



**ORANGE COUNTY**  
**VIRGINIA**



*County of Orange, VA*

**Comprehensive Annual  
Financial Report  
Fiscal Year ended  
June 30, 2009**



# **COUNTY OF ORANGE, VIRGINIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
JUNE 30, 2009**

**Prepared by**

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Karen Karasinski, Director of Finance  
Orange, Virginia



**COUNTY OF ORANGE, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2009**

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# ORANGE COUNTY, VIRGINIA OFFICE OF THE COUNTY ADMINISTRATOR

JULIE G. JORDAN  
ACTING COUNTY ADMINISTRATOR  
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R. LINDSAY GORDON III BUILDING  
112 WEST MAIN STREET  
P O Box 111  
ORANGE, VIRGINIA 22960

December 18, 2009

## **To the Honorable Board of Supervisors of the County of Orange, Virginia:**

We are pleased to present the Comprehensive Annual Financial Report for Orange County for the fiscal year ended June 30, 2009. The Code of Virginia requires that all general purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) as established by the Government Accounting Standards Board.

This report consists of management's representations concerning the finances of the County. Consequently, responsibility for both the accuracy of the data, and the completeness and reliability of the information presented in this report rests with management. To provide a reasonable basis for making these representations, County administration has established an internal control framework that is designed both to protect the assets of the County from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that the cost of controls should not exceed the benefits obtained. To the best of our knowledge and belief, this financial report is complete and accurate in all material respects.

The County's financial statements have been audited by Robinson, Farmer, Cox, Associates, a firm of licensed certified public accountants, as required by the Code of Virginia. The audit was conducted in accordance with generally accepted auditing standards and the Independent Auditors' Report is included as the first component in the Financial Section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditors concluded based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the County financial statements are presented in conformity with GAAP.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County MD&A is included in the Financial Section of the report immediately following the report of the independent auditors.

### **Profile of the County**

Orange County, Virginia, is a rural, but developing county with a landscape dominated by gently rolling hillsides, spectacular views of the beautiful Blue Ridge Mountains, the Rapidan River and several of Virginia's most significant historic areas. Located in Virginia's north-central Piedmont region, the County is 72 miles northwest of Richmond, 55 miles southwest of Washington, D.C. and 25 miles northeast of Charlottesville. The County consists of 355 square miles of land that ranges in elevation from 175 feet above sea level along the Rapidan River to 1,200 feet above sea level in the mountains and has an estimated population of 33,139. The County was named after William IV, Prince of Orange, and was formed in 1734. The Town of Orange became Orange County's judicial seat in 1749 when Culpeper County was formed making the previous courthouse location at Raccoon Ford far from the center of the new County.

The County includes two incorporated towns, the Towns of Gordonsville and Orange, which are the main centers of commercial and industrial activity. A planned residential community known as the Lake of the Woods is also located within the County and offers a private residential setting with recreation and open space areas.

The County operates under the traditional Board of Supervisors/County Administrator form of government as defined under Virginia law. The governing body of the County is the Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of five members representing the five election districts. The Chairman of the Board of Supervisors is elected from the Board of Supervisors and generally serves for a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out policies established by the Board of

Supervisors, and directs business and administrative procedures with the County government.

In addition to the elected Board of Supervisors, five constitutional officers are elected. These officers include the Sheriff, the Commonwealth's Attorney, the Clerk of the Circuit Court, the Treasurer, and the Commission of Revenue.

The County provides a full range of services to its residents, including education, public safety, judicial services, solid waste disposal, community and economic development, airport, parks and recreation activities, public libraries, health and welfare, and general administration.

Orange County is financially accountable for a legally separate school district, which is reported separately within the financial statements as a component unit. The Orange County Public Schools is the single largest service provided by the County. The elected School Board is composed of five elected members from each of the election districts. The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of one high school, two middle schools, and five elementary schools. The average daily membership for school year 2008-09 was 5,110. The vision of the Orange County Public Schools is improving the future by empowering our students to value learning, achieve their full potential, and pursue their dreams.

The Economic Development Authority (EDA) is a component unit of the County and has the power to issue tax-exempt industrial development revenue bonds to qualifying enterprises wishing to utilize that form of financing. Those bonds represent limited obligations of the EDA to be repaid solely from the revenue and receipts from the project funded with these proceeds. The debt outstanding does not constitute a debt or pledge of the faith and credit of the County or the EDA.

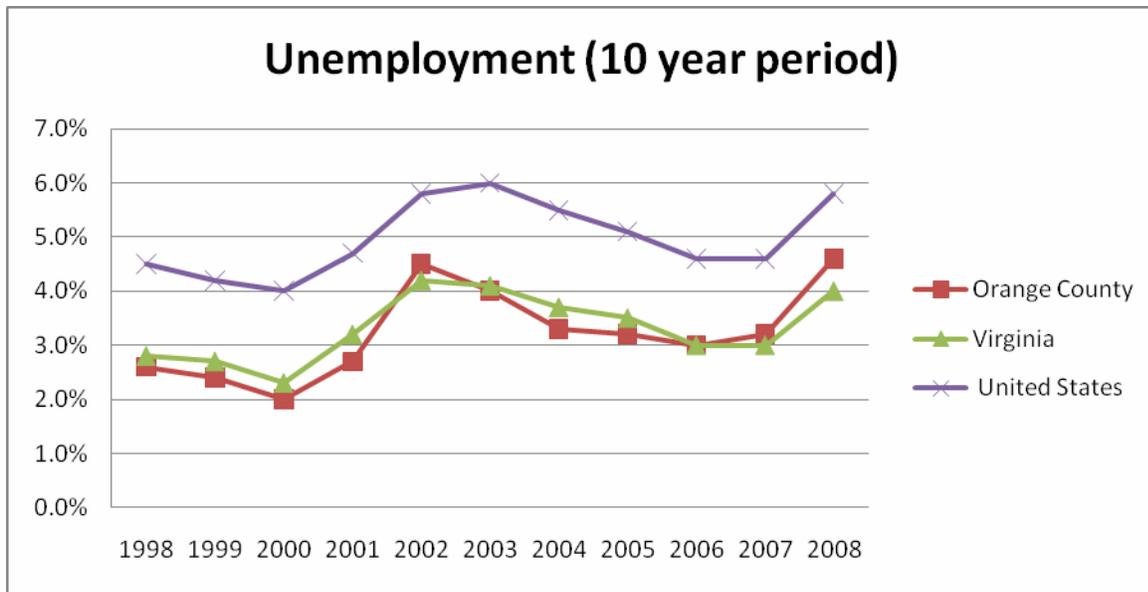
Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation of the County's financial planning and control. County departments and agencies begin their budget preparation each fall. In February, the County Administrator submits a proposed operating and capital budget. The operating and capital budgets include proposed expenditures and the means of financing such expenditures. Work sessions are scheduled to further refine the proposal and align it with goals and objectives. A public hearing is conducted to obtain citizen comments on the proposed budget and tax rates. After consideration of public comment, the Board approves and appropriates the budget and tax rates.

### **Economic Conditions and Outlook**

The County started to feel the effects of the national recession in fiscal year 2008 and continued to feel these effects through fiscal year 2009.

The County sales tax revenue decreased 13.2% from fiscal year 2008 to fiscal year 2009. Personal property values dropped significantly in the fall of 2008 as sport utility vehicles values declined and new vehicle purchases were deferred or taxpayers purchased less expensive vehicles.

Information provided by the Virginia Employment Commission indicates county unemployment rates at June 30, 2009 of 8.0%; this was slightly higher than the state at 7.3% but below the national unemployment rate of 9.7% at the same time. This has been the trend for the past two years, but prior to that, with the exception of 2002, the County's unemployment rate was equal to or below both the state and federal level.



The 2000 census showed that more than 50% of the workforce commutes to jobs outside the County so the increase in unemployment rate is for an area larger than Orange County.

While some businesses in the county are facing challenging economic times, Orange County's location, rural character, and historic landmarks provides for a diverse business community of agriculture, manufacturing, and tourism. Entrepreneurism was highlighted again with a number of training sessions hosted and/or sponsored by the County's economic development office.

Agribusiness maintains a primary role in local commercial vitality with a greenhouse facility that supplies a national retail chain, two major wineries, and a laboratory specializing in natural pesticides and herbicides that have no adverse impact on the environment.

Manufacturing has played significant role in the local economy with nationally recognized industry leaders in such diverse sectors as periodicals, plumbing tools, production molding, hardcover books, and rocket propulsion systems.

Orange County attracts tourists from around the world to enjoy the rich history embedded in the historical sites and museums. The restoration of James Madison's Montpelier was completed in September, 2008 and is experiencing increased attendance. Virginia Tourism Cooperation, an independent source of data, reported that 2008 tourism revenue and employees working in the tourism industry are up 6.2% and 3.5% respectively from 2007.

### **Major Initiatives**

In fiscal year 2009 the County started or continued advancing initiatives that will prepare the County to meet the challenges of the future.

The Board of Education and Board of Supervisors continue progress on the new middle school, located in the eastern portion of the County. During 2009 the County issued bonds in the amount of \$30,550,000 and began construction on the new middle school with an anticipated opening of fall 2010.

The County also continued its major effort to strengthen its public safety services to County citizens. In order to assist the new traffic division established in 2008, the Sheriff's office purchased a speed monitor machine which provides data electronically to law enforcement. The data provided to the Sheriff's office by the new speed monitor allows them to increase patrols in specific high traffic areas during peak volume traffic to reduce accidents. The County also continued the initiative to improve fire and rescue service. The local fire and rescue training facility known as the "burn building" was refurbished with fire protective walls to extend the life of the facility for training purposes.

The County continues to monitor changes to the Parks and Recreation department regarding the requirement that the Department will not exceed a 15% subsidy from the County. During 2009 the decision was made to close an additional child care facility at Lightfoot Elementary School. In addition, the Parks and Recreation Department opted to not operate the aquatics division for the summer of 2009

During the year the Orange County Nursing Home, a separate entity, completed the construction on the new Dogwood Village Assisted Living facility with the grand opening in June 2009. The general obligation bond debt on the new construction is on the County of Orange financial statements as the same debt was used to refund \$9,900,000 in debt associated with the previous renovations to the County Courthouse and Animal Shelter.

In an effort to improve tourism within the County, the County partnered with the Orange Downtown Alliance and the Orange County Chamber of Commerce to host the Bike Virginia event. Bike Virginia is a bicycle tour through the state and the participants visited our community during the spring of 2009. Many bikers camped at our local high school, visited our local restaurants and toured our lovely community.

The County also celebrated its 275<sup>th</sup> anniversary with a program of events concluded with a nighttime fireworks display.

### **Other Information**

#### **Awards**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Orange for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2008. This is the third year that Orange County has received this prestigious award.

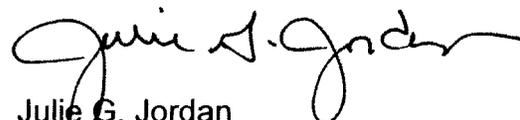
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **Acknowledgments**

The preparation of this report is largely the work of the Department of Finance of Orange County for their service to the County and this report in particular; Ms. Karen Karasinski, Ms. Amy Rankin, Ms. Connie Clark, Ms. Cyndi Harbin, and Mr. Joe Rodish. The preparation of this report could not have been accomplished without the dedicated efforts of Ms. Phyllis M. Yancey, Treasurer of Orange County; Ms. Barbara L. Hill, Director of Finance, School Board, and the members of their staffs. Additionally, I want to thank all the staff of other departments that contributed to the preparation of this report.

Finally, as always I am indebted to the Board of Supervisors for its leadership and support without which this report would not have been possible.

Sincerely,

  
Julie G. Jordan  
Acting County Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Orange  
Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enos".

