

**COUNTY OF FAUQUIER, VIRGINIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1997**



COUNTY OF FAUQUIER, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 1997

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



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

December 1, 1997

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, 1997, 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, 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 for the future and highlights the County's financial results.

The Fauquier County Economy in 1997

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 the Fauquier's workforce commutes out of the County to their 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 pending the final closure of the base in the fall of 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. At this time the final decision on the reuse plan is pending.

Achievements and Initiatives

During fiscal 1997, the County continued the consolidation of administrative functions for the School system and general government. By June 30, 1997, accounting, payroll, accounts payable, procurement, maintenance, vehicle maintenance and personnel had been fully consolidated. The County is beginning the process of consolidating all non-instructional information technology services.

Financial Results and Highlights

General Fund Results

Despite continued slow growth in its primary revenue sources, the County ended fiscal year 1997 with general property tax revenues exceeding the budgeted amount by \$307,789. This was largely as a result of additional revenues from the implementation of proration of personal property tax. Total general fund revenues were \$451,530 less than budgeted due primarily to several grants that were anticipated but not received. General fund expenditures were \$283,488 under appropriations.

One of the County's principle financial policies is to establish and maintain an undesignated general fund balance of not less than 5% of general fund revenues. The purpose of the 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 5.85% of revenues.

The ending fund balance for fiscal year 1996 has been restated for two prior period adjustments. For this fiscal year, the County implemented Governmental Accounting Standards Board statement 22, *Taxpayer-assessed Tax Revenues*. This resulted in an adjustment in the fund balance to reflect the change in the methodology used for accruing sales taxes and business licenses. In addition, the general fund balance was adjusted for a transfer to the capital projects fund in 1996 not reflected in the ending balances for that year.

The table below shows the results of operations for the general fund and ending fund balance for the last two fiscal years.

Results of Operations for the General Fund

	FY1997	FY1996	Variance Increase/ (decrease)
Revenues, transfers & other financing Sources	\$ 71,872,828	\$ 66,787,899	5,084,929
Expenditures, transfers & other financing sources	74,035,107	64,302,318	9,732,789
Fund Balance, Beginning	8,757,610	6,272,029	2,485,581
Fund Balance, Ending	\$ 6,595,331	\$ 8,757,610	(2,162,279)

Note: Balances adjusted to include prior period adjustments

General Government Operations

The County's governmental funds include the general fund, capital projects fund, emergency communications fund and the School Board component unit. The activities of these funds include most of the services provided by the County. Those activities 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 table below is a summary of the governmental funds' revenues for fiscal year 1997. Prior year data is shown for comparison. The County's two largest sources of revenue are property taxes, constituting 56.9% of the total and intergovernmental revenue, constituting 28.5.9% of the total.

Governmental Fund Revenues

<u>Revenue Source</u>	<u>Total FY1997</u>		<u>Total FY1996</u>		<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
General Property Taxes	\$	52,049,159	\$	49,650,697	\$ 2,398,462	4.8
Other Local Taxes		8,025,062		7,663,235	361,827	4.7
Licenses and Permits		558,902		492,519	66,383	13.5
State		23,372,681		20,798,995	2,573,686	12.4
Federal		3,128,241		2,873,371	254,870	8.9
Charges for Service		2,529,450		2,179,034	350,416	16.1
Fines and Forfeitures		143,723		121,389	22,334	18.4
Use of Money & Property		2,038,219		1,725,383	312,836	18.1
Debt Proceeds		12,580,000		-	12,580,000	-
Miscellaneous		578,539		1,336,958	(758,418)	(56.7)
Total	\$	105,003,976	\$	86,841,581	\$ 18,162,397	20.9

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

Governmental Fund Expenditures

<u>Function</u>	<u>Total FY1997</u>		<u>Total FY1996</u>		<u>Increase/ (Decrease)</u>	<u>Per Cent Change</u>
General Government	\$	5,098,645	\$	4,448,074	\$ 650,571	14.6
Judicial Administration		1,356,114		1,035,026	321,088	31.0
Public Safety		8,634,333		8,223,415	410,918	5.0
Public Works		5,690,852		5,573,828	117,024	2.1
Health and Welfare		4,551,422		3,622,004	929,418	25.7
Education		52,951,412		48,023,722	4,927,690	10.3
Parks, Recreation, Cultural		1,966,181		1,767,245	198,936	11.3
Community Development		2,236,948		2,073,464	163,484	7.9
Capital Projects		12,704,810		3,208,577	9,496,233	296.0
Debt Service		5,755,858		6,091,387	(335,529)	(5.5)
Total	\$	100,946,575	\$	84,066,742	\$ 16,879,833	20.1

Increases over fiscal year 1996 were primarily in the area of education and capital expenditures. The increase in education spending was the result of increases in the numbers of students and other increases in operating expenses. In addition to the increases in expenditures for the School division, the County made a significant contribution towards the construction of

Lord Fairfax Community College. The source of this funding was the general fund balance. The two largest expenditure areas are education, comprising 52.5% of the total and public safety, comprising 8.6% of the total. Capital projects expenditures include the lease/purchase of an office building in the amount of \$3,580,000 during the year.

Proprietary Fund Operations

Fauquier County operates two enterprise funds. They are:

The **Landfill** provides for solid waste disposal and recycling. The landfill is totally supported by user fees and other revenue. During fiscal year 1997, the landfill had a net loss of \$170,179.

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 1997 the airport had net income of \$13,090.

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 favorable ratings reflect the County's management, low debt ratios and favorable location.

The total outstanding debt of the County, including capital leases, and its component units as of June 30, 1997 was \$52,910,362. Of this amount \$4,045,000 is self-supporting and \$48,865,362 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 guidelines also serve as a guide for a schedule of debt funded projects in the Capital Improvements Program. As of June 30, 1997, the amount of tax-supported debt service payments represented 6.3% of revenues.

During Fiscal year 1997 the County participated in a debt issue through the Virginia Public School Authority in the amount of \$9,000,000. In addition, the County financed the purchase

of an office building for use by the School Division and Department of Social Services through a ten year lease purchase in the amount of \$3,580,000.

The County implemented a sick leave payout for general government employees modeled on the existing plan for employees of the Public Schools. This resulted in an increase in the compensated absences balance disclosed in the General Long Term Debt account group in excess of the normal accruals of employee leave.

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 in 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 and Water and Sanitation Authority.

The activities of this program are reported in the self 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, 1997, are reported as accrued liabilities. The self 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 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.

Budgetary controls are maintained at the department level for the operating budget, and at the project level, for the life of the project, for the capital improvements budget to ensure compliance with the limits and provisions of the respective budgets as approved by the Board of Supervisors. 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, 1997 and for the fiscal year ended June 30, 1997 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

For the first time, 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,

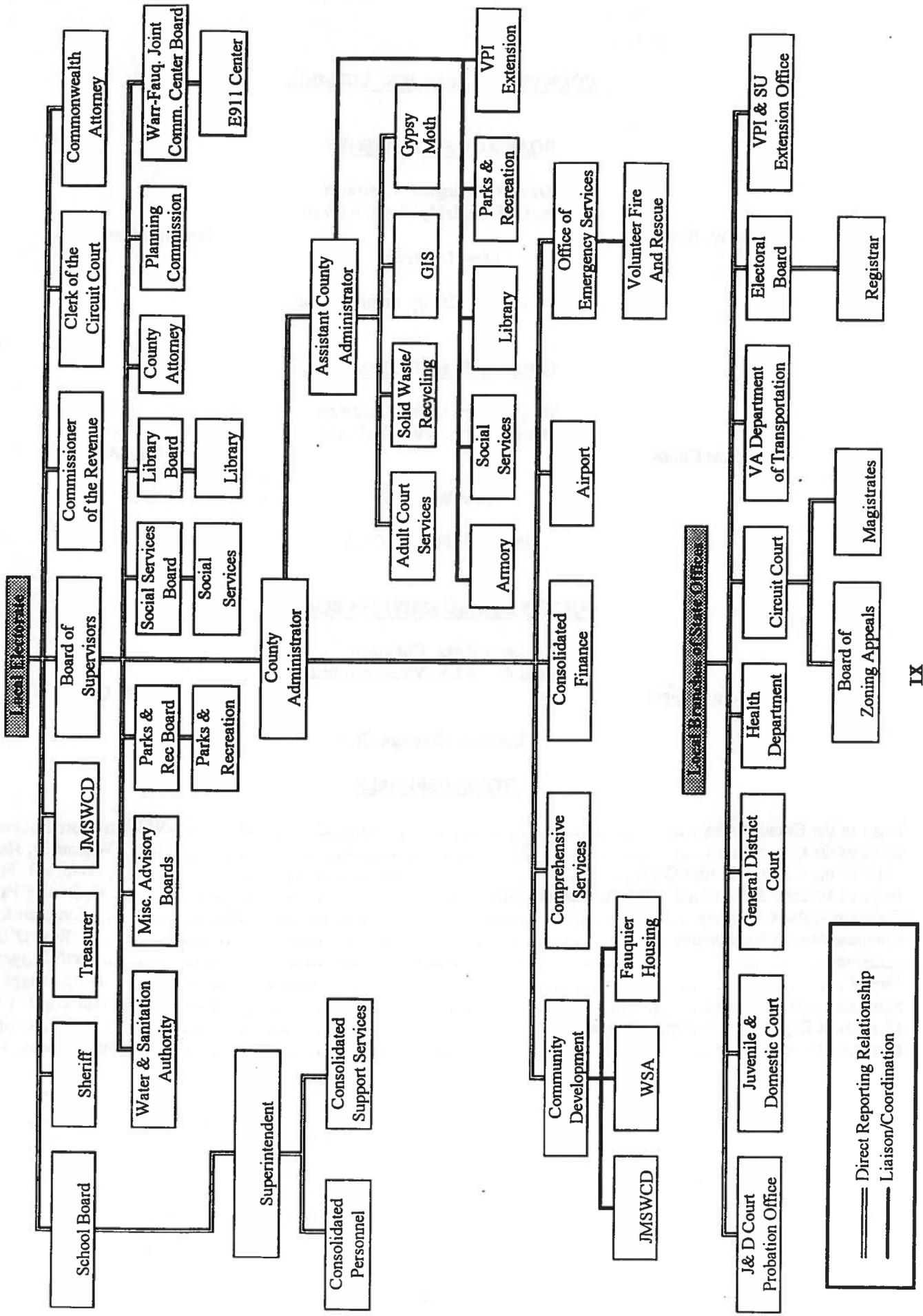


G. Robert Lee
County Administrator



John H. Tuohy, CPA
Finance Director

FAUQUIER COUNTY ORGANIZATIONAL CHART (July 1, 1996)



COUNTY OF FAUQUIER, VIRGINIA

BOARD OF SUPERVISORS

David C. Mangum, Chairman
James G. Brumfield, Vice-Chairman

Wilbur W. Burton

James R. Green, Jr.

Larry L. Weeks

G. Robert Lee, County Administrator

COUNTY SCHOOL BOARD

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

Alice Jane Childs

Paul Ascioffa

John Williams

Shirley C. Frazier, Clerk

COUNTY SOCIAL SERVICES BOARD

Larry Parks, Chairman
James K. Shirley, Vice-Chairman

Taliaferro Copper

Pauline Upshur

Joseph E. Coleman, Jr.

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

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF SUPERVISORS COUNTY OF FAUQUIER WARRENTON, VIRGINIA

We have audited the accompanying general purpose financial statements and the combining financial statements of the County of Fauquier, Virginia, as of and for the year ended June 30, 1997, 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, 1997, 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, 1997 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 November 3, 1997 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 James Cox Associates

Charlottesville, Virginia

November 3, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF FAUQUIER, VIRGINIA
 Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units
 At June 30, 1997

	Governmental Funds			Proprietary Funds		Fiduciary Funds
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency
ASSETS AND OTHER DEBITS						
Assets:						
Cash and investments	\$ 28,129,393	\$ 625,880	\$ 15,633,749	\$ 1,597,006	\$ 2,548,718	\$ 317,875
Cash in custody of others	8,385	-	-	-	-	10,352
Investment in deferred compensation funds	-	-	-	-	-	752,449
Receivables (Net of allowances for uncollectibles):						
Taxes, including penalties	2,860,441	-	-	-	-	-
Accounts	827,436	183,568	-	379,324	210,946	-
Due from other funds	20,510	-	-	-	-	-
Due from primary government	-	-	-	-	-	-
Due from other governmental units	1,017,517	-	-	1,863	-	-
Prepaid expenses	-	-	-	52,500	-	-
Fixed assets (Net of accumulated depreciation)	-	-	-	5,834,465	-	-
Bond issuance costs (net of accumulated amortization)	-	-	-	92,502	-	-
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	\$ 32,866,982	\$ 809,448	\$ 15,635,829	\$ 7,957,660	\$ 2,759,664	\$ 1,080,676
LIABILITIES						
Accounts payable	\$ 1,271,916	\$ 7,477	\$ 1,898,405	\$ 185,973	\$ 658,911	\$ 5,480
Accrued liabilities	74,910	-	-	-	-	-
Retainage payable	4,813	-	269,912	-	-	-
Amount held for social service clients	-	-	-	-	-	9,885
Amount held for prisoners	-	-	-	-	-	10,352
Performance bonds payable	-	-	-	-	-	114,967
Due to component units	5,020,281	-	-	-	-	-
Due to primary government	-	20,510	-	-	-	-
Deferred revenue	19,898,731	796,454	-	-	-	-
Amount held for security deposits	1,000	-	-	-	-	-
Deferred compensation benefits	-	-	-	-	-	752,449
Revenue bonds payable	-	-	-	4,045,000	-	-
General obligation bonds payable	-	-	-	-	-	-
State Literary Fund loans payable	-	-	-	-	-	-
Capital lease obligations payable	-	-	-	-	-	-
Virginia retirement system	-	-	-	-	-	-
Closure and postclosure costs	-	-	-	3,298,950	-	-
Compensated absences	-	-	-	11,003	-	-
Total liabilities	\$ 26,271,651	\$ 824,441	\$ 2,168,317	\$ 7,540,926	\$ 658,911	\$ 893,133
EQUITY AND OTHER CREDITS						
Investment in fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital	-	-	-	1,661,910	-	-
Retained earnings:						
Reserved for health insurance claims	-	-	-	-	983,807	-
Unreserved	-	-	-	(1,245,176)	-	-
Fund balances:						
Reserve for encumbrances	729,186	-	-	-	-	-
Designated for subsequent expenditure	1,875,001	(14,993)	13,467,512	-	170,534	187,543
Undesignated	3,991,144	-	-	-	946,412	-
Total equity and other credits	\$ 6,595,331	\$ (14,993)	\$ 13,467,512	\$ 416,734	\$ 2,100,753	\$ 187,543
Total liabilities and equity and other credits	\$ 32,866,982	\$ 809,448	\$ 15,635,829	\$ 7,957,660	\$ 2,759,664	\$ 1,080,676

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

Exhibit 1

<u>Account Group</u>		<u>Totals "Memorandum Only"</u>	<u>Component Units</u>	<u>Totals "Memorandum Only"</u>
<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	<u>Primary Government</u>	<u>School Board</u>	<u>Reporting Entity</u>
\$ -	\$ -	\$ 48,852,621	\$ 185,407	\$ 49,038,028
-	-	18,737	700	19,437
-	-	752,449	-	752,449
-	-	2,860,441	-	2,860,441
-	-	1,601,274	251,536	1,852,810
-	-	20,510	-	20,510
-	-	-	5,020,281	5,020,281
-	-	1,019,380	1,233,293	2,252,673
-	-	52,500	-	52,500
22,395,644	-	28,230,109	83,015,511	111,245,620
-	-	92,502	-	92,502
-	-	5,380	-	5,380
-	5,115,364	5,115,364	47,794,998	52,910,362
<u>\$ 22,395,644</u>	<u>\$ 5,115,364</u>	<u>\$ 88,621,267</u>	<u>\$ 137,501,726</u>	<u>\$ 226,122,993</u>
\$ -	\$ -	\$ 4,028,162	\$ 768,535	\$ 4,796,697
-	-	74,910	5,886,849	5,961,759
-	-	274,725	-	274,725
-	-	9,885	-	9,885
-	-	10,352	-	10,352
-	-	114,967	-	114,967
-	-	5,020,281	-	5,020,281
-	-	20,510	-	20,510
-	-	20,695,185	-	20,695,185
-	-	1,000	-	1,000
-	-	752,449	-	752,449
-	-	4,045,000	-	4,045,000
-	-	-	43,245,000	43,245,000
-	-	-	762,500	762,500
-	3,639,347	3,639,347	-	3,639,347
-	-	-	1,138,272	1,138,272
-	-	3,298,950	-	3,298,950
-	1,476,017	1,487,020	2,649,226	4,136,246
<u>\$ -</u>	<u>\$ 5,115,364</u>	<u>\$ 43,472,743</u>	<u>\$ 54,450,382</u>	<u>\$ 97,923,126</u>
\$ 22,395,644	\$ -	\$ 22,395,644	\$ 83,015,511	\$ 105,411,155
-	-	1,661,910	-	1,661,910
-	-	983,807	-	983,807
-	-	(1,245,176)	-	(1,245,176)
-	-	729,186	-	729,186
-	-	15,685,597	35,133	15,720,730
-	-	4,937,556	700	4,938,256
<u>\$ 22,395,644</u>	<u>\$ -</u>	<u>\$ 45,148,524</u>	<u>\$ 83,051,344</u>	<u>\$ 128,199,867</u>
<u>\$ 22,395,644</u>	<u>\$ 5,115,364</u>	<u>\$ 88,621,267</u>	<u>\$ 137,501,726</u>	<u>\$ 226,122,993</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 Units

