$ 450,957</b>	<b>\$ (1,228,412)</b>

**ENTERPRISE FUNDS**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 1998**

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>	<u>Totals</u>
<b><u>Cash Flows From Operating Activities:</u></b>			
Operating income (loss)	\$ 180,558	\$ (95,219)	\$ 85,339
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	77,687	24,162	101,849
Amortization of grant contributions	-	(16,105)	(16,105)
Changes in operating assets and liabilities:			
Decrease in receivables	91,719	329	92,048
(Decrease) in amounts due from other governments	-	(1,786)	(1,786)
(Decrease) in payables	(81,969)	(6,916)	(88,885)
Increase in compensated absences	4,215	-	4,215
Net cash provided by operating activities	<u>\$ 272,210</u>	<u>\$ (95,535)</u>	<u>\$ 176,675</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating grants - Commonwealth	\$ -	\$ 81,882	\$ 81,882
Operating transfers from (to)	<u>(6,812)</u>	<u>15,484</u>	<u>8,672</u>
Net cash provided by (used in) noncapital financing activities	<u>\$ (6,812)</u>	<u>\$ 97,366</u>	<u>\$ 90,554</u>
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>			
Acquisition and construction of capital assets	\$ (81,821)	\$ (328,128)	\$ (409,949)
Interest expense	(249,235)	-	(249,235)
Principal paid on revenue bonds	(230,000)	-	(230,000)
Due to general fund	46,388	-	46,388
Residual equity transfer (out)	(10,121)	-	(10,121)
Contributed capital from federal government	<u>-</u>	<u>337,256</u>	<u>337,256</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ (524,789)</u>	<u>\$ 9,128</u>	<u>\$ (515,661)</u>
<b><u>Cash Flows From Investing Activities:</u></b>			
Rental income	\$ -	\$ 14,400	\$ 14,400
Interest income	<u>76,767</u>	<u>4,973</u>	<u>81,740</u>
Net cash provided by investing activities	<u>\$ 76,767</u>	<u>\$ 19,373</u>	<u>\$ 96,140</u>
Increase (decrease) in cash and cash equivalents	\$ (182,624)	\$ 30,332	\$ (152,292)
Cash and cash equivalents at beginning of year	<u>1,493,102</u>	<u>103,904</u>	<u>1,597,006</u>
Cash and cash equivalents at end of year	<u>\$ 1,310,478</u>	<u>\$ 134,236</u>	<u>\$ 1,444,714</u>

## TRUST AND AGENCY FUNDS

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### 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 contribution towards the construction of an auditorium at Cedar Lee Middle School.

### Agency Funds:

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

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 Town of Warrenton and the Town of Remington 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.

**COUNTY OF FAUQUIER, VIRGINIA**

**FIDUCIARY FUNDS  
Combining Balance Sheet  
At June 30, 1998**

	<u>Expendable Trust Funds</u>		
	<u>Library Trust Fund</u>	<u>Parks and Recreation Trust Fund</u>	<u>Public and Private Trust Fund</u>
<b><u>ASSETS AND OTHER DEBITS</u></b>			
<b>Assets:</b>			
Cash and investments	\$ 111,845	\$ 109,830	\$ -
Cash in custody of others	-	-	5,648
Prepaid Expenses	-	-	-
Deferred compensation program deposits	-	-	-
<b>Total assets and other debits</b>	<b><u>\$ 111,845</u></b>	<b><u>\$ 109,830</u></b>	<b><u>\$ 5,648</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ -	\$ 2,700	\$ -
Amount held for social service clients	-	-	-
Performance bonds payable	-	-	-
Deferred compensation payable	-	-	-
Due to other funds	-	-	-
Amounts held for prisoners	-	-	-
<b>Total liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,700</u></b>	<b><u>\$ -</u></b>
<b><u>EQUITY AND OTHER CREDITS</u></b>			
<b>Fund balances:</b>			
<b>Unreserved:</b>			
Designated for subsequent expenditure	\$ 111,845	\$ 107,130	\$ 5,648
<b>Total equity and other credits</b>	<b><u>\$ 111,845</u></b>	<b><u>\$ 107,130</u></b>	<b><u>\$ 5,648</u></b>
<b>Total liabilities, equity and other credits</b>	<b><u>\$ 111,845</u></b>	<b><u>\$ 109,830</u></b>	<b><u>\$ 5,648</u></b>

Agency Funds					
Special Welfare Fund	Deferred Compensation Fund	Local Sales Tax Fund	Performance Bond Fund	Detention Center Fund	Totals
\$ 18,887	\$ -	\$ -	\$ 61,417	\$ -	\$ 301,979
-	-	-	-	18,908	24,556
-	-	10	-	-	10
-	1,100,256	-	-	-	1,100,256
<u>\$ 18,887</u>	<u>\$ 1,100,256</u>	<u>\$ 10</u>	<u>\$ 61,417</u>	<u>\$ 18,908</u>	<u>\$ 1,426,801</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700
18,887	-	-	-	-	18,887
-	-	-	61,417	-	61,417
-	1,100,256	-	-	-	1,100,256
-	-	10	-	-	10
-	-	-	-	18,908	18,908
<u>\$ 18,887</u>	<u>\$ 1,100,256</u>	<u>\$ 10</u>	<u>\$ 61,417</u>	<u>\$ 18,908</u>	<u>\$ 1,202,178</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,623</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,623</u>
<u>\$ 18,887</u>	<u>\$ 1,100,256</u>	<u>\$ 10</u>	<u>\$ 61,417</u>	<u>\$ 18,908</u>	<u>\$ 1,426,801</u>

**EXPENDABLE TRUST FUNDS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 1998**

	Library Trust Fund	Park and Recreation Trust Fund	Public and Private Trust Fund	Totals
<b>Revenues:</b>				
Revenue from use of money and property	\$ 5,018	\$ 4,722	\$ 57	\$ 9,797
Miscellaneous revenues	<u>21,455</u>	<u>22,521</u>	<u>22,490</u>	<u>66,466</u>
<b>Total revenues</b>	<u>\$ 26,473</u>	<u>\$ 27,243</u>	<u>22,547</u>	<u>\$ 76,263</u>
<b>Expenditures:</b>				
Parks, recreation, and cultural	<u>\$ 3,449</u>	<u>\$ 16,960</u>	<u>\$ 16,899</u>	<u>\$ 37,308</u>
Excess (deficiency) of revenues over expenditures	\$ 23,024	\$ 10,283	\$ 5,648	\$ 38,955
Fund balances at beginning of year	<u>88,821</u>	<u>96,847</u>	<u>-</u>	<u>185,668</u>
Fund balances at end of year	<u>\$ 111,845</u>	<u>\$ 107,130</u>	<u>\$ 5,648</u>	<u>\$ 224,623</u>

**AGENCY FUNDS**  
**Combining Statement of Changes in Assets and Liabilities**  
**Year Ended June 30, 1998**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b><u>Special Welfare Fund:</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 11,760	\$ 48,206	\$ 41,079	\$ 18,887
<b>Liabilities:</b>				
Amounts held for social service clients	\$ 11,760	\$ 48,206	\$ 41,079	\$ 18,887
<b><u>Deferred Compensation Fund:</u></b>				
<b>Assets:</b>				
Deferred compensation program deposits	\$ 752,449	\$ 368,768	\$ 20,961	\$ 1,100,256
<b>Liabilities:</b>				
Deferred compensation payable	\$ 752,449	\$ 368,768	\$ 20,961	\$ 1,100,256
<b><u>Undistributed Local Sales Tax Fund:</u></b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 200,982	\$ 200,982	\$ -
Prepaid expenses	-	10	-	10
Total	\$ -	\$ 200,992	\$ 200,982	\$ 10
<b>Liabilities:</b>				
Sales tax payable to towns	\$ -	\$ 200,982	\$ 200,982	\$ -
Due to other funds	-	10	-	10
Total	\$ -	\$ 200,992	\$ 200,982	\$ 10
<b><u>Performance Bond Fund:</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 114,967	\$ 1,150	\$ 54,700	\$ 61,417
<b>Liabilities:</b>				
Performance bonds payable	\$ 114,967	\$ 1,150	\$ 54,700	\$ 61,417
<b><u>Detention Center Fund:</u></b>				
<b>Assets:</b>				
<b>Cash and investments:</b>				
Cash - Work release	\$ 1,207	\$ 76,697	\$ 76,783	\$ 1,121
Cash - Inmate account	2,008	45,014	44,267	2,755
Cash - Medical	-	-	-	-
Cash - Canteen account	5,255	44,978	35,201	15,032
Total cash and investments	\$ 8,470	\$ 166,689	\$ 156,251	\$ 18,908
<b>Liabilities:</b>				
Amounts held for prisoners	\$ 8,470	\$ 166,689	\$ 156,251	\$ 18,908
<b><u>Totals -- All agency funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 135,197	\$ 417,027	\$ 453,012	\$ 99,212
Prepaid expenses	-	10	-	10
Deferred compensation program deposits	752,449	368,768	20,961	1,100,256
Total assets	\$ 887,646	\$ 785,805	\$ 473,973	\$ 1,199,478
<b>Liabilities:</b>				
Amounts held for social service clients	\$ 11,760	\$ 48,206	\$ 41,079	\$ 18,887
Amounts held for performance bonds	114,967	1,150	54,700	61,417
Due to other funds	-	10	-	10
Deferred compensation payable	752,449	368,768	20,961	1,100,256
Sales tax payable to towns	-	200,982	200,982	-
Amounts held for prisoners	8,470	166,689	156,251	18,908
Total liabilities	\$ 887,646	\$ 785,805	\$ 473,973	\$ 1,199,478



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## DISCRETELY PRESENTED COMPONENT UNIT—SCHOOL BOARD

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**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.