Executive Director

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VOTERS



Treasurer

Sheriff

Clerk of the Circuit Court

Board of Supervisors

Commissioner of the Revenue

Commonwealth's Attorney

School Board

County Administration

County Attorney

Advisory Boards and Commissions

Ruling Boards and Commissions

Planning, Zoning, E&S

Economic Development

Airport Commission

Litter Control Committee

Orange County Nursing Home Commission

Youth Commission

Building Inspections

Fire & Emerg Medical Svcs

EMS Advisory Council

Miscellaneous Advisory Boards & Committees

Orange County Nursing Home

Social Services Board

Emergency Operations (Emergency Mgmt., HAZMAT)

Finance

Planning Commission

Library Board

Library Board

Social Services

Human Resources

Parks & Recreation

Public Works (Facilities, Solid Waste, Airport)

Libraries

Libraries

Community Policy & Management Team

Information Technology

Animal Shelter

Economic Development Authority

Economic Development Authority

Economic Development Authority

Family Planning & Assessment Team (FAPT)

Tourism

Animal Shelter

Economic Development Authority

Economic Development Authority

Economic Development Authority

Comprehensive Services (CSA)

E-911 Center

Elected Officials

# Orange County Organizational Chart

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**COUNTY OF ORANGE, VIRGINIA**

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**BOARD OF SUPERVISORS**

R. Mark Johnson, Chairman  
Teri L. Pace, Vice-Chairman

Zack Burkett

Lee Frame

S. Teel Goodwin

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**COUNTY SCHOOL BOARD**

Jerry Bledsoe, Chairman  
Judy P. Carter, Vice-Chairman

Donna-Waugh Robinson

Chris Haney

Jim Hopkins

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**SOCIAL SERVICES BOARD**

Lynn Huntsman, Chairman  
Pat Nabors, Vice-Chairman

Diana Anderton

Rose Bowman

JoAnn Herndon

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**OTHER OFFICIALS**

Judge of the Circuit Court ..... Daniel R. Bouton  
Clerk of the Circuit Court..... Linda S. Timmons  
Judge of the General District Court..... Roger L. Morton and W. A. Talley, Jr.  
Judge of the Juvenile & Domestic Relations Court..... Frank Somerville and Dwight Johnson  
County Attorney ..... Sharon Pandak  
Commonwealth's Attorney ..... Diana Wheeler  
Commissioner of the Revenue..... Donna H. Chewning  
Treasurer ..... Phyllis M. Yancey  
Sheriff..... Mark A. Amos  
Superintendent of Schools..... Larry Massie  
Clerk of the School Board..... Yvonne Dawson  
Director of Social Services..... Robert D. Lingo  
County Administrator ..... William C. Rolfe

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

### TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF ORANGE, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Orange, Virginia, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Orange, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards 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 the 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 opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia, as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2009 on our consideration of the County of Orange, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and other required supplementary information as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Orange, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Orange, Virginia. The other supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Robinson, Farmer, Co. Associates*

Charlottesville, Virginia  
December 16, 2009

## County of Orange, Virginia

### Management's Discussion and Analysis June 30, 2009

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This portion of the annual financial report of the County of Orange, Virginia is intended to provide discussion and analysis of the presentation of our financial statements. The premise of the discussion is to provide an overview of the financial statements and should be reviewed in combination with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

This annual report consists of a series of financial statements. The Statement of Net Assets (page 25) and the Statement of Activities (on pages 26 and 27) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 30. These statements tell how services were financed in the short term as well as what remains for future spending for governmental activities. Fund financial statements also report the County's operations in more detail than the government-wide statements. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the government.

#### **Reporting the County as a Whole**

##### **Government-wide Statements:**

Our analysis of the County begins on page 15 with the statement of Net Assets. One of the most important questions asked about the County's finances is: "Is the County as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All the current year's revenue and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of the County's net assets – the difference between assets and liabilities – as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, such as property tax base and condition of facilities, to assess the overall health of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into three kinds of activities:

**Governmental activities** – Most of the County's basic services are reported here including Sheriff, fire, public works, recreation, and general administration. Taxes and state-shared revenue finance most of these activities.

**Business-type activities** – For these activities, the County charges a fee to customers to help cover all or most of the cost of the service it provides. The County airport and landfill activities are reported here.

**Component units** – The County includes two separate entities – the Orange County Schools and the Economic Development Authority.

#### **Detail of County Operations**

##### **Fund Financial Statements:**

Our analysis of the County's major funds begins on page 30 and provides detailed information about the most significant funds; not the County as a whole. The County's two kinds of funds, governmental and proprietary, use different accounting methods.

## Detail of County Operations: (Continued)

### **Fund Financial Statements: (Continued)**

Governmental funds – Most of the County’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. We describe the relationship (or difference) between the activities (reported in the Government-wide Statements of the Net Assets and the Government-wide Statement of Activities) and governmental funds in reconciliation following the fund financial statements.

Proprietary funds – When the County charges customers for the service it provides, whether to outside customer (enterprise fund) or to other units of the County (internal service fund), these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Government-wide Statement of Net Assets and the Government-wide Statement of Activities. The County’s airport and landfill activities are enterprise funds.

### **Reporting the County’s Fiduciary Responsibilities**

The County is the trustee, or fiduciary, for the Talley Memorial Private Purpose Trust. The County is responsible for other assets that, because of a trust agreement can be used only for the trust beneficiaries. All of the County’s fiduciary activities are reported in separate Statement of Fiduciary Net Assets and Changes in Fiduciary Net Assets on page 40 and 41. We exclude these activities from the County’s other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

### **The County as a Whole**

The following table reflects the condensed Statement of Net Assets compared to fiscal year 2008:

**Table 1 - Net Assets**  
(in millions)

	Governmental		Business-Type		Total			
	Activities		Activities		Primary		Component	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Current and other assets	\$ 63.1	\$ 46.9	\$ 4.2	\$ 3.2	\$ 67.3	\$ 50.1	\$ 6.7	\$ 5.9
Capital assets	80.1	67.2	9.3	8.3	89.4	75.5	22.1	20.4
Total assets	\$ 143.2	\$ 114.1	\$ 13.5	\$ 11.5	\$ 156.7	\$ 125.6	\$ 28.8	\$ 26.3
Long-term liabilities	\$ 109.3	\$ 79.3	\$ 2.5	\$ 2.2	\$ 111.8	\$ 81.5	\$ 0.8	\$ 0.5
Other liabilities	6.9	5.6	0.3	0.2	7.2	5.8	4.4	4.2
Total liabilities	\$ 116.2	\$ 84.9	\$ 2.8	\$ 2.4	\$ 119.0	\$ 87.3	\$ 5.2	\$ 4.7
Net assets:								
Invested in capital assets	\$ 5.8	\$ 6.9	\$ 9.3	\$ 8.3	\$ 15.1	\$ 15.2	\$ 22.1	\$ 20.4
Restricted	0.4	1.3	-	-	0.4	1.3	-	-
Unrestricted	20.8	21.0	1.4	0.8	22.2	21.8	1.4	1.2
Total net assets	\$ 27.0	\$ 29.2	\$ 10.7	\$ 9.1	\$ 37.7	\$ 38.3	\$ 23.5	\$ 21.6

Net assets serve as an indicator of the County’s financial position, and at June 30, 2009, total County of Orange assets exceeded liabilities by \$37.7 million. Net assets are listed in three categories; invested in capital assets, restricted, and unrestricted.

The amount invested in capital assets (\$15.1 million) is shown net of outstanding debt and represents 40% of total net assets. These assets are tangible property used to provide services to taxpayers, such as schools, fire stations, libraries, law enforcement, and airport facilities, and therefore, not available for spending.

## Detail of County Operations: (Continued)

### The County as a Whole: (Continued)

The next type of County's assets has external restrictions as to how it may be used. At June 30, 2009, the County has \$400,000 of proceeds from the Nursing Home bond issue that must be used to pay bond interest during construction. This is down from the prior year because \$900,000 of bond interest was paid during the year.

The final category of net assets is unrestricted, and these are the assets that are available for use in the County's ongoing operations.

Governmental Activities net assets is \$2.2 million less than reported in fiscal year 2008 because in 2009 revenues were flat and expenses increased \$2.2 million. Net assets of Business-Type activities increased \$1.0 million in capital assets and \$0.6 in unrestricted fund balance. The capital asset increase is in the Airport Fund; site work for a new terminal building, that was mostly grant funded, was completed in fiscal year 2009. The \$.6 million increase in unrestricted fund balance is a transfer from the General Fund to the Landfill Fund for expansion of the facility. The County is reviewing the merits of expanding the landfill, or building a transfer station, because the current landfill permit expires on December 31, 2012.

The following table reflects the condensed Statement of Activities.

**Table 2 - Changes in Net Assets**  
(in millions)

	Governmental Activities		Business-type Activities		Total			
					Primary Government		Component Unit	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
<b>Revenues</b>								
Program revenues								
Charges for services	\$ 2.0	\$ 2.4	\$ 0.5	\$ 0.8	\$ 2.5	\$ 3.2	\$ 1.1	\$ 1.1
Operating grants & contr.	5.8	5.6	-	1.8	5.8	7.4	29.5	28.3
Capital grants & constr.	0.6	0.8	1.0	-	1.6	0.8	-	-
General revenues								
Taxes	36.4	35.0	-	-	36.4	35.0	-	-
Intergovernmental revenue	3.0	3.0	-	-	3.0	3.0	20.3	19.2
Investment income	1.0	2.1	-	-	1.0	2.1	-	-
Other general revenues	0.7	0.6	-	-	0.7	0.6	0.2	0.8
Total revenues	\$ 49.5	\$ 49.5	\$ 1.5	\$ 2.6	\$ 51.0	\$ 52.1	\$ 51.1	\$ 49.4
<b>Program expenses</b>								
General government admin	\$ 5.1	\$ 3.4	\$ -	\$ -	\$ 5.1	\$ 3.4	\$ 0.1	\$ 0.4
Judicial administration	1.5	1.4	-	-	1.5	1.4	-	-
Public safety	10.0	8.7	-	-	10.0	8.7	-	-
Public works	0.8	0.6	-	-	0.8	0.6	-	-
Health and welfare	4.6	4.5	-	-	4.6	4.5	-	-
Education	20.7	20.3	-	-	20.7	20.3	49.1	46.8
Parks, recreation & cultural	1.7	2.6	-	-	1.7	2.6	-	-
Community development	1.5	1.7	-	-	1.5	1.7	-	-
Interest on long term debt	2.6	2.7	-	-	2.6	2.7	-	-
Airport	-	-	0.5	0.5	0.5	0.5	-	-
Landfill	-	-	2.6	3.2	2.6	3.2	-	-
Total expenses	\$ 48.5	\$ 45.9	\$ 3.1	\$ 3.7	\$ 51.6	\$ 49.6	\$ 49.2	\$ 47.2
Excess (deficiency) in net assets before transfers	\$ 1.0	\$ 3.6	\$ (1.6)	\$ (1.1)	\$ (0.6)	\$ 2.5	\$ 1.9	\$ 2.2
Transfers	(3.2)	(2.5)	3.2	2.5	-	-	-	-
Net asset beginning balance	29.2	28.1	9.1	7.7	38.3	35.8	21.6	19.4
Net asset ending balance	\$ 27.0	\$ 29.2	\$ 10.7	\$ 9.1	\$ 37.7	\$ 38.3	\$ 23.5	\$ 21.6

## **Detail of County Operations: (Continued)**

### **The County as a Whole: (Continued)**

#### Table 2 Comments:

#### Governmental Activities

Total revenue for Governmental Activities did not change from fiscal year 2008 to fiscal year 2009; the increases in certain areas offset decreases in other categories. Real estate taxes were increased \$0.05 in 2008 (fiscal year 2009) and general property tax collections increased \$2 million. This increase was partially offset by decreases in machinery and tools, sales tax, and consumers' utility tax.

In fiscal year 2009, the Recreation Department was reorganized and a number of programs were transferred to parent-run organizations. An early learning center, previously a Parks and Recreation program, was closed, because the operating subsidy in 2008 was \$104,710 or 36%. The reorganization of all Recreation programs resulted in reduced revenue collections from participants of about \$500,000, and reduced spending of about \$900,000.

General Government Administration depreciation and legal counsel expenses increased \$1.3 and \$0.4 million respectively, for a total increase of \$1.7 million. The depreciation is from the addition of a newly completed Nursing Home addition. The County owns the building, but the facility is operated by Orange County Senior Living, Incorporated. In 2007, the County issued debt to add an assisted living facility to the nursing home. The facility was completed in June 2009.

In fiscal year 2009, when the in-house County Attorney resigned, the Board of Supervisors hired outside legal counsel to represent the County at a higher hourly rate. Also, during the same time, the County has required an increased number of hours for ordinance revisions, lawsuits and County policy review.

#### Business Activities

Even with the new disposal rate, Landfill Fund revenue from waste disposal and recycling was less than fiscal year 2008. In the economic downturn, there has been less construction; this impacts the amount of debris disposal at the landfill. In response, staff reduced expenses to maintain the positive financial position of the fund.

### **Budget Highlights**

Over the course of the year, the Board of Supervisors revised the County budget. The budget is amended by resolution for specific requests, generally for items that were intended to be completed or expended in the previous fiscal year budget but for some extenuating circumstance were not. During the fiscal year, the budget is amended for unanticipated events that could not be foreseen and for opportunities that arose and weren't previously known.

In fiscal year 2009, the General Fund budget was reduced \$580,000 to produce savings and help offset the fiscal year 2010 budget challenges. Increases to the General Fund totaled approximately \$1.6 million for a net increase of \$1.0 from the originally adopted budget. Some of the significant increases were:

- \$93,853 Montpelier Gateway Grant (state funds)
- \$343,353 Fiscal Year 2008 for incomplete projects (re-appropriating)
- \$144,000 Burn Building Grant (state funds)
- \$530,000 Comprehensive Services Act (state revenue)

## Capital Asset and Debt Service

### Capital Assets

The County of Orange's capital assets in its governmental funds increased by 19.0% from fiscal year 2008 to fiscal year 2009. Capital assets increased \$12.8 million because of the on-going construction of the new middle school and the completion of the new assisted living facilities at the Nursing Home.

Business-type activities show an increase in capital assets by \$1.1 million because the site work for the new terminal has been completed. Construction of the new terminal building is expected to begin in fiscal year 2010.

**Table 3 - Capital Assets**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Land	\$ 1,512,857	\$ 1,542,318	\$ 624,303	\$ 624,303	\$ 2,137,160	\$ 2,166,621
Building & Improvements	66,219,152	50,590,411	5,593,600	5,721,774	71,812,752	56,312,185
Machinery and equipment	4,199,675	1,939,856	52,243	40,010	4,251,918	1,979,866
Construction in progress	8,149,623	13,170,340	3,067,349	1,888,775	11,216,972	15,059,115
	<u>\$ 80,081,307</u>	<u>\$ 67,242,925</u>	<u>\$ 9,337,495</u>	<u>\$ 8,274,862</u>	<u>\$ 89,418,802</u>	<u>\$ 75,517,787</u>

Additional information regarding the County of Orange, Virginia capital assets is located in Note 12 of the financial statements.