Year Ended June 30, 1997

	Governmental Fund Types			Fiduciary	Total
	General	Special Revenue	Capital Projects	Expendable Trust	"Memorandum Only" Primary Government
Revenues:					
General property taxes	\$ 50,695,936	\$ 1,353,223	\$ -	\$ -	\$ 52,049,159
Other local taxes	7,370,935	654,127	-	-	8,025,062
Permits, privilege fees and regulatory licenses	558,902	-	-	-	558,902
Fines and forfeitures	143,723	-	-	-	143,723
Revenue from use of money and property	2,019,439	-	-	9,410	2,028,849
Charges for services	332,916	-	-	-	332,916
Miscellaneous	101,220	-	-	22,429	123,649
Recovered costs	281,147	-	-	-	281,147
Intergovernmental:					
Commonwealth	5,344,852	930	-	-	5,345,782
Federal	1,410,480	-	-	-	1,410,480
Total revenues	\$ 68,259,550	\$ 2,008,280	\$ -	\$ 31,839	\$ 70,299,669
Expenditures:					
Current:					
General government administration	\$ 5,075,050	\$ -	\$ 176,407	\$ -	\$ 5,251,457
Judicial administration	1,356,114	-	312,542	-	1,668,656
Public safety	6,380,620	2,253,713	1,408,327	-	10,042,660
Public works	5,690,852	-	-	-	5,690,852
Health and welfare	4,551,422	-	-	-	4,551,422
Education	30,675	-	2,194,563	-	2,225,238
Parks, recreation, and cultural	1,956,800	-	324,444	9,381	2,290,625
Community development	2,236,948	-	95,978	-	2,332,926
Non-departmental	23,595	-	7,745	-	31,340
Capital projects	3,615,301	-	4,569,503	-	8,184,804
Debt service:					
Principal retirement	57,843	-	-	-	57,843
Interest and other fiscal charges	4,583	-	-	-	4,583
Total expenditures	\$ 30,979,803	\$ 2,253,713	\$ 9,089,509	\$ 9,381	\$ 42,332,406
Excess (deficiency) of revenues over expenditures	\$ 37,279,747	\$ (245,433)	\$ (9,089,509)	\$ 22,458	\$ 27,967,263
Other financing sources (uses):					
Operating transfers in	\$ 31,027	\$ 69,849	\$ 6,475,889	\$ 950	\$ 6,577,715
Transfers from fiduciary funds	2,251	-	-	-	2,251
Operating transfers out	(5,425,702)	-	-	(2,251)	(5,427,953)
Transfers to fiduciary funds	-	-	(950)	-	(950)
Proceeds from indebtedness	3,580,000	-	9,000,000	-	12,580,000
Operating transfers to primary government	-	-	-	-	-
Operating transfers from primary government	(37,629,602)	-	-	-	(37,629,602)
Total other financing sources (uses)	\$ (39,442,026)	\$ 69,849	\$ 15,474,939	\$ (1,301)	\$ (23,898,539)
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ (2,162,279)	\$ (175,584)	\$ 6,385,430	\$ 21,157	\$ 4,068,724
Fund balances at beginning of year, as restated	8,757,610	160,591	7,082,082	166,386	16,166,668
Fund balances at end of year	\$ 6,595,331	\$ (14,993)	\$ 13,467,512	\$ 187,543	\$ 20,235,393

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

Exhibit 2

<u>Component Units</u>	<u>Total "Memorandum Only"</u>
<u>School Board</u>	<u>Reporting Entity</u>
\$ -	\$ 52,049,159
-	8,025,062
-	558,902
-	143,723
9,370	2,038,219
2,196,534	2,529,450
173,743	297,392
-	281,147
18,026,899	23,372,681
<u>1,717,761</u>	<u>3,128,241</u>
\$ 22,124,307	\$ 92,423,976
\$ -	\$ 5,251,457
-	1,668,656
-	10,042,660
-	5,690,852
-	4,551,422
52,920,737	55,145,975
-	2,290,625
-	2,332,926
-	31,340
-	8,184,804
3,308,119	3,365,962
<u>2,385,313</u>	<u>2,389,896</u>
\$ 58,614,169	\$ 100,946,575
\$ (36,489,862)	\$ (8,522,599)
\$ 180,000	\$ 6,757,715
-	2,251
(256,959)	(5,684,912)
-	(950)
-	12,580,000
(1,114,100)	(1,114,100)
<u>37,629,602</u>	<u>-</u>
\$ 36,438,543	\$ 12,540,004
\$ (51,319)	\$ 4,017,405
87,152	16,253,820
<u>35,833</u>	<u>20,271,226</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, 1997

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavor.)	Budget	Actual	Variance Favorable (Unfavor.)
Revenues:						
General property taxes	\$ 50,388,147	\$ 50,695,936	\$ 307,789	\$ 1,385,000	\$ 1,353,223	\$ (31,777)
Other local taxes	7,120,000	7,370,935	250,935	692,662	654,127	(38,535)
Permits, privilege fees and regulatory licenses	750,070	558,902	(191,168)	-	-	-
Fines and forfeitures	150,000	143,723	(6,277)	-	-	-
Revenue from use of money and property	1,714,834	2,019,439	304,605	-	-	-
Charges for services	469,626	332,916	(136,710)	-	-	-
Miscellaneous	673,818	101,220	(572,598)	-	-	-
Recovered costs	145,605	281,147	135,542	-	-	-
Intergovernmental:						
Commonwealth	5,296,269	5,344,852	48,583	-	930	930
Federal	2,002,712	1,410,480	(592,232)	-	-	-
Total revenues	\$ 68,711,080	\$ 68,259,550	\$ (451,530)	\$ 2,077,662	\$ 2,008,280	\$ (69,382)
Expenditures:						
Current:						
General government administration	\$ 5,181,218	\$ 5,075,050	\$ 106,168	\$ -	\$ -	\$ -
Judicial administration	1,427,841	1,356,114	71,727	-	-	-
Public safety	6,544,142	6,380,620	163,522	2,332,984	2,253,713	79,271
Public works	5,792,882	5,690,852	102,030	-	-	-
Health and welfare	4,212,093	4,551,422	(339,329)	-	-	-
Education	30,675	30,675	-	-	-	-
Parks, recreation, and cultural	2,031,008	1,956,800	74,208	-	-	-
Community development	2,245,681	2,236,948	8,733	-	-	-
Nondepartmental	114,349	23,595	90,754	-	-	-
Capital projects	3,615,301	3,615,301	-	-	-	-
Debt service:						
Principal retirement	56,876	57,843	(967)	-	-	-
Interest and other fiscal charges	11,225	4,583	6,642	-	-	-
Total expenditures	\$ 31,263,291	\$ 30,979,803	\$ 283,488	\$ 2,332,984	\$ 2,253,713	\$ 79,271
Excess (deficiency) of revenues over expenditures	\$ 37,447,789	\$ 37,279,747	\$ 168,041	\$ (255,322)	\$ (245,433)	\$ 9,889
Other financing sources (uses):						
Operating transfers in	\$ 31,027	\$ 31,027	\$ 0	\$ 69,849	\$ 69,849	\$ -
Transfers from fiduciary funds	2,251	2,251	-	-	-	-
Operating transfers out	(5,425,702)	(5,425,702)	-	-	-	-
Transfers to fiduciary funds	-	-	-	-	-	-
Proceeds from indebtedness	3,580,000	3,580,000	-	-	-	-
Operating transfers to primary government	-	-	-	-	-	-
Operating transfers from primary government	(37,629,602)	(37,629,602)	-	-	-	-
Total other financing sources (uses)	\$ (39,442,026)	\$ (39,442,026)	\$ 0	\$ 69,849	\$ 69,849	\$ -
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ (1,994,237)	\$ (2,162,279)	\$ (168,041)	\$ (185,473)	\$ (175,584)	\$ 9,889
Fund balances at beginning of year, as restated	8,757,610	8,757,610	-	-	160,591	160,591
Fund balances at end of year	\$ 6,763,372	\$ 6,595,331	\$ (168,041)	\$ (185,473)	\$ (14,993)	\$ 170,480

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

Exhibit 3

<u>Capital Projects Funds</u>			<u>Component Unit School Board</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	16,150	9,370	(6,780)
-	-	-	2,492,676	2,196,534	(296,142)
30,000	-	(30,000)	76,792	173,743	96,951
-	-	-	-	-	-
-	-	-	17,895,907	18,026,899	130,992
-	-	-	965,600	1,717,761	752,161
<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 21,447,125</u>	<u>\$ 22,124,307</u>	<u>\$ 677,182</u>
\$ 263,788	\$ 176,407	\$ 87,381	\$ -	\$ -	\$ -
514,798	312,542	202,256	-	-	-
1,978,017	1,408,327	569,690	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,420,614	2,194,563	1,226,051	53,949,593	52,920,737	1,028,856
862,787	324,444	538,343	-	-	-
420,399	95,978	324,421	-	-	-
17,484	7,745	9,739	-	-	-
15,380,888	4,569,503	-	-	-	-
-	-	-	3,190,000	3,308,119	(118,119)
-	-	-	2,289,801	2,385,312	(95,511)
<u>\$ 22,858,775</u>	<u>\$ 9,089,509</u>	<u>\$ 13,769,266</u>	<u>\$ 59,429,394</u>	<u>\$ 58,614,168</u>	<u>\$ 815,226</u>
<u>\$ (22,828,775)</u>	<u>\$ (9,089,509)</u>	<u>\$ (13,739,266)</u>	<u>\$ (37,982,269)</u>	<u>\$ (36,489,861)</u>	<u>\$ 1,492,408</u>
\$ 6,475,889	\$ 6,475,889	\$ -	\$ 180,000	\$ 180,000	\$ -
-	-	-	-	-	-
-	-	-	-	(256,959)	(256,959)
(950)	(950)	-	-	-	-
9,000,000	9,000,000	-	-	-	-
-	-	-	-	(1,114,100)	(1,114,100)
-	-	-	37,862,269	37,629,602	(232,667)
<u>\$ 15,474,939</u>	<u>\$ 15,474,939</u>	<u>\$ -</u>	<u>\$ 38,042,269</u>	<u>\$ 36,438,542</u>	<u>\$ (1,603,727)</u>
\$ (7,353,836)	\$ 6,385,430	\$ 13,739,266	\$ 60,000	\$ (51,319)	\$ (111,319)
4,557,936	7,082,082	2,524,146	-	87,152	87,152
<u>\$ (2,795,900)</u>	<u>\$ 13,467,512</u>	<u>\$ 16,263,412</u>	<u>\$ 60,000</u>	<u>\$ 35,833</u>	<u>\$ (24,167)</u>

COUNTY OF FAUQUIER, VIRGINIA
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Funds
Year Ended June 30, 1997

Exhibit 4

	<u>Proprietary Funds</u>		Totals "Memorandum Only"
	<u>Enterprise Funds</u>	<u>Internal Service</u>	
Operating revenues:			
Charges for services	\$ 2,039,279	\$ -	\$ 2,039,279
Miscellaneous	16,068	5,237,459	5,253,527
Total revenues	\$ 2,055,347	\$ 5,237,459	\$ 7,292,806
Operating expenses:			
Current:			
Container operations	\$ 283,971	\$ -	\$ 283,971
Landfill operations	956,594	-	956,594
Contractual services	125,562	-	125,562
Landfill maintenance costs	131,192	-	131,192
Closure and Post Closure Cost	651,550	-	651,550
Airport operation and maintenance	71,223	-	71,223
Health insurance claims and fees	-	3,909,172	3,909,172
Depreciation	28,525	-	28,525
Total expenses	\$ 2,248,617	\$ 3,909,172	\$ 6,157,789
Operating income	\$ (193,270)	\$ 1,328,287	\$ 1,135,017
Nonoperating revenues (expenses):			
Interest income	\$ 126,967	\$ 53,224	\$ 180,191
Rental income	14,400	-	14,400
Grants - Commonwealth	52,198	-	52,198
Bond issuance cost amortization	(12,672)	-	(12,672)
Interest expense	(184,704)	-	(184,704)
Total nonoperating revenues (expenses)	\$ (3,811)	\$ 53,224	\$ 49,413
Income before operating transfers	\$ (197,081)	\$ 1,381,511	\$ 1,184,430
Operating transfers in	39,992	-	39,992
Net income	\$ (157,089)	\$ 1,381,511	\$ 1,224,422
Add depreciation on fixed assets acquired by contribution from others	16,105	-	16,105
Increase (decrease) in retained earnings	\$ (140,984)	\$ 1,381,511	\$ 1,240,527
Retained earnings at beginning of year	(1,104,192)	719,242	(384,950)
Retained earnings at end of year	\$ (1,245,176)	\$ 2,100,753	\$ 855,577

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

COUNTY OF FAUQUIER, VIRGINIA
 Combined Statement of Cash Flows
 All Proprietary Funds
 Year Ended June 30, 1997

Exhibit 5

	<u>Proprietary Funds</u>		Totals "Memorandum Only"
	<u>Enterprise Funds</u>	<u>Internal Service</u>	
<u>Cash Flows From Operating Activities:</u>			
Operating income (loss)	\$ (193,270)	\$ 1,328,287	\$ 1,135,017
Adjustments to reconcile net income to net cash provided by operating by operating activities:			
Depreciation	28,525	-	28,525
Changes in operating assets and liabilities:			
(Increase) Decrease in receivables	(25,416)	(210,947)	(236,363)
Increase (Decrease) amounts due from other governments	964	-	964
Increase(Decrease) in payables	(42,693)	(468,425)	(511,118)
Increase(Decrease) in compensated absences	3,754	-	3,754
Net cash provided by (used in) operating activities	<u>\$ (228,136)</u>	<u>\$ 648,915</u>	<u>\$ 420,779</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating grants - Commonwealth	\$ 52,198	\$ -	\$ 52,198
Operating transfers from (to) the General Fund	<u>39,991</u>	<u>-</u>	<u>39,991</u>
Net cash proved by (used in) operating activities	<u>\$ 92,189</u>	<u>\$ -</u>	<u>\$ 92,189</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (1,744,480)	\$ -	\$ (1,744,480)
Interest paid on outstanding bonds	(184,704)	-	(184,704)
Retirement of principal on long-term debt	(220,000)	-	(220,000)
Retirement of accrued landfill closure costs	<u>454,363</u>	<u>-</u>	<u>454,363</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ (1,694,821)</u>	<u>\$ -</u>	<u>\$ (1,694,821)</u>
<u>Cash Flows From Investing Activities:</u>			
Rental income	\$ 14,400	\$ -	\$ 14,400
Interest earned	<u>126,967</u>	<u>53,224</u>	<u>180,191</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ 141,367</u>	<u>\$ 53,224</u>	<u>\$ 194,591</u>
Increase (decrease) in cash and cash equivalents	\$ (1,689,401)	\$ 702,139	\$ (987,262)
Cash and cash equivalents at beginning of year	<u>3,286,407</u>	<u>1,846,578</u>	<u>5,132,985</u>
Cash and cash equivalents at end of year	<u>\$ 1,597,006</u>	<u>\$ 2,548,717</u>	<u>\$ 4,145,723</u>

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, 1997 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. The Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the County (primary government) and its component 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.

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units - The component unit columns in the combined financial statements include the financial data of the county's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

The Fauquier County School Board operates the elementary and secondary public schools in the County. School Board members are elected by the voters of the County for terms of four years. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers.

C. Related Organizations

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

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

These organizations are not included as component units because although the Board of Supervisors appoints the 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.

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

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

D. Financial Statement Presentation (Continued)

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

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

Internal Service Funds account for the financing goods or services provided by one department or agency to other departments or agencies of the County government. Internal Service Funds consist of the Health Insurance Fund.

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

5. Combined/Combining Format

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

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

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 changes in 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.

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COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

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

E. Basis of Accounting

1. Governmental Funds

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

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

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

2. Proprietary Funds

The accrual basis of accounting is used for the Enterprise and Internal Service Funds. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

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 or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The Finance Director approves all transfers within general government departments with the exception of salaries and capital outlays which are approved by the Board of Supervisors; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 1997 (Continued)

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

F. Budgets and Budgetary Accounting (Continued)

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.

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 \$1,055,306 for property taxes at June 30, 1997.

H. Investments

Investments are stated at cost or amortized cost which approximates market, 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:

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

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

J. Property, Plant and Equipment (Continued)

	Solid Waste Fund	Airport Fund
Structures.....	25 years	25 years
Equipment.....	5 years	-

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

K. Fund Equity

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

L. Landfill Closure Costs

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

M. Bond Issuance Costs

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

NOTE 2—CASH AND INVESTMENTS:

Deposits - At year-end the carrying value of the County's primary government deposits with banks and savings institutions was \$6,414,927, and the bank balance was \$6,672,183. Of the bank balance, \$589,007 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 carrying amount of deposits for the School Board, a discretely presented component unit, was \$185,407, and the bank balance was \$75,588. Of the bank balance, \$75,588 was covered by Federal depository insurance.

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.

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 2—CASH AND INVESTMENTS: Continued

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).