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## ACCOUNT GROUPS

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**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, 1998

	<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>	
<b><u>ASSETS</u></b>					
Cash and investments	\$ 700	\$ 138,240	-	\$ -	\$ 138,940
Accounts receivable	130,923	-	-	-	130,923
Prepaid expenses	109,316	-	-	-	109,316
Due from primary government	5,052,087	-	-	-	5,052,087
Due from other governmental units	1,237,910	30,809	-	-	1,268,719
General fixed assets	-	-	93,953,263	-	93,953,263
Other debits:					
Amount to be provided for the retirement of general long-term debt and compensated obligation	-	-	-	47,253,251	47,253,251
<b>Total assets and other debits</b>	<b>\$ 6,530,936</b>	<b>\$ 169,049</b>	<b>93,953,263</b>	<b>\$ 47,253,251</b>	<b>\$ 147,906,499</b>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 254,633	\$ 31,496	-	\$ -	\$ 286,129
Accrued liabilities	6,274,127	185,406	-	-	6,459,533
Retainage payable	1,476	-	-	-	1,476
General obligation bonds payable	-	-	-	43,125,000	43,125,000
State Literary Fund loans payable	-	-	-	562,500	562,500
Early retirement incentive	-	-	-	1,010,703	1,010,703
Compensated absences	-	-	-	2,555,048	2,555,048
<b>Total liabilities</b>	<b>\$ 6,530,236</b>	<b>\$ 216,902</b>	<b>-</b>	<b>\$ 47,253,251</b>	<b>\$ 54,000,389</b>
<b><u>EQUITY AND OTHER CREDITS</u></b>					
Investment in general fixed assets	\$ -	\$ -	93,953,263	\$ -	\$ 93,953,263
Fund balances:					
Unreserved:					
Unreserved, undesignated	700	(47,853)	-	-	(47,153)
<b>Total equity and other credits</b>	<b>\$ 700</b>	<b>\$ (47,853)</b>	<b>93,953,263</b>	<b>\$ -</b>	<b>\$ 93,906,110</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 6,530,936</b>	<b>\$ 169,049</b>	<b>93,953,263</b>	<b>\$ 47,253,251</b>	<b>\$ 147,906,499</b>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit D-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Discretely Presented Component Unit – School Board  
Year Ended June 30, 1998

	Governmental Fund Types		
	School Operating Fund	School Cafeteria Fund	Totals
<b>Revenues:</b>			
Revenue from use of money and use of property	\$ 10,653	\$ 3,895	\$ 14,548
Charges for services	406,213	1,781,086	2,187,299
Miscellaneous	24,495	-	24,495
<b>Intergovernmental:</b>			
Commonwealth of Virginia	18,956,028	38,126	18,994,154
Federal	1,141,344	581,230	1,722,574
<b>Total revenues</b>	<b>\$ 20,538,733</b>	<b>\$ 2,404,337</b>	<b>\$ 22,943,070</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Education	\$ 54,774,766	\$ 2,535,053	\$ 57,309,819
<b>Debt service:</b>			
Principal retirement	3,947,569	-	3,947,569
Interest and other fiscal charges	2,561,721	-	2,561,721
<b>Total expenditures</b>	<b>\$ 61,284,056</b>	<b>\$ 2,535,053</b>	<b>\$ 63,819,109</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (40,745,323)</b>	<b>\$ (130,716)</b>	<b>\$ (40,876,039)</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	\$ -	\$ 90,000	\$ 90,000
Operating transfers out	(90,000)	-	(90,000)
Process from indebtedness	3,500,000	-	3,500,000
Operating transfers to primary government	(3,727,028)	(42,270)	(3,769,298)
Operating transfers from primary government	41,062,351	-	41,062,351
<b>Total other financing sources (uses)</b>	<b>\$ 40,745,323</b>	<b>\$ 47,730</b>	<b>\$ 40,793,053</b>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<b>\$ -</b>	<b>\$ (82,986)</b>	<b>\$ (82,986)</b>
<b>Fund balances at beginning of year</b>	<b>700</b>	<b>35,133</b>	<b>35,833</b>
<b>Fund balances at end of year</b>	<b>\$ 700</b>	<b>\$ (47,853)</b>	<b>\$ (47,153)</b>

**COUNTY OF FAUQUIER, VIRGINIA**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Discretely Presented Component Unit – School Board  
Year Ended June 30, 1998**

	<b>School Operating Fund</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor)</u>
<b>Revenues:</b>			
Revenue from use of money and use of property	\$ 6,500	\$ 10,653	\$ 4,153
Charges for services	365,195	406,213	41,018
Miscellaneous	76,792	24,495	(52,297)
<b>Intergovernmental:</b>			
Commonwealth of Virginia	18,939,893	18,956,028	16,135
Federal	1,012,908	1,141,344	128,436
<b>Total revenues</b>	<u>\$ 20,401,288</u>	<u>\$ 20,538,733</u>	<u>\$ 137,445</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Education	\$ 56,167,070	\$ 54,774,766	\$ 1,392,304
<b>Debt service:</b>			
Principal retirement	3,947,569	3,947,569	-
Interest and other fiscal charges	2,567,604	2,561,721	5,883
<b>Total expenditures</b>	<u>\$ 62,682,243</u>	<u>\$ 61,284,056</u>	<u>\$ 1,398,187</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (42,280,955)</u>	<u>\$ (40,745,323)</u>	<u>\$ 1,535,632</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(2,281,396)	(90,000)	2,191,396
Process from indebtedness	3,500,000	3,500,000	-
Operating transfers to primary government	-	(3,727,028)	(3,727,028)
Operating transfers from primary government	41,062,351	41,062,351	-
<b>Total other financing sources (uses)</b>	<u>\$ 42,280,955</u>	<u>\$ 40,745,323</u>	<u>\$ (1,535,632)</u>
<b>Excess (deficiency) of revenues &amp; other sources over expenditures &amp; other uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances at beginning of year</b>	<u>-</u>	<u>700</u>	<u>700</u>
<b>Fund balances at end of year</b>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 700</u>

School Cafeteria Fund			Totals		
Budget	Actual	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor)
\$ -	\$ 3,895	\$ 3,895	\$ 6,500	\$ 14,548	\$ 8,048
1,947,724	1,781,086	(166,638)	2,312,919	2,187,299	(125,620)
-	-	-	76,792	24,495	(52,297)
52,500	38,126	(14,374)	18,992,393	18,994,154	1,761
550,631	581,230	30,599	1,563,539	1,722,574	159,035
<u>\$ 2,550,855</u>	<u>\$ 2,404,337</u>	<u>\$ (146,518)</u>	<u>\$ 22,952,143</u>	<u>\$ 22,943,070</u>	<u>\$ (9,073)</u>
\$ 2,550,855	\$ 2,535,053	\$ 15,802	\$ 58,717,925	\$ 57,309,819	\$ 1,408,106
-	-	-	3,947,569	3,947,569	-
-	-	-	2,567,604	2,561,721	5,883
<u>\$ 2,550,855</u>	<u>\$ 2,535,053</u>	<u>\$ 15,802</u>	<u>\$ 65,233,098</u>	<u>\$ 63,819,109</u>	<u>\$ 1,413,989</u>
\$ -	\$ (130,716)	\$ (130,716)	\$ (42,280,955)	\$ (40,876,039)	\$ 1,404,916
\$ -	\$ 90,000	\$ 90,000	\$ -	\$ 90,000	\$ 90,000
-	-	-	(2,281,396)	(90,000)	2,191,396
-	-	-	3,500,000	3,500,000	-
(42,270)	(42,270)	-	#VALUE!	(3,769,298)	(3,727,028)
-	-	-	41,062,351	41,062,351	-
<u>\$ (42,270)</u>	<u>\$ 47,730</u>	<u>\$ 90,000</u>	<u>\$ 42,238,685</u>	<u>\$ 40,793,053</u>	<u>\$ (1,445,632)</u>
\$ (42,270)	\$ (82,986)	\$ (40,716)	\$ (42,270)	\$ (82,986)	\$ (40,716)
42,270	35,133	(7,137)	75,197	35,833	(6,437)
<u>\$ -</u>	<u>\$ (47,853)</u>	<u>\$ (47,853)</u>	<u>\$ 32,927</u>	<u>\$ (47,153)</u>	<u>\$ (47,153)</u>



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COURT OF COMMONS

Governmental Accounting System - General Fund

Year Ending 12/31/2012

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Account	Balance	Change	Total
Land	1,000,000	0	1,000,000
Buildings and equipment	2,500,000	0	2,500,000
Machinery and equipment	1,500,000	0	1,500,000
Transportation equipment	500,000	0	500,000
Construction in progress	1,000,000	0	1,000,000
<b>Total</b>	<b>6,500,000</b>	<b>0</b>	<b>6,500,000</b>