### Debt Service

The County of Orange's long-term debt increased 38.0% in fiscal year 2008 due to the issuance of \$30.5 million general obligation bonds to complete the required financing for the new middle school. The total project cost of \$41.7 million is financed from proffer receipts, General Fund contribution, timber proceeds, and bonds.

**Table 4 - Long Term Debt**

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
General Obligation Bonds-County	\$ 1,819,050	\$ 2,060,815	\$ -	\$ -	\$ 1,819,050	\$ 2,060,815
General Obligation Bonds-Schools	74,535,056	43,859,703	-	-	74,535,056	43,859,703
Capital Lease Obligations	2,136,850	2,594,984	-	-	2,136,850	2,594,984
Lease Revenue Bonds	29,836,524	29,997,222	-	-	29,836,524	29,997,222
	<u>\$ 108,327,480</u>	<u>\$ 78,512,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,327,480</u>	<u>\$ 78,512,724</u>

Specific information regarding the County of Orange, Virginia long-term debt issues is located in Note 7 of the financial statements.

## **Capital Asset and Debt Service: (Continued)**

### **Future Economic Factors**

The unemployment rate has increased 54% since October 2008 from 4.8% to 7.4%. This is better than the federal unemployment rate, but slightly higher than the state unemployment rate. In the past 10 years, there have only been 3 times (2002, 2007, and 2008) that the County unemployment rate was higher than the Commonwealth. In the last couple of years, the manufacturing business in Orange tied to the housing industry has faced significant challenges.

Sales tax revenue for the same time has declined 17% or \$350,000. County real estate values are currently assessed every five years, so the next assessment would be in 2012 (fiscal year 2013).

On the expenditure side of the equation, the County is facing increased cost to maintain the regional jail, social programs, and opening the new middle school. With significant challenges on both sides of the equation, the upcoming budget process will be very challenging.

### **Requests for Information**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of Orange County finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Karen Karasinski, Director of Finance, County of Orange, Post Office Box 111, Orange, Virginia, 22960.

## **BASIC FINANCIAL STATEMENTS**

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**Government-wide Financial Statements**

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County of Orange, Virginia  
Statement of Net Assets  
As of June 30, 2009

Exhibit 1

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School Board	EDA
<b>ASSETS</b>					
Cash and cash equivalents	\$ 24,160,873	\$ 3,815,979	\$ 27,976,852	\$ 951,329	\$ 1,216,901
Receivables (net of allowance for uncollectibles):					
Taxes receivable	1,698,095	-	1,698,095	-	-
Accounts receivable	-	55,297	55,297	80,509	-
Due from primary government	-	-	-	3,204,155	-
Due from other governmental units	907,604	244,976	1,152,580	1,075,981	-
Inventories	-	31,883	31,883	-	-
Prepaid expenses	-	88	88	-	-
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	35,640,675	-	35,640,675	-	-
Other assets:					
Unamortized bond issue costs	751,008	-	751,008	-	-
Capital assets (net of accumulated depreciation):					
Land	1,512,857	624,303	2,137,160	737,700	22
Buildings and improvements	66,219,152	5,593,600	71,812,752	18,595,987	-
Machinery and equipment	4,199,675	52,243	4,251,918	2,725,414	-
Construction in progress	8,149,623	3,067,349	11,216,972	-	-
Total assets	<u>\$ 143,239,562</u>	<u>\$ 13,485,718</u>	<u>\$ 156,725,280</u>	<u>\$ 27,371,075</u>	<u>\$ 1,216,923</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,936,789	\$ 293,933	\$ 2,230,722	\$ 549,308	\$ 373
Accrued liabilities	-	-	-	3,701,224	-
Accrued interest payable	1,429,236	-	1,429,236	-	-
Due to component unit	3,204,155	-	3,204,155	-	-
Unearned revenue	288,579	-	288,579	-	-
Long-term liabilities:					
Due within one year	4,917,792	2,252	4,920,044	283,299	-
Due in more than one year	104,439,659	2,496,862	106,936,521	554,708	-
Total liabilities	<u>\$ 116,216,210</u>	<u>\$ 2,793,047</u>	<u>\$ 119,009,257</u>	<u>\$ 5,088,539</u>	<u>\$ 373</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 5,816,416	\$ 9,337,495	\$ 15,153,911	\$ 22,059,101	\$ 22
Restricted for:					
Debt service	393,018	-	393,018	-	-
Unrestricted (deficit)	20,813,918	1,355,176	22,169,094	223,435	1,216,528
Total net assets	<u>\$ 27,023,352</u>	<u>\$ 10,692,671</u>	<u>\$ 37,716,023</u>	<u>\$ 22,282,536</u>	<u>\$ 1,216,550</u>

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

County of Orange, Virginia  
Statement of Activities  
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 5,107,926	\$ -	\$ 289,486	\$ -
Judicial administration	1,471,735	31,787	500,888	-
Public safety	9,951,868	1,267,967	1,999,592	-
Public works	800,019	166,136	-	-
Health and welfare	4,579,632	-	2,868,527	-
Education	20,716,819	-	-	-
Parks, recreation, and cultural	1,766,622	522,889	126,301	-
Community development	1,542,893	-	2,245	661,450
Interest on long-term debt	2,629,414	-	-	-
Total governmental activities	\$ 48,566,928	\$ 1,988,779	\$ 5,787,039	\$ 661,450
Business-type activities:				
Airport	\$ 548,514	\$ 223,071	\$ -	\$ 956,978
Landfill	2,616,278	317,267	8,820	-
Total business-type activities	\$ 3,164,792	\$ 540,338	\$ 8,820	\$ 956,978
Total primary government	\$ 51,731,720	\$ 2,529,117	\$ 5,795,859	\$ 1,618,428
<b>COMPONENT UNITS:</b>				
School Board	\$ 49,089,865	\$ 1,128,015	\$ 29,512,986	\$ -
Economic Development Authority	127,245	-	-	-
Total component units	\$ 49,217,110	\$ 1,128,015	\$ 29,512,986	\$ -

General revenues:  
General property taxes  
Other local taxes:  
Local sales and use taxes  
Consumers' utility taxes  
Consumption taxes  
Motor vehicle license taxes  
Taxes on recordation and wills  
Restaurant food taxes  
Other local taxes  
Unrestricted revenues from use of money and property  
Miscellaneous  
Payment from Orange County  
Grants and contributions not restricted to specific programs  
Transfers  
Total general revenues  
Change in net assets  
Net assets - beginning  
Net assets - ending

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

<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government</b>			<b>Component Unit</b>	<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>School Board</b>	<b>EDA</b>
\$ (4,818,440)	\$ -	\$ (4,818,440)	\$ -	\$ -
(939,060)	-	(939,060)	-	-
(6,684,309)	-	(6,684,309)	-	-
(633,883)	-	(633,883)	-	-
(1,711,105)	-	(1,711,105)	-	-
(20,716,819)	-	(20,716,819)	-	-
(1,117,432)	-	(1,117,432)	-	-
(879,198)	-	(879,198)	-	-
(2,629,414)	-	(2,629,414)	-	-
<u>\$ (40,129,660)</u>	<u>\$ -</u>	<u>\$ (40,129,660)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 631,535	\$ 631,535	\$ -	\$ -
-	(2,290,191)	(2,290,191)	-	-
<u>\$ -</u>	<u>\$ (1,658,656)</u>	<u>\$ (1,658,656)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (40,129,660)</u>	<u>\$ (1,658,656)</u>	<u>\$ (41,788,316)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	(18,448,864)	\$ -
-	-	-	-	(127,245)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,448,864)</u>	<u>\$ (127,245)</u>
\$ 30,690,664	\$ -	\$ 30,690,664	\$ -	\$ -
1,825,239	-	1,825,239	-	-
2,091,128	-	2,091,128	-	-
91,249	-	91,249	-	-
662,465	-	662,465	-	-
471,439	-	471,439	-	-
514,019	-	514,019	-	-
83,338	-	83,338	-	-
1,006,373	40,775	1,047,148	14,873	20,767
690,938	5,068	696,006	363,874	189
-	-	-	19,896,813	177,253
2,979,106	-	2,979,106	-	-
(3,201,956)	3,201,956	-	-	-
<u>\$ 37,904,002</u>	<u>\$ 3,247,799</u>	<u>\$ 41,151,801</u>	<u>\$ 20,275,560</u>	<u>\$ 198,209</u>
<u>\$ (2,225,658)</u>	<u>\$ 1,589,143</u>	<u>\$ (636,515)</u>	<u>\$ 1,826,696</u>	<u>\$ 70,964</u>
<u>\$ 29,249,010</u>	<u>\$ 9,103,528</u>	<u>\$ 38,352,538</u>	<u>\$ 20,455,840</u>	<u>\$ 1,145,586</u>
<u>\$ 27,023,352</u>	<u>\$ 10,692,671</u>	<u>\$ 37,716,023</u>	<u>\$ 22,282,536</u>	<u>\$ 1,216,550</u>

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## **Fund Financial Statements**

County of Orange, Virginia  
Balance Sheet  
Governmental Funds  
As of June 30, 2009

	<u>General</u>	<u>Virginia Public Assistance</u>	<u>Debt Service</u>	<u>County Capital Improvements</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,607,845	\$ 205,422	\$ 1,209,197	\$ 3,995,805
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,698,095	-	-	-
Due from other governmental units	673,130	155,534	-	78,940
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	393,018
Total assets	<u>\$ 20,979,070</u>	<u>\$ 360,956</u>	<u>\$ 1,209,197</u>	<u>\$ 4,467,763</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 485,792	\$ -	\$ -	\$ 375,392
Due to component unit	3,204,155	-	-	-
Deferred revenue	1,532,451	-	-	-
Total liabilities	<u>\$ 5,222,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,392</u>
Fund balances:				
Reserved for:				
Debt service	\$ -	\$ -	\$ -	\$ 393,018
School capital projects	-	-	-	-
Unreserved, reported in:				
General fund	3,320,392	-	-	-
Special revenue funds	-	360,956	-	-
Designated	12,436,280	-	1,209,197	3,699,353
Total fund balances	<u>\$ 15,756,672</u>	<u>\$ 360,956</u>	<u>\$ 1,209,197</u>	<u>\$ 4,092,371</u>
Total liabilities and fund balances	<u>\$ 20,979,070</u>	<u>\$ 360,956</u>	<u>\$ 1,209,197</u>	<u>\$ 4,467,763</u>

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

**Exhibit 3**

<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 101,549	\$ 41,055	\$ 24,160,873
-	-	1,698,095
-	-	907,604
<u>35,247,657</u>	<u>-</u>	<u>35,640,675</u>
<u>\$ 35,349,206</u>	<u>\$ 41,055</u>	<u>\$ 62,407,247</u>
\$ 1,074,239	\$ 1,366	\$ 1,936,789
-	-	3,204,155
-	-	1,532,451
<u>\$ 1,074,239</u>	<u>\$ 1,366</u>	<u>\$ 6,673,395</u>
\$ -	\$ -	\$ 393,018
34,274,967	-	34,274,967
-	-	3,320,392
-	39,689	400,645
-	-	17,344,830
<u>\$ 34,274,967</u>	<u>\$ 39,689</u>	<u>\$ 55,733,852</u>
<u>\$ 35,349,206</u>	<u>\$ 41,055</u>	<u>\$ 62,407,247</u>

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County of Orange, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Assets  
As of June 30, 2009

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Exhibit 4

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	55,733,852
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		80,081,307
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,243,872
Issuance costs are recorded as other assets and amortized over the life of the debt, and, therefore are not reported in the funds.		751,008
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(110,786,687)
Net assets of governmental activities	\$	<u>27,023,352</u>

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

**County of Orange, Virginia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2009**

	<u>General</u>	<u>Virginia Public Assistance</u>	<u>Debt Service</u>	<u>County Capital Improvements</u>
<b>REVENUES</b>				
General property taxes	\$ 30,505,130	\$ -	\$ -	\$ -
Other local taxes	5,738,877	-	-	-
Permits, privilege fees, and regulatory licenses	178,415	-	-	-
Fines and forfeitures	260	-	-	-
Revenue from the use of money and property	716,128	-	103	145,990
Charges for services	1,805,677	-	-	-
Miscellaneous	603,602	-	-	116,797
Recovered costs	163,170	-	-	-
Intergovernmental revenues:				
Commonwealth	6,441,488	835,815	-	7,800
Federal	632,152	1,275,882	-	231,179
Total revenues	<u>\$ 46,784,899</u>	<u>\$ 2,111,697</u>	<u>\$ 103</u>	<u>\$ 501,766</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,334,401	\$ -	\$ -	\$ -
Judicial administration	1,483,072	-	-	-
Public safety	9,045,700	-	-	-
Public works	932,482	-	-	-
Health and welfare	1,941,227	2,609,250	-	-
Education	17,291,390	-	-	336,748
Parks, recreation, and cultural	1,750,969	-	-	-
Community development	1,541,267	-	-	-
Nondepartmental	70,641	-	-	-
Capital projects	-	-	-	14,105,050
Debt service:				
Principal retirement	-	-	3,528,930	-
Interest and other fiscal charges	-	-	2,849,764	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>\$ 37,391,149</u>	<u>\$ 2,609,250</u>	<u>\$ 6,378,694</u>	<u>\$ 14,441,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,393,750</u>	<u>\$ (497,553)</u>	<u>\$ (6,378,591)</u>	<u>\$ (13,940,032)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 55,856	\$ 710,382	\$ 6,216,627	\$ 1,711,626
Transfers out	(11,627,873)	-	-	-
Issuance of Indebtedness	-	-	-	-
Premium on debt issued	-	-	-	-
Total other financing sources (uses)	<u>\$ (11,572,017)</u>	<u>\$ 710,382</u>	<u>\$ 6,216,627</u>	<u>\$ 1,711,626</u>
Net change in fund balances	\$ (2,178,267)	\$ 212,829	\$ (161,964)	\$ (12,228,406)
Fund balances - beginning	17,934,939	148,127	1,371,161	16,320,777
Fund balances - ending	<u>\$ 15,756,672</u>	<u>\$ 360,956</u>	<u>\$ 1,209,197</u>	<u>\$ 4,092,371</u>