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 broker's or dealer's trust department or safekeeping agent 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 trust department or safekeeping agent but not in the County's name.

	<u>1</u>	<u>2</u>	<u>3</u>	Carrying Amount	Market Value
Assets in State Non-Arbitrage					
Program Investments Pool	\$	\$	\$	\$ 10,013,487	\$ 10,013,487
U.S. Treasury & Agency Instruments	10,959,340			10,959,340	10,959,340
Bankers' Acceptances	1,945,847			1,945,847	1,945,847
Trigon Stock			389,545	389,545	389,545
Local Government Investment Pool				19,138,827	19,138,827
Total investments	<u>12,905,187</u>		<u>389,545</u>	<u>\$ 42,447,046</u>	<u>\$ 42,447,046</u>
Total deposits				6,414,927	
Cash on hand				9,385	
Deferred compensation program				752,449	
Total deposits and investments				<u>\$ 49,623,807</u>	

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

Total Deposits	\$ 185,407
Cash on hand	700
Total deposits and investments	<u>\$ 186,107</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.

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:

The following is a summary of amounts due from other governmental units at June 30, 1997.

	Primary Government	Component Units
Commonwealth of Virginia		
Airport Enterprise Fund	\$ 1,863	\$ -
State sales tax	-	836,438
Local sales tax	593,559	-
Grants	17,790	-
Shared expenses	265,095	80,706
Welfare	4,530	-
Miscellaneous	-	-
 Federal Government		
Grants	54,674	-
Welfare	81,869	-
School grants	-	290,180
School lunch program	-	25,969
 Total	<u>\$ 1,019,380</u>	<u>\$ 1,233,293</u>

NOTE 5—INTERFUND OBLIGATIONS:

The following is a summary of interfund obligations at June 30, 1997.

	Due From Primary Government	Due to Component Unit
Primary government - General Fund	\$ -	\$ 5,020,281
General Fund Component Unit - School Board - School Operating Fund	<u>5,020,281</u>	<u>-</u>
 Totals	<u>\$ 5,020,281</u>	<u>\$ 5,020,281</u>

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 6—PROPRIETARY FIXED ASSETS:

A summary of Proprietary Fund property, plant, and equipment at June 30, 1997 follows:

	Solid Waste Fund	Airport Fund	Total
Land.....	\$ -	\$ 1,562,401	\$ 1,562,401
Improvements	-	505,628	505,628
Landfill site and improvements.....	2,103,555	-	2,103,555
Construction in Progress.....	1,734,732	-	1,734,732
Equipment.....	62,821	-	62,821
Totals.....	\$ 3,901,108	\$ 2,068,029	\$ 5,969,137
Less accumulated depreciation	(47,507)	(87,165)	(134,672)
Net.....	\$ <u>3,853,601</u>	\$ <u>1,980,864</u>	\$ <u>5,834,465</u>

NOTE 7—CONTRIBUTED CAPITAL:

Capital contributed in the Airport Fund is summarized as follows:

County	\$ 787
Federal.....	1,531,445
Commonwealth.....	200,632
Total	\$ 1,732,864
Less accumulated amortization	(70,955)
Net.....	\$ <u>1,661,909</u>

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 8—BOND ISSUANCE COST:

The Landfill has amortized bond issuance costs in the amount of \$92,502. There are seven years remaining to fully amortize these costs.

NOTE 9—LONG-TERM DEBT:

Primary Government

Annual requirements to amortize long-term debt and related interest are as follows:

Year Ending June 30	Capital Leases		Revenue Bonds Solid Waste	
	Principal	Interest	Principal	Interest
1998	\$ 316,102	\$ 179,320	\$ 230,000	212,028
1999	273,245	164,830	240,000	201,793
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
Totals	\$ 3,639,347	\$ 1,024,913	\$ 4,045,000	\$ 1,668,802

Changes in Long-term Debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 1997

	Compensated Absences	Capital Lease Obligations	Revenue Bonds	Total
Obligations payable at July 1, 1996	\$ 973,794	\$ 117,190	\$ 4,265,000	\$ 5,345,984
Increases:				
Bonds payable	\$ -	\$ -	\$ -	
Capital leases	-	3,580,000	-	3,580,000
Compensated absences	502,223	-	-	502,223
Total Increases.....	\$ 502,223	\$ 3,580,000	\$ -	\$ 4,082,223
Retirements:				
Bonds payable	\$ -	\$ -	\$ 220,000	220,000
Capital leases	-	57,843	-	57,843
Total retirements	\$ -	\$ 57,843	\$ 220,000	\$ 277,843
Obligations payable at June 30, 1997 ...	\$ 1,476,017	\$ 3,639,347	\$ 4,045,000	\$ 9,150,364

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 9—LONG-TERM DEBT: (Continued)

Capital leases:

\$300,000 capital lease agreement for computer hardware and software authorized, due in monthly installments including interest of \$5,675 through June 30, 1998, interest rate of 5.1%	\$ 59,347
\$3,580,000 capital lease agreement for lease/purchase of office building located at 320 Hospital Hill Drive, Warrenton, 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 an interest rate of 4.95%	3,580,000
Total Capital Leases	\$ 3,639,347

Compensated absences payable..... 1,476,017

Revenue Bonds

\$4,880,000 Solid Waste Management System Revenue Bonds, Series of 1993, maturing annually through May 1, 2010 interest at rates from 2.8% to 5.5%	\$ 4,035,000
--	--------------

Total Long-term indebtedness \$ 9,150,364

Component Unit—School Board:

Annual requirements to amortize long-term debt and related interest are as follows:

Year Ending June 30	General Obligation Bonds		Literary Fund Loans		State Retirement System	
	Principal	Interest	Principal	Interest	Principal	Interest
1998	\$ 3,445,000	\$ 2,613,666	\$ 200,000	\$ 22,875	\$ 127,569	\$ 91,062
1999	3,250,000	2,328,615	200,000	16,875	137,774	80,857
2000	2,990,000	2,137,796	200,000	10,875	148,797	69,834
2001	2,975,000	1,954,444	162,500	4,875	160,700	57,931
2002	2,805,000	1,777,613	-	-	173,556	45,075
2003	2,815,000	1,605,513	-	-	187,440	31,191
2004	2,780,000	1,432,094	-	-	202,436	16,195
2005	2,730,000	1,259,200	-	-	-	-
2006	2,695,000	1,087,045	-	-	-	-
2007	2,670,000	915,749	-	-	-	-
2008	2,625,000	748,098	-	-	-	-
2009	2,555,000	582,793	-	-	-	-
2010	1,935,000	442,308	-	-	-	-
2011	1,575,000	340,431	-	-	-	-
2012	1,550,000	251,919	-	-	-	-
2013	1,250,000	173,606	-	-	-	-
2014	1,250,000	104,894	-	-	-	-
2015	450,000	58,781	-	-	-	-
2016	450,000	35,269	-	-	-	-
2017	450,000	11,756	-	-	-	-
Totals	\$ 43,245,000	\$ 19,861,587	\$ 762,500	\$ 55,500	\$ 1,138,272	\$ 392,145

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 9--LONG-TERM DEBT: (Continued)

Changes in Long-term Debt

The following is a summary of long-term debt transactions of the School Board for the year ended June 30, 1997:

	Capital Lease Obligation	VRS Early Retirement	Compensated Absences	General Obligation Bonds	Total
Obligations payable at July 1, 1996..	\$ -	\$ 1,256,391	\$ 2,009,145	\$ 38,197,500	\$ 41,463,036
Increases:					
Compensated absences	\$ -	\$ -	\$ 701,029	\$ -	\$ 701,029
Bonds payable	-	-	-	9,000,000	9,000,000
Retirements:					
Compensated absences	\$ -	\$ -	\$ 60,948	\$ -	\$ 60,948
Early retirement obligation	-	118,119	-	-	118,119
Bonds payable	-	-	-	2,990,000	2,990,000
State Literary Fund Loans	-	-	-	200,000	200,000
Capital Leases	-	-	-	-	-
Total retirements	\$ -	\$ 118,119	\$ 60,948	\$ 3,190,000	\$ 3,369,067
Obligations payable at June 30, 1997 ...	\$ -	\$ 1,138,272	\$ 2,649,226	\$ 44,007,500	\$ 47,794,998

Details of Long term Indebtedness

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 ... \$ 425,000

\$ 2,500,000 Virginia Public School Authority Bonds 1980, issued June 15, 1980, maturing annually with interest payable semiannually:

Bonds bearing interest at 8.40% maturing December 15, 1993 through December 15, 2000 500,000

\$ 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% 735,000

\$ 12,000,000 Virginia Public School Authority Bonds 1988B, issued November 1, 1989, maturing annually through December 15, 2008 with interest payable semiannually at rates from 6.6% to 8.6% 7,890,000

\$ 7,480,000 Virginia Public School Authority Bonds 1990A, issued April 18, 1990, maturing annually through December 15, 2009 with interest payable semiannually at rates from 7.0 to 7.225% 5,275,000

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 9—LONG-TERM DEBT: (Continued)

Details of Long-term Indebtedness: (Continued)

General Obligation Bonds: (Continued)

School bonds: (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%	\$ 5,820,000
\$ 16,000,000 General Obligation School Bonds, Series of 1993, dated May 15, 1993, maturing annually through July 15, 2013 interest payable semiannually at rates from 5.0% to 5.65%	13,600,000
\$ 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%	9,000,000
 Total School Bonds	 <u>\$ 43,245,000</u>
 \$ 750,000, issued February 15, 1980, due annual installments of \$ 37,500 through February 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%.....	150,000
\$ 750,000 issued August 15, 1980, due annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3%	150,000
\$ 750,000, issued August 15, 1980, due in annual installments of \$ 37,500 through August 15, 2000, interest payable annually at 3%.....	150,000
\$ 1,000,000, issued November 15, 1980 due in annual installments of \$ 50,000 through November 15, 2000, interest payable annually at 3%	200,000
Total State Literary Fund Loans	<u>\$ 762,500</u>
Total general obligation bonds/loans	<u>\$ 44,007,500</u>
 Early retirement obligations payable:	
\$ 2,186,310 Retirement incentive cost payable in annual installments of \$218,631, including principal and interest	\$ 1,138,272
Compensated absences payable	2,649,221
Total long-term indebtedness	<u>\$ 47,794,998</u>

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 1997 (Continued)

NOTE 10--CLAIMS, JUDGMENTS AND 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. The County's primary government has outstanding accrued leave pay totaling \$1,476,017 in the General Long-term Obligation Account Group and \$11,003 in the Solid Waste Fund. The Component Unit--School Board has outstanding accrued leave pay totaling \$2,649,226.

NOTE 11--DEFINED BENEFIT PENSION PLAN:

A. Plan Description

The County of Fauquier, Virginia contributes to the Virginia Retirement System (VRS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. The County's payroll for employees covered by the VRS for the year ended June 30, 1997 was \$9,190,346, and the total payroll for all County Employees was \$9,928,241.

In addition, professional and non-professional employees of the Fauquier County School Board are covered by the VRS. Professional employees participate in a VRS statewide teacher cost sharing pool, and non-professional employees participate as a separate group in the agent multiple-employer retirement system. The payroll for professional and non-professional employees covered by VRS for the year ended June 30, 1997 was \$30,862,515 and \$2,435,674 respectively, and the total payroll for all School Board employees was \$41,347,985.

All full time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after 5 years of service. Employees who retire with a reduced benefit at age 55 with at least 5 years of credited service are entitled to an annual retirement benefit, payable monthly, for life in an amount equal to 1.5% of their average final salary (AFS) up to \$13,200 plus 1.65% 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. 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. The VRS also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute.

Employees are required by Title 51.1 of the Code of Virginia (1950) as amended to contribute 5% of their annual salary to the System. This 5% member contribution has been assumed by the County for its employees. The employer is required by state statute to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by Statute. If an employee leaves covered employment the accumulated contributions plus interest may be refunded to the employee. State statute may be amended only by the Commonwealth of Virginia Legislature.

B. Related Party Investments

The County has no loans from VRS.

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 11—DEFINED BENEFIT PENSION PLAN: (Continued)

C. Funding Status and Progress

The pension benefit obligation was determined as part of an actuarial valuation performed as of June 30, 1996. Significant actuarial assumptions used to compute the pension benefit obligation at June 30, 1996 include (a) a rate of return on the investment of present and future assets of 8 percent per year compounded annually, (b) projected salary increases of 4 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases, graded by age, of approximately 1 percent per year attributable to seniority/ merit, and (d) post-retirement benefit increases of 3.1 percent per year.

The effect of changes in actuarial assumptions and benefit provisions during the year tended to offset and did not significantly affect the valuation of the pension benefit obligation.

At June 30, 1996 the funding of the pension benefit obligations applicable to Fauquier County and the Fauquier County School Board non-professional employees was as follows:

	County	School Board Non- Professional
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 4,007,407	\$ 495,088
Current Employees:		
Accumulated employee contributions including allocated investment earnings	2,502,154	1,272,712
Employer-financed vested	3,031,909	704,109
Employer-financed nonvested	2,961,324	1,194,173
Total pension benefit obligation	\$ 12,502,794	\$ 3,666,082
 Net assets available for benefits, at cost (market value is \$ 14,588,120 and \$5,031,582 respectively)	 12,432,900	 4,288,226
Excess (Unfunded) pension benefit obligation.....	(\$ 69,894)	\$ 622,144

The VRS does not make separate measurements of assets and pension benefit obligation for individual school board's professional employees. The total unfunded pension benefit obligation at June 30, 1997 for the VRS statewide teacher pool was as follows:

Total pension benefit obligation.....	\$ 11,007,900,000
Net assets available for benefits, at cost (market value is \$ 8,546,500,000)	8,632,900,000
Unfunded pension benefit obligation	\$ 2,375,000,000

The school board's 1997 contribution to the VRS statewide teacher pool represented 1.91% of total contributions required of all participating school boards.

The effect of changes in actuarial assumptions and benefit provisions during the year tended to offset and did not significantly affect the valuation of the pension benefit valuation.

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 11—DEFINED BENEFIT PENSION PLAN: (Continued)

D. Contributions Required and Made

The funding policy of VRS provides for periodic employer contributions at actuarially determined rates which will remain relatively level over time as a percentage of payroll, and will accumulate sufficient assets to meet the cost of all basic benefits when due. Contribution rates are developed using the entry age normal cost method. Gains and losses are reflected in the unfunded accrued liability that is being amortized as a level percentage of payroll within a period of 30 years or less. Rates necessary to support post-retirement supplements which may be payable in addition to the basic benefits are determined separately on a current disbursement basis.

Total employer and employee contributions to the VRS for fiscal year 1997 of \$961,310 by Fauquier County and \$273,922 by the Fauquier County School Board for non-professional employees were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1996. These contributions consisted of the following:

	County	School Board Non- Professional
Normal Cost.....	\$ 948,236	\$ 282,633
Amortization of unfunded actuarial accrued liability.....	(6,345)	(11,395)
Cost of living supplement.....	19,418	2,684
Total Contributions.....	<u>961,310</u>	<u>273,922</u>
Employer contribution.....	\$ 452,392	\$ 102,940
Employee contribution.....	508,918	170,982
Total contributions.....	<u>\$ 961,310</u>	<u>\$ 273,922</u>

Contributions made by Fauquier County and the Fauquier County School Board represent 6.46% and 3.47%, respectively, of covered payrolls for the fiscal year while employee contributions represent 5% of current covered payrolls.

Total employer and employee contributions to the VRS statewide teacher pool for professional employees by the Fauquier County School Board for the fiscal year 1997 amounted to \$3,475,283, and were in accordance with actuarial requirements. Employer and employee contributions were \$1,959,017 and \$1,151,266, respectively, and represented 6.46% and 5%, respectively, of current covered payroll.

The significant actuarial assumptions used to compute contribution requirements for 1994-96 biennium are the same as those used to compute the pension benefit obligation at June 30, 1994, with the exception that additional projected salary increases, graded by age and attributable to seniority/merit, were higher and future post retirement benefit increases were not anticipated in determining normal and accrued liability contribution rates for the current biennium.

There were no changes in actuarial assumptions, funding methods, or benefit provisions that would significantly affect the computation of contribution requirements for the 1997 fiscal year.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)

NOTE 11--DEFINED BENEFIT PENSION PLAN: (Continued)

E. Trend Information

Ten-year historical trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Such information as currently available is reported below. Ten-year historical trend information for the Fauquier County School Board professional employees participating in the VRS statewide teacher pool is presented in the VRS Comprehensive Annual Financial Report for the fiscal year ended June 30, 1997.

For the three years ended June 30, 1995, 1996 and 1997 respectively, available assets were sufficient to fund, 92.06%, 90.87%, and 99.44% respectively of the County's pension benefit obligation and, 116.25%, 117.13% and 116.97% respectively of the Fauquier County's School Board pension benefit obligation for non-professional employees. Unfunded pension benefit obligations represented, 10.94%, 11.66% and .70% of the annual payroll for County employees covered by the VRS, and, (14.42%), (18.17%) and (25.54)% of the annual payroll for Fauquier County School Board non-professional employees for 1995, 1996 and 1997. Showing unfunded pension benefit obligations as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended 1995, 1996 and 1997, contributions to the VRS, made in accordance with actuarial determined requirements, by the County were 3.97%, 4.41% and 6.46% of annual covered payroll, and by the Fauquier County School Board were, 2.95%, 3.07% and 3.47% of annual covered payroll for non-professional employees.