**GENERAL FIXED ASSET 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, 1998**

	<u>Primary Government</u>	<u>Component Unit School Board</u>	<u>Total Reporting Entity</u>
<b><u>General Fixed Assets:</u></b>			
Land	\$ 8,371,318	\$ 4,182,658	\$ 12,553,976
Buildings and improvements	9,816,792	67,549,891	77,366,683
Machinery and equipment	4,300,298	9,889,344	14,189,642
Data processing equipment	528,013	16,671	544,684
Construction in progress	<u>304,603</u>	<u>12,314,699</u>	<u>12,619,302</u>
 Total General Fixed Assets	 \$ <u>23,321,024</u>	 \$ <u>93,953,263</u>	 \$ <u>117,274,287</u>
<b><u>Investment in General Fixed Assets by Source:</u></b>			
General fund revenues	\$ 19,521,024	\$ 22,403,263	\$ 41,924,287
General obligation debt	<u>3,800,000</u>	<u>71,550,000</u>	<u>75,350,000</u>
 Total Investment in General in Fixed Assets	 \$ <u>23,321,024</u>	 \$ <u>93,953,263</u>	 \$ <u>117,274,287</u>

Schedule of General Fixed Assets by Function and Activities- Primary  
Government and Discretely Presented Component Unit  
Year Ended June 30, 1998

Primary Government:

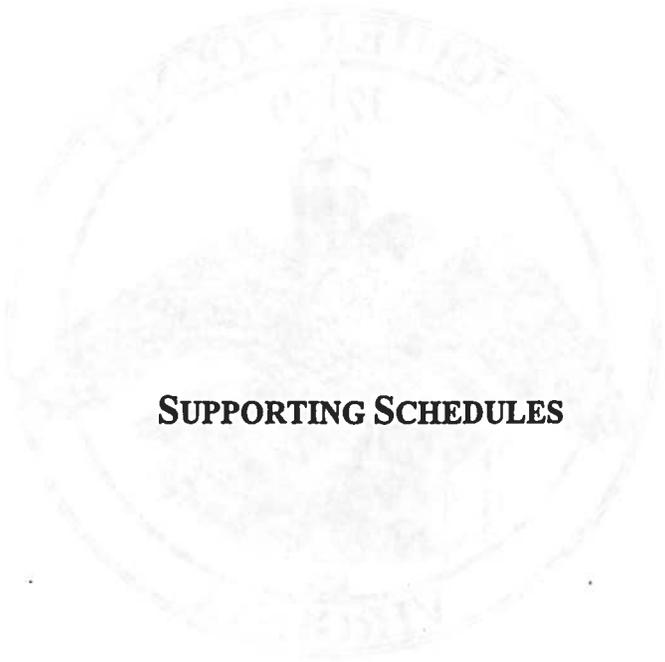
<u>Functions and Activities:</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery And Equipment</u>	<u>Data Processing Equipment</u>	<u>Construction In Progress</u>	<u>Total</u>
General government administration	\$ 5,113,427	\$ 3,348,107	\$ 527,178	\$ 528,013	\$ 107,059	\$ 9,623,784
Judicial administration	166,300	2,489,560	501,139	-	-	3,156,999
Public safety	1,388,000	1,436,100	2,312,374	-	-	5,136,474
Public works	287,523	973,399	501,161	-	-	1,762,083
Health and welfare	239,500	269,130	23,265	-	-	531,895
Parks, recreation, and cultural	1,176,568	1,104,139	326,820	-	197,544	2,805,071
Community development	-	196,357	108,361	-	-	304,718
<b>Total primary government</b>	<b>\$ 8,371,318</b>	<b>\$ 9,816,792</b>	<b>\$ 4,300,298</b>	<b>\$ 528,013</b>	<b>\$ 304,603</b>	<b>\$ 23,321,024</b>

Component Unit-School Board:

Education	\$ 4,182,658	\$ 67,549,891	\$ 9,889,344	\$ 16,671	\$ 12,314,699	\$ 93,953,263
<b>Total component unit - school board</b>	<b>\$ 4,182,658</b>	<b>\$ 67,549,891</b>	<b>\$ 9,889,344</b>	<b>\$ 16,671</b>	<b>\$ 12,314,699</b>	<b>\$ 93,953,263</b>
<b>Total reporting entity</b>	<b>\$ 12,553,976</b>	<b>\$ 77,366,683</b>	<b>\$ 14,189,642</b>	<b>\$ 544,684</b>	<b>\$ 12,619,302</b>	<b>\$ 117,274,287</b>

Schedule of Changes in General Fixed Assets by Function - Primary  
Government and Discretely Presented Component Unit  
Year Ended June 30, 1998

	General Fixed Assets July 1, 1997	Additions	Deletions	General Fixed Assets June 30, 1998
<b>Primary Government:</b>				
General government administration	\$ 9,502,532	\$ 122,629	\$ 108,436	\$ 9,516,725
Judicial administration	2,089,864	1,067,135	-	3,156,999
Public safety	4,888,362	487,712	239,600	5,136,474
Public works	1,525,130	296,331	59,378	1,762,083
Health and welfare	531,895	-	-	531,895
Parks, recreation, and cultural	2,540,373	67,154	-	2,607,527
Community development	274,113	52,605	22,000	304,718
Construction in progress	1,043,375	304,603	1,043,375	304,603
<b>Total primary government</b>	<b>\$ 22,395,644</b>	<b>\$ 2,398,169</b>	<b>\$ 1,472,789</b>	<b>\$ 23,321,024</b>
<b>Component Unit - School Board:</b>				
Education	\$ 83,015,511	\$ 13,875,559	\$ 2,937,807	\$ 93,953,263
<b>Total component unit - school board</b>	<b>\$ 83,015,511</b>	<b>\$ 13,875,559</b>	<b>\$ 2,937,807</b>	<b>\$ 93,953,263</b>
<b>Total reporting entity</b>	<b>\$ 105,411,155</b>	<b>\$ 16,273,728</b>	<b>\$ 4,410,596</b>	<b>\$ 117,274,287</b>



**SUPPORTING SCHEDULES**

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**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 1

**Governmental Funds and Discretely Presented Component Units  
Schedule of Revenues -- Budget and Actual  
Year Ended June 30, 1998**

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Primary Government:</b>			
<b>General Fund:</b>			
<b>Revenue from local sources:</b>			
<b>General property taxes:</b>			
Real property taxes	\$ 50,082,921	\$ 51,307,483	\$ 1,224,562
Real and personal public service corporation property taxes	2,426,819	2,576,518	149,699
Personal property taxes	15,325,000	15,246,496	(78,504)
Penalties	550,000	678,845	128,845
Interest	500,000	561,081	61,081
<b>Total general property taxes</b>	<b>\$ 68,884,740</b>	<b>\$ 70,370,423</b>	<b>\$ 1,485,683</b>
<b>Other local taxes:</b>			
Local sales and use taxes	\$ 3,480,000	\$ 3,390,859	\$ (89,141)
Consumers' utility taxes	1,820,000	1,827,372	7,372
Business license taxes	810,000	881,524	71,524
Cable TV franchise tax	125,000	112,396	(12,604)
Motor vehicle licenses	1,150,000	1,064,346	(85,654)
Bank stock taxes	50,000	71,448	21,448
Taxes on recordation and wills	412,500	522,659	110,159
<b>Total other local taxes</b>	<b>\$ 7,847,500</b>	<b>\$ 7,870,604</b>	<b>\$ 23,104</b>
<b>Permits, privilege fees and regulatory licenses:</b>			
Animal licenses	\$ 11,000	\$ 8,216	\$ (2,784)
Building & related permits	410,020	496,222	86,202
Transfer fees	2,000	2,115	115
Zoning permits and fees	35,850	38,767	2,917
Land use application fees	18,000	18,996	996
<b>Total permits, privilege fees and regulatory licenses</b>	<b>\$ 476,870</b>	<b>\$ 564,316</b>	<b>\$ 87,446</b>
<b>Fines and Forfeitures:</b>			
Court fines and forfeitures	\$ 150,000	\$ 171,262	\$ 21,262
<b>Revenue from use of money and property:</b>			
Revenue from use of money	\$ 2,620,000	\$ 1,890,946	\$ (729,054)
Revenue from use of property	938,002	684,010	(253,992)
<b>Total revenue from use of money and property</b>	<b>\$ 3,558,002</b>	<b>\$ 2,574,956</b>	<b>\$ (983,046)</b>
<b>Charges for services:</b>			
Charges for commonwealth's and county's attorney	\$ 6,770	\$ 17,377	\$ 10,607
Excess fees of clerk	70,000	78,824	8,824
Sheriff's fees, deputies and reports	16,200	4,246	(11,954)
Charges for law library	16,000	16,786	786
Charges for local costs	-	1,191	1,191
Charges for courthouse maintenance fees	55,228	30,228	(25,000)
Charges for environment management	-	1,110	1,110
Charges for parks and recreation	287,168	182,621	(104,547)
Charges for social services	1,000	10,487	9,487
Charges for fleet maintenance	1,666,000	1,611,037	(54,963)
Charges for library	60,000	60,296	296
Charges for planning and community development	17,800	14,124	(3,676)
<b>Total charges for services</b>	<b>\$ 2,196,166</b>	<b>\$ 2,028,327</b>	<b>\$ (167,839)</b>

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 1

**Governmental Funds and Discretely Presented Component Units  
Schedule of Revenues -- Budget and Actual  
Year Ended June 30, 1998 (Continued)**