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

**Exhibit 5**

<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 30,505,130
-	-	5,738,877
-	-	178,415
-	-	260
143,634	518	1,006,373
-	4,427	1,810,104
-	-	720,399
-	-	163,170
-	3,279	7,288,382
-	-	2,139,213
<u>\$ 143,634</u>	<u>\$ 8,224</u>	<u>\$ 49,550,323</u>
\$ -	\$ -	\$ 3,334,401
-	2,617	1,485,689
-	650	9,046,350
-	-	932,482
-	-	4,550,477
98,371	-	17,726,509
-	-	1,750,969
-	-	1,541,267
-	-	70,641
3,873,243	-	17,978,293
-	-	3,528,930
-	-	2,849,764
161,844	-	161,844
<u>\$ 4,133,458</u>	<u>\$ 3,267</u>	<u>\$ 64,957,616</u>
<u>\$ (3,989,824)</u>	<u>\$ 4,957</u>	<u>\$ (15,407,293)</u>
\$ -	\$ -	\$ 8,694,491
(212,718)	(55,856)	(11,896,447)
30,550,000	-	30,550,000
2,847,298	-	2,847,298
<u>\$ 33,184,580</u>	<u>\$ (55,856)</u>	<u>\$ 30,195,342</u>
\$ 29,194,756	\$ (50,899)	\$ 14,788,049
5,080,211	90,588	40,945,803
<u>\$ 34,274,967</u>	<u>\$ 39,689</u>	<u>\$ 55,733,852</u>

**County of Orange, Virginia**  
**Reconciliation of Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2009**

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**Exhibit 6**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 14,788,049
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.	12,838,382
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	185,534
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(29,836,251)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	(201,372)
Change in net assets of governmental activities	\$ <u>(2,225,658)</u>

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

County of Orange, Virginia  
Statement of Net Assets  
Proprietary Funds  
As of June 30, 2009

Exhibit 7

	Business-Type Activities		
	Enterprise Funds		
	Airport Fund	Landfill Fund	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 255,730	\$ 3,560,249	\$ 3,815,979
Due from other governmental units	244,976	-	244,976
Receivables, net	-	55,297	55,297
Prepaid expenses	88	-	88
Inventory	31,883	-	31,883
Total current assets	<u>\$ 532,677</u>	<u>\$ 3,615,546</u>	<u>\$ 4,148,223</u>
Noncurrent assets			
Capital assets			
Land	\$ 596,198	\$ 28,105	\$ 624,303
Construction in progress	3,067,349	-	3,067,349
Other capital assets, net of accumulated depreciation	5,581,376	64,467	5,645,843
Total noncurrent assets	<u>\$ 9,244,923</u>	<u>\$ 92,572</u>	<u>\$ 9,337,495</u>
Total assets	<u>\$ 9,777,600</u>	<u>\$ 3,708,118</u>	<u>\$ 13,485,718</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ 148,341	\$ 145,592	\$ 293,933
Compensated absences, current portion	2,252	-	2,252
Total current liabilities	<u>\$ 150,593</u>	<u>\$ 145,592</u>	<u>\$ 296,185</u>
Noncurrent liabilities			
Accrued landfill remediation costs	\$ -	\$ 2,496,862	\$ 2,496,862
Total liabilities	<u>\$ 150,593</u>	<u>\$ 2,642,454</u>	<u>\$ 2,793,047</u>
<b>NET ASSETS</b>			
Invested in capital assets	\$ 9,244,923	\$ 92,572	\$ 9,337,495
Unrestricted	382,084	973,092	1,355,176
Total net assets	<u>\$ 9,627,007</u>	<u>\$ 1,065,664</u>	<u>\$ 10,692,671</u>

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

County of Orange, Virginia  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
Year Ended June 30, 2009

Exhibit 8

	Business-Type Activities		Total
	Enterprise Funds		
	Airport Fund	Landfill Fund	
<b>OPERATING REVENUES</b>			
Charges for services, net	\$ 223,071	\$ 317,267	\$ 540,338
Miscellaneous	-	5,068	5,068
Total operating revenues	\$ 223,071	\$ 322,335	\$ 545,406
<b>OPERATING EXPENSES</b>			
Personal services	\$ 113,000	\$ 674,231	\$ 787,231
Fringe benefits	29,866	172,304	202,170
Contractual services	40,261	895,785	936,046
Other charges	233,056	857,831	1,090,887
Depreciation	132,331	16,127	148,458
Total operating expenses	\$ 548,514	\$ 2,616,278	\$ 3,164,792
Operating income (loss)	\$ (325,443)	\$ (2,293,943)	\$ (2,619,386)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Use of money and property	\$ 40,775	\$ -	\$ 40,775
Commonwealth grants	-	8,820	8,820
Total nonoperating revenues (expenses)	\$ 40,775	\$ 8,820	\$ 49,595
Income (loss) before contributions and transfers	\$ (284,668)	\$ (2,285,123)	\$ (2,569,791)
<b>CAPTIAL CONTRIBUTIONS AND CONSTRUCTION GRANTS</b>	\$ 956,978	\$ -	\$ 956,978
<b>TRANSFERS IN</b>	\$ 344,728	\$ 2,857,228	\$ 3,201,956
Change in net assets	\$ 1,017,038	\$ 572,105	\$ 1,589,143
Total net assets, beginning of year	8,609,969	493,559	9,103,528
Total net assets, end of year	\$ 9,627,007	\$ 1,065,664	\$ 10,692,671

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

County of Orange, Virginia  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2009

Exhibit 9

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Airport Fund</b>	<b>Landfill Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 223,071	\$ 335,087	\$ 558,158
Payments to and for employees	(145,175)	(846,535)	(991,710)
Payments to suppliers	(152,417)	(1,477,374)	(1,629,791)
Net cash provided by (used in) operating activities	<u>\$ (74,521)</u>	<u>\$ (1,988,822)</u>	<u>\$ (2,063,343)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State and federal grant funding	\$ -	\$ 8,820	\$ 8,820
Transfers	344,728	2,857,228	3,201,956
Net cash provided by (used in) noncapital financing activities	<u>\$ 344,728</u>	<u>\$ 2,866,048</u>	<u>\$ 3,210,776</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Use of money and property	\$ 40,775	\$ -	\$ 40,775
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	\$ (1,194,109)	\$ (16,979)	\$ (1,211,088)
State and federal grant funding	715,059	-	715,059
Net cash provided by (used in) capital and related financing activities	<u>\$ (479,050)</u>	<u>\$ (16,979)</u>	<u>\$ (496,029)</u>
Net increase (decrease) in cash and cash equivalents	\$ (168,068)	\$ 860,247	\$ 692,179
Cash and cash equivalents, beginning of year	423,798	2,700,002	3,123,800
Cash and cash equivalents, end of year	<u>\$ 255,730</u>	<u>\$ 3,560,249</u>	<u>\$ 3,815,979</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (325,443)	\$ (2,293,943)	\$ (2,619,386)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	132,331	16,127	148,458
Change in accounts receivable	-	18,145	18,145
Change in prepaid expenses	97	-	97
Change in accounts payable	130,155	(37,072)	93,083
Change in landfill remediation costs	-	307,921	307,921
Change in inventory	(9,352)	-	(9,352)
Change in compensated absences	(2,309)	-	(2,309)
Net cash provided by (used in) operating activities	<u>\$ (74,521)</u>	<u>\$ (1,988,822)</u>	<u>\$ (2,063,343)</u>

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

**County of Orange, Virginia**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**As of June 30, 2009**

**Exhibit 10**

	<u>Talley Memorial Private-Purpose Trust</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,000	\$ 321,882
Total assets	<u>\$ 15,000</u>	<u>\$ 321,882</u>
<b>LIABILITIES</b>		
Amounts held for social services clients	\$ -	\$ 27,741
Amounts held for Rapidan Hills Limited Partnership	-	7,376
Amounts held for others	-	286,765
Total liabilities	<u>\$ -</u>	<u>\$ 321,882</u>
<b>NET ASSETS</b>		
Restricted - Held in trust for library needs	<u>\$ 15,000</u>	<u>\$ -</u>

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

**County of Orange, Virginia**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2009**

**Exhibit 11**

	<u>Talley Memorial Private-Purpose Trust</u>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	\$ -
Total additions	<u>\$ -</u>
<b>DEDUCTIONS</b>	
Contribution to Locust Grove Elementary Library	\$ -
Total deductions	<u>\$ -</u>
Change in net assets	-
Net assets - beginning	\$ 15,000
Net assets - ending	<u><u>\$ 15,000</u></u>

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

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# COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009

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## Note 1—Summary of Significant Accounting Policies:

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

### A. Reporting Entity

The County of Orange, Virginia (government) is a municipal corporation governed by an elected five-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Blended Component Units** – The County has no blended component units for the year ended June 30, 2009.

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

The Orange County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. 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. The Orange County School Board does not prepare separate financial statements.

The Orange County Economic Development Authority is included as a component unit; because the Authority's primary use of funds is to provide for economic development of the County, thereby benefiting the County even though it does not provide services directly to the County. The County appoints all members of the Authority's Board of Directors. The County may significantly influence the fiscal affairs of the Authority and, accordingly, is included in the County's financial statements. The Orange County Economic Development Authority does not prepare separate financial statements.

**Related Organizations** - The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Orange County Airport Commission.

**Jointly Governed Organizations** – The County, in conjunction with other localities, has created the Central Virginia Regional Jail, the Rappahannock-Rapidan Planning District Commission and the Rappahannock-Rapidan Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$153,759 to the Rappahannock-Rapidan Community Services Board.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. 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.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (Continued)

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the primary operating fund of the County and accounts for all revenues and expenditures applicable to the general operations of the County which are not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants.

The *special revenue funds* account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The major special revenue fund is the Virginia Public Assistance Fund, which accounts for the operation of various programs under the Orange County Department of Social Services.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. Major capital projects funds consist of the following funds:

The *county capital improvements fund* accounts for the renovation and improvements made to County buildings. Financing is provided by debt issuance and general fund revenues.

The *school capital projects fund* accounts for renovations, construction, and improvements made to school facilities. Financing is provided by debt issuance.

The government reports the following major proprietary funds:

The *airport fund* is an enterprise fund used to account for the activities of the Orange County Airport. The cost of airport services is primarily financed through user charges.

The *landfill fund* is an enterprise fund used to account for waste disposal operations of the County's landfill. The cost of waste disposal services is primarily financed through user charges to the County, residents and commercial customers.

*Enterprise Funds* distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (Continued)

Additionally, the government reports the following fund types:

The *nonmajor special revenue* funds account for proceeds of specific revenue services restricted for expenditures for specified purposes. The government reports the Asset Forfeiture Fund, Revenue Maximization Fund and Law Library Fund as nonmajor special revenue funds.

*Fiduciary funds* account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Agency funds include the Special Welfare, Rapidan Hills Limited Partnership, Commonwealth, and Bond Escrow Agency funds. The Talley Memorial private purpose trust fund is used to account for resources legally held in trust for use by the library at Locust Grove Elementary School to purchase items for student use. All resources of the fund may be used to help support the library.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Assets, Liabilities, and Net Assets or Equity

##### 1. *Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the government, as well as for its component units are reported at fair value. The State Treasurer's Local Government Investment Pool and the State Non-Arbitrage Pool operate in accordance with appropriate state laws and regulations. The reported value of the pools are the same as the fair value of the pool shares.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### D. Assets, Liabilities, and Net Assets or Equity: (Continued)

##### 2. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

##### 3. *Inventory*

Inventory is valued using the *first in, first out* method. Inventories in the General Fund and the Discretely Presented Component Unit - School Board consist of expendable supplies held for consumption and are accounted for under the purchase method. Cost is recorded as an expense at the time the individual inventory items are purchased. Quantities on hand at year-end are considered immaterial and have not been recorded. The inventory of school textbooks held on consignment is not recorded in the financial statements.

##### 4. *Property Taxes*

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable in two installments on June 5<sup>th</sup> and December 5<sup>th</sup>. Personal property taxes are due and collectible annually on December 5<sup>th</sup>. The County bills and collects its own property taxes.

##### 5. *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 approximately \$289,840 at June 30, 2009 and is comprised solely of property taxes. This allowance represents 9.18% of the total levies for the previous six years.

##### 6. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**D. Assets, Liabilities, and Net Assets or Equity: (Continued)**

**7. *Restricted Assets***

Unspent proceeds of the County's general obligation bond anticipation notes and general obligation bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

**8. *Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. \$1,229,621 million of interest was capitalized during the year.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	50
Machinery and equipment	5-10

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### D. Assets, Liabilities, and Net Assets or Equity: (Continued)

##### 9. *Compensated Absences*

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Assets. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employer's resignation or retirement). In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The County accrues salary-related payments associated with the payment of compensated absences.