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Assets in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Assets in Excess of) Pension Benefit Obligation as a Percentage of Covered Payroll
A. County Employees:						
1997	\$ 12,432,900	\$ 12,502,794	99.44%	\$ 69,894	\$ 9,928,241	.70%
1996	10,722,007	11,812,242	90.87%	1,090,235	9,346,559	11.66%
1995	9,569,094	10,394,011	92.06%	824,917	7,539,849	10.94%
1994	8,518,429	10,132,000	84.07%	1,613,571	6,788,858	23.76%
1993	7,534,006	9,076,281	83.01%	1,542,275	6,450,843	23.91%
1992	6,473,045	7,894,977	81.99%	1,421,932	6,262,568	22.71%
1991	5,390,094	5,768,806	93.43%	378,712	6,120,205	6.18%
1990	4,452,374	4,914,563	90.60%	462,189	5,293,096	8.73%
1989	3,678,763	4,106,741	89.58%	427,978	4,196,671	10.20%
1988	3,048,012	4,574,663	66.63%	1,526,651	3,708,687	41.16%
B. School Board Non-Professional Employees:						
1997	\$ 4,288,226	\$ 3,666,082	116.97%	\$ (622,144)	\$ 2,435,674	(25.54)
1996	3,601,155	3,074,633	117.13%	(526,522)	2,898,463	(18.17%)
1995	3,149,032	2,708,783	116.25%	(440,249)	3,052,929	(14.42%)
1994	2,764,979	2,964,644	93.27%	199,665	2,784,512	7.17%
1993	2,377,806	2,476,082	96.03%	98,276	2,682,596	3.66%
1992	1,997,597	2,008,472	99.46%	10,875	2,683,848	.41%
1991	1,619,420	1,713,797	94.49%	94,377	2,659,311	3.54%
1990	1,302,037	1,282,581	101.52%	(19,456)	2,472,307	(.79%)
1989	1,142,588	967,251	81.87%	175,337	1,698,906	10.32%
1988	1,018,377	960,075	106.07%	(58,302)	2,265,208	(2.57%)

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 11--DEFINED BENEFIT PENSION PLAN: (Continued)

E. Trend Information (Continued)

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligations, and unfunded pension benefit obligations in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligations provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded pension benefit obligations and annual covered payrolls are both affected by inflation. Expressing the unfunded pension benefit obligations as a percentage of annual covered payrolls approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

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, 1997 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. The plan has net assets available for benefits totaling \$1,107,902. Unfunded prior and past service costs total \$ 2,197,446 and will be fully amortized in 13 years.

The contributions to the plan for the fiscal year ended June 30, 1997 totaled \$455,708.

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

NOTE 13--DEFERRED REVENUE:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$20,695,185 is comprised of the following:

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$3,399,733 at June 30, 1997. The County changed to a semi-annual billing cycle for real property taxes beginning with a collection on June 5, 1997. Taxes from this collection in the amount of \$17,271,340 have been recorded as deferred revenue as they are programmed for expenditure in the next fiscal year.

B. Prepaid Taxes

Property taxes due subsequent to June 30, 1997 but paid in advance by the taxpayers totaled \$24,112 at June 30, 1997.

COUNTY OF FAUQUIER, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 1997 (Continued)

NOTE 14--DEFERRED COMPENSATION PLAN:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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 the opinion of the County that the County has no 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:

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. Most of the closure and postclosure care costs will be paid only after it is closed. The County will incur the estimated total closure cost of \$3,298,950 over the next thirty years.

All amounts recorded as a liability are estimates of all closure and postclosure costs at June 30, 1997. Actual cost may be higher due to inflation.

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

NOTE 16--SEGMENT INFORMATION:

The County maintains two enterprise funds which 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, 1997 is presented below.

	Solid Waste	Airport	Total
Operating revenues	\$ 2,044,473	\$ 10,874	\$ 2,055,347
Depreciation expense	4,363	24,162	28,525
Operating income	(108,759)	(84,511)	(193,270)
Net income	(170,179)	13,090	(157,089)
Current capital contributions	-	-	-
Property, plant and equipment additions	396,935	79,502	476,437
Net working capital	1,520,342	94,378	1,614,720
Total assets	5,868,173	2,089,487	7,957,660
Total Equity	(1,658,508)	2,075,241	416,733

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 17--RISK MANAGEMENT-CONSOLIDATED HEALTH CARE PLAN

Fauquier County, Fauquier County School Board and the Fauquier County Water and Sewer Authority established a consolidated health care benefits plan for their employees. The plan is based on a service contract with BC/BS which bills are derived from actual expenses incurred or claims filed. The plan includes a maximum liability amount of 25% over the annual estimate provided by BC/BS. The participating agencies have established that a reserve fund should be established to meet the 25% potential liability. Each participating agency is responsible for establishing and monitoring its own reserve fund.

Each participating agency is also 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:

Unpaid claims, beginning of fiscal year	\$ 1,127,336
Incurred claims, (including IBNR's)	3,440,747
Claim payments	<u>3,909,172</u>
Unpaid claims, end of fiscal year	<u>\$ 658,911</u>

NOTE 18--SURETY BONDS:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
William D. Harris, Clerk of the Circuit Court	\$ 50,000
Beth Ledgerton, Treasurer	500,000
Ross D'Urso, Commissioner of the Revenue	3,000
Joseph Higgs, Jr., Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Clerk of the School Board	10,000
United States Fidelity and Guaranty Company - Surety	
All County employees except Treasurer, Sheriff, Clerk of Circuit Court and School Board employees	100,000

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 19—PRIOR PERIOD ADJUSTMENTS:

During fiscal year 1997 The County implemented Governmental Accounting Standards Board Statement number 22, "Taxpayer-assessed Tax Revenues." This implementation required a restatement of the ending fund balance for Fiscal Year 1996 in the amount of \$871,622, consisting of \$140,155 in Business and Professional License receipts and \$731,467 in sales taxes.

In addition, a prior period adjustment in the amount of \$2,524,146 was made for a transfer from the general fund to the capital projects fund which was not reflected in the FY1996 financial statements.

NOTE 20—SUBSEQUENT EVENTS:

On November 20, 1997, the County borrowed \$3,500,000 in general obligation bonds through the Virginia Public School Authority. These bonds are used for school construction and have a term of twenty years.

NOTE 21—DEFICIT FUND BALANCE:

At June 30, 1997, the Fire and Rescue fund had a deficit fund balance in the amount of \$161,434. The approved budget for the year reflected expenditures greater than revenue. The fund did not exceed the approved expenditures.

NOTE 22—CLAIMS AND LITIGATION:

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

COUNTY OF FAUQUIER, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 1997 (Continued)**

NOTE 23—FIXED ASSETS:

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

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance June 30, 1997</u>
Land	\$ 6,927,471	\$ 1,449,512	\$ -	\$ 8,376,983
Buildings and Improvements	5,959,496	2,592,222	-	8,551,718
Machinery and Equipment	3,526,749	411,824	-	3,938,573
Data Processing Equipment	484,995	-	-	484,995
Construction in Progress	-	1,043,375	-	1,043,375
Total	\$ 16,898,711	\$ 5,496,933	-	\$ 22,395,644

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

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance June 30, 1997</u>
Land	\$ 4,182,658	\$ -	\$ -	\$ 4,182,658
Buildings and Improvements	65,027,160	196,728	-	65,223,888
Machinery and Equipment	8,392,858	797,773	-	9,190,631
Data Processing Equipment	16,671	-	-	16,671
Construction in Progress	-	4,401,663	-	4,401,663
Total	\$ 77,619,347	\$ 5,396,164	-	\$ 83,015,511

The following is a summary of proprietary fund fixed assets for the fiscal year.

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance June 30, 1997</u>
Land	\$ 2,967,203	\$ -	\$ -	\$ 2,967,203
Buildings and Improvements	282,513	22,179	-	304,692
Machinery and Equipment	698,504	129,334	-	827,838
Construction in Progress	-	1,734,732	-	1,734,732
Total	\$ 3,948,220	\$ 1,886,245	-	\$ 5,834,465



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COMBINING FINANCIAL STATEMENTS

Special Revenue Funds

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purpose.

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
SPECIAL REVENUE FUNDS
Combining Balance Sheet
Year Ended June 30, 1997

Exhibit A-1

	<u>Joint Dispatch Fund</u>	<u>Fire and Rescue District</u>	<u>Totals</u>
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents	\$ -	\$ 625,880	\$ 625,880
Receivables (Net of allowances for uncollectibles):			
Accounts	<u>174,428</u>	<u>9,140</u>	<u>183,568</u>
Total assets and other debits	\$ <u>174,428</u>	\$ <u>635,020</u>	\$ <u>809,448</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 7,477	-	7,477
Due to primary government	20,510	-	20,510
Deferred tax revenue	<u>-</u>	<u>796,454</u>	<u>796,454</u>
Total liabilities	\$ <u>27,987</u>	\$ <u>796,454</u>	\$ <u>824,441</u>
<u>EQUITY AND OTHER CREDITS</u>			
Fund balances:			
Unreserved:			
Undesignated	\$ <u>146,441</u>	\$ <u>(161,434)</u>	\$ <u>(14,993)</u>
Total equity and other credits	\$ <u>146,441</u>	\$ <u>(161,434)</u>	\$ <u>(14,993)</u>
Total liabilities and equity and other credits	\$ <u>174,428</u>	\$ <u>635,020</u>	\$ <u>809,449</u>

**COUNTY OF FAUQUIER, VIRGINIA
SPECIAL REVENUE FUNDS**

Exhibit A-2

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 1997**

	<u>Joint Dispatch Fund</u>	<u>Fire and Rescue District</u>	<u>Totals</u>
Revenues:			
General property taxes	\$ -	\$ 1,354,153	\$ 1,354,153
Other local taxes	<u>654,127</u>	<u>-</u>	<u>654,127</u>
 Total revenue	 <u>\$ 654,127</u>	 <u>\$ 1,354,153</u>	 <u>\$ 2,008,280</u>
 Expenditures:			
Current:			
Public safety	<u>\$ 769,153</u>	<u>\$ 1,484,560</u>	<u>\$ 2,253,713</u>
 Excess (deficiency) of revenues over expenditures	 <u>\$ (115,026)</u>	 <u>\$ (130,407)</u>	 <u>\$ (245,433)</u>
 Other financing sources (uses):			
Operating transfers in	<u>\$ 100,875</u>	<u>\$ (31,026)</u>	<u>\$ 69,849</u>
 Excess (deficiency) of revenues & other sources over expenditures & other uses	 <u>\$ (14,151)</u>	 <u>\$ (161,433)</u>	 <u>\$ (175,584)</u>
 Fund balances at beginning of year	 <u>160,591</u>	 <u>-</u>	 <u>160,591</u>
 Fund balances at end of year	 <u><u>\$ 146,440</u></u>	 <u><u>\$ (161,433)</u></u>	 <u><u>\$ (14,993)</u></u>



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**COUNTY OF FAUQUIER, VIRGINIA
SPECIAL REVENUE FUNDS**

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Budget and Actual
Year Ended June 30, 1997**

	Joint Dispatch Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenues:			
General property taxes	\$ -	\$ -	\$ -
Other local taxes	692,662	654,127	(38,535)
Intergovernmental Commonwealth	-	-	-
Total revenues	<u>\$ 692,662</u>	<u>\$ 654,127</u>	<u>\$ (38,535)</u>
Expenditures:			
Current:			
Public safety	\$ 793,537	\$ 769,153	\$ 24,384
Excess (deficiency) of revenues over expenditures	\$ (100,875)	\$ (115,026)	\$ (14,151)
Other financing sources (uses):			
Operating transfers in	\$ 100,875	\$ 100,875	\$ -
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ -	\$ (14,151)	\$ (14,151)
Fund balances at beginning of year	<u>-</u>	<u>160,591</u>	<u>160,591</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 146,440</u></u>	<u><u>\$ 146,440</u></u>

Exhibit A-3

<u>Fire and Rescue District</u>			<u>Totals</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
\$ 1,385,000	\$ 1,353,223	\$ (31,777)	\$ 1,385,000	\$ 1,353,223	\$ (31,777)
-	-	-	692,662	654,127	(38,535)
-	930	930	-	930	930
<u>\$ 1,385,000</u>	<u>\$ 1,354,153</u>	<u>\$ (30,847)</u>	<u>\$ 2,077,662</u>	<u>\$ 2,008,280</u>	<u>\$ (69,382)</u>
<u>\$ 1,539,447</u>	<u>\$ 1,484,560</u>	<u>\$ 54,887</u>	<u>\$ 2,332,984</u>	<u>\$ 2,253,713</u>	<u>\$ 79,271</u>
<u>\$ (154,447)</u>	<u>\$ (130,407)</u>	<u>\$ 24,040</u>	<u>\$ (255,322)</u>	<u>\$ (245,433)</u>	<u>\$ 9,889</u>
<u>\$ (31,026)</u>	<u>\$ (31,026)</u>	<u>\$ -</u>	<u>\$ 69,849</u>	<u>\$ 69,849</u>	<u>\$ -</u>
<u>\$ (185,473)</u>	<u>\$ (161,433)</u>	<u>\$ 24,040</u>	<u>\$ (185,473)</u>	<u>\$ (175,584)</u>	<u>\$ 9,889</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,591</u>	<u>160,591</u>
<u><u>\$ (185,473)</u></u>	<u><u>\$ (161,433)</u></u>	<u><u>\$ 24,040</u></u>	<u><u>\$ (185,473)</u></u>	<u><u>\$ (14,993)</u></u>	<u><u>\$ 170,480</u></u>

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where it is the intent of the governing body that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purpose.

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

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

COUNTY OF FAUQUIER, VIRGINIA
 ENTERPRISE FUNDS
 Combining Balance Sheet
 At June 30, 1997

Exhibit B-1

	Solid Waste Fund	Airport Fund	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 290,708	\$ 103,904	\$ 394,612
Investments	1,202,394	-	1,202,394
Receivables (Net of allowances for uncollectibles):			
Accounts	376,468	2,856	379,324
Prepaid expenses	52,500	-	52,500
Due from other governmental units	-	1,863	1,863
Total current assets	\$ 1,922,070	\$ 108,623	\$ 2,030,693
Fixed assets:			
Fixed assets (Net of accumulated depreciation)	\$ 2,118,869	\$ 1,980,864	\$ 4,099,733
Construction in progress	1,734,732	-	1,734,732
Total fixed assets	\$ 3,853,601	\$ 1,980,864	\$ 5,834,465
Other assets:			
Bond issue costs (Net of accumulated amortization)	\$ 92,502	-	\$ 92,502
Total assets	\$ 5,868,173	\$ 2,089,487	\$ 7,957,660
LIABILITIES			
Current liabilities			
Accounts payable	\$ 171,728	\$ 14,245	\$ 185,973
Total current liabilities	171,728	14,245	185,973
Current liabilities payable from restricted assets:			
Revenue bonds payable	\$ 230,000	-	\$ 230,000
Total current liabilities payable from restricted assets	230,000	-	230,000
Noncurrent liabilities:			
Revenue bonds payable	\$ 3,815,000	-	3,815,000
Landfill closure and postclosure accrued costs	3,298,950	-	3,298,950
Compensated absences	11,003	-	11,003
Total noncurrent liabilities	\$ 7,124,953	-	\$ 7,124,953
Total liabilities	\$ 7,526,681	\$ 14,245	\$ 7,540,926
EQUITY			
Contributed capital			
Commonwealth	\$ -	\$ 200,632	\$ 200,632
Federal	-	1,531,446	1,531,446
General government	-	787	787
Less: accumulated amortization	-	(70,955)	(70,955)
Retained earnings:			
Unreserved	(1,658,508)	413,332	(1,245,176)
Total equity	\$ (1,658,508)	\$ 2,075,242	\$ 416,734
Total liabilities and equity	\$ 5,868,173	\$ 2,089,487	\$ 7,957,660

COUNTY OF FAUQUIER, VIRGINIA

Exhibit B-2

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year Ended June 30, 1997

	Solid Waste Fund	Airport Fund	Totals
Operating revenues:			
Charges for services	\$ 2,039,279	\$ -	\$ 2,039,279
Miscellaneous	5,194	10,874	16,068
Total operating revenues	\$ 2,044,473	\$ 10,874	\$ 2,055,347
Operating expenses:			
Container operations	\$ 283,971	\$ -	\$ 283,971
Landfill operations	956,594	-	956,594
Contractual services	125,562	-	125,562
Recycling	131,192	-	131,192
Closure and post closure cost	651,550	-	651,550
Airport operation and maintenance	-	71,223	71,223
Depreciation	4,363	24,162	28,525
Total operating expenses	\$ 2,153,232	\$ 95,385	\$ 2,248,617
Operating income	\$ (108,759)	\$ (84,511)	\$ (193,270)
Nonoperating revenues (expenses):			
Interest Income	\$ 120,504	\$ 6,463	\$ 126,967
Rental income	-	14,400	14,400
Operating grants - Commonwealth	8,210	43,988	52,198
Bond issuance cost amortization	(12,672)	-	(12,672)
Interest expense	(184,704)	-	(184,704)
Total nonoperating revenues (expenses)	\$ (68,662)	\$ 64,851	\$ (3,811)
Income before operating transfers	\$ (177,421)	\$ (19,660)	\$ (197,081)
Operating transfers in	7,242	32,750	39,992
Net income (loss)	\$ (170,179)	\$ 13,090	\$ (157,089)
Add depreciation on fixed assets acquired by contributions from others	-	16,105	16,105
Increase (decrease) in retained earnings	\$ (170,179)	\$ 29,195	\$ (140,984)
Retained earnings at beginning of year	(1,488,329)	384,137	(1,104,192)
Retained earnings at end of year	\$ (1,658,508)	\$ 413,332	\$ (1,245,176)