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Primary Government: (continued)</b>			
<b>Miscellaneous revenue:</b>			
Miscellaneous	\$ 282,059	\$ 148,461	\$ (133,598)
<b>Total miscellaneous revenue</b>	<b>\$ 282,059</b>	<b>\$ 148,461</b>	<b>\$ (133,598)</b>
<b>Recovered costs:</b>			
John marshall soil and water district	\$ 30,000	\$ 29,702	\$ (298)
Other government charges	19,285	26,605	7,320
Board of prisoner - other localities	1,000	1,330	330
Work release	40,000	52,247	12,247
Computer services - School Board	2,000	-	(2,000)
Excise gas tax	20,000	1,755	(18,245)
Medics working events	2,500	-	(2,500)
Social services home study	500	671	171
Medical reimbursement - prisoners	50,000	-	(50,000)
Other costs	5,000	7,097	2,097
Hospital hill building	1,000	2,001	1,001
VHFS economic development authority	-	49,895	49,895
<b>Total recovered costs</b>	<b>\$ 171,285</b>	<b>\$ 171,303</b>	<b>\$ 18</b>
<b>Total revenue from local sources</b>	<b>\$ 83,566,622</b>	<b>\$ 83,899,652</b>	<b>\$ 333,030</b>
<b>Revenue from the Commonwealth:</b>			
<b>Noncategorical aid:</b>			
ABC profits	\$ 100,000	\$ 74,363	\$ (25,637)
Wine taxes	60,000	59,403	(597)
Rolling stock tax	85,000	66,963	(18,037)
Mobile home titling taxes	17,500	19,095	1,595
Auto rental tax	8,500	15,432	6,932
Recordation tax	400,000	427,259	27,259
<b>Total noncategorical aid</b>	<b>\$ 671,000</b>	<b>\$ 662,515</b>	<b>\$ (8,485)</b>
<b>Categorical aid:</b>			
<b>Shared expenses:</b>			
Commonwealth's attorney	\$ 215,000	\$ 233,506	\$ 18,506
Sheriff	2,098,659	2,041,336	(57,323)
Commissioner of the revenue	155,000	164,859	9,859
Treasurer	110,000	116,905	6,905
Medical examiner	-	630	630
Registrar/electoral board	40,000	44,021	4,021
Clerk of the circuit court	535,000	376,685	(158,315)
Jail	350,000	240,132	(109,868)
<b>Total shared expenses</b>	<b>\$ 3,503,659</b>	<b>\$ 3,218,074</b>	<b>\$ (285,585)</b>
<b>Welfare:</b>			
Welfare administration and assistance	\$ 1,316,969	\$ 485,191	\$ (831,778)
Comprehensive services act	452,625	638,078	185,453
<b>Total welfare</b>	<b>\$ 1,769,594</b>	<b>\$ 1,123,269</b>	<b>\$ (646,325)</b>

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 1

**Governmental Funds and Discretely Presented Component Units**

**Schedule of Revenues -- Budget and Actual**

**Year Ended June 30, 1998 (Continued)**

Fund, Major and Minor Revenue Source	Budget	Actual	Variance Favorable (Unfavor.)
<b>Primary Government: (continued)</b>			
Other categorical aid:			
Fire programs fund	\$ 62,700	\$ -	\$ (62,700)
Records preservation grant	198,928	-	(198,928)
Administrative	75,000	28,423	(46,577)
Library aid	200,000	200,233	233
Litter control	36,500	25,080	(11,420)
Technology grant	147,787	-	(147,787)
Juvenile community control act	127,286	104,709	(22,577)
Sheriff department	122,413	71,390	(51,023)
Comprehensive community correction	152,016	127,928	(24,088)
Other grants	25,000	20,000	(5,000)
Total other categorical aid	<u>\$ 1,147,630</u>	<u>\$ 577,763</u>	<u>\$ (569,867)</u>
Total categorical aid	<u>\$ 6,420,883</u>	<u>\$ 4,919,106</u>	<u>\$ (1,501,777)</u>
Total revenue from the commonwealth	<u>\$ 7,091,883</u>	<u>\$ 5,581,621</u>	<u>\$ (1,510,262)</u>
<b>Revenue from the Federal Government:</b>			
Payments in lieu of taxes	<u>\$ 3,000</u>	<u>\$ 1,331</u>	<u>\$ (1,669)</u>
Categorical aid:			
Welfare administration and assistance	\$ 968,725	\$ 1,241,490	\$ 272,765
Comprehensive services act	50,000	-	(50,000)
Gypsy moth	10,000	18,373	8,373
VHFS grant	148,000	-	(148,000)
Dea group 33 & 35	40,198	29,073	(11,125)
Anti-drug abuse grant	80,000	-	(80,000)
Emergency services	15,855	-	(15,855)
Miscellaneous	9,189	7,189	(2,000)
Crime analysis grant	35,000	46,765	11,765
Cops fast/universal hire	30,000	79,810	49,810
Cops grants	20,000	39,279	19,279
Transportation safety	9,000	13,829	4,829
Community Development Block Grant	25,000	15,000	(10,000)
Total categorical aid	<u>\$ 1,440,967</u>	<u>\$ 1,490,808</u>	<u>\$ 49,841</u>
Total revenue from the federal government	<u>\$ 1,443,967</u>	<u>\$ 1,492,139</u>	<u>\$ 48,172</u>
Total General Fund	<u>\$ 92,102,472</u>	<u>\$ 90,973,412</u>	<u>\$ (1,129,060)</u>
<b>Special Revenue Funds:</b>			
Joint Dispatch Fund:			
Revenue from local sources:			
Other local taxes:			
E-911 telephone tax	<u>\$ 682,335</u>	<u>\$ 691,948</u>	<u>\$ 9,613</u>
Total Joint Dispatch Fund	<u>\$ 682,335</u>	<u>\$ 691,948</u>	<u>\$ 9,613</u>
<b>Fire and Rescue Fund:</b>			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 2,771,000	\$ 2,759,238	\$ (11,762)
Recovered Cost:			
Community events	<u>-</u>	<u>1,450</u>	<u>1,450</u>
Total revenue from local sources	<u>\$ 2,771,000</u>	<u>\$ 2,760,688</u>	<u>\$ (10,312)</u>

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 1

**Governmental Funds and Discretely Presented Component Units  
Schedule of Revenues -- Budget and Actual  
Year Ended June 30, 1998 (Continued)**

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Primary Government: (continued)</b>			
Revenue from the Commonwealth:			
Categorical aid:			
Fire programs	\$ -	\$ 53,234	\$ 53,234
Emergency medical service	-	23,974	23,974
<b>Total revenue from commonwealth</b>	<b>\$ -</b>	<b>\$ 77,208</b>	<b>\$ 77,208</b>
<b>Total Fire and Rescue Fund</b>	<b>\$ 2,771,000</b>	<b>\$ 2,837,896</b>	<b>\$ 66,896</b>
<b>Total Special Revenue Funds</b>	<b>\$ 3,453,335</b>	<b>\$ 3,529,844</b>	<b>\$ 76,509</b>
<b>Capital Improvement Projects Fund:</b>			
Revenue from local sources:			
Miscellaneous revenue:			
Miscellaneous	\$ 39,166	\$ 34,667	\$ (4,499)
<b>Total miscellaneous revenue</b>	<b>\$ 39,166</b>	<b>\$ 34,667</b>	<b>\$ (4,499)</b>
<b>Total Capital Improvement Projects Fund</b>	<b>\$ 39,166</b>	<b>\$ 34,667</b>	<b>\$ (4,499)</b>
<b>Grand Total Revenues -- Primary Government</b>	<b>\$ 95,594,973</b>	<b>\$ 94,537,923</b>	<b>\$ (1,057,050)</b>
<b>Component Unit -- School Board:</b>			
<b>Special Revenue Funds:</b>			
<b>School Operating Fund:</b>			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of property	\$ 6,500	\$ 10,653	\$ 4,153
Charges for services:			
Charges for education	\$ 204,580	\$ 349,530	\$ 144,950
Refunds and fees	160,615	56,683	(103,932)
<b>Total charges for services</b>	<b>\$ 365,195</b>	<b>\$ 406,213</b>	<b>\$ 41,018</b>
Miscellaneous revenue:			
Miscellaneous revenue	\$ 76,792	\$ 24,495	\$ (52,297)
<b>Total revenue from local sources</b>	<b>\$ 448,487</b>	<b>\$ 441,361</b>	<b>\$ (7,126)</b>
Revenue from the Commonwealth:			
Categorical aid:			
Share of state sales tax	\$ 4,954,366	\$ 5,038,793	\$ 84,427
Basic school aid	9,364,985	9,306,473	(58,512)
Regular foster care	87,640	27,566	(60,074)
Adult transitional - GED	5,492	-	(5,492)
Adult literacy	-	7,285	7,285
Gifted and talented	108,051	108,312	261
At risk youth	133,984	71,846	(62,138)
ESL payments	8,404	8,408	4
Special education	1,049,148	1,051,671	2,523
Special education - homebound	38,040	54,537	16,497

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 1

**Governmental Funds and Discretely Presented Component Units  
Schedule of Revenues -- Budget and Actual  
Year Ended June 30, 1998 (Continued)**