##### 10. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### 11. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

##### 12. *Net Assets*

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets.

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 2—Reconciliation of Government-Wide and Fund Financial Statements:**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of these \$110,786,687 and \$838,007 differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Bonds payable	\$ 106,190,630	\$ -
Accrued interest payable	1,429,236	-
Capital leases payable	2,136,850	-
Other post employment benefits liability	159,772	460,275
Compensated absences	870,199	377,732
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 110,786,687</u>	<u>\$ 838,007</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of these \$12,838,382 and \$1,707,429 differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Capital outlay	\$ 18,342,172	\$ 1,002,267
Depreciation expense	(3,327,872)	(1,470,756)
Allocation of debt financed school assets based on current year repayments and drawdowns of bond proceeds	<u>(2,175,918)</u>	<u>2,175,918</u>
Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 12,838,382</u>	<u>\$ 1,707,429</u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 2—Reconciliation of Government-Wide and Fund Financial Statements: (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities: (Continued)**

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this (\$29,836,251) and (\$460,275) differences in the primary government and discretely presented component unit are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Debt issued or incurred:		
Issuance of general obligation bonds	\$ (30,550,000)	\$ -
Premium on issuance of general obligation bonds	(2,847,298)	-
Bond issuance costs	161,844	-
Principal repayments:		
General obligation debt	2,865,796	-
Lease revenue bonds	205,000	-
Other post employment benefits	(159,772)	(460,275)
Capital lease	458,134	-
Amortization of bond discount	(16,276)	-
Amortization of deferred amount on refunding	(28,026)	-
Amortization of bond issuance costs	(23,567)	-
Amortization of bond premium	97,914	-
Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (29,836,251)</u>	<u>\$ (460,275)</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of these (\$201,372) and \$184,081 differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Compensated absences	\$ (84,981)	\$ 184,081
Accrued interest	(116,391)	-
Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (201,372)</u>	<u>\$ 184,081</u>

# COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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## Note 3—Stewardship, Compliance, and Accountability:

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### A. Budgetary Information

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

1. Prior to April 1, 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. The following Funds have legally adopted budgets: General Fund, Virginia Public Assistance Fund, Debt Service Fund, County Capital Improvements Fund, Law Library Fund, Forfeited Assets Fund, School Capital Projects Fund, Airport Fund, Landfill Fund, School Operating Fund, School Textbook Adoption Fund, School Adult Education Fund, School Cafeteria Funds, and Head Start Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department can be revised by the Board of Supervisors only.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except the School Fund), General Capital Projects Funds, Debt Service Fund, and School Capital Projects Fund. The School Funds are integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several supplemental appropriations were necessary during this fiscal year.
8. Budgetary data presented in the accompanying financial statements includes the original adopted budget and the revised budget as of June 30.

### B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2009, the following funds had expenditures which exceeded appropriations:

<u>Fund</u>	<u>Function</u>	<u>Department</u>	<u>Excess of Expenditures over Appropriations</u>
Head Start	Education	Head Start program	\$ <u>1,692</u>
Cafeteria	Education	School food program	\$ <u>24,728</u>
Total All Funds			\$ <u><u>26,420</u></u>

### C. Deficit Fund Equity

At June 30, 2009, the Employee Child Care Fund had a deficit fund balance of \$387.

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 4—Due From Other Governmental Units:**

The following amounts represent receivables from other governments at year-end:

	<u>Primary Government</u>	<u>Component Units</u>
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 690,046
Local sales taxes	336,754	-
Public assistance and welfare administration	63,729	-
Comprehensive youth service	67,406	-
Aviation Grant	204,858	-
Sheriff	105,633	-
Commonwealth's Attorney	18,986	-
Clerk of Circuit Court	21,379	-
Treasurer	11,246	-
Commissioner of Revenue	9,619	-
Registrar	51,755	-
Other	19,302	-
Federal Government:		
School funds	-	385,935
Aviation Grant	40,118	-
SAFER Grant	31,050	-
CDBG	78,940	-
Public assistance	91,805	-
	<u>                    </u>	<u>                    </u>
Total	\$ <u>1,152,580</u>	\$ <u>1,075,981</u>

**Note 5—Interfund Obligations Due To/From Primary Government:**

Interfund obligations for the year ended June 30, 2009 were as follows:

<u>Fund</u>	<u>Due from Primary Government</u>	<u>Due to Component Unit</u>
General Fund	\$ -	\$ 3,204,155
Component Unit - School Board	<u>3,204,155</u>	<u>-</u>
Total	\$ <u>3,204,155</u>	\$ <u>3,204,155</u>

The purpose of interfund obligations is to report the balance of local appropriations unspent at year end due back to the respective funds.

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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**Note 6—Interfund Transfers:**

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Interfund transfers for the year ended June 30, 2009, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 55,856	\$ 11,627,873
Virginia Public Assistance Fund	710,382	-
Debt Service Fund	6,216,627	-
County Capital Projects Fund	1,711,626	-
School Capital Projects Fund	-	212,718
Revenue Maximization Fund	-	55,856
Proprietary Funds:		
Airport Fund	344,728	-
Landfill Fund	2,857,228	-
Total	<u>\$ 11,896,447</u>	<u>\$ 11,896,447</u>
Component Unit School Board:		
School Operating Fund	\$ -	\$ 50,095
Adult Education Fund	11,345	-
School Cafeteria Fund	8,750	-
Employee Child Care Fund	30,000	-
Total	<u>\$ 50,095</u>	<u>\$ 50,095</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 7—Long-Term Debt:**

**Primary Government-Governmental Activity Indebtedness:**

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

Year Ending June 30,	General Obligation Bonds		Lease Revenue and Refunding Bond	
	Principal	Interest	Principal	Interest
2010	\$ 3,145,003	\$ 3,036,712	\$ 668,575	\$ 1,400,656
2011	4,774,628	3,291,137	679,130	1,370,906
2012	4,656,169	3,072,643	715,161	1,340,094
2013	4,682,585	2,871,227	746,242	1,307,794
2014	4,621,069	2,666,900	782,365	1,274,219
2015	4,470,367	2,463,986	813,538	1,239,156
2016	4,537,143	2,259,014	854,826	1,200,681
2017	4,593,398	2,045,169	901,323	1,155,931
2018	4,674,957	1,827,025	947,896	1,108,931
2019	4,631,443	1,601,768	994,296	1,067,069
2020	4,719,453	1,381,268	1,035,761	1,023,294
2021	4,807,773	1,155,621	1,092,327	976,481
2022	4,720,007	921,491	1,144,115	923,044
2023	2,762,661	739,372	1,200,983	867,231
2024	2,623,958	611,412	1,252,886	810,344
2025	2,609,568	486,167	1,314,867	751,144
2026	2,596,792	368,312	1,381,941	689,169
2027	1,832,948	268,465	1,449,115	624,188
2028	1,818,404	183,911	1,521,390	556,200
2029	1,544,556	105,988	1,593,709	486,900
2030	1,531,224	33,741	1,671,133	414,450
2031	-	-	1,748,670	338,625
2032	-	-	1,831,320	259,425
2033	-	-	1,914,090	176,625
2034	-	-	2,001,980	90,225
Total	\$ <u>76,354,106</u>	\$ <u>31,391,329</u>	\$ <u>30,257,639</u>	\$ <u>21,452,782</u>

Years Ending June 30,	Capital Lease Obligations	
	Principal	Interest
2010	\$ 479,085	\$ 87,084
2011	326,717	62,261
2012	280,148	49,766
2013	160,157	37,517
2014	165,875	31,800
2015	171,797	25,878
2016	177,930	19,745
2017	184,282	13,393
2018	190,859	6,814
Total	\$ <u>2,136,850</u>	\$ <u>334,258</u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 7—Long-Term Debt: (Continued)**

**Primary Government-Governmental Activity Indebtedness: (Continued)**

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2009:

	<u>Amounts Payable July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable June 30, 2009</u>	<u>Amounts Due Within One Year</u>
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
Lease revenue and refunding bonds payable	\$ 31,165,000	-	\$ 205,000	\$ 30,960,000	\$ 700,000
Discount on lease revenue and refunding bonds	(718,637)	-	(16,276)	(702,361)	(31,425)
Deferred amount on refunding bonds	(449,141)	-	(28,026)	(421,115)	(27,520)
Total lease revenue and refunding bonds	<u>\$ 29,997,222</u>	<u>\$ -</u>	<u>\$ 160,698</u>	<u>\$ 29,836,524</u>	<u>\$ 641,055</u>
General obligation bonds	\$ 45,023,032	\$ 30,550,000	\$ 2,865,796	\$ 72,707,236	\$ 2,875,160
Premium on general obligation bonds	897,486	2,847,298	97,914	3,646,870	269,843
Total general obligation bonds	<u>\$ 45,920,518</u>	<u>\$ 33,397,298</u>	<u>\$ 2,963,710</u>	<u>\$ 76,354,106</u>	<u>\$ 3,145,003</u>
Capital leases	2,594,984	-	458,134	2,136,850	479,085
Other post employment benefits	-	181,612	21,840	159,772	-
Compensated absences	785,218	673,895	588,914	870,199	652,649
Total governmental activities	<u>\$ 79,297,942</u>	<u>\$ 34,252,805</u>	<u>\$ 4,193,296</u>	<u>\$ 109,357,451</u>	<u>\$ 4,917,792</u>

Reconciliation with Exhibit 1:

Long-term liabilities due within one year	\$ 4,917,792
Long-term liabilities due in more than one year	<u>104,439,659</u>
Total long-term debt	<u>\$ 109,357,451</u>

**Business-type activities:**

Compensated absences	\$ 4,561	\$ 2,252	\$ 4,561	\$ 2,252	\$ 2,252
Landfill closure/post-closure liability	<u>2,188,941</u>	<u>307,921</u>	<u>-</u>	<u>2,496,862</u>	<u>-</u>
Total business-type activities	<u>\$ 2,193,502</u>	<u>\$ 310,173</u>	<u>\$ 4,561</u>	<u>\$ 2,499,114</u>	<u>\$ 2,252</u>

Reconciliation with Exhibit 1:

Long-term liabilities due within one year	\$ 2,252
Long-term liabilities due in more than one year	<u>2,496,862</u>
Total long-term debt	<u>\$ 2,499,114</u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 7—Long-Term Debt: (Continued)**

**Primary Government-Governmental Activity Indebtedness: (Continued)**

Details of Long-Term Indebtedness:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b>Governmental:</b>		
<u>General obligation bonds:</u>		
County Bonds:		
\$1,279,119 issued December 7, 2005, due in annual installments ranging from \$86,022 to \$129,841, with interest due semi-annually at 3.87% through July 15, 2017. This bond refunded \$1,300,000 from 2002. The purpose of the bond was to construct water improvements at the industrial park.	\$ 1,011,150	\$ 96,264
\$1,528,900 issued May 29, 2003, due in annual installments ranging from \$17,400 to \$170,800 due July 15, 2003 through July 15, 2013, interest at 2.82%. This bond refunded \$2,380,000 in bonds from 1993. The purpose of the bond was to construct, equip and maintain a new industrial park and library.	807,900	150,900
School Bonds:		
\$530,000 issued May 18, 1995 due in annual installments ranging from \$25,000 to \$30,000 due July 15, 1996 through July 15, 2015, interest rate from 5.4% to 5.975%. The purpose of the bond was to construct additional classrooms at Locust Grove Elementary School.	175,000	25,000
\$925,000 issued May 5, 1994 due in annual installments ranging from \$40,000 to \$50,000 due July 15, 1994 through July 15, 2013, interest rates from 6.1% to 6.3%. The purpose of the bond was to fund construction of a project at Lightfoot Elementary School and to renovate Prospect Heights Middle School.	240,000	50,000
\$4,450,000 issued May 1, 1993 due in annual installments ranging from \$140,000 to \$400,000 due December 15, 1993 through December 15, 2013 interest rates from 5.1% to 5.5%. The purpose of the bond was to fund construction of additions to the Orange County High School and Locust Grove Elementary School.	680,000	195,000
\$2,010,000 issued August 30, 1990 due in annual installments ranging from \$75,000 to \$120,000 due August 30, 1991 through August 30, 2011 interest rates from 6.4% to 7.1%. The purpose of the bond was to construct and equip Locust Grove Elementary School.	240,000	120,000

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 7—Long-Term Debt: (Continued)**

**Primary Government-Governmental Activity Indebtedness: (Continued)**

Details of Long-Term Indebtedness: (Continued)