COUNTY OF FAUQUIER, VIRGINIA
ENTERPRISE FUNDS
Combining Statement of Cash Flows
Year Ended June 30, 1997

Exhibit B-3

	<u>Solid Waste Fund</u>	<u>Airport Fund</u>	<u>Totals</u>
<u>Cash Flows From Operating Activities:</u>			
Operating income (loss)	\$ (108,759)	\$ (84,511)	\$ (193,270)
Adjustments to reconcile net income to net cash provided by operating by operating activities:			
Depreciation	4,363	24,162	28,525
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(25,619)	203	(25,416)
Decrease in amounts due from other governments	-	964	964
Increase (decrease) in payables	(49,950)	7,257	(42,693)
Increase in compensated absences	3,754	-	3,754
Net cash provided by operating activities	<u>\$ (176,211)</u>	<u>\$ (51,925)</u>	<u>\$ (228,136)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating grants - Commonwealth	\$ 8,210	\$ 43,988	\$ 52,198
Operating transfers from (to) the General Fund	<u>7,242</u>	<u>32,750</u>	<u>39,992</u>
Net cash proved by (used in) operating activities	<u>\$ 15,452</u>	<u>\$ 76,738</u>	<u>\$ 92,190</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (1,664,978)	\$ (79,502)	\$ (1,744,480)
Interest paid on outstanding bonds	(184,704)	-	(184,704)
Retirement of principal on long-term debt	(220,000)	-	(220,000)
Increase of accrued landfill closure costs	<u>454,363</u>	<u>-</u>	<u>454,363</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ (1,615,319)</u>	<u>\$ (79,502)</u>	<u>\$ (1,694,821)</u>
<u>Cash Fows From Investing Activities:</u>			
Rental income	\$ -	\$ 14,400	\$ 14,400
Interest earned	<u>120,504</u>	<u>6,463</u>	<u>126,967</u>
Net cash provided by (used in) capital and related financing activities	<u>\$ 120,504</u>	<u>\$ 20,863</u>	<u>\$ 141,367</u>
Increase (decrease) in cash and cash equivalents	\$ (1,655,574)	\$ (33,826)	\$ (1,689,400)
Cash and cash equivalents at beginning of year	<u>3,148,676</u>	<u>137,731</u>	<u>3,286,407</u>
Cash and cash equivalents at end of year	<u>\$ 1,493,102</u>	<u>\$ 103,905</u>	<u>\$ 1,597,007</u>



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GENERAL FIXED ASSETS ACCOUNT GROUP

COUNTY OF FAUQUIER, VIRGINIA
FIDUCIARY FUNDS
Combining Balance Sheet
At June 30, 1997

	<u>Expendable Trust Funds</u>		
	<u>Library Trust</u>	<u>Parks and</u>	<u>Legal</u>
	<u>Income</u>	<u>Recreation</u>	<u>Defense</u>
<u>ASSETS AND OTHER DEBITS</u>			
Assets:			
Cash and investments	\$ 92,272	\$ 98,876	\$ 1,875
Cash in custody of others	-	-	-
Deferred compensation program deposits	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets and other debits	<u>\$ 92,272</u>	<u>\$ 98,876</u>	<u>\$ 1,875</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 3,451	\$ 2,029	\$ -
Amount held for social service clients	-	-	-
Performance bonds payable	-	-	-
Deferred compensation payable	-	-	-
Amounts held for prisoners	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 3,451</u>	<u>\$ 2,029</u>	<u>\$ -</u>
 <u>EQUITY AND OTHER CREDITS</u>			
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 88,821	\$ 96,847	\$ 1,875
	<hr/>	<hr/>	<hr/>
Total equity and other credits	<u>\$ 88,821</u>	<u>\$ 96,847</u>	<u>\$ 1,875</u>
	<hr/>	<hr/>	<hr/>
Total liabilities, equity and other credits	<u>\$ 92,272</u>	<u>\$ 98,876</u>	<u>\$ 1,875</u>

Exhibit C-1

Agency Funds

<u>Special Welfare</u>	<u>Deferred Compensation</u>	<u>Performance Bond</u>	<u>Detention Center</u>	<u>Totals</u>
\$ 9,885	\$ -	\$ 114,967	\$ -	\$ 317,875
-	-	-	10,352	10,352
-	<u>752,449</u>	-	-	<u>752,449</u>
<u>\$ 9,885</u>	<u>\$ 752,449</u>	<u>\$ 114,967</u>	<u>\$ 10,352</u>	<u>1,080,676</u>
\$ -	\$ -	\$ -	\$ -	5,480
9,885	-	-	-	9,885
-	-	114,967	-	114,967
-	752,449	-	-	752,449
-	-	-	10,352	10,352
<u>\$ 9,885</u>	<u>\$ 752,449</u>	<u>\$ 114,967</u>	<u>\$ 10,352</u>	<u>893,133</u>
\$ -	\$ -	\$ -	\$ -	187,543
\$ -	\$ -	\$ -	\$ -	187,543
<u>\$ 9,885</u>	<u>\$ 752,449</u>	<u>\$ 114,967</u>	<u>\$ 10,352</u>	<u>1,080,676</u>

**COUNTY OF FAUQUIER, VIRGINIA
EXPENDABLE TRUST FUNDS**

Exhibit C-2

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 1997**

	Library Trust Fund	Park and Recreation Trust Fund	Legal Defense Fund	Totals
Revenues:				
Revenue from use of money and property	\$ 4,807	\$ 4,603	\$ -	\$ 9,410
Miscellaneous revenues	<u>4,359</u>	<u>18,070</u>	<u>-</u>	<u>22,429</u>
Total revenue	<u>\$ 9,166</u>	<u>\$ 22,673</u>	<u>\$ -</u>	<u>\$ 31,839</u>
Expenditures:				
	<u>\$ 7,352</u>	<u>\$ 2,029</u>	<u>\$ -</u>	<u>\$ 9,381</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,814</u>	<u>\$ 20,644</u>	<u>\$ -</u>	<u>\$ 22,458</u>
Other financing sources (uses):				
Transfers from other funds	\$ -	\$ 950	\$ -	\$ 950
Transfers to other funds	<u>(2,251)</u>	<u>-</u>	<u>-</u>	<u>(2,251)</u>
Total other financing sources (uses)	<u>\$ (2,251)</u>	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ (1,301)</u>
Excess (deficiency) of revenues over (under) other financing sources (uses)	\$ (437)	\$ 21,594	\$ -	\$ 21,157
Fund balances at beginning of year	<u>89,258</u>	<u>75,253</u>	<u>1,875</u>	<u>166,386</u>
Fund balances at end of year	<u>\$ 88,821</u>	<u>\$ 96,847</u>	<u>\$ 1,875</u>	<u>\$ 187,543</u>

COUNTY OF FAUQUIER, VIRGINIA
 AGENCY FUNDS
 Combining Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1997

Exhibit C-3

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special welfare:				
Assets:				
Cash and investments	\$ 9,096	\$ 44,670	\$ 43,881	\$ 9,885
Liabilities:				
Amounts held for social service clients	\$ 9,096	\$ 44,670	\$ 43,881	\$ 9,885
Deferred compensation:				
Assets:				
Deferred compensation program deposits	\$ 509,004	\$ 258,697	\$ 15,252	\$ 752,449
Liabilities:				
Deferred compensation payable	\$ 509,004	\$ 258,697	\$ 15,252	\$ 752,449
Undistributed local sales tax:				
Assets:				
Cash and investments	\$ 86,710	\$ 190,938	\$ 277,647	\$ -
Liabilities:				
Sales tax payable to towns	\$ 86,710	\$ 190,938	\$ 277,647	\$ -
Performance bond:				
Assets:				
Cash and investments	\$ 138,412	\$ 43,330	\$ 66,775	\$ 114,967
Liabilities:				
Performance bonds payable	\$ 138,412	\$ 43,330	\$ 66,775	\$ 114,967
Detention Center Fund:				
Assets:				
Cash and investments:				
Cash - Work release	\$ 299	\$ 75,510	\$ 74,602	\$ 1,207
Cash - Inmate account	4,552	50,359	51,020	3,890
Cash - Medical	168	1,536	1,704	-
Cash - Canteen account	5,583	43,430	43,758	5,255
Total cash and investments	\$ 10,602	\$ 170,835	\$ 171,085	\$ 10,352
Liabilities:				
Amounts held for prisoners	\$ 10,602	\$ 170,835	\$ 171,085	\$ 10,352
Totals -- All agency funds				
Assets:				
Cash and investments	\$ 244,819	\$ 449,773	\$ 559,388	\$ 135,204
Deferred compensation program deposits	509,004	258,697	15,252	752,449
Total assets	\$ 753,822	\$ 708,470	\$ 574,640	\$ 887,653
Liabilities:				
Amounts held for social service clients	\$ 9,096	\$ 44,670	\$ 43,881	\$ 9,885
Amounts held for performance bonds	138,412	43,330	66,775	114,967
Deferred compensation payable	509,004	258,697	15,252	752,449
Sales tax payable to towns	86,710	190,938	277,647	-
Amounts held for prisoners	10,602	170,835	171,085	10,352
Total liabilities	\$ 753,822	\$ 708,470	\$ 574,640	\$ 887,653

Component Unit

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

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



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COUNTY OF FAUQUIER, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
Combining Balance Sheet
At June 30, 1997

	<u>Governmental Funds</u>	
	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>
<u>ASSETS</u>		
Cash and investments	\$ 700	\$ 185,407
Accounts receivable	251,536	
Due from primary government	5,020,281	-
Due from other governmental units	1,207,325	25,968
Fixed assets	-	-
Amount to be provided for the retirement of general long-term debt and compensated obligation	-	-
	<u> </u>	<u> </u>
Total assets and other debits	<u>\$ 6,479,842</u>	<u>\$ 211,375</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 758,882	\$ 9,653
Accrued liabilities	5,720,260	166,589
General obligation bonds payable	-	-
State Literary Fund loans payable	-	-
Early retirement obligations payable	-	-
Compensated absences	-	-
	<u> </u>	<u> </u>
Total liabilities	<u>\$ 6,479,142</u>	<u>\$ 176,242</u>
 <u>EQUITY AND OTHER CREDITS</u>		
Investment in fixed assets	\$ -	\$ -
Fund balances:		
Unreserved:		
Designated for subsequent expenditure	-	35,133
Undesignated	700	-
	<u> </u>	<u> </u>
Total fund equity	<u>\$ 700</u>	<u>\$ 35,133</u>
Total liabilities and fund equity	<u>\$ 6,479,842</u>	<u>\$ 211,375</u>

Exhibit D-1

<u>Account Group</u>		
<u>General Fixed Assets Group</u>	<u>General Long - Term Debt</u>	<u>Totals</u>
\$ -	\$ -	\$ 186,107
-	-	251,536
-	-	5,020,281
-	-	1,233,293
83,015,511	-	83,015,511
-	47,794,998	47,794,998
<u>\$ 83,015,511</u>	<u>\$ 47,794,998</u>	<u>\$ 137,501,726</u>
\$ -	\$ -	\$ 768,535
-	-	5,886,849
-	43,245,000	43,245,000
-	762,500	762,500
-	1,138,272	1,138,272
-	2,649,226	2,649,226
<u>\$ -</u>	<u>\$ 47,794,998</u>	<u>\$ 54,450,382</u>
\$ 83,015,511	\$ -	\$ 83,015,511
-	-	35,133
-	-	700
<u>\$ 83,015,511</u>	<u>\$ -</u>	<u>\$ 83,051,344</u>
<u>\$ 83,015,511</u>	<u>\$ 47,794,998</u>	<u>\$ 137,501,726</u>

COUNTY OF FAUQUIER, VIRGINIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Discretely Presented Component Unit – School Board
Year Ended June 30, 1997

	School Operating Fund			School
	Budget	Actual	Variance Favorable (Unfavor)	Budget
Revenues:				
Revenue from use of money and property	\$ 16,150	\$ 5,121	\$ (11,029)	\$ -
Charges for services	206,106	471,675	265,569	2,286,570
Miscellaneous	76,792	173,743	96,951	-
Intergovernmental:				
Commonwealth	17,895,907	17,989,420	93,513	-
Federal	965,600	1,228,256	262,656	-
Total revenues	\$ 19,160,555	\$ 19,868,215	\$ 707,660	\$ 2,286,570
Expenditures:				
Current:				
Education	\$ 51,543,023	\$ 50,510,285	\$ 1,032,738	\$ 2,406,570
Debt service:				
Principal retirement	3,190,000	3,308,119	(118,119)	-
Interest and other fiscal charges	2,289,801	2,385,312	(95,511)	-
Total expenditures	\$ 57,022,824	\$ 56,203,716	\$ 819,108	\$ 2,406,570
Excess (deficiency) of revenues over expenditures	\$ (37,862,269)	\$ (36,335,501)	\$ 1,526,768	\$ (120,000)
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ 180,000
Operating transfers out	-	(180,000)	(180,000)	-
Operating transfers to primary government	-	(1,114,100)	(1,114,100)	-
Operating transfers from primary government	37,862,269	37,629,602	(232,667)	-
Total other financing sources (uses)	\$ 37,862,269	\$ 36,335,501	\$ (1,526,768)	\$ 180,000
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ -	\$ -	\$ -	\$ 60,000
Fund balances at beginning of year	-	700	700	-
Fund balances at end of year	\$ -	\$ 700	\$ 700	\$ 60,000

Exhibit D-3

Cafeteria Fund			School Construction Fund			Totals		
Actual	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor)	Budget	Actual	Variance Favorable (Unfavor)	
\$ 4,249	\$ 4,249	\$ -	\$ -	\$ -	\$ 16,150	\$ 9,370	\$ (6,780)	
1,724,859	(561,711)	-	-	-	2,492,676	2,196,534	(296,142)	
-	-	-	-	-	76,792	173,743	96,951	
37,479	37,479	-	-	-	17,895,907	18,026,899	130,992	
489,505	489,505	-	-	-	965,600	1,717,761	752,161	
<u>\$ 2,256,092</u>	<u>\$ (30,478)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,447,125</u>	<u>\$ 22,124,307</u>	<u>\$ 677,182</u>	
\$ 2,410,452	\$ (3,882)	\$ -	\$ -	\$ -	\$ 53,949,593	\$ 52,920,737	\$ 1,028,856	
-	-	-	-	-	3,190,000	3,308,119	(118,119)	
-	-	-	-	-	2,289,801	2,385,312	(95,511)	
<u>\$ 2,410,452</u>	<u>\$ (3,882)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,429,394</u>	<u>\$ 58,614,168</u>	<u>\$ 815,226</u>	
\$ (154,360)	\$ (34,360)	\$ -	\$ -	\$ -	\$ (37,982,269)	\$ (36,489,861)	\$ 1,492,408	
\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	\$ 360,000	
-	-	-	(76,959)	(76,959)	-	(256,959)	(256,959)	
-	-	-	-	-	-	(1,114,100)	(1,114,100)	
-	-	-	-	-	37,862,269	37,629,602	(232,667)	
<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (76,959)</u>	<u>\$ (76,959)</u>	<u>\$ 38,042,269</u>	<u>\$ 36,438,542</u>	<u>\$ (1,603,727)</u>	
\$ 25,640	\$ (34,360)	\$ -	\$ (76,959)	\$ (76,959)	\$ 60,000	\$ (51,319)	\$ (111,319)	
9,493	9,493	-	76,959	76,959	-	87,152	87,152	
<u>\$ 35,133</u>	<u>\$ (24,867)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 35,833</u>	<u>\$ (24,167)</u>	

Trust and Agency Funds

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individual, private organizations, other governments and or other funds.