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Component Unit -- School Board: (continued)			
Revenue from the Commonwealth: (continued)			
Categorical aid: (continued)			
Special education - foster child	37,560	28,305	(9,255)
Special education - regional program	19,826	16,838	(2,988)
Vocational education	174,277	174,696	419
Vocational adult education	-	7,013	7,013
Vocational education equipment	-	6,881	6,881
Occupational education	-	-	-
K-3 incentive	177,615	173,845	(3,770)
Social security instructional	440,773	519,754	78,981
Social security non-instructional	96,000	18,891	(77,109)
Teacher retirement instructional	381,577	454,501	72,924
Teacher retirement non-instructional	82,000	21,327	(60,673)
Group life insurance instructional	3,076	4,020	944
Group life insurance non-instructional	410	841	431
Teacher incentive payment	407,808	408,789	981
Dropout prevention	92,217	92,217	-
Remedial education	146,393	146,745	352
Remedial summer school	46,799	52,298	5,499
Maintenance supplement	52,283	52,409	126
Educational technology	425,000	499,696	74,696
Textbook payments	182,503	182,942	439
School standard of learning	-	34,939	34,939
Alternative education	76,041	76,041	-
Other state funds	347,625	308,149	(39,476)
<b>Total revenue from the commonwealth</b>	<b>\$ 18,939,893</b>	<b>\$ 18,956,028</b>	<b>\$ 16,135</b>
Revenue from the federal government:			
Categorical aid:			
Adult basic education	\$ 52,765	\$ 40,767	\$ (11,998)
Title I	353,221	362,502	9,281
Chapter II	42,085	56,310	14,225
Title II	-	13,110	13,110
Miscellaneous federal revenue	114,568	8,364	(106,204)
Title VI - B - Special Education	405,269	545,388	140,119
Vocational education	-	71,975	71,975
Drug free schools	35,000	26,297	(8,703)
ROTC	10,000	16,631	6,631
<b>Total revenue from the federal government</b>	<b>\$ 1,012,908</b>	<b>\$ 1,141,344</b>	<b>\$ 128,436</b>
<b>Total School Operating Fund</b>	<b>\$ 20,401,288</b>	<b>\$ 20,538,733</b>	<b>\$ 137,445</b>
School Cafeteria Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ -	\$ 3,895	\$ 3,895
Charges for services:			
Cafeteria sales	1,947,724	1,781,086	(166,638)
<b>Total revenue from local sources</b>	<b>\$ 1,947,724</b>	<b>\$ 1,784,981</b>	<b>\$ (162,743)</b>

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 1

**Governmental Funds and Discretely Presented Component Units  
Schedule of Revenues -- Budget and Actual  
Year Ended June 30, 1998 (Continued)**

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Component Unit -- School Board: (continued)			
Revenue from the Commonwealth:			
Categorical aid:			
School food program	\$ <u>52,500</u>	\$ <u>38,126</u>	\$ <u>(14,374)</u>
Revenue from the federal government:			
Categorical aid:			
School food program	\$ <u>550,631</u>	\$ <u>581,230</u>	\$ <u>30,599</u>
Total School Cafeteria Fund	\$ <u>2,550,855</u>	\$ <u>2,404,337</u>	\$ <u>(146,518)</u>
Grand Total Revenues -- Component Unit -- School Board	\$ <u>22,952,143</u>	\$ <u>22,943,070</u>	\$ <u>(9,073)</u>
Grand Total Revenues -- Reporting Entity	\$ <u>118,547,116</u>	\$ <u>117,480,993</u>	\$ <u>(1,066,123)</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units  
 Schedule of Expenditures -- Budget and Actual  
 Year Ended June 30, 1998

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
<b>Primary Government:</b>			
<b>General Fund:</b>			
<b>General government administration:</b>			
<b>Legislative:</b>			
Board of supervisors	\$ 362,627	\$ 341,814	\$ 20,813
<b>General and financial administration:</b>			
County administrator	\$ 270,195	\$ 263,700	\$ 6,495
Personnel	646,456	601,594	44,862
County attorney	443,581	419,723	23,858
Independent auditor	41,775	41,775	-
Treasurer	637,031	615,532	21,499
Commissioner of the revenue	870,184	839,415	30,769
General assessment	275,069	263,651	11,418
Director of finance	1,063,731	1,042,597	21,134
Office of management and budget	234,088	214,065	20,023
Geographic information systems	173,901	163,410	10,491
Risk management	239,691	144,603	95,088
Motor pool	10,000	9,398	602
Management information systems	152,107	106,940	45,167
<b>Total general and financial administration</b>	<b>\$ 5,057,809</b>	<b>\$ 4,726,403</b>	<b>\$ 331,406</b>
<b>Board of Elections:</b>			
Registrar	\$ 201,568	\$ 182,357	\$ 19,211
<b>Total general government administration</b>	<b>\$ 5,622,004</b>	<b>\$ 5,250,574</b>	<b>\$ 371,430</b>
<b>Judicial administration:</b>			
<b>Courts:</b>			
Circuit court	\$ 75,415	\$ 72,980	\$ 2,435
General district court	8,991	8,991	-
Magistrates	36,806	34,047	2,759
Juvenile and domestic relations district court	37,898	37,897	1
Clerk of the circuit court	620,168	598,554	21,614
Commissioner of accounts	2,400	2,400	-
Law library	19,000	17,785	1,215
Adult court service	181,946	181,769	177
<b>Total courts</b>	<b>\$ 982,624</b>	<b>\$ 954,423</b>	<b>\$ 28,201</b>
<b>Commonwealth's attorney:</b>			
Commonwealth's attorney	\$ 505,740	\$ 503,920	\$ 1,820
<b>Total judicial administration</b>	<b>\$ 1,488,364</b>	<b>\$ 1,458,343</b>	<b>\$ 30,021</b>
<b>Public safety:</b>			
<b>Law enforcement and traffic control:</b>			
Sheriff	\$ 5,399,482	\$ 5,182,090	\$ 217,392
<b>Fire and rescue services:</b>			
Volunteer fire & rescue	\$ -	\$ 1,117	\$ (1,117)

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 2

**Governmental Funds and Discretely Presented Component Units  
Schedule of Expenditures -- Budget and Actual  
Year Ended June 30, 1998 (Continued)**

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
<b>Primary Government: (continued)</b>			
<b>Correction and detention:</b>			
Sheriff	\$ 886,898	\$ 884,455	\$ 2,443
Probation office	25,099	21,627	3,472
Juvenile detention	152,075	152,075	-
Juvenile crime control	129,528	50,033	79,495
<b>Total correction and detention</b>	<b>\$ 1,193,600</b>	<b>\$ 1,108,190</b>	<b>\$ 85,410</b>
<b>Other protection:</b>			
Animal control	\$ 103,157	\$ 103,156	\$ 1
Emergency services (civil defense)	64,784	64,783	1
<b>Total other protection</b>	<b>\$ 167,941</b>	<b>\$ 167,939</b>	<b>\$ 2</b>
<b>Total public safety</b>	<b>\$ 6,761,023</b>	<b>\$ 6,459,336</b>	<b>\$ 301,687</b>
<b>Public works:</b>			
<b>Sanitation and waste removal:</b>			
Litter control/recycling	\$ 243,725	\$ 224,300	\$ 19,425
Solid waste operations	1,102,282	1,102,282	-
<b>Total sanitation and waste removal</b>	<b>\$ 1,346,007</b>	<b>\$ 1,326,582</b>	<b>\$ 19,425</b>
<b>Maintenance of general buildings and grounds:</b>			
Support services/administration	\$ 125,523	\$ 124,706	\$ 817
General properties	4,676,366	4,557,329	119,037
Fleet maintenance	1,671,611	1,609,450	62,161
<b>Total maintenance of general buildings and grounds</b>	<b>\$ 6,473,500</b>	<b>\$ 6,291,485</b>	<b>\$ 182,015</b>
<b>Total public works</b>	<b>\$ 7,819,507</b>	<b>\$ 7,618,067</b>	<b>\$ 201,440</b>
<b>Health and welfare:</b>			
<b>Health:</b>			
Supplement of local health department	\$ 384,436	\$ 384,435	\$ 1
<b>Mental health and mental retardation:</b>			
Chapter X board	\$ 276,986	\$ 276,986	\$ -
<b>Welfare:</b>			
Social services	\$ 2,729,682	\$ 2,394,416	\$ 335,266
Institutional care	41,224	41,223	1
Tax relief for the elderly	-	567,047	(567,047)
Comprehensive services act	1,519,823	1,414,574	105,249
<b>Total welfare</b>	<b>\$ 4,290,729</b>	<b>\$ 4,417,260</b>	<b>\$ (126,531)</b>
<b>Total health and welfare</b>	<b>\$ 4,952,151</b>	<b>\$ 5,078,681</b>	<b>\$ (126,530)</b>
<b>Education:</b>			
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, 1998 (Continued)**