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b>Governmental: (continued)</b>		
<u>General obligation bonds: (continued)</u>		
School Bonds: (continued)		
\$1,710,000 issued January 17, 1994, due in annual installments ranging from \$35,000 to \$145,000 due December 15, 1994 through December 15, 2009, interest rates from 7.50% to 7.65%. This bond refunded \$1,395,000 and \$830,000 in bonds from 1989. The purpose of the bond was to construct a new elementary school.	\$ 35,000	\$ 35,000
\$2,830,000 issued November 16, 2000, due in annual installments ranging from \$110,000 to \$175,000 due July 15, 2001 through July 15, 2020, interest rates from 4.975% to 5.85%. The purpose of the bond was to construct and renovate Locust Grove Elementary, Orange County High, Orange Elementary, Lightfoot Elementary, Prospect Heights Middle, Gordon-Barbour Elementary, and Unionville Elementary Schools and the School Board office.	1,730,000	155,000
\$25,000,000 issued May 25, 2001, due in annual installments ranging from \$725,000 to \$1,955,000 due July 15, 2002 through July 15, 2021, interest rates from 4.1% to 5.6%. The purpose of the bond was to construct and renovate Locust Grove Elementary, Orange County High and Prospect Heights Middle schools.	19,050,000	1,050,000
\$1,615,000 issued November 7, 2002, due in annual installments ranging from \$50,000 to \$125,000 due July 15, 2003 through July 15, 2023, interest rates from 2.35% to 5.10%. The purpose of this bond was to finance construction, renovation and equipping of school projects for Unionville Elementary School, Prospect Heights Middle School, Lightfoot Elementary School and Orange Elementary School.	1,270,000	65,000
\$13,935,316 issued November 10, 2005 at a premium totaling \$773,146 due in annual installments ranging from \$647,840 to \$747,800, interest due semi-annually at rates from 2.30% to 3.59% through July 15, 2025. This bond refunded two \$7,500,000 bonds issued from 2002 and 2003. These bonds were for the purpose of financing projects at Locust Grove Elementary and Orange County High schools.	11,963,186	667,996

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 7—Long-Term Debt: (Continued)**

**Primary Government-Governmental Activity Indebtedness: (Continued)**

Details of Long-Term Indebtedness: (Continued)

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b>Governmental: (continued)</b>		
<u>General obligation bonds: (continued)</u>		
School Bonds: (continued)		
\$5,220,000 issued November 8, 2007 at a premium totaling \$280,267 due in annual installments ranging from \$260,000 to \$265,000, interest due semi-annually at rates from 4.35% to 5.10% through July 15, 2027. The purpose of the bond was to finance the construction of the Middle School in the eastern end of the County.	\$ 4,955,000	\$ 265,000
\$30,550,000 issued May 7, 2009 at a premium totaling \$2,847,298 due in annual installments ranging from \$1,525,000 to \$1,530,000, interest due semi-annually at rates from 4.05% to 5.05% through July 15, 2029. The purpose of the bond was to finance the construction of the Middle School in the eastern end of the County.	30,550,000	-
Premium on series 2005 bonds	551,439	62,123
Premium on series 2007 bonds	248,133	25,565
Premium on series 2009 bonds	<u>2,847,298</u>	<u>182,155</u>
Total general obligation bonds	<u>\$ 76,354,106</u>	<u>\$ 3,145,003</u>
Capital Lease Obligations:		
\$2,060,157 for lease purchase of Sedwick Building issued October 1, 1995, due in 180 installments of \$19,688 beginning November 1, 1995 through October 1, 2010 at an imputed interest rate of 8%	\$ 280,146	\$ 221,861
\$591,177 for lease purchase of four ambulances issued May 27, 2007, due in 5 annual installments of \$132,239 beginning July 15, 1997 through July 15, 2011 including interest at 5.482%	357,700	113,064
\$1,644,968 for lease purchase of a Pierce Truck issued March 14, 2008, due in annual installments varying from \$144,160 to \$190,861 beginning August 1, 2008 through February 1, 2018, interest due semiannually at a rate of 3.57%	<u>1,499,004</u>	<u>144,160</u>
Total capital lease obligations	<u>\$ 2,136,850</u>	<u>\$ 479,085</u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 7—Long-Term Debt: (Continued)**

**Primary Government-Governmental Activity Indebtedness: (Continued)**

Details of Long-Term Indebtedness: (Continued)

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b>Governmental: (continued)</b>		
<u>Lease Revenue and Refunding Bonds:</u>		
\$31,235,000 Series 2007, issued September 6, 2007 at a discount totaling \$724,544, due in annual installments varying from \$70,000 to \$2,005,000 beginning February 1, 2008 through February 1, 2034, with semi-annual interest payments beginning February 1, 2008 at annual interest rates from 4.25% to 5.00%. The purpose of the bond was to defease and advance refund the lease revenue bonds, series 2002 and to finance the Nursing Home project.	\$ 30,960,000	\$ 700,000
Discount on series 2007 bonds	(702,361)	(31,425)
Deferred amount on refunding	<u>(421,115)</u>	<u>(27,520)</u>
Total lease revenue and advance refunding bonds	<u>\$ 29,836,524</u>	<u>\$ 641,055</u>
Other post employment benefits	<u>\$ 159,772</u>	<u>\$ -</u>
Compensated absences (Payable from the General Fund)	<u>\$ 870,199</u>	<u>\$ 652,649</u>
Total governmental long-term obligations	<u><u>\$ 109,357,451</u></u>	<u><u>\$ 4,917,792</u></u>
<b>Business-type:</b>		
Compensated absences (Payable from the Airport Fund)	\$ 2,252	\$ 2,252
Accrued landfill closure and post-closure monitoring costs	<u>2,496,862</u>	<u>-</u>
Total business-type long-term obligations	<u><u>\$ 2,499,114</u></u>	<u><u>\$ 2,252</u></u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 7—Long-Term Debt: (Continued)**

**Discretely Presented Component Unit-School Board Indebtedness:**

	<b>Amounts Payable July 1, 2008</b>	<b>Increases</b>	<b>Decreases</b>	<b>Amounts Payable June 30, 2009</b>	<b>Amounts Due Within One Year</b>
Compensated absences	\$ 561,813	\$ 237,279	\$ 421,360	\$ 377,732	\$ 283,299
Other post employment benefits	-	614,425	154,150	460,275	-
Total Long-Term Liabilities	<u>\$ 561,813</u>	<u>\$ 851,704</u>	<u>\$ 575,510</u>	<u>\$ 838,007</u>	<u>\$ 283,299</u>

Reconciliation with Exhibit 1:

Long-term liabilities due within one year	\$ 283,299
Long-term liabilities due in more than one year	<u>554,708</u>
Total long-term debt	<u>\$ 838,007</u>

Details of Long-Term Indebtedness:

Compensated absences (Payable from the School Fund)	\$ 377,732
Other post employment benefits	<u>460,275</u>
Total long-term debt	<u>\$ 838,007</u>

**Note 8—Leases:**

Capital Leases

The government has entered into a lease agreement as lessee for financing the acquisition of the Sedwick office building, as well as leases to finance the acquisition of ambulances and fire trucks. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<b><u>Governmental Activities</u></b>
Asset:	
Building and building improvements	\$ 2,001,200
Vehicles	2,236,145
Less: Accumulated Depreciation	<u>(1,244,030)</u>
Total	<u>\$ 2,993,315</u>

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 8—Leases: (Continued)

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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2010	\$ 566,169
2011	388,978
2012	329,914
2013	197,674
2014	197,675
2015	197,675
2016	197,675
2017	197,675
2018	<u>197,673</u>
Total minimum lease payments	\$ 2,471,108
Less: Amount representing interest	<u>(334,258)</u>
Present value of minimum lease payments	<u>\$ 2,136,850</u>

### Note 9—Defined Benefit Pension Plan:

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#### A. Plan Description

Name of Plan: Virginia Retirement System (VRS)  
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/Publications/2008annurept.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

# COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

## Note 9—Defined Benefit Pension Plan: (Continued)

### B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School's contribution rates for the fiscal year ended 2009 were 9.56% and 5.07% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$2,149,150, \$2,365,919, and \$1,999,399 to the teacher cost-sharing pool for the fiscal years ended June 30, 2009, 2008 and 2007, respectively and these contributions represented 8.81%, 10.30%, and 9.20%, respectively, of current covered payroll.

### C. Annual Pension Cost

For fiscal year 2009, the County's annual pension cost of \$840,485 was equal to the County's required and actual contributions.

For fiscal year 2009, the County School Board's annual pension cost for the Board's non-professional employees was \$143,452 which was equal to the Board's required and actual contributions.

#### Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)<sup>1</sup></u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2009	\$ 840,485	100%	\$ -
June 30, 2008	800,253	100%	-
June 30, 2007	685,182	100%	-
School Board Non Professional:			
June 30, 2009	\$ 143,452	100%	\$ -
June 30, 2008	89,367	100%	-
June 30, 2007	91,341	100%	-

<sup>1</sup>Employer portion only

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 9—Defined Benefit Pension Plan: (Continued)

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#### D. Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the County's plan was 90.43% funded. The actuarial accrued liability for benefits was \$19,311,758, and the actuarial value of assets was \$17,463,071, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,848,687. The covered payroll (annual payroll of active employees covered by the plan) was \$8,703,420, and ratio of the UAAL to the covered payroll was 21.24%.

As of June 30, 2008, the most recent actuarial valuation date, the County School Board's plan was 106.50% funded. The actuarial accrued liability for benefits was \$6,228,003, and the actuarial value of assets was \$6,632,518, resulting in an unfunded actuarial accrued liability (UAAL) of (\$404,515). The covered payroll (annual payroll of active employees covered by the plan) was \$2,528,865, and ratio of the UAAL to the covered payroll was (16.00%).

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

### Note 10—Deferred Revenue:

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	<u>Government- wide Statements</u> <u>Governmental Activities</u>	<u>Balance Sheet</u> <u>Governmental Funds</u>
<b>Primary Government:</b>		
Deferred property tax revenue:		
Deferred revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	\$ -	\$ 1,243,872
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year	<u>288,579</u>	<u>288,579</u>
Total primary government	<u>\$ 288,579</u>	<u>\$ 1,532,451</u>

### Note 11—Commitments and Contingencies:

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Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 11—Commitments and Contingencies: (Continued)**

On September 16, 1996, the Economic Development Authority of Orange County, Virginia (EDA) entered into a residual value guaranty agreement with Holtzbrinck Publishing Holdings Limited Partnership (the Partnership). The EDA, as guarantor, has agreed to guarantee that the residual value of the property, plant and equipment constructed by the Partnership and located at 16365 James Madison Highway will not be less than \$4,000,000 following September 16, 2008. With proper vacation notice by the Partnership the EDA will have the option to purchase the property at the residual value or request the Partnership to offer it for sale. If the Partnership receives offers for less than \$4,000,000, the EDA has the option to reject the offer and purchase the property for \$4,000,000 or pay the difference between the net proceeds and \$4,000,000 to the Partnership. The Partnership and EDA entered into this agreement pursuant to requirements of a lending institution in order for the Partnership to borrow funds to construct the building and purchase necessary equipment for operations.

**Note 12—Capital Assets:**

**Primary Government**

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Balance, July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009<sup>(1)</sup></u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,542,318	\$ -	\$ (29,461)	\$ 1,512,857
Construction in progress	12,355,097	13,539,334	(22,739,990)	3,154,441
School construction in progress allocated to County	<u>815,243</u>	<u>4,179,939</u>	<u>-</u>	<u>4,995,182</u>
Total capital assets not being depreciated	<u>\$ 14,712,658</u>	<u>\$ 17,719,273</u>	<u>\$ (22,769,451)</u>	<u>\$ 9,662,480</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 17,618,819	\$ 19,877,101	\$ -	\$ 37,495,920
School Buildings and improvements	38,359,436	-	(2,424,810)	35,934,626
Furniture, equipment and vehicles	<u>5,159,848</u>	<u>3,515,249</u>	<u>(129,614)</u>	<u>8,545,483</u>
Total capital assets being depreciated	<u>\$ 61,138,103</u>	<u>\$ 23,392,350</u>	<u>\$ (2,554,424)</u>	<u>\$ 81,976,029</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (3,010,900)	\$ (1,353,750)	\$ -	\$ (4,364,650)
School Buildings and improvements	(2,376,944)	(718,692)	248,892	(2,846,744)
Furniture, equipment and vehicles	<u>(3,219,992)</u>	<u>(1,255,430)</u>	<u>129,614</u>	<u>(4,345,808)</u>
Total accumulated depreciation	<u>\$ (8,607,836)</u>	<u>\$ (3,327,872)</u>	<u>\$ 378,506</u>	<u>\$ (11,557,202)</u>
Capital assets being depreciated, net	<u>\$ 52,530,267</u>	<u>\$ 20,064,478</u>	<u>\$ (2,175,918)</u>	<u>\$ 70,418,827</u>
Net capital assets	<u>\$ 67,242,925</u>	<u>\$ 37,783,751</u>	<u>\$ (24,945,369)</u>	<u>\$ 80,081,307</u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 12—Capital Assets: (Continued)**

**Primary Government: (Continued)**

	<u>Balance, July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009<sup>(1)</sup></u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 624,303	\$ -	\$ -	\$ 624,303
Construction in progress	<u>1,888,775</u>	<u>1,178,574</u>	<u>-</u>	<u>3,067,349</u>
Total capital assets not being depreciated	<u>\$ 2,513,078</u>	<u>\$ 1,178,574</u>	<u>\$ -</u>	<u>\$ 3,691,652</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 6,204,010	\$ -	\$ -	\$ 6,204,010
Furniture, equipment and vehicles	<u>1,461,186</u>	<u>32,517</u>	<u>-</u>	<u>1,493,703</u>
Total capital assets being depreciated	<u>\$ 7,665,196</u>	<u>\$ 32,517</u>	<u>\$ -</u>	<u>\$ 7,697,713</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (482,236)	\$ (128,174)	\$ -	\$ (610,410)
Furniture, equipment and vehicles	<u>(1,421,176)</u>	<u>(20,284)</u>	<u>-</u>	<u>(1,441,460)</u>
Total accumulated depreciation	<u>\$ (1,903,412)</u>	<u>\$ (148,458)</u>	<u>\$ -</u>	<u>\$ (2,051,870)</u>
Capital assets being depreciated, net	<u>\$ 5,761,784</u>	<u>\$ (115,941)</u>	<u>\$ -</u>	<u>\$ 5,645,843</u>
Net capital assets	<u>\$ 8,274,862</u>	<u>\$ 1,062,633</u>	<u>\$ -</u>	<u>\$ 9,337,495</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
General government administration	\$ 1,651,916	\$ -	\$ 1,651,916
Judicial administration	4,411	-	4,411
Public safety	919,504	-	919,504
Public works	4,546	-	4,546
Education	718,692	-	718,692
Parks, recreation, and cultural	13,519	-	13,519
Community development	15,284	-	15,284
Airport	-	132,331	132,331
Landfill	<u>-</u>	<u>16,127</u>	<u>16,127</u>
Total depreciation expense-primary government	<u>\$ 3,327,872</u>	<u>\$ 148,458</u>	<u>\$ 3,476,330</u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 12—Capital Assets: (Continued)**