Agency Funds - To account for funds received and disbursed by various officials. All administrative cost of each of the offices are budgeted and expensed as a part of the County's general fund. The officials who serve as fiscal agents for the county as well as other governmental entities are:

Library Director
Director of Parks and Recreation
Treasurer
Director of Social Services
Director of Community Development
Sheriff

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

COUNTY OF FAUQUIER, VIRGINIA
Schedule of General Fixed Assets by Source - Primary
Government and Discretely Presented Component Unit
Year Ended June 30, 1997

Exhibit E-1

GENERAL FIXED ASSETS:

Land	\$	8,376,983
Buildings and Improvements		8,551,718
Machinery and Equipment		3,938,573
Data Processing Equipment		484,995
Construction in Progress		<u>1,043,375</u>
Total general fixed assets	\$	<u><u>22,395,644</u></u>

INVESTMENT IN GENERAL FIXED ASSETS

BY SOURCE:

General Fund Revenue	\$	18,595,644
General Obligation Debt		<u>3,800,000</u>
Total Investment in General in Fixed Assets	\$	<u><u>22,395,644</u></u>

COMPONENT UNIT - SCHOOL BOARD

GENERAL FIXED ASSETS:

Land	\$	4,182,658
Buildings and Improvements		65,223,888
Machinery and Equipment		9,190,631
Data Processing Equipment		16,671
Construction in Progress		<u>4,401,663</u>
Total general fixed assets	\$	<u><u>83,015,511</u></u>

INVESTMENT IN GENERAL FIXED ASSETS

BY SOURCE:

General Fund Revenue	\$	14,965,511
General Obligation Debt		<u>68,050,000</u>
Total Investment in General in Fixed Assets	\$	<u><u>83,015,511</u></u>

COUNTY OF FAUQUIER, VIRGINIA
 Schedule of General Fixed Assets by Function and Activities- Primary
 Government and Discretely Presented Component Unit
 Year Ended June 30, 1997

Primary Government:	LAND	BUILDINGS AND IMPROVEMENTS	MACHINERY AND EQUIPMENT	DATA PROCESSING EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Functions and Activities:						
General government administration	\$ 5,119,092	3,361,337	537,108	484,995	-	\$ 9,502,532
Judicial administration	166,300	1,422,425	501,139	-	-	2,089,864
Public safety	1,388,000	1,436,100	2,064,262	-	-	4,888,362
Public works	287,523	799,399	438,208	-	-	1,525,130
Health and welfare	239,500	269,130	23,265	-	-	531,895
Parks, recreation, and cultural	1,176,568	1,066,970	296,835	-	-	2,540,373
Community development	-	196,357	77,756	-	-	274,113
Construction in progress	-	-	-	-	1,043,375	1,043,375
Total primary government	\$ 8,376,983	\$ 8,551,718	\$ 3,938,573	\$ 484,995	\$ 1,043,375	\$ 22,395,644
Component Unit - School Board:						
Education	\$ 4,182,658	65,223,888	9,190,631	16,671	-	\$ 78,613,848
Construction in progress	-	-	-	-	4,401,663	4,401,663
Total component unit - school board	\$ 4,182,658	\$ 65,223,888	\$ 9,190,631	\$ 16,671	\$ 4,401,663	\$ 83,015,511

COUNTY OF FAUQUIER, VIRGINIA
Schedule of Changes in General Fixed Assets by Function - Primary
Government and Discretely Presented Component Unit
Year Ended June 30, 1997

	<u>GENERAL FIXED ASSETS JULY 1, 1996</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>GENERAL FIXED ASSETS JUNE 30, 1997</u>
Primary Government:				
General government administration	\$ 5,456,063	\$ 4,046,469	\$ -	\$ 9,502,532
Judicial administration	2,089,864	-	-	2,089,864
Public safety	4,606,314	282,048	-	4,888,362
Public works	1,442,019	83,111	-	1,525,130
Health and welfare	508,630	23,265	-	531,895
Parks, recreation, and cultural	2,533,817	6,556	-	2,540,373
Community development	268,113	6,000	-	274,113
Construction in progress	-	1,043,375	-	1,043,375
Total primary government	\$ 16,904,820	\$ 5,490,824	\$ -	\$ 22,395,644
Component Unit - School Board:				
Education	\$ 77,612,347	\$ 1,001,501	\$ -	\$ 78,613,848
Construction in progress	-	4,401,663	-	4,401,663
Total component unit - school board	\$ 77,612,347	\$ 5,403,164	\$ -	\$ 83,015,511



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Account	Debit	Credit	Balance
100000			
100100			
100200			
100300			
100400			
100500			
100600			
100700			
100800			
100900			
101000			
101100			
101200			
101300			
101400			
101500			
101600			
101700			
101800			
101900			
102000			
102100			
102200			
102300			
102400			
102500			
102600			
102700			
102800			
102900			
103000			
103100			
103200			
103300			
103400			
103500			
103600			
103700			
103800			
103900			
104000			
104100			
104200			
104300			
104400			
104500			
104600			
104700			
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108100			
108200			
108300			
108400			
108500			
108600			
108700			
108800			
108900			
109000			
109100			
109200			
109300			
109400			
109500			
109600			
109700			
109800			
109900			
110000			

SUPPORTING SCHEDULES

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Revenues – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Primary Government:			
General Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 34,087,480	\$ 33,273,892	\$ (813,588)
Real and personal public service corporation property taxes	1,672,000	1,671,629	(371)
Personal property taxes	13,658,481	14,894,353	1,235,872
Penalties	500,000	446,826	(53,174)
Interest	470,186	409,236	(60,950)
Total general property taxes	\$ 50,388,147	\$ 50,695,936	\$ 307,789
Other local taxes:			
Local sales and use taxes	\$ 3,350,000	\$ 3,209,627	\$ (140,373)
Consumers' utility taxes	1,720,000	1,773,274	53,274
Business license taxes	800,000	711,259	(88,741)
Cable TV franchise tax	100,000	107,527	7,527
Motor vehicle licenses	1,100,000	1,032,736	(67,264)
Bank stock taxes	50,000	75,277	25,277
Taxes on recordation and wills	-	461,235	461,235
Total other local taxes	\$ 7,120,000	\$ 7,370,935	\$ 250,935
Permits, privilege fees and regulatory licenses:			
Animal licenses	\$ 11,000	\$ 7,757	\$ (3,243)
Building & related permits	506,220	452,224	(53,996)
Transfer fees	-	1,872	1,872
Zoning permits and fees	215,850	80,677	(135,173)
Land use application fees	17,000	16,372	(628)
Total permits, privilege fees and regulatory licenses	\$ 750,070	\$ 558,902	\$ (191,168)
Fines and Forfeitures:			
Court fines and forfeitures	\$ 150,000	\$ 143,723	\$ (6,277)
Revenue from use of money and property:			
Revenue from use of money	\$ 1,568,034	\$ 1,716,705	\$ 148,671
Revenue from use of property	146,800	302,734	155,934
Total revenue from use of money and property	\$ 1,714,834	\$ 2,019,439	\$ 304,605

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Charges for services:			
Charges for Commonwealth's attorney	\$ -	\$ 1,253	\$ 1,253
Excess fees of clerk	67,328	26,160	(41,168)
Sheriff's fees, deputies and reports	14,000	9,251	(4,749)
Charges for law library	-	10,815	10,815
Charges for local costs	-	1,329	1,329
Charges for courthouse maintenance fees	20,000	26,031	6,031
Charges for parks and recreation	292,133	180,884	(111,249)
Charges for social services	-	1,066	1,066
Charges for library	60,000	60,198	198
Charges for planning and community development	16,165	15,929	(236)
Total charges for services	\$ 469,626	\$ 332,916	\$ (136,710)
Miscellaneous revenue:			
Miscellaneous	\$ 673,818	\$ 101,220	\$ (572,598)
Total miscellaneous revenue	\$ 673,818	\$ 101,220	\$ (572,598)
Recovered costs:			
John Marshall Soil and Water District	\$ 30,000	\$ 30,209	\$ 209
Other government charges	9,500	5,000	(4,500)
Board of prisoner - other localities	-	1,196	1,196
Work release	-	39,912	39,912
Computer services - School Board	85,000	-	(85,000)
Excise gas tax	-	2,277	2,277
Medics working events	-	822	822
Social services home study	-	869	869
Medical reimbursement - prisoners	-	2,269	2,269
Other costs	21,105	15,751	(5,354)
Hospital hill building	-	2,639	2,639
VHFS economic development authority	-	180,203	180,203
Total recovered costs	\$ 145,605	\$ 281,147	\$ 135,542
Total revenue from local sources	\$ 61,412,100	\$ 61,504,218	\$ 92,118
Revenue from the Commonwealth:			
Noncategorical aid:			
ABC profits	\$ 89,200	\$ 107,212	\$ 18,012
Wine taxes	47,500	59,560	12,060
Rolling stock tax	80,000	66,874	(13,126)
Mobile home titling taxes	15,000	17,731	2,731

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Noncategorical aid(continued)			
Auto rental tax	8,000	10,116	2,116
Recordation tax	400,000	382,501	(17,499)
Total noncategorical aid	\$ 639,700	\$ 643,994	\$ 4,294
Categorical aid:			
Shared expenses:			
Commonwealth's attorney	\$ 214,461	\$ 222,833	\$ 8,372
Sheriff	1,945,227	1,939,916	(5,311)
Commissioner of the Revenue	150,501	153,488	2,987
Treasurer	108,747	99,467	(9,280)
Medical examiner	-	1,170	1,170
Registrar/electoral board	38,000	42,178	4,178
Clerk of the Circuit Court	361,737	362,649	912
Jail	310,000	222,461	(87,539)
Total shared expenses	\$ 3,128,673	\$ 3,044,162	\$ (84,511)
Welfare:			
Welfare administration and assistance	\$ 712,890	\$ 433,916	\$ (278,974)
Comprehensive services act	448,969	691,866	242,897
Total welfare	\$ 1,161,859	\$ 1,125,782	\$ (36,077)
Other categorical aid:			
Emergency medical services	\$ 20,000	\$ 24,227	\$ 4,227
Fire programs fund	70,000	125	(69,875)
Records preservation grant	50,785	50,785	-
Administrative	5,000	17,944	12,944
Library aid	182,585	201,836	19,251
Litter control	11,500	-	(11,500)
Commission of the Arts	3,500	4,000	500
Juvenile community control act	-	53,081	53,081
Sheriff Department	2,666	53,455	50,789
Comprehensive Community Correction	-	125,461	125,461
Forestry department grant	20,000	-	(20,000)
Total other categorical aid	\$ 366,036	\$ 530,914	\$ 164,878
Total categorical aid	\$ 4,656,569	\$ 4,700,858	\$ 44,289
Total revenue from the Commonwealth	\$ 5,296,269	\$ 5,344,852	\$ 48,583

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Revenues – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenue from the Federal Government:			
Payments in lieu of taxes	\$ 3,000	\$ 1,884	\$ (1,116)
Categorical aid:			
Welfare administration and assistance	\$ 1,244,539	\$ 1,121,918	\$ (122,621)
Comprehensive services act	60,000	-	(60,000)
Gypsy moth	20,000	22,232	2,232
VHFS grant	350,000	-	(350,000)
Dea group 33 federal	5,660	19,575	13,915
Planning district grant	-	24,791	24,791
Anti-drug abuse grant	157,281	-	(157,281)
Narcotics and stolen property	-	34,377	34,377
Emergency services	15,855	20,399	4,544
Miscellaneous	-	160	160
Crime analysis grant	-	37,599	37,599
Cops fast/universal hire	86,692	75,963	(10,729)
Cops grants	44,685	40,420	(4,265)
Transportation safety	-	11,162	11,162
CDBG planning grant	15,000	-	(15,000)
Total categorical aid	\$ 1,999,712	\$ 1,408,596	\$ (591,116)
Total revenue from the Federal Government	\$ 2,002,712	\$ 1,410,480	\$ (592,232)
Total General Fund	\$ 68,711,080	\$ 68,259,550	\$ (451,530)
Special Revenue Funds:			
Joint Dispatch Center Fund:			
Revenue from local sources:			
Other local taxes:			
E-911 telephone tax	\$ 692,662	\$ 654,127	\$ (38,535)
Total Joint Dispatch Fund	\$ 692,662	\$ 654,127	\$ (38,535)
Fire and Rescue Fund:			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 1,385,000	\$ 1,353,223	\$ (31,777)
Revenue from the Commonwealth:			
Categorical aid:			
Emergency medical service	\$ -	\$ 930	\$ 930

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Total Fire and Rescue Fund	\$ 1,385,000	\$ 1,354,153	\$ (30,847)
Total Special Revenue Fund	\$ 2,077,662	\$ 2,008,280	\$ (69,382)
Capital Improvement Projects Fund:			
Revenue from local sources:			
Miscellaneous revenue:			
Miscellaneous	\$ 30,000	\$ -	\$ (30,000)
Total Miscellaneous Revenue	\$ 30,000	\$ -	\$ (30,000)
Total Capital Improvement Projects Fund	\$ 30,000	\$ -	\$ (30,000)
Grand Total Revenues -- Primary Government	\$ 70,818,742	\$ 70,267,830	\$ (550,912)
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Revenue from local sources:			
Revenue from use of money and property	\$ 16,150	\$ 5,121	\$ (11,029)
Charges for services:			
Charges for education	\$ 101,910	\$ 215,704	\$ 113,794
Refunds and fees	104,196	255,971	151,775
Total charges for services	\$ 206,106	\$ 471,675	\$ 265,569
Miscellaneous revenue:			
Miscellaneous revenue	\$ 76,792	\$ 173,743	\$ 96,951
Total revenue from local sources	\$ 299,048	\$ 650,539	\$ 351,491
Revenue from the Commonwealth:			
Categorical aid:			
Share of state sales tax	\$ 4,740,000	\$ 4,804,860	\$ 64,860
Basic school aid	9,175,761	9,242,546	66,785
Regular foster care	50,500	24,829	(25,671)
Adult transitional - GED	3,129	-	(3,129)
Adult literacy - state	-	34,990	34,990
Gifted and talented	106,114	106,681	567
At risk youth	69,316	-	(69,316)
ESL payments	8,404	8,408	4
Special education	1,033,758	1,039,283	5,525

COUNTY OF FAUQUIER, VIRGINIA
 Governmental Funds and Discretely Presented Component Units
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 1997 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Revenue from the Commonwealth:			
Categorical aid(continued)			
Special education - homebound	27,616	53,697	26,081
Special education - foster child	15,429	84,899	69,470
Special education - regional program	-	10,319	10,319
Vocational education	181,421	182,391	970
Vocational adult education	-	43,135	43,135
Vocational education - Ext contracts	56,063	39,575	(16,488)
Vocational education equipment	-	6,859	6,859
Occupational education	-	30,869	30,869
K-3 incentive	139,281	138,760	(521)
Social security instructional	442,804	529,966	87,162
Social security non-instructional	84,344	19,670	(64,674)
Teacher retirement instructional	330,666	540,233	209,567
Teacher retirement non-instructional	62,984	22,207	(40,777)
Group life insurance instructional	932	73	(859)
Group life insurance non-instructional	177	800	623
Teacher incentive payment	92,422	92,916	494
Dropout prevention	92,217	92,217	-
Remedial education	143,768	291,226	147,458
Remedial summer school	18,370	98,905	80,535
Maintenance supplement	39,344	-	(39,344)
Educational Technology	500,100	220,372	(279,728)
Textbook payments	179,230	180,188	958
Other state funds	301,757	48,546	(253,211)
Total Commonwealth categorical aid	\$ 17,895,907	\$ 17,989,420	\$ 93,513
Revenue from the federal government:			
Categorical aid:			
Adult Basic Education	\$ -	\$ 32,533	\$ 32,533
Title I	905,283	429,765	(475,518)
Chapter II	-	9,980	9,980
Title II	-	26,521	26,521
Miscellaneous federal revenue	-	12,250	12,250
Title VI -- B -- Special Education	-	596,360	596,360
Vocational education	44,848	84,848	40,000
Drug free schools	-	35,026	35,026
Federal land rescue	15,469	973	(14,496)
Total Federal categorical aid	\$ 965,600	\$ 1,228,256	\$ 262,656
Total School Operating Fund	\$ 19,160,555	\$ 19,868,215	\$ 707,660

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Revenues – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
School Cafeteria Fund:			
Revenue from local sources:			
Revenue from use of money and property:			
Revenue from use of money	\$ -	\$ 4,249	\$ 4,249
Charges for services:			
Cafeteria sales	<u>2,286,570</u>	<u>1,724,859</u>	<u>(561,711)</u>
Total revenue from local sources	<u>\$ 2,286,570</u>	<u>\$ 1,729,108</u>	<u>\$ (557,462)</u>
Revenue from the Commonwealth:			
Categorical aid:			
School food program	<u>\$ -</u>	<u>\$ 37,479</u>	<u>\$ 37,479</u>
Revenue from the federal government:			
Categorical aid:			
School food program	<u>\$ -</u>	<u>\$ 489,505</u>	<u>\$ 489,505</u>
Total School Cafeteria Fund	<u>\$ 2,286,570</u>	<u>\$ 2,256,092</u>	<u>\$ (30,478)</u>
Grand Total Revenues – Component Unit – School Board	<u>\$ 21,447,125</u>	<u>\$ 22,124,307</u>	<u>\$ 677,182</u>
Grand Total Revenues – Reporting Entity	<u>\$ 92,265,867</u>	<u>\$ 92,392,137</u>	<u>\$ 126,270</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units

Schedule of Expenditures – Budget and Actual

Year Ended June 30, 1997 (Continued)

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Primary Government:			
General Fund:			
General government administration:			
Legislative:			
Board of supervisors	\$ 421,032	\$ 421,032	\$ -
General and financial administration:			
County administrator	\$ 254,920	\$ 251,718	\$.3,202
Personnel	631,437	597,370	34,067
County attorney	400,754	378,896	21,858
Independent auditor	28,833	28,445	388
Treasurer	561,936	561,459	477
Commissioner of the revenue	832,915	809,456	23,459
General assessment	225,602	230,382	(4,780)
Director of finance	991,029	1,011,215	(20,186)
Office of management and budget	213,542	202,148	11,394
Geographic information systems	174,512	159,306	15,206
Risk management	235,526	220,301	15,225
Motor pool	-	(513)	513
Central stores	-	1,924	(1,924)
Total general and financial administration	\$ 4,551,006	\$ 4,452,107	\$ 98,899
Board of Elections:			
Registrar	\$ 209,181	\$ 201,911	\$ 7,270
Total general government administration	\$ 5,181,218	\$ 5,075,050	\$ 106,168
Judicial administration:			
Courts:			
Circuit court	\$ 68,343	\$ 66,026	\$ 2,317
General district court	9,300	8,160	1,140
Magistrates	30,382	29,297	1,085
Juvenile and domestic relations district court	40,112	40,111	1
Clerk of the circuit court	599,708	554,110	45,598
Commissioner of accounts	2,400	2,400	-
Law library	19,000	18,080	920
Adult court service	154,785	152,436	2,349
Total courts	\$ 924,030	\$ 870,620	\$ 53,410