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Primary Government: (continued)</b>			
<b>Parks, recreation and cultural:</b>			
Parks and recreation			
Parks and recreation	\$ 1,165,744	\$ 1,063,909	\$ 101,835
<b>Library:</b>			
Public library	\$ 1,123,206	\$ 1,077,965	\$ 45,241
Total parks, recreation and cultural	\$ 2,288,950	\$ 2,141,874	\$ 147,076
<b>Community development:</b>			
<b>Planning and community development:</b>			
Planning	\$ 1,032,182	\$ 1,026,815	\$ 5,367
Community development	83,920	78,497	5,423
Economic development	125,000	75,650	49,350
Contributions to community organizations	546,583	541,347	5,236
Agriculture development	80,023	30,141	49,882
Vint hill farms station	\$ 205,907	\$ 205,907	\$ -
Total planning and community development	\$ 2,073,615	\$ 1,958,357	\$ 115,258
<b>Environmental management:</b>			
Soil and water conservation district	\$ 151,363	\$ 139,468	\$ 11,895
<b>Cooperative extension program:</b>			
VPI extension	\$ 136,711	\$ 121,040	\$ 15,671
Johnsongrass office	12,312	11,141	1,171
Gypsy moth	59,368	48,189	11,179
Total cooperative extension program	\$ 208,391	\$ 180,370	\$ 28,021
Total community development	\$ 2,433,369	\$ 2,278,195	\$ 155,174
<b>Capital projects:</b>			
Hospital hill	\$ 148,787	\$ 148,785	\$ 2
<b>Nondepartmental:</b>			
Nondepartmental operations	\$ 2,154,660	\$ 19,265	\$ 2,135,395
<b>Debt service on capital lease:</b>			
Principal retired	\$ 490,847	\$ 316,102	\$ 174,745
Interest and fiscal charges	11,225	185,970	(174,745)
Total debt service	\$ 502,072	\$ 502,072	\$ -
Total General Fund	\$ 34,201,562	\$ 30,985,867	\$ 3,215,695
<b>Special Revenue Funds:</b>			
<b>Joint Dispatch Fund:</b>			
Public safety:			
Other protection:			
Emergency operations center	\$ 871,950	\$ 871,508	\$ 442
Total Joint Dispatch Fund	\$ 871,950	\$ 871,508	\$ 442

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units  
 Schedule of Expenditures – Budget and Actual  
 Year Ended June 30, 1998 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
<b>Primary Government: (continued)</b>			
<b>Fire and Rescue Fund:</b>			
Contribution to fire and rescue associations	\$ 2,228,797	\$ 2,118,702	\$ 110,095
Rescue services	548,279	475,764	72,515
<b>Total Fire and Rescue Fund</b>	<b>\$ 2,777,076</b>	<b>\$ 2,594,466</b>	<b>\$ 182,610</b>
<b>Total Special Revenue Funds</b>	<b>\$ 3,649,026</b>	<b>\$ 3,465,974</b>	<b>\$ 183,052</b>
<b>Capital Improvement Projects Fund:</b>			
<b>Capital Outlay:</b>			
<b>General government administration:</b>			
General government	\$ 644,052	\$ 134,550	\$ 509,502
Judicial administration	67,899	41,142	26,757
Public safety	532,908	465,918	66,990
Public works	5,000	-	5,000
Health and welfare	17,000	2,373	14,627
Education	230,814	99,137	131,677
Parks, recreation, and cultural	36,078	29,502	6,576
Community development	31,000	14,985	16,015
Non-departmental	1,800	800	1,000
<b>Total general government administration</b>	<b>\$ 1,566,551</b>	<b>\$ 788,407</b>	<b>\$ 778,144</b>
<b>Public Safety</b>			
E-911 mapping system	\$ 369,000	\$ 1,191	\$ 367,809
Detention center	2,587,084	10,021	2,577,063
Sheriff storage facility	362,876	-	362,876
<b>Total public safety</b>	<b>\$ 3,318,960</b>	<b>\$ 11,212</b>	<b>\$ 3,307,748</b>
<b>Public Works:</b>			
Marshall community center	\$ (72,554)	\$ -	\$ (72,554)
Warren green building	254,084	125,293	128,791
John marshall building	28,710	13,041	15,669
New courthouse building and grounds	1,333	7,269	(5,936)
John barton payne building	2,135	-	2,135
Main library	49,199	3,950	45,249
Old jail museum	-	-	-
Shadow lawn building and grounds	1,163	-	1,163
<b>Capital Outlay:</b>			
White property	\$ 3,000	\$ -	\$ 3,000
Judicial center	12,221	-	12,221
Courthouse maintenance fund	96,907	17,560	79,347
John marshall branch library	19,788	640	19,148
Paris WSA system repairs	247,489	120,507	126,982
<b>Total public works</b>	<b>\$ 643,475</b>	<b>\$ 288,260</b>	<b>\$ 355,215</b>

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 2

**Governmental Funds and Discretely Presented Component Units  
Schedule of Expenditures – Budget and Actual  
Year Ended June 30, 1998 (Continued)**

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Primary Government: (continued)</b>			
<b>Education:</b>			
Modular house for vocational education	\$ 40,127	\$ -	\$ 40,127
Marshall middle school renovations	9,000	7,500	1,500
Warrenton middle school renovations	9,000	7,500	1,500
Schools non-reoccurring projects	400,224	280,119	120,105
Motor vehicles and equipment	397,585	188,283	209,302
Asbestos abatement	6,289	1,293	4,996
Liberty high school bleacher	259,923	236,633	23,290
Electrical clock and bell system	60,983	17,638	43,345
School roof maintenance	119,964	104,200	15,764
School hvac/paving maintenance	684,672	91,209	593,463
<b>Total education</b>	<b>\$ 1,987,767</b>	<b>\$ 934,375</b>	<b>\$ 1,053,392</b>
<b>Parks and Recreation:</b>			
Monroe park	\$ 301,798	\$ 197,544	\$ 104,254
Vint hill farm station park	15,000	8,316	6,684
Marshall community center	55,067	20,025	35,042
Outside court maintenance	26,690	-	26,690
Ballfield maintenance	62,921	-	62,921
Central storage	39,500	2,700	36,800
Recreational parks	66,801	42,155	24,646
Corral farm ballfield construction	29,000	-	29,000
Park planning	41,935	231	41,704
<b>Total parks, recreational and cultural</b>	<b>\$ 638,712</b>	<b>\$ 270,971</b>	<b>\$ 367,741</b>
<b>Community Development:</b>			
Corral farm	\$ 423	\$ -	\$ 423
Bealeton library expansion	5,779	3,721	2,058
<b>Capital Outlay:</b>			
Frytown project	\$ 7,032	\$ 7,032	\$ -
Master sewer plan	9,080	265	8,815
Subdivision improvement	279,140	26,831	252,309
<b>Total community development</b>	<b>\$ 301,454</b>	<b>\$ 37,849</b>	<b>\$ 263,605</b>
<b>Total Capital Outlay</b>	<b>\$ 8,456,919</b>	<b>\$ 2,331,074</b>	<b>\$ 6,125,845</b>
<b>Capital Projects:</b>			
<b>Education:</b>			
Pierce school	\$ 4,441,169	\$ 4,254,658	\$ 186,511
Coleman school	578,404	514,888	63,516
Fauquier high school	4,504,126	4,467,513	36,613
Central elementary school	8,500,000	191,427	8,308,573
Cedar lee middle school	3,772,482	468,596	3,303,886
Lord Fairfax community college	2,353,430	1,206,085	1,147,345
<b>Total education</b>	<b>\$ 24,149,611</b>	<b>\$ 11,103,167</b>	<b>\$ 13,046,444</b>

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 2

**Governmental Funds and Discretely Presented Component Units  
Schedule of Expenditures -- Budget and Actual  
Year Ended June 30, 1998 (Continued)**

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
<b>Primary Government: (continued)</b>			
<b>Community Development:</b>			
Auburn dam	\$ 2,142,688	\$ 115,911	\$ 2,026,777
Route 28 project plan	<u>1,823,939</u>	<u>99,393</u>	<u>1,724,546</u>
Total community development	\$ 3,966,627	\$ 215,304	\$ 3,751,323
Total Capital Projects	\$ 28,116,238	\$ 11,318,471	16,797,767
Non-Departmental:	\$ 9,738	\$ 9,264	474
Total Capital Improvement Projects Fund	<u>\$ 36,582,895</u>	<u>\$ 13,658,809</u>	<u>\$ 22,924,086</u>
<b>Grand Total Expenditures -- Primary Government</b>	<u>\$ 74,433,483</u>	<u>\$ 48,110,650</u>	<u>\$ 26,322,833</u>
<b>Component Unit -- School Board:</b>			
<b>Special Revenue Funds:</b>			
<b>School Operating Fund:</b>			
<b>Education:</b>			
Instruction	\$ 47,510,483	\$ 46,230,775	\$ 1,279,708
Administration, attendance and health	1,997,617	1,995,344	2,273
Pupil transportation services	3,730,507	3,654,138	76,369
Operation and maintenance services	2,928,463	2,894,509	33,954
Facilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total education	\$ 56,167,070	\$ 54,774,766	\$ 1,392,304
<b>Debt Service:</b>			
Principal retirement	\$ 3,947,569	\$ 3,947,569	-
Interest and other debt costs	<u>2,567,604</u>	<u>2,561,721</u>	<u>5,883</u>
Total debt service	\$ 6,515,173	\$ 6,509,290	\$ 5,883
Total School Operating Fund	<u>\$ 62,682,243</u>	<u>\$ 61,284,056</u>	<u>\$ 1,398,187</u>
<b>School Cafeteria Fund:</b>			
<b>Education:</b>			
School food services	<u>\$ 2,550,855</u>	<u>\$ 2,535,053</u>	<u>\$ 15,802</u>
<b>Grand Total Expenditures -- Component Unit -- School Board</b>	<u>\$ 65,233,098</u>	<u>\$ 63,819,109</u>	<u>\$ 1,413,989</u>
<b>Grand Total Expenditures -- Reporting Entity</b>	<u>\$ 139,666,581</u>	<u>\$ 111,929,759</u>	<u>\$ 27,736,822</u>