**Discretely Presented Component Unit**

Capital asset activity for the School Board for the year ended June 30, 2009 was as follows:

	<b>Balance July 1, 2008</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2009<sup>(1)</sup></b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 737,700	\$ -	\$ -	\$ 737,700
Construction in progress	815,243	4,179,939	-	4,995,182
Construction in progress allocated to County	<u>(815,243)</u>	<u>(4,179,939)</u>	<u>-</u>	<u>(4,995,182)</u>
Total capital assets not being depreciated	<u>\$ 737,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737,700</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 93,267,095	\$ 422,000	\$ -	\$ 93,689,095
Allocated to County	(38,359,436)	-	2,424,810	(35,934,626)
Furniture, equipment and vehicles	<u>7,665,940</u>	<u>580,267</u>	<u>(119,000)</u>	<u>8,127,207</u>
Total capital assets being depreciated	<u>\$ 62,573,599</u>	<u>\$ 1,002,267</u>	<u>\$ 2,305,810</u>	<u>\$ 65,881,676</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (40,340,404)	\$ (1,664,822)	\$ -	\$ (42,005,226)
Allocated to County	2,376,944	718,692	(248,892)	2,846,744
Furniture, equipment and vehicles	<u>(4,996,167)</u>	<u>(524,626)</u>	<u>119,000</u>	<u>(5,401,793)</u>
Total accumulated depreciation	<u>\$ (42,959,627)</u>	<u>\$ (1,470,756)</u>	<u>\$ (129,892)</u>	<u>\$ (44,560,275)</u>
Capital assets being depreciated, net	<u>\$ 19,613,972</u>	<u>\$ (468,489)</u>	<u>\$ 2,175,918</u>	<u>\$ 21,321,401</u>
Net capital assets	<u>\$ 20,351,672</u>	<u>\$ (468,489)</u>	<u>\$ 2,175,918</u>	<u>\$ 22,059,101</u>

School board depreciation expense for the year ended June 30, 2009 amounted to \$1,470,756.

<sup>(1)</sup> Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments on-behalf of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a tenancy in common with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Orange, Virginia for the year ended June 30, 2009, is that school financed assets in the amount of \$38,083,064 are reported in the Primary Government for financial reporting purposes.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 13—Deposits and Investments:

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#### Deposits

All cash of the primary government and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool), Section 2.2-4400 et.seq. of the Code of Virginia or covered by federal depository insurance.

#### 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), the 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).

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's \$2,417,111 investments in repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department, but not in the County's name. The County's policy on repurchase agreements states that third party safekeeping is not required for agreements of five days or less.

#### Credit Risk of Debt Securities

The Treasurer must limit investments to those allowed by the Code of Virginia. The Treasurer, however, may restrict investments beyond the limits imposed by the Code if such restrictions serve the purpose of further safeguarding County funds or are in the best interests of the County.

The allowable types of investments under the Code of Virginia are as follows:

1. Bonds, notes and other evidences of indebtedness of the State of Virginia, and other securities unconditionally guaranteed as to payment of principal and interest by the State of Virginia. (Section 2.1-327(1))
2. Bonds, notes and other obligations of the United States, and securities unconditionally guaranteed as to payment of principal and interest by the United States or any agency thereof. (2.1-327(2))
3. Bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body of the State of Virginia upon which there is no default; provided that such bonds, notes or other evidence of indebtedness are either direct legal obligations of, or unconditionally guaranteed as to payment of principal and interest by, the body in question; and revenue bonds issued by agencies or authorities of the State of Virginia or its political subdivisions upon which there is no default (2.1-328.6) and obligations of other states upon which there is no default (26-40(3)) and obligations of other counties, cities, etc. of other states upon which there is no default (26-40(5)).

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 13—Deposits and Investments: (Continued)

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#### Credit Risk of Debt Securities: (Continued)

4. The Local Government Investment Pool. Investments in this pool are subject to the rules and regulations as set forth by the Virginia Department of the Treasury which manages the pool.
5. The State Non-Arbitrage Pool (“SNAP”). Investments in this pool are limited to unexpended proceeds from the issuance of bonds, the interest on which is subject to rebate under the provisions of the Tax Reform Act of 1986. (2.1-324.9:1)
6. Savings accounts or time deposits in any bank or savings and loan association within the state of Virginia providing such bank or savings and loan association is approved for the deposit of other funds of the Commonwealth or other political subdivision thereof (a “qualified public depository”). Such savings accounts or time deposits must meet the collateralization requirements as set forth in the Virginia Security for Public Deposits act and the regulations of the State Treasury Board. The collateral must be a security or securities allowable as a direct investment with a market value of not less than fifty percent of the deposit amount where the depository is a commercial bank and not less than one hundred percent of the deposit amount where the depository is a savings and loan or savings bank. This collateral must be pledged to the state Treasury Board and held by the Board in its designated trust depository or another depository approved by the Board. (2.1-328.7 and 2.1-362)
7. Overnight, term or open repurchase agreements which are collateralized with securities that are approved for direct investment. The Treasurer may require that physical possession of the collateral be taken. Physical possession must be taken when the term of the repurchase agreement exceeds ten days. (2.1-328.4)
8. Banker’s acceptances from “prime quality” institutions. Prime quality shall be rated by an approved bank rating service with a rating no lower than “C” for domestic banks, or as rated by Standard & Poor’s, Inc. with a commercial paper rating no lower than A-1 or a senior debt rating no lower than “A”, or as rated by Moody’s Investors Service, Inc. with a commercial paper rating no lower than P-1 or a senior debt rating no lower than “A.” (2.1-328.3)
9. “Prime quality” commercial paper or “high quality” corporate notes. Prime quality shall be as rated by Standard & Poor’s, Inc. no lower than “A-1” or by Moody’s Investors Service, Inc. no lower than “P-1”. High quality shall be defined as rated by Standard & Poor’s no lower than “AA” or by Moody’s as no lower than “Aa” (2.1-328.10). Not more than thirty-five percent of the portfolio may be invested in commercial paper and corporate notes at any time. (2.1-328.0)
10. Certificates representing ownership in either treasury bond principal at maturity or its coupons for accrual periods. The underlying United States Treasury bonds or coupons shall be held by the Treasurer or a safekeeping agent independent of the seller of the certificates. (2.1-328.5)

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 13—Deposits and Investments: (Continued)**

Credit Risk of Debt Securities: (Continued)

The County's rated debt investments as of June 30, 2009 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale.

<b>County's Rated Debt Investments' Values</b>			
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>		
	<u>AAA</u>	<u>AA2</u>	
U.S. Agencies	\$ 6,840,521	\$	-
U.S. Treasury Note	1,782,150		-
Corporate Debt	826,836	268,515	
External Investment Pools	50,304,031		-
Repurchase Agreements - Underlying:			
U.S. Agency Securities	<u>2,417,111</u>		<u>-</u>
<b>Total</b>	<b>\$ <u>62,170,649</u></b>	<b>\$</b>	<b><u>268,515</u></b>

Interest Rate Risk

The County does not have policies related to interest rate risk.

<u>Investment Maturities (in years)</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than</u>	
		<u>1 Year</u>	<u>1-5 Years</u>
U.S. Treasuries	\$ 1,782,150	\$ 232,714	\$ 1,549,436
U.S. Agencies	6,840,521	869,996	5,970,525
Commercial Paper	<u>1,095,351</u>	<u>139,987</u>	<u>955,364</u>
<b>Total</b>	<b>\$ <u>9,718,022</u></b>	<b>\$ <u>1,242,697</u></b>	<b>\$ <u>8,475,325</u></b>

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 14—Surety Bonds:

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Fidelity and Deposit Company of Maryland - Surety:	
Linda S. Timmons, Clerk of the Circuit Court	\$ 24,000
Phyllis M. Yancey, Treasurer	400,000
Donna H. Chewning, Commissioner of the Revenue	3,000
Mark A. Amos, Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Robert D. Lingo, Director of Social Services	100,000
United States Fidelity and Guaranty Company - Surety:	
Larry Massie, Superintendent of Schools	10,000
Yvonne Dawson, Clerk of the School Board	10,000
Maryland Casualty Company - Surety:	
R. Mark Johnson, Supervisor	1,000
Teri L. Pace, Supervisor	1,000
S. Teel Goodwin, Jr., Supervisor	1,000
Zack Burkett, Supervisor	1,000
Lee Frame, Supervisor	1,000
William C. Rolfe, County Administrator	3,000

### Note 15—Risk Management:

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The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the government carries insurances.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

The County continues to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

### Note 16—Landfill Closure and Postclosure Care Cost:

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The County owns a landfill site. The County operates the site and collects tipping fees based upon the source of the waste. The County is responsible for the landfill closure costs.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 16—Landfill Closure and Postclosure Care Cost: (Continued)

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State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The \$2,496,862 reported as landfill closure care liability at June 30, 2009, represents the cumulative amount reported based on the use of 75.00 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure care in 2009. The County expects to close the landfill in the year 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from tipping fees revenue and from any funds accumulated for this purpose in the Landfill Fund.

### Note 17—Deferred Compensation Plan:

---

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

In compliance with revisions to Section 457 of the Internal Revenue Code effective August 20, 1996, these assets are held for the exclusive benefit of County employees. The County plan was amended during that year to provide that all assets are held in trust for participating employees. Accordingly, assets and the resulting liabilities of the Deferred Compensation Plan are no longer recorded in the County's financial statements.

### Note 18—Designated Fund Balances:

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The following fund balances were designated for subsequent expenditure at June 30, 2009:

Primary Government:	
General Fund:	
Destroyed livestock/poultry program	\$ 9,604
Park contributions	250
Pool contributions	27,989
Financial stability	<u>12,398,437</u>
Total General Fund	\$ <u>12,436,280</u>
Debt Service Fund	1,209,197
County Capital Projects Fund	<u>3,699,353</u>
Sub-total	\$ <u>17,344,830</u>
Discretely Presented Component Unit-School Board:	
School Textbook Adoptions Fund	\$ 977,344
Adult Education	<u>8,111</u>
Sub-total	\$ <u>985,455</u>
Total	\$ <u>18,330,285</u>

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 19—Reserved Fund Balances:

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The following fund balances were reserved for debt service:

Debt Service - Capitalized Interest	\$ <u>393,018</u>
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The following fund balances were reserved to provide funding for school capital projects:.

School Capital Projects - Eastern Middle School	\$ <u>34,274,967</u>
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### Note 20—Other Post-Employment Benefits Program:

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#### County:

#### A. Plan Description:

The County provides post-retirement health care insurance benefits for employees who are eligible for retirement benefits. All full-time employees who retire directly from the County are eligible. Employees applying for early or regular retirement are eligible to continue participation in the County retiree health plan.

#### B. Funding Policy:

The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. For participating retirees, the retiree will pay the full blended premium of the medical program.

#### C. Annual Required Contribution (ARC):

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 181,612
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	\$ <u>181,612</u>
Contribution made	<u>21,840</u>
Increase in net OPEB obligation	\$ <u>159,772</u>
Net OPEB obligation-beginning of year	-
Net OPEB obligation-end of year	\$ <u><u>159,772</u></u>

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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**Note 20—Other Post-Employment Benefits Program: (Continued)**

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**County: (Continued)**

C. Annual Required Contribution (ARC): (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 181,612	12% \$	159,772

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009 is as follows:

Actuarial accrued liability (AAL)	\$	963,831
Actuarial value of plan assets		-
Unfunded actuarial accrued liability		963,831
Funded ratio (actuarial value of plan assets / AAL)		0%
Covered payroll (active plan members)		N/A
UAAL as a percentage of covered payroll		N/A

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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### Note 20—Other Post-Employment Benefits Program: (Continued)

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#### County: (Continued)

##### E. Actuarial Methods and Assumptions: (Continued)

###### Cost Method

The projected unit credit (PUC) cost method was used for this valuation. The objective of this method is to fund each participant's benefits under the plan as they would accrue. Under this method the total value of the benefit to which each participant is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

###### Interest Assumptions

In the July 1, 2008, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 8.0 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2008, was thirty years.

	<u>Funded</u>
Discount rate	4.0%
Payroll growth	N/A

#### School Board:

##### A. Plan Description:

The School Board provides post-retirement health care insurance benefits for employees who are eligible for retirement benefits. All employees working at least 25 hours per week who retire directly from the School Board and is eligible to receive an early or regular retirement benefit from the VRS are eligible.

##### B. Funding Policy:

The School Board establishes employer contribution rates for plan participants as part of the budgetary process. The school board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. For participating retirees, the retiree will pay the full blended premium of the medical program.