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Commonwealth's attorney:			
Commonwealth's attorney	\$ 503,811	\$ 485,494	\$ 18,317
Total judicial administration	\$ 1,427,841	\$ 1,356,114	\$ 71,727
Public safety:			
Law enforcement and traffic control:			
Sheriff	\$ 5,189,289	\$ 5,044,481	\$ 144,808
Fire and rescue services:			
Volunteer fire & rescue	\$ -	\$ (412)	\$ 412
Correction and detention:			
Sheriff	\$ 483,315	\$ 472,442	\$ 10,873
Probation office	25,877	18,874	7,003
Juvenile detention	194,118	194,118	-
Juvenile crime control	28,269	28,268	1
Total correction and detention	\$ 731,579	\$ 713,702	\$ 17,877
Other protection:			
Animal control	\$ 94,802	\$ 94,575	\$ 227
Emergency services (civil defense)	528,472	528,274	198
Total other protection	\$ 623,273	\$ 622,849	\$ 424
Total public safety	\$ 6,544,142	\$ 6,380,620	\$ 163,522
Sanitation and waste removal:			
Litter control/recycling	\$ 184,256	\$ 174,872	\$ 9,384
Solid waste operations	1,115,191	1,115,013	178
Total sanitation and waste removal	\$ 1,299,447	\$ 1,289,885	\$ 9,562
Maintenance of general buildings and grounds:			
Support services/administration	\$ 120,721	\$ 130,188	\$ (9,467)
General properties	4,263,190	4,163,560	99,630
Fleet maintenance	109,525	107,219	2,306
Total maintenance of general buildings and grounds	\$ 4,493,435	\$ 4,400,967	\$ 92,468

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Total public works	\$ 5,792,882	\$ 5,690,852	\$ 102,030
Health and welfare:			
Health:			
Supplement of local health department	\$ 365,837	\$ 365,836	\$ 1
Mental health and mental retardation:			
Chapter X board	\$ 221,589	\$ 166,192	\$ 55,397
Welfare:			
Social services	\$ 2,288,548	\$ 2,119,531	\$ 169,017
Institutional care	29,390	23,297	6,093
Tax relief for the elderly	-	569,838	(569,838)
Comprehensive services act	1,306,729	1,306,728	1
Total welfare	\$ 3,624,667	\$ 4,019,394	\$ (394,727)
Total health and welfare	\$ 4,212,093	\$ 4,551,422	\$ (339,329)
Education:			
Community colleges	\$ 30,675	\$ 30,675	\$ -
Parks, recreation and cultural:			
Parks and recreation			
Parks and recreation	\$ 984,279	\$ 914,963	\$ 69,316
Library:			
Public library	\$ 1,046,729	\$ 1,041,837	\$ 4,892
Total parks, recreation and cultural	\$ 2,031,008	\$ 1,956,800	\$ 74,208
Community development:			
Planning and community development:			
Planning	\$ 79,095	\$ 47,186	\$ 31,909
Community development	977,038	972,837	4,201
Economic development	24,788	18,673	6,115
Contributions to community organizations	714,832	681,932	32,900
Agriculture development	40	5,000	(4,960)
Vint hill farms station	101,284	186,240	(84,956)
Total planning and community development	\$ 1,897,077	\$ 1,911,868	\$ (14,791)

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Environmental management:			
Soil and water conservation district	\$ 116,331	\$ 108,612	\$ 7,719
Cooperative extension program:			
VPI extension	\$ 129,329	\$ 129,209	\$ 120
Johnsongrass office	12,130	10,293	1,837
Gypsy moth	90,815	76,966	13,849
Total cooperative extension program	\$ 232,274	\$ 216,468	\$ 15,806
Total community development	\$ 2,245,681	\$ 2,236,948	\$ 8,733
Capital projects:			
Hospital hill	\$ 3,615,301	\$ 3,615,301	\$ -
Nondepartmental:			
Nondepartmental operations	\$ 114,349	\$ 23,595	\$ 90,754
Debt service on capital lease:			
Principal	\$ 56,876	\$ 57,843	\$ (967)
Interest	11,225	4,583	6,642
Total debt service	\$ 68,101	\$ 62,426	\$ 5,675
Total General Fund	\$ 31,263,291	\$ 30,979,803	\$ 283,488
Special Revenue Funds:			
Joint Dispatch Center Fund:			
Public safety:			
Other protection:			
Emergency operations center	\$ 793,537	\$ 769,153	\$ 24,384
Total Joint Dispatch Fund	\$ 793,537	\$ 769,153	\$ 24,384
Volunteer Fire and Rescue Fund:			
Contribution to fire and rescue associations	\$ 1,539,447	\$ 1,484,560	\$ 54,887
Total Volunteer Fire and Rescue Fund	\$ 1,539,447	\$ 1,484,560	\$ 54,887
Total Special Revenue Funds	\$ 2,332,984	\$ 2,253,713	\$ 79,271

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Capital Improvement Projects Fund:			
Capital Outlay:			
General government administration:			
Treasurer	\$ 1,609	\$ 900	\$ 709
Commissioner of revenue	1,608	1,300	308
Payroll	916	916	-
Personnel	1,998	-	1,998
Procurement	15,219	15,219	-
Convention and education	8,159	8,159	-
Finance	179,610	124,290	55,320
Library	29,046	-	29,046
Technology	25,209	25,209	-
Financial information systems	415	414	1
Total general government administration	\$ 263,788	\$ 176,407	\$ 87,381
Public Safety			
E-911 mapping system	\$ 830	\$ 830	\$ -
Detention center	512,734	310,478	202,256
Sheriff storage facility	1,234	1,234	-
Total public safety	\$ 514,798	\$ 312,542	\$ 202,256
Public Works:			
Marshall community center	\$ 27,446	\$ -	\$ 27,446
Warren green building	279,419	73,459	205,960
John marshall building	953,177	924,466	28,711
New courthouse building and grounds	113,977	112,644	1,333
John barton payne building	37,200	35,065	2,135
Main library	43,715	7,517	36,198
Old jail museum	31,400	32,800	(1,400)
Shadow lawn building and grounds	1,163	-	1,163
White property	3,000	-	3,000
New courthouse feasibility study	45,000	42,780	2,220
Courthouse maintenance fund	151,786	61,139	90,647
John marshall branch library	20,981	1,193	19,788
WSA system	88,633	88,633	-
Paris WSA system repairs	176,120	28,631	147,489
Emergency Equipment	5,000	-	5,000
Total public works	\$ 1,978,017	\$ 1,408,327	\$ 569,690

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Education:			
Bradley school	\$ 40,000	\$ -	\$ 40,000
Modular house for vocational education	20,223	(2,975)	23,198
America disabilities act for schools	39,181	39,181	-
Schools non-reoccurring projects	487,134	129,097	358,037
Motor vehicles and equipment	1,479,508	1,144,612	334,896
Asbestos abatement	75,943	69,654	6,289
Liberty high school bleacher	222,757	92,591	130,166
Electrical clock and bell system	62,875	1,892	60,983
School roof maintenance	534,993	534,993	-
School hvac/paving maintenance	144,000	144,000	-
Cedar lee middle school	314,000	41,518	272,482
Total education	\$ 3,420,614	\$ 2,194,563	\$ 1,226,051
Parks and Recreation:			
Monroe park	\$ 179,958	41,410	\$ 138,548
Marshall community center	106,137	51,070	55,067
Outside court maintenance	180,226	153,536	26,690
Ballfield maintenance	145,857	32,936	112,921
Central storage	39,500	-	39,500
Recreational parks	114,035	44,354	69,681
Corral farm ballfield construction	30,000	1,000	29,000
Park planning	67,073	138	66,935
Total parks, recreational and cultural	\$ 862,787	\$ 324,444	\$ 538,343
Community Development:			
Corral farm	\$ 30,423	\$ -	\$ 30,423
Bealeton library expansion	16,592	10,813	5,779
Master water plan	53,479	53,479	-
Master sewer plan	40,766	31,686	9,080
Subdivision improvement	279,140	-	279,140
Total community development	\$ 420,399	\$ 95,978	\$ 324,421
Total capital outlay	\$ 7,460,404	\$ 4,512,261	\$ 2,948,142

Capital Projects:

COUNTY OF FAUQUIER, VIRGINIA

Schedule 2

Governmental Funds and Discretely Presented Component Units

Schedule of Expenditures – Budget and Actual

Year Ended June 30, 1997 (Continued)

Fund, Function, Activity, and Element	Budget	Actual	Variance Favorable (Unfavor.)
Education:			
Pierce school	\$ 6,883,220	\$ 2,744,598	\$ 4,138,622
Coleman school	2,140,915	1,293,647	847,268
Fauquier high school	1,918,703	252,444	1,666,259
Lord fairfax community college	1,928,795	163,612	1,765,183
Total education	\$ 12,871,633	\$ 4,454,301	\$ 8,417,332
Community Development:			
Auburn dam	\$ 1,668,320	\$ 114,793	\$ 1,553,527
Route 28 project plan	840,935	409	840,526
Total community development	\$ 2,509,255	\$ 115,202	\$ 2,394,053
Total capital projects	\$ 15,380,888	\$ 4,569,503	10,811,385
Non-Departmental:	\$ 17,484	\$ 7,745	9,739
Total Capital Improvement Projects Fund	\$ 22,858,775	\$ 9,089,509	\$ 13,769,266
Grand Total Expenditures -- Primary Government	\$ 56,455,050	\$ 42,323,025	\$ 14,132,025
Component Unit -- School Board:			
Special Revenue Funds:			
School Operating Fund:			
Education:			
Administration of schools:			
Instruction	\$ 43,639,300	\$ 43,028,296	\$ 611,004
Administration, attendance and health	1,603,347	1,507,050	96,297
Pupil transportation services	3,704,441	3,483,360	221,081
Operation and maintenance services	2,443,222	2,339,106	104,116
Facilities	\$ 152,713	152,473	240
Total education	\$ 51,543,023	\$ 50,510,285	\$ 1,032,738
Debt Service:			
Principal retirement	\$ 3,190,000	\$ 3,308,119	\$ (118,119)
Interest and other debt costs	2,289,801	2,385,313	(95,512)
Total debt service	\$ 5,479,801	\$ 5,693,432	\$ (213,631)

COUNTY OF FAUQUIER, VIRGINIA
Governmental Funds and Discretely Presented Component Units
Schedule of Expenditures – Budget and Actual
Year Ended June 30, 1997 (Continued)

Schedule 2

<u>Fund, Function, Activity, and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
Total School Operating Fund	\$ <u>57,022,824</u>	\$ <u>56,203,717</u>	\$ <u>819,108</u>
School Cafeteria Fund:			
Education:			
School food services	\$ <u>2,406,570</u>	\$ <u>2,410,452</u>	\$ <u>(3,882)</u>
Grand Total Expenditures – Component Unit – School Board	\$ <u>59,429,394</u>	\$ <u>58,614,169</u>	\$ <u>815,226</u>
Grand Total Expenditures - Reporting Entity	\$ <u>115,884,444</u>	\$ <u>100,937,194</u>	\$ <u>14,947,251</u>

COUNTY OF FAUQUIER, VIRGINIASchedule 3**Schedule of the Treasurer's Accountability****At June 30, 1997****Assets held by the Treasurer:**

Cash on hand , \$ 1,000

Cash in banks:

Checking:

The Fauquier Bank 5,824,817

Farmers and Merchants - Peoples 28,982

Savings

First Virginia Bank 96,752

Money Market Accounts:

Marshall National Bank 158,344

State Bank of Remington 275,346

Farmers and Merchants - Peoples 150,348

Crestar 45,185

Jefferson National Bank 8,907

Southern Financial Bank 9,181

Investments:

Investment Account 12,905,187

Trigon Stock 389,545

Virginia State Non-Arbitrage Program 10,013,487

Local Government Investment Pool 19,138,827Total assets \$ 49,045,908**Liabilities of the Treasurer:**

Balance of County Funds(Schedule 4) \$ 49,038,028

Amount due to Commonwealth of Virginia 3,559

Other Credits 4,321Total Liabilities \$ 49,045,908

COUNTY OF FAUQUIER, VIRGINIA

Schedule of the Treasurer's Accountability to the County
 All County Funds and Component Units
 For the Period Beginning July 1, 1996 and Ending June 30, 1997

	Governmental Funds			Proprietary Funds	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
Balance July 1, 1997	\$ 14,865,994	\$ 2,230	\$ 4,900,451	\$ 3,286,407	\$ 1,846,578
Receipts(Net):					
General property taxes	\$ 50,695,936	\$ 1,353,223	\$ -	\$ -	\$ -
Other local taxes	7,370,935	654,127	-	-	-
Permits, privilege fees and regulatory licenses	558,902	-	-	-	-
Fines and Forfeitures	143,723	-	-	-	-
Revenue from use of money and property	2,019,439	-	-	141,367	53,224
Charges for services	332,916	-	-	2,039,278	-
Miscellaneous	101,220	-	-	16,069	5,026,512
Recovered Cost	281,147	-	-	-	-
Intergovernmental	6,755,332	-	-	52,198	-
Other financing sources	17,952,874	796,454	11,526,226	-	-
Total receipts	\$ 86,212,424	\$ 2,803,804	\$ 11,526,226	\$ 2,248,912	\$ 5,079,736
Total receipts and balance	\$ 101,078,418	\$ 2,806,034	\$ 16,426,677	\$ 5,535,319	\$ 6,926,314
Disbursements(Net):					
Warrants(checks) issued	\$ 29,783,289	\$ 2,254,333	\$ 7,267,867	\$ 3,793,600	\$ 4,377,596
Retirement of indebtedness	57,843	-	-	-	-
Interest and fiscal charges	4,583	-	-	184,704	-
Total distributions	\$ 29,845,715	\$ 2,254,333	\$ 7,267,867	\$ 3,978,304	\$ 4,377,596
Interfund transfer:					
Transfers in	\$ 1,479,892	\$ 100,875	\$ 6,475,889	\$ 39,991	\$ -
Transfers out	44,583,202	26,696	950	-	-
Balance, June 30, 1997	\$ 28,129,393	\$ 625,880	\$ 15,633,749	\$ 1,597,006	\$ 2,548,718

Schedule 4

<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
<u>Trust & Agency</u>	<u>School Board</u>	<u>"Memorandum Only"</u>
\$ <u>400,605</u>	\$ <u>271,850</u>	\$ <u>25,574,115</u>
\$ -	\$ -	\$ 52,049,159
-	-	8,025,062
-	-	558,902
-	-	143,723
9,410	9,370	2,232,810
297,493	2,196,534	4,866,221
22,429	173,743	5,339,973
-	-	281,147
-	19,326,456	26,133,986
-	-	<u>30,275,554</u>
\$ <u>329,332</u>	\$ <u>21,706,103</u>	\$ <u>129,906,537</u>
\$ <u>729,937</u>	\$ <u>21,977,953</u>	\$ <u>155,480,652</u>
\$ 410,761	\$ 52,614,616	\$ 100,502,062
-	3,298,985	3,356,828
-	<u>2,394,447</u>	<u>2,583,734</u>
\$ <u>410,761</u>	\$ <u>58,308,048</u>	\$ <u>106,442,624</u>
\$ 950	\$ 37,629,602	\$ 45,727,199
<u>2,251</u>	<u>1,114,100</u>	<u>45,727,199</u>
\$ <u>317,875</u>	\$ <u>185,407</u>	\$ <u>49,038,028</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule 5

Schedule of the Treasurer's Accountability to the Commonwealth
For the Year Ended June 30, 1997

	<u>Balance July 1, 1996</u>	<u>Collection</u>	<u>Remittances</u>	<u>Balance June 30, 1997</u>
1997 Taxes:				
Estimated income taxes	\$ -	\$ 2,384,375	\$ 2,384,900	\$ (525)
1996 Taxes:				
Taxable year income taxes	-	2,780,122	2,780,122	-
Estimated income taxes	8,151	3,127,926	3,136,077	-
1995 Taxes:				
Taxable year income taxes	8,869	194,195	203,064	-
Other Collections:				
Penalty	-	5,198	5,198	-
Interest	-	1,139	1,139	-
Share of fees of sheriff and deputies	457	85,065	81,438	4,084
Total	\$ <u>17,477</u>	\$ <u>8,578,020</u>	\$ <u>8,591,938</u>	\$ <u>3,559</u>