**COUNTY OF FAUQUIER, VIRGINIA**

Schedule 3

**Schedule of the Treasurer's Accountability****At June 30, 1998****Assets held by the Treasurer:**

Cash on hand	\$	1,000
Cash in banks:		
Checking:		
The Fauquier Bank		8,604,138
Farmers and Merchants - Peoples		44,913
Savings		
First Virginia Bank		56,012
Money Market Accounts:		
Marshall National Bank		205,474
State Bank of Remington		457,573
Farmers and Merchants - Peoples		103,699
Crestar		37,569
Jefferson National Bank		8,565
Southern Financial Bank		24,122
Investments:		
Investment Account		17,492,331
Virginia State Non-Arbitrage Program		4,106,476
Local Government Investment Pool		9,445,681
<b>Total Assets</b>	<b>\$</b>	<b><u>40,587,553</u></b>

**Liabilities of the Treasurer:**

Balance of County Funds(Schedule 4)	\$	40,570,950
Amount due to Commonwealth of Virginia		13,210
Other Credits		3,393
<b>Total Liabilities</b>	<b>\$</b>	<b><u>40,587,553</u></b>

**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, 1998**

	Governmental Funds			Proprietary
	General	Special Revenue	Capital Projects	Enterprise
Balance July 1, 1997	\$ 28,129,393	\$ 625,880	\$ 15,633,749	\$ 1,597,006
Receipts (net):				
General property taxes	\$ 70,370,423	\$ 2,813,922	\$ -	\$ -
Other local taxes	7,870,604	691,948	-	-
Permits, privilege fees and regulatory licenses	564,316	-	-	-
Fines and forfeitures	171,262	-	-	-
Revenue from use of money and property	2,574,956	-	-	96,140
Charges for services	2,028,327	-	-	1,906,697
Miscellaneous	148,461	-	34,667	111,745
Recovered costs	171,303	-	-	-
Intergovernmental	7,073,760	23,974	-	81,882
Other financing sources	-	-	-	-
Total receipts	\$ 90,973,412	\$ 3,529,844	\$ 34,667	\$ 2,196,464
Total receipts and balance	\$ 119,102,805	\$ 4,155,724	\$ 15,668,416	\$ 3,793,470
Disbursements (net):				
Warrants (checks) issued	\$ 47,289,347	\$ 4,194,213	\$ 14,409,208	\$ 2,108,193
Retirement of indebtedness	316,102	-	-	-
Interest and fiscal charges	185,970	-	-	249,235
Total disbursements	\$ 47,791,419	\$ 4,194,213	\$ 14,409,208	\$ 2,357,428
Interfund transfers:				
Transfers in	\$ 2,060,332	\$ 237,488	\$ 24,778,085	\$ 18,672
Transfers out	62,245,413	-	1,482,072	10,000
Balance, June 30, 1998	\$ 11,126,305	\$ 198,999	\$ 24,555,221	\$ 1,444,714

Schedule 4

<u>Funds</u>	<u>Fiduciary</u>	<u>Component</u>	<u>Total</u>
<u>Internal</u>	<u>Funds</u>	<u>Unit</u>	<u>"Memorandum</u>
<u>Service</u>	<u>Trust &amp;</u>	<u>School</u>	<u>Only"</u>
<u>Agency</u>	<u>Board</u>	<u>Only"</u>	
\$ 2,548,718	\$ 317,875	\$ 185,407	\$ 49,038,028
\$ -	\$ -	\$ -	\$ 73,184,345
-	-	-	8,562,552
-	-	-	564,316
-	-	-	171,262
65,784	9,740	14,548	2,761,168
-	250,328	2,187,299	6,372,651
5,477,702	43,976	24,495	5,841,046
-	-	-	171,303
-	-	20,716,728	27,896,344
-	-	3,500,000	3,500,000
\$ 5,543,486	\$ 304,044	\$ 26,443,070	\$ 129,024,987
\$ 8,092,204	\$ 621,919	\$ 26,628,477	\$ 178,063,015
\$ 4,636,567	\$ 319,940	\$ 57,274,000	\$ 130,231,468
-	-	3,947,569	4,263,671
-	-	2,561,721	2,996,926
\$ 4,636,567	\$ 319,940	\$ 63,783,290	\$ 137,492,065
\$ -	\$ -	\$ 41,152,351	\$ 68,246,928
650,145	-	3,859,298	68,246,928
\$ 2,805,492	\$ 301,979	\$ 138,240	\$ 40,570,950

Schedule of the Treasurer's Accountability to the Commonwealth  
 For the Year Ended June 30, 1998

	<u>Balance July 1, 1997</u>	<u>Collections</u>	<u>Remittances</u>	<u>Balance June 30, 1998</u>
<b>1998 Taxes:</b>				
Estimated income taxes	\$ -	\$ 2,694,954	\$ 2,694,954	\$ -
<b>1997 Taxes:</b>				
Taxable year income taxes	-	5,018,997	5,018,997	-
Estimated income taxes	(525)	9,501,277	9,500,752	-
<b>1996 Taxes:</b>				
Taxable year income taxes	-	288,307	288,307	-
<b>Other Collections:</b>				
Penalty	-	524	524	-
Interest	-	3,397	3,397	-
Share of fees of sheriff and deputies	4,084	64,318	68,402	-
<b>Total</b>	<b>\$ <u>3,559</u></b>	<b>\$ <u>17,571,774</u></b>	<b>\$ <u>17,575,333</u></b>	<b>\$ <u>-</u></b>

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



**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>
1988-89	\$ 2,413,428	\$ 421,130	\$ 3,139,908	\$ 1,316,817	\$ 1,646,195
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	5,251,457	1,668,656	10,042,660	5,690,852	4,551,422
1997-98	6,038,981	1,469,555	10,213,570	7,618,067	5,078,681

**Notes:**

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

(2) Does not include non-departmental and capital project expenditures.

**Table 1**

	<u>Education</u>	<u>Recreation and Cultural</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Total</u>
\$	34,996,434	\$ 1,353,518	\$ 772,605	\$ 2,789,893	\$ 48,849,928
	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
	55,145,975	2,290,625	2,332,926	5,755,858	92,730,431
	58,274,869	2,450,153	2,316,044	7,011,362	100,471,282

**COUNTY OF FAUQUIER, VIRGINIA**

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

<b>Fiscal Year</b>	<b>General Property Taxes</b>	<b>Other Local Taxes</b>	<b>Permit Privilege Fees &amp; Regulatory Licenses</b>	<b>Fines &amp; Forfeitures</b>	<b>Revenues from the Use of Money &amp; Property</b>
1988-89	\$ 22,202,672	\$ 6,021,309	\$ 622,325	\$ 27,044	\$ 1,263,686
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	73,129,661	8,562,552	564,316	171,262	2,599,301

**Notes:**

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

(2) 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>
	\$ 1,702,151	\$ 354,896	\$ 181,403	\$ 17,555,551	\$ 49,931,037
	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	274,089	172,753	27,867,696	117,557,256

**COUNTY OF FAUQUIER, VIRGINIA**

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

<b>Fiscal Year</b>	<b>Total (1) Tax Levy</b>	<b>Current Tax (1) Collections</b>	<b>Percentage of Levy Collected</b>	<b>Delinquent (1) Tax (2) Collections</b>	<b>Total Tax Collections</b>
1988-89	\$ 22,158,469	\$ 21,416,243	96.65%	\$ 265,415	\$ 21,681,658
1989-90	27,639,958	26,443,360	95.67%	348,365	26,791,725
1990-91	35,624,866	33,478,769	93.98%	534,519	34,013,288
1991-92	37,515,586	34,988,407	93.26%	1,082,529	36,070,936
1992-93	39,486,468	36,907,864	93.47%	1,618,156	38,526,020
1993-94	42,166,153	40,074,085	95.04%	1,966,571	42,040,656
1994-95	46,297,895	43,520,809	94.00%	2,004,527	45,525,336
1995-96	47,580,344	45,105,097	94.80%	1,461,059	46,566,156
1996-97	51,745,756	49,475,390	95.61%	1,616,170	51,091,560
1997-98	72,647,034	69,456,067	95.61%	1,666,145	71,122,212

**Notes:**

- (1) Includes General Fund and Special Revenue Funds and exclusive of penalties.
- (2) Does not include land redemptions.
- (3) Includes three years taxes.

Source: Fauquier County Treasurer

Table 3

<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>
97.85%	\$ 1,378,915	6.22%
96.93%	1,821,313	6.59%
95.48%	3,273,753	9.19%
96.15%	4,418,739	11.78%
97.57%	4,925,857	12.47%
99.70%	4,397,492	10.43%
98.33%	2,627,735	5.68%
97.87%	2,927,028	6.15%
98.74%	2,205,998	4.26%
97.90%	3,330,854	4.58%

**COUNTY OF FAUQUIER, VIRGINIA**

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

<b>Fiscal Year</b>	<b>Real Estate</b>	<b>Personal Property</b>	<b>Airplane</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Merchants' Capital</b>
1988-89	\$ 1,722,937,767	\$ 181,388,260	\$ 1,387,571	\$ 5,156,433	\$ 9,955,485	\$ 35,952,389
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	-

**Notes:**

(1) 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 &amp; Rescue</u>	<u>Total</u>
\$ 94,756,425	\$ -	\$ -	\$ -	\$ 2,051,534,330
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

**COUNTY OF FAUQUIER, VIRGINIA**

**Table 5**

**Property Tax Rates  
Last Ten Years**

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Airplanes</u>	<u>Machinery and Tools</u>	<u>Merchants' Capital</u>	<u>Handicapped Equipment</u>	<u>Camper Trailers</u>	<u>Fire &amp; Rescue</u>
1988-89	\$ 0.84	\$ 3.55	\$ 1.50	\$ 3.55	\$ 0.01	-	-	-
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

**Notes:**

(1) All years assessed at fair market value.