**COUNTY OF ORANGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2009 (Continued)

**Note 20—Other Post-Employment Benefits Program: (Continued)**

**School Board: (Continued)**

C. Annual Required Contribution (ARC):

The School Board’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the School Board’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School Board’s net OPEB obligation:

Annual required contribution	\$ 614,425
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>\$ 614,425</u>
Contribution made	<u>154,150</u>
Increase in net OPEB obligation	\$ 460,275
Net OPEB obligation-beginning of year	-
Net OPEB obligation-end of year	<u><u>\$ 460,275</u></u>

The School Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 614,425	25%	\$ 460,275

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009 is as follows:

Actuarial accrued liability (AAL)	\$ 5,006,811
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	5,006,811
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

# COUNTY OF ORANGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2009 (Continued)

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## Note 20—Other Post-Employment Benefits Program: (Continued)

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### School Board: (Continued)

#### E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

#### Cost Method

The projected unit credit (PUC) cost method was used for this valuation. The objective of this method is to fund each participant's benefits under the plan as they would accrue. Under this method the total value of the benefit to which each participant is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

#### Interest Assumptions

In the July 1, 2008, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2008, was thirty years.

#### Funded

Discount rate	4.0%
Payroll growth	N/A

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## **REQUIRED SUPPLEMENTARY INFORMATION**

### **Note to Required Supplementary Information:**

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

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## General Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 29,241,617	\$ 29,241,617	\$ 30,505,130	\$ 1,263,513
Other local taxes	6,314,000	6,314,000	5,738,877	(575,123)
Permits, privilege fees, and regulatory licenses	490,619	490,619	178,415	(312,204)
Fines and forfeitures	1,000	1,000	260	(740)
Revenue from the use of money and property	1,310,268	1,310,268	716,128	(594,140)
Charges for services	2,034,169	2,073,154	1,805,677	(267,477)
Miscellaneous	240,149	393,110	603,602	210,492
Recovered costs	101,348	157,082	163,170	6,088
Intergovernmental revenues:				
Commonwealth	5,787,137	6,880,295	6,441,488	(438,807)
Federal	476,090	348,789	632,152	283,363
Total revenues	<u>\$ 45,996,397</u>	<u>\$ 47,209,934</u>	<u>\$ 46,784,899</u>	<u>\$ (425,035)</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,072,771	\$ 3,493,683	\$ 3,334,401	\$ 159,282
Judicial administration	1,456,623	1,540,713	1,483,072	57,641
Public safety	9,275,117	9,458,641	9,045,700	412,941
Public works	873,613	1,013,143	932,482	80,661
Health and welfare	1,348,279	2,030,403	1,941,227	89,176
Education	18,358,843	18,418,852	17,291,390	1,127,462
Parks, recreation, and cultural	2,109,842	2,084,162	1,750,969	333,193
Community development	1,607,628	1,683,740	1,541,267	142,473
Nondepartmental	665,563	140,240	70,641	69,599
Total expenditures	<u>\$ 38,768,279</u>	<u>\$ 39,863,577</u>	<u>\$ 37,391,149</u>	<u>\$ 2,472,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,228,118</u>	<u>\$ 7,346,357</u>	<u>\$ 9,393,750</u>	<u>\$ 2,047,393</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 55,856	\$ 55,856	\$ 55,856	\$ -
Transfers out	(11,680,030)	(11,627,924)	(11,627,873)	51
Total other financing sources and uses	<u>\$ (11,624,174)</u>	<u>\$ (11,572,068)</u>	<u>\$ (11,572,017)</u>	<u>\$ 51</u>
Net change in fund balances	\$ (4,396,056)	\$ (4,225,711)	\$ (2,178,267)	\$ 2,047,444
Fund balances - beginning	4,396,056	4,225,711	17,934,939	13,709,228
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,756,672</u>	<u>\$ 15,756,672</u>

County of Orange, Virginia  
 Virginia Public Assistance Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2009

Exhibit 13

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues:				
Commonwealth	\$ 1,591,679	\$ 1,591,679	\$ 835,815	\$ (755,864)
Federal	709,678	709,678	1,275,882	566,204
Total revenues	<u>\$ 2,301,357</u>	<u>\$ 2,301,357</u>	<u>\$ 2,111,697</u>	<u>\$ (189,660)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 3,041,739	\$ 3,011,739	\$ 2,609,250	\$ 402,489
Total expenditures	<u>\$ 3,041,739</u>	<u>\$ 3,011,739</u>	<u>\$ 2,609,250</u>	<u>\$ 402,489</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (740,382)</u>	<u>\$ (710,382)</u>	<u>\$ (497,553)</u>	<u>\$ 212,829</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 740,382	\$ 710,382	\$ 710,382	\$ -
Total other financing sources and uses	<u>\$ 740,382</u>	<u>\$ 710,382</u>	<u>\$ 710,382</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ 212,829	\$ 212,829
Fund balances - beginning	-	-	148,127	148,127
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,956</u>	<u>\$ 360,956</u>

**VIRGINIA RETIREMENT SYSTEM**

**PRIMARY GOVERNMENT:**

**County Retirement Plan**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
06/30/08	\$ 17,463,071	\$ 19,311,758	\$ 1,848,687	90.43%	\$ 8,703,420	21.24%
06/30/07	15,157,733	17,175,962	2,018,229	88.25%	8,182,908	24.66%
06/30/06	12,936,138	14,182,760	1,246,622	91.21%	6,708,895	18.58%

**DISCRETELY PRESENTED COMPONENT UNIT:**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
06/30/08	\$ 6,632,518	\$ 6,228,003	(404,515)	106.50%	\$ 2,528,865	-16.00%
06/30/07	5,990,541	5,757,230	(233,311)	104.05%	2,576,936	-9.05%
06/30/06	5,305,605	5,105,019	(200,586)	103.93%	2,486,594	-8.07%

**OTHER POST EMPLOYMENT BENEFITS**

**PRIMARY GOVERNMENT:**

**COUNTY**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
07/01/08	\$ -	\$ 963,831	\$ 963,831	0.00%	N/A	N/A

**DISCRETELY PRESENTED COMPONENT UNIT:**

**School Board Non-Professional Retirement Plan**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
07/01/08	\$ -	\$ 5,006,811	\$ 5,006,811	0.00%	N/A	N/A

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## **OTHER SUPPLEMENTARY INFORMATION**

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## **Combining and Individual Fund Statements and Schedules**

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Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 103	\$ 103
Total revenues	\$ -	\$ -	\$ 103	\$ 103
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 3,533,225	\$ 3,533,225	\$ 3,528,930	\$ 4,295
Interest and other fiscal charges	2,855,972	2,855,972	2,849,764	6,208
Total expenditures	\$ 6,389,197	\$ 6,389,197	\$ 6,378,694	\$ 10,503
Excess (deficiency) of revenues over (under) expenditures	\$ (6,389,197)	\$ (6,389,197)	\$ (6,378,591)	\$ (10,400)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 6,389,197	\$ 6,389,197	\$ 6,216,627	\$ 172,570
Net change in fund balances	\$ -	\$ -	\$ (161,964)	\$ (161,964)
Fund balances - beginning	-	-	1,371,161	1,371,161
Fund balances - ending	\$ -	\$ -	\$ 1,209,197	\$ 1,209,197

County of Orange, Virginia  
 County Capital Improvements Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2009

Exhibit 16

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ 127,847	\$ 145,990	\$ 18,143
Miscellaneous	85,000	85,292	116,797	31,505
Intergovernmental revenues:				
Commonwealth	158,131	150,761	7,800	(142,961)
Federal	-	231,139	231,179	40
Total revenues	<u>\$ 243,131</u>	<u>\$ 595,039</u>	<u>\$ 501,766</u>	<u>\$ (93,273)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ -	\$ 336,748	\$ 336,748	\$ -
Capital projects	3,132,936	17,931,919	14,105,050	3,826,869
Total expenditures	<u>\$ 3,132,936</u>	<u>\$ 18,268,667</u>	<u>\$ 14,441,798</u>	<u>\$ 3,826,869</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,889,805)</u>	<u>\$ (17,673,628)</u>	<u>\$ (13,940,032)</u>	<u>\$ 3,733,596</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 2,889,805	\$ 5,248,263	\$ 1,711,626	\$ (3,536,637)
Total other financing sources and uses	<u>\$ 2,889,805</u>	<u>\$ 5,248,263</u>	<u>\$ 1,711,626</u>	<u>\$ (3,536,637)</u>
Net change in fund balances	\$ -	\$ (12,425,365)	\$ (12,228,406)	\$ 196,959
Fund balances - beginning	-	12,425,365	16,320,777	3,895,412
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,092,371</u>	<u>\$ 4,092,371</u>

County of Orange, Virginia  
 School Capital Projects Fund

Exhibit 17

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 143,634	\$ 143,634
Total revenues	\$ -	\$ -	\$ 143,634	\$ 143,634
<b>EXPENDITURES</b>				
Current:				
Education	\$ -	\$ 100,000	\$ 98,371	\$ 1,629
Capital projects	44,780,000	38,021,534	3,873,243	34,148,291
Debt service	-	7,553	161,844	(154,291)
Total expenditures	\$ 44,780,000	\$ 38,129,087	\$ 4,133,458	\$ 33,995,629
Excess (deficiency) of revenues over (under) expenditures	\$ (44,780,000)	\$ (38,129,087)	\$ (3,989,824)	\$ 34,139,263
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 4,731,789	\$ -	\$ (4,731,789)
Transfers out	-	-	(212,718)	(212,718)
Issuance of Indebtedness	44,780,000	30,550,000	30,550,000	-
Premium on Bonds	-	2,847,298	2,847,298	-
Total other financing sources and uses	\$ 44,780,000	\$ 38,129,087	\$ 33,184,580	\$ (4,944,507)
Net change in fund balances	\$ -	\$ -	\$ 29,194,756	\$ 29,194,756
Fund balances - beginning	-	-	5,080,211	5,080,211
Fund balances - ending	\$ -	\$ -	\$ 34,274,967	\$ 34,274,967

**County of Orange, Virginia**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**As of June 30, 2009**

**Exhibit 18**

	<u>Asset Forfeiture Fund</u>	<u>Revenue Maximization Fund</u>	<u>Law Library Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,754	\$ -	\$ 31,301	\$ 41,055
Total assets	<u>\$ 9,754</u>	<u>\$ -</u>	<u>\$ 31,301</u>	<u>\$ 41,055</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 798	\$ -	\$ 568	\$ 1,366
Total liabilities	<u>\$ 798</u>	<u>\$ -</u>	<u>\$ 568</u>	<u>\$ 1,366</u>
Fund balances:				
Unreserved:				
Undesignated	\$ 8,956	\$ -	\$ 30,733	\$ 39,689
Total fund balances	<u>\$ 8,956</u>	<u>\$ -</u>	<u>\$ 30,733</u>	<u>\$ 39,689</u>
Total liabilities and fund balances	<u>\$ 9,754</u>	<u>\$ -</u>	<u>\$ 31,301</u>	<u>\$ 41,055</u>

County of Orange, Virginia  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2009

Exhibit 19

	Asset Forfeiture Fund	Revenue Maximization Fund	Law Library Fund	Total
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 518	\$ -	\$ -	\$ 518
Charges for services	-	-	4,427	4,427
Intergovernmental revenues:				
Commonwealth	3,279	-	-	3,279
Total revenues	<u>\$ 3,797</u>	<u>\$ -</u>	<u>\$ 4,427</u>	<u>\$ 8,224</u>
<b>EXPENDITURES</b>				
Current:				
Judicial administration	\$ 462	\$ -	\$ 2,155	\$ 2,617
Public safety	650	-	-	650
Total expenditures	<u>\$ 1,112</u>	<u>\$ -</u>	<u>\$ 2,155</u>	<u>\$ 3,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,685</u>	<u>\$ -</u>	<u>\$ 2,272</u>	<u>\$ 4,957</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ (55,856)	\$ -	\$ (55,856)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ (55,856)</u>	<u>\$ -</u>	<u>\$ (55,856)</u>
Net change in fund balances	\$ 2,685	\$ (55,856)	\$ 2,272	\$ (50,899)
Fund balances - beginning	6,271	55,856	28,461	90,588
Fund balances - ending	<u>\$ 8,956</u>	<u>\$ -</u>	<u>\$ 30,733</u>	<u>\$ 39,689</u>

County of Orange, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2009

	<b>Asset Forfeiture Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ 37	\$ 518	\$ 481
Charges for services	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	949	3,279	2,330
Total revenues	<u>\$ -</u>	<u>\$ 986</u>	<u>\$ 3,797</u>	<u>\$ 2,811</u>
<b>EXPENDITURES</b>				
Current:				
Judicial administration	\$ -	\$ 3,419	\$ 462	\$ 2,957
Public safety	-	3,838	650	3,188
Total expenditures	<u>\$ -</u>	<u>\$ 7,257</u>	<u>\$ 1,112</u>	<u>\$ 6,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (6,271)</u>	<u>\$ 2,685</u>	<u>\$ 8,956</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 6,271	\$ -	\$ (6,271)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>\$ -</u>	<u>\$ 6,271</u>	<u>\$ -</u>	<u>\$ (6,271)</u>
Net change in fund balances	\$ -	\$ -	\$ 2,685	\$ 2,685
Fund balances - beginning	-	-	6,271	6,271
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,956</u>	<u>\$ 8,956</u>

Revenue