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

STATISTICAL SECTION

Table 1

COUNTY OF FAUQUIER, VIRGINIA

Government Expenditures by Function(1)
Last Ten Fiscal Years

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Development	Debt Service	Total
1987-88	\$ 1,838,606	\$ 451,517	\$ 2,548,440	\$ 1,035,979	\$ 1,581,637	\$ 32,240,244	\$ 1,224,860	\$ 725,800	\$ 2,119,103	\$ 43,766,186
1988-89	2,413,428	421,130	3,139,908	1,316,817	1,646,195	34,996,434	1,353,518	772,605	2,789,893	48,849,928
1989-90	2,959,934	492,597	4,280,231	1,880,083	1,951,262	39,217,923	1,421,475	1,369,908	3,364,398	56,937,811
1990-91	3,185,919	774,240	4,564,187	1,848,586	2,212,918	43,543,672	1,552,706	1,179,258	4,023,564	62,885,050
1991-92	3,264,804	883,435	4,999,490	990,293	2,449,113	43,390,849	1,467,637	1,113,988	3,957,162	62,516,771
1992-93	3,336,681	876,865	4,878,359	1,440,581	2,544,881	44,395,046	1,417,448	1,497,886	4,944,684	65,332,431
1993-94	3,787,665	910,145	5,293,874	1,624,721	2,814,113	46,061,151	1,536,063	1,618,601	5,802,071	69,448,404
1994-95	3,347,351	980,382	7,095,895	1,837,059	3,150,622	50,848,284	1,673,107	1,957,757	6,107,034	76,997,491
1995-96	4,448,074	1,035,026	8,223,415	5,573,828	3,622,004	48,023,722	1,767,245	2,073,464	6,091,387	80,858,165
1996-97	8,898,098	1,668,656	10,042,660	5,690,852	4,551,422	59,600,276	2,290,625	2,448,128	5,755,858	100,946,575

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

COUNTY OF FAUQUIER, VIRGINIA

Table 2

Government Revenues by Source(1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Revenues from the Use of Money & Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
1987-88	\$ 18,220,836	\$ 5,391,804	\$ 344,521	\$ 20,391	\$ 767,075	\$ 1,500,007	\$ 297,222	\$ 719,986	\$ 16,896,848	\$ 44,158,690
1988-89	22,202,672	6,021,309	622,325	27,044	1,263,686	1,702,151	354,896	181,403	17,555,551	49,931,037
1989-90	27,334,024	6,031,357	494,961	15,568	1,916,988	2,283,941	557,625	208,769	18,493,530	57,336,763
1990-91	34,595,261	5,631,251	433,172	37,034	721,940	2,601,207	502,029	402,511	18,918,026	63,842,431
1991-92	37,202,099	6,595,335	456,613	61,665	629,862	2,135,821	827,857	384,823	18,504,967	66,799,042
1992-93	39,603,352	6,286,132	393,613	130,103	620,588	2,068,769	347,404	80,699	18,668,754	68,199,414
1993-94	43,016,486	6,880,131	437,690	147,400	889,244	2,530,523	377,114	663,786	19,327,976	74,270,350
1994-95	48,029,231	7,374,936	589,711	147,975	1,633,286	2,418,307	183,482	379,367	23,171,823	83,928,118
1995-96	49,650,697	7,663,235	492,519	121,389	1,725,383	2,179,034	1,181,682	155,276	23,672,366	86,841,581
1996-97	52,049,159	8,025,062	558,902	143,723	2,038,219	2,529,450	297,392	281,147	26,500,922	92,423,976

1) Includes General and Special Revenue Funds of Primary Government and Discretely Presented Component Unit - School Board
Revenue does not include proceeds from indebtedness

Table 3

COUNTY OF FAUQUIER, VIRGINIA

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total(1) Tax Levy	Current Tax(1) Collections	Percentage of Levy Collected	Delinquent(1) Tax(2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding(1) Delinquent(3) Taxes	Percent of Delinquent Taxes to Tax Levy
1987-88	\$ 18,104,495	\$ 17,481,859	96.56%	\$ 423,348	\$ 17,905,207	98.90%	\$ 1,101,945	6.09%
1988-89	22,158,469	21,416,243	96.65%	265,415	21,681,658	97.85%	1,378,915	6.22%
1989-90	27,639,958	26,443,360	95.67%	348,365	26,791,725	96.93%	1,821,313	6.59%
1990-91	35,624,866	33,478,769	93.98%	534,519	34,013,288	95.48%	3,273,753	9.19%
1991-92	37,515,586	34,988,407	93.26%	1,082,529	36,070,936	96.15%	4,418,739	11.78%
1992-93	39,486,468	36,907,864	93.47%	1,618,156	38,526,020	97.57%	4,925,857	12.47%
1993-94	42,166,153	40,074,085	95.04%	1,966,571	42,040,656	99.70%	4,397,492	10.43%
1994-95	46,297,895	43,520,809	94.00%	2,004,527	45,525,336	98.33%	2,627,735	5.68%
1995-96	47,580,344	45,105,097	94.80%	1,461,059	46,566,156	97.87%	2,927,028	6.15%
1996-97	51,745,756	49,475,390	95.61%	1,616,170	51,091,560	98.74%	2,205,998	4.26%

Include General Fund and Special Revenue Fund

Source: Fauquier County Treasurer

(1) Exclusive of penalties.

(2) Does not include land redemptions.

(3) Includes three years taxes

COUNTY OF FAUQUIER, VIRGINIA

Table 4

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

Fiscal Year	Real Estate	Personal Property	Airplane	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service	Total
1987-88	\$ 1,635,849,672	\$ 150,838,473	\$ 1,180,720	\$ 4,704,269	\$ 9,451,714	\$ 28,069,491	\$ 99,330,675	\$ 1,929,425,014
1988-89	1,722,937,767	181,388,260	1,387,571	5,156,433	9,955,485	35,952,389	94,756,425	2,051,534,330
1989-90	3,005,951,399	194,685,171	1,325,849	5,510,432	12,351,141	-	125,293,746	3,345,117,738
1990-91	3,096,038,974	207,471,221	1,590,250	5,491,323	12,895,230	-	128,044,315	3,451,531,313
1991-92	3,112,929,825	207,661,484	1,761,325	5,402,293	13,760,045	-	119,289,578	3,460,804,550
1992-93	3,172,703,130	204,244,507	1,861,830	5,521,339	10,030,443	-	121,997,262	3,516,358,511
1993-94	3,203,089,889	205,822,817	2,141,750	5,310,872	8,745,079	-	137,752,001	3,562,862,408
1994-95	3,326,023,307	225,348,686	2,199,898	4,511,633	7,718,678	-	168,355,738	3,734,157,940
1995-96	3,379,312,100	265,881,413	2,367,444	4,812,375	6,157,665	-	168,080,556	3,826,611,553
1996-97	3,424,171,691	383,243,694	2,388,815	4,812,459	5,042,613	-	159,429,091	3,979,088,363

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

Table 5

COUNTY OF FAUQUIER, VIRGINIA

Property Tax Rates(1)
Last Ten Years

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Airplanes	Machinery and Tools	Merchants' Capital
1987-88	\$ 0.72	\$ 0.72	\$ 3.45	\$ 1.50	\$ 3.45	0.01
1988-89	0.84	0.84	3.55	1.50	3.55	0.01
1989-90	0.62	0.62	3.95	1.50	3.55	-
1990-91	0.83	0.83	4.00	1.50	4.00	-
1991-92	0.88	0.88	4.00	1.50	4.00	-
1992-93	0.93	0.93	4.20	1.50	4.20	-
1993-94	0.98	0.98	4.50	1.50	4.50	-
1994-95	1.03	1.03	4.90	1.50	4.90	-
1995-96	1.03	1.03	4.80	1.50	4.80	-
1996-97	1.03	1.03	4.70	1.50	4.40	-

Source: Fauquier County Department of Finance

Notes: (1) All years assessed at fair market value.
Public Service Corporation property taxed at the applicable rate; real estate or personal property

COUNTY OF FAUQUIER, VIRGINIA

Table 6

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

Last Ten Fiscal Years

Fiscal Year	Population(1)	Assessed Value(2)	Gross Bonded Debt(3)	Ratio of Net	
				General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
1987-88	45,600	\$ 1,929,425,014	13,055,000	0.0068	286
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

(1) Bureau of Census

(2) From Table 4

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

COUNTY OF FAUQUIER, VIRGINIA

Table 7

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

Fiscal Year	Total Expenditures	Debt Service	Ratio
1987-88	\$ 43,766,186	\$ 2,119,103	4.84%
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%

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

COUNTY OF FAUQUIER, VIRGINIA

Table 8

REVENUE BOND COVERAGE
LAST FOUR 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

Bonds were issued in 1993

Table 9

COUNTY OF FAUQUIER, VIRGINIA

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

<u>Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1987-88	45,600	7,896	0.00%
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	52,100	9,030	2.20%

COUNTY OF FAUQUIER, VIRGINIA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Table 10

Year	Residential Construction		Commercial Construction		Miscellaneous Construction		Bank Deposits		Real Property Value			
	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Deposits	Residential	Commercial	Agriculture	Non-Taxable
1987-88	NA	-	NA \$	-	NA \$	-	NA	NA	1,110,289,800	132,816,480	\$ 803,757,560	165,926,330
1988-89	NA	-	NA	-	NA	-	NA	NA	1,915,885,180	281,821,480	815,804,185	252,854,800
1989-90	1,022	68,090,393	81	23,029,152	228	719,337	NA	NA	1,998,003,130	287,354,060	815,995,510	252,823,958
1990-91	809	32,727,702	91	5,351,417	307	1,201,841	NA	NA	2,064,195,231	292,401,720	784,101,240	276,333,300
1991-92	751	35,290,779	52	25,505,175	264	1,209,550	341,083,431	341,083,431	2,094,741,430	295,772,580	785,525,150	281,230,500
1992-93	787	40,883,822	66	1,827,332	221	976,600	368,648,743	368,648,743	2,106,242,550	31,698,540	785,857,290	283,181,000
1993-94	883	43,536,530	56	2,266,690	285	1,103,320	382,973,636	382,973,636	2,231,833,500	314,291,500	780,814,800	323,257,100
1994-95	936	43,108,067	65	2,455,884	350	1,326,446	397,537,418	397,537,418	2,275,945,100	329,053,300	774,313,700	330,210,100
1995-96	926	46,485,601	75	6,230,169	311	1,195,436	497,734,767	497,734,767	2,325,702,500	335,412,500	767,889,700	338,177,800
1996-97	900	54,648,607	83	7,274,205	403	1,927,505	592,624,595	592,624,595	2,370,193,400	342,954,200	762,746,800	347,251,700

COUNTY OF FAUQUIER, VIRGINIA

Table 11

PRINCIPAL TAXPAYERS

June 30, 1997

TAXPAYER/ TYPE OF BUSINESS	1997 Assessed Valuation	% of Total Assessed Valuation
Virginia Electric & Power Company Utilities	\$ 51,745,271	1.42%
Bell Atlantic - Virginia, Inc. Utilities	40,546,953	1.12%
Jefferson Associates LP Shopping Centers	23,453,000	0.65%
Northern Virginia Electric Co-op Utilities	15,951,644	0.44%
Paul Mellon Farm	13,197,000	0.36%
Colonial Pipeline Company Utilities	10,882,631	0.30%
Rappahannock Electric Co-op Utilities	9,596,537	0.26%
Kimmaren Corporation Conference Center, Farm	9,468,000	0.26%
Norfolk Southern Railway Company Utilities	8,987,832	0.25%
Warrenton Development Company Shopping Center	8,862,200	0.24%
Total	\$ 192,691,068	5.30%

COUNTY OF FAUQUIER, VIRGINIA

Table 12

**Miscellaneous Statistics
At June 30, 1997**

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 5 Volunteer Firefighters 278 Sheriff's employees 96
Education	Schools 17 Number of Teachers 967 Number of Students 9,030
Recreation and Culture	Number of Parks and Recreation Facilities 22 Number of Libraries 3 Number of Volumes 306,858
Employees at June 30	General Government (includes public safety) 541 School Division (includes teachers) 2,336



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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

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, 1997, and have issued our report thereon dated November 3, 1997. 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 November 3, 1997.

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 Cox Associates

Charlottesville, Virginia
November 3, 1997

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Compliance

We have audited the compliance of the County of Fauquier, Virginia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1997. 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, 1997.

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, Cox Associates

Charlottesville, Virginia
November 3, 1997

COUNTY OF FAUQUIER, VIRGINIA

**Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit
Year Ended June 30, 1997**

<u>Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
<u>Primary Government:</u>		
<u>DEPARTMENT OF AGRICULTURE:</u>		
<u>Pass through payments:</u>		
Virginia Department of Agriculture and Consumer Services:		
Food distribution	10.550	\$ 1,057
Cooperative forestry assistance	10.664	22,232
Department of Social Services:		
Food Stamp Program	10.551	<u>1,943,089</u>
Total Department of Agriculture		<u>\$ 1,966,378</u>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>		
<u>Pass through payments:</u>		
Department of Housing and Community Development:		
Community development block grant	14.228	<u>\$ 24,791</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION / DEPARTMENT OF MOTOR VEHICLES:</u>		
<u>Pass through payments:</u>		
Alcohol Traffic Safety Incentive	20.601	<u>\$ 11,161</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY:</u>		
<u>Pass through payments:</u>		
Virginia Department of Emergency Services:		
Disaster assistance	83.516	<u>\$ 20,558</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>		
<u>Pass through payments:</u>		
Virginia Department of Social Services:		
Foster Care - Title IV-E	93.658	\$ 62,404
Social services block grant	93.667	182,244
Independent living	93.674	200
Job opportunities and basic skills training	93.561	(263)
Other benefit programs	93.778	776,135
Refugee and entrant assistance - discretionary	93.576	15,127
Low Income Energy Assistance Block Grant	93.568	6,051
Social services administration	N/A	<u>80,020</u>
Total Department of Health and Human Services		<u>\$ 1,121,918</u>
<u>DEPARTMENT OF JUSTICE:</u>		
<u>Direct payments:</u>		
Forfeited assets - drug arrests	N/A	\$ 34,377
Cops fast grant	N/A	75,963
Cops more grant	N/A	40,420
<u>Pass through payments:</u>		
Department of Criminal Justice Services:		
Drug control and system improvement	16.579	37,599
Police Assisted Community Drug Enforcement Program	16.580	<u>19,575</u>
Total Department of Justice		<u>\$ 207,934</u>
<u>Department of the Interior:</u>		
<u>Direct Payments:</u>		
Bureau of Land Management - National Forest Acreage payment		<u>\$ 1,884</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit
Year Ended June 30, 1997 (Continued)

<u>Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
Total Primary Government		\$ <u>3,354,624</u>
Component Unit - School Board:		
<u>DEPARTMENT OF AGRICULTURE:</u>		
<u>Pass through payments:</u>		
Department of Agriculture and Consumer Services:		
Food distribution	10.555	\$ 87,592
Schools and Roads	10.665	973
Department of Education:		
National school lunch program	10.555	<u>489,505</u>
Total Department of Agriculture		\$ <u>578,070</u>
<u>DEPARTMENT OF LABOR:</u>		
<u>Direct payments:</u>		
ROTC Instruction	N/A	\$ <u>12,250</u>
<u>DEPARTMENT OF EDUCATION:</u>		
<u>Pass Through Payments:</u>		
Department of Education:		
Education Consolidation and Improvement Act of 1981:		
Adult education state-administered program	84.002	\$ 32,533
Chapter I:		
Financial assistance to meet special educational needs of disadvantaged children - programs operated by local education agencies	84.010	429,765
Chapter II:		
Improving school program - state block grant	84.151	36,502
Elementary and secondary education act (ESEA):		
Title VI-B:		
Handicapped - state grants	84.027	596,360
Vocational Education:		
Basic grants to states	84.048	84,848
Education for economic security		
Drug free schools and communities	84.186	<u>35,026</u>
Total Department of Education		\$ <u>1,215,034</u>
Total Component Unit School Board		\$ <u>1,805,354</u>
Total Federal Assistance		\$ <u>5,159,978</u>

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 1997

Summary of Auditors' Results

We have audited the general purpose financial statements of the County of Fauquier, Virginia as of and for the year ended June 30, 1997, and have issued our opinion thereon dated November 3, 1997, which is unqualified.

In accordance with Government Auditing Standards, we have issued a report dated November 3, 1997, on our consideration of the County's compliance with certain provisions of laws, regulations, contracts, and grants for the year ended June 30, 1997. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. In addition, we have audited the compliance of the County with the types of requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 1997. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000, and the major programs of the County are:

- ◆ National School Lunch Program
- ◆ Food Stamp Program
- ◆ Social Services-Other Benefit Programs
- ◆ Title I - Grants to Local Education Agencies
- ◆ Title VI-B - Special Education Grants to States

The auditee did not qualify as a low-risk auditee.

Findings Required to be Reported in Accordance with GAGAS

None

Findings and Questioned Costs for Federal Awards

None

COUNTY OF FAUQUIER, VIRGINIA

FEDERAL ASSISTANCE

Schedule of Findings and Questioned Costs
Year Ended June 30, 1997

<u>Program</u>	<u>Findings</u>	<u>Questioned Costs</u>
None	None	None

COUNTY OF FAUQUIER, VIRGINIA

Summary of Compliance Matters

As more fully described in the Independent Auditors' Report on Compliance, we performed tests of the County's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia:

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act

State Agency Requirements:

Education
Social Services

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Food Stamps

Eligibility
Reporting
Special tests, relating to food stamps

Social Services Block Grant

Types of services allowed or unallowed
Eligibility
Matching
Reporting

General Administration for Financial Assistance Services
Reporting

School Lunch

Types of services allowed or unallowed

Eligibility

Matching, level of effort

Chapter 1

Types of services allowed or unallowed

Eligibility

Matching, level of effort

Special tests and provisions

Title V1-B

Types of services allowed or unallowed

Eligibility

Matching, level of effort

Special tests and provisions