(2) Rates per \$100 of assessed value.

Source: Fauquier County Department of Finance

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

<u>Fiscal 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>
1988-89	46,545	\$ 2,051,534,330	\$ 23,612,500	0.0115	\$ 507
1989-90	48,044	3,345,117,738	29,390,000	0.0088	612
1990-91	48,860	3,451,531,313	27,562,500	0.0080	564
1991-92	49,600	3,460,804,550	33,610,000	0.0097	678
1992-93	50,400	3,516,361,511	47,122,500	0.0134	935
1993-94	50,900	3,562,862,408	44,470,000	0.0125	874
1994-95	51,100	3,734,157,940	41,472,500	0.0111	812
1995-96	51,300	3,826,611,553	38,197,500	0.0100	745
1996-97	52,100	3,979,088,363	42,684,760	0.0107	819
1997-98	52,315	3,580,410,049	43,687,500	0.0122	835

Notes:

(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.

Sources:

(1) Weldon Cooper Center for Public Service.

**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 (1)</u>	<u>Debt Service</u>	<u>Ratio</u>
1988-89	\$ 48,849,928	\$ 2,789,893	5.71%
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%

Notes:

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

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

Notes:

(1) Bonds were issued in 1993.

(2) Gross revenue includes both operating and non-operating revenues.



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**COUNTY OF FAUQUIER, VIRGINIA**

**Table 9**

**DEMOGRAPHIC STATISTICS  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1988-89	46,545	8,004	1.70%
1989-90	48,044	8,090	1.90%
1990-91	48,860	8,161	2.50%
1991-92	49,600	8,307	4.80%
1992-93	50,400	8,446	5.20%
1993-94	50,900	8,478	3.30%
1994-95	51,100	8,660	3.30%
1995-96	51,300	8,888	3.20%
1996-97	51,900	9,030	2.20%
1997-98	52,315	9,176	1.14%

Sources: Weldon Cooper Center for Public Service  
Fauquier County Schools

**COUNTY OF FAUQUIER, VIRGINIA**

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

Fiscal Year	Residential Construction		Commercial Construction		Miscellaneous Construction	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
1988-89	NA	\$ -	NA	\$ -	NA	\$ -
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

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	\$ 1,915,885,180	\$ 281,821,480	\$ 815,804,185	\$ 252,854,800
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

**COUNTY OF FAUQUIER, VIRGINIA**

**Table 11**

**PRINCIPAL TAXPAYERS  
June 30, 1998**

<b>TAXPAYER/ TYPE OF BUSINESS</b>	<b>1998 Assessed Valuation</b>	<b>% of Total Assessed Valuation</b>
Virginia Electric & Power Company Utilities	\$ 52,248,619	1.37%
Bell Atlantic - Virginia, Inc. Utilities	41,376,710	1.08%
Jefferson Associates LP Shopping Centers	24,302,000	0.64%
Northern Virginia Electric Co-op Utilities	15,992,991	0.42%
Paul Mellon Farm	14,016,900	0.37%
Colonial Pipeline Company Utilities	10,864,227	0.28%
Rappahannock Electric Co-op Utilities	9,767,918	0.26%
Kimmaren Corporation Conference Center, Farm	9,372,500	0.25%
Norfolk Southern Railway Company Utilities	9,107,551	0.24%
Warrenton Development Company Shopping Center	9,558,500	0.25%
<b>Total</b>	<b>\$ 196,607,916</b>	<b>5.16%</b>

Source: Fauquier County Commissioner of the Revenue

**COUNTY OF FAUQUIER, VIRGINIA**

**Table 12**

**Miscellaneous Statistics  
At June 30, 1998**

---

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	340
	Sheriff's Office employees	108
Education		
	Schools	17
	Number of Teachers	825
	Number of Students	9,176
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 (includes public safety)	514
	School Division (includes teachers)	1,606



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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, 1998, and have issued our report thereon dated October 27, 1998. 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 October 27, 1998.

This report is intended for the information of the Board of Supervisors, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Robinson, Tamer, & Associates*

Charlottesville, Virginia  
October 27, 1998

# **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***

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**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, 1998. 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, 1998.

## 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 for the information of the Board of Supervisors, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Robinson, James C. Associates*

Charlottesville, Virginia  
October 27, 1998

**COUNTY OF FAUQUIER, VIRGINIA**

**Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit  
Year Ended June 30, 1998**

<u>Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
<b><u>Primary Government:</u></b>		
<b><u>DEPARTMENT OF AGRICULTURE:</u></b>		
<b><u>Pass through payments:</u></b>		
Virginia Department of Agriculture and Consumer Services:		
Food distribution	10.550	\$ 1,300
Cooperative forestry assistance	10.664	18,373
Department of Social Services:		
Food Stamp Program	10.551	<u>1,443,583</u>
Total Department of Agriculture		\$ <u>1,463,256</u>
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>		
<b><u>Pass through payments:</u></b>		
Department of Housing and Community Development:		
Community development block grant	14.228	\$ <u>15,000</u>
<b><u>DEPARTMENT OF FEDERAL AVIATION ADMINISTRATION</u></b>		
<b><u>Direct payments:</u></b>		
Airport Improvement Program	20.106	\$ <u>336,741</u>
<b><u>U. S. DEPARTMENT OF TRANSPORTATION / DEPARTMENT OF MOTOR VEHICLES:</u></b>		
<b><u>Pass through payments:</u></b>		
Alcohol Traffic Safety Incentive	20.601	\$ <u>13,829</u>
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>		
<b><u>Pass through payments:</u></b>		
Virginia Department of Social Services:		
Foster Care - Title IV-E	93.658	\$ 57,349
Social services block grant	93.667	322,448
Independent living	93.674	349
Job opportunities and basic skills training	93.561	109,120
Other benefit programs	93.778	700,865
Refugee and entrant assistance - discretionary	93.576	<u>51,359</u>
Total Department of Health and Human Services		\$ <u>1,241,490</u>
<b><u>DEPARTMENT OF JUSTICE:</u></b>		
<b><u>Direct payments:</u></b>		
Cops fast grant	16.000	\$ 79,810
Cops more grant	16.000	39,279
<b><u>Pass through payments:</u></b>		
Department of Criminal Justice Services:		
Drug control and system improvement	16.579	46,765
Juvenile Justice and Delinquency Prevention	16.540	2,689
Police Assisted Community Drug Enforcement Program	16.580	<u>29,073</u>
Total Department of Justice		\$ <u>197,616</u>

**COUNTY OF FAUQUIER, VIRGINIA**

**Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit  
Year Ended June 30, 1998 (Continued)**

<u>Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
<b>Department of the Interior:</b>		
Direct Payments:		
Bureau of Land Management - National Forest Acreage payment	15.000	\$ <u>1,331</u>
<b><u>COMMISSION FOR THE ARTS:</u></b>		
<u>Pass through payments:</u>		
Virginia Commission for the Arts: Promotion of the Arts	45.007	\$ <u>4,500</u>
<b>Total Primary Government</b>		<b>\$ <u>3,273,763</u></b>
<b>Component Unit - School Board:</b>		
<b><u>DEPARTMENT OF AGRICULTURE:</u></b>		
<u>Pass through payments:</u>		
Department of Agriculture and Consumer Services: Food distribution	10.555	\$ 118,163
Department of Education: National school breakfast program	10.553	81,657
National school lunch program	10.555	<u>499,573</u>
Total Department of Agriculture		\$ <u>699,393</u>
<b><u>DEPARTMENT OF LABOR:</u></b>		
<u>Direct payments:</u>		
ROTC Instruction	17.000	\$ <u>16,631</u>
<b><u>DEPARTMENT OF EDUCATION:</u></b>		
Pass Through Payments:		
Department of Education:		
Education Consolidation and Improvement Act of 1981:		
Adult education state-administered program	84.002	\$ 40,767
Chapter I:		
Financial assistance to meet special educational needs of disadvantaged children - programs operated by local education agencies	84.010	362,502
Chapter II:		
Improving school program - state block grant	84.151	69,420
Elementary and secondary education act (ESEA):		
Title VI-B:		
Handicapped - state grants	84.027	545,388
Vocational Education:		
Basic grants to states	84.048	71,975
Title III	84.000	8,364
Drug free schools and communities	84.186	<u>26,297</u>
<b>Total Department of Education</b>		<b>\$ <u>1,124,713</u></b>
<b>Total Component Unit School Board</b>		<b>\$ <u>1,840,737</u></b>
<b>Total Federal Assistance Reporting Entity</b>		<b>\$ <u>5,114,500</u></b>

**COUNTY OF FAUQUIER, VIRGINIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 1998**

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

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**Financial Statements**

Type of auditors' report issued: Qualified

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</u> <u>Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.551	Food Stamp Program
84.010	Title I
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**

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There are no financial statement findings to report.

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

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



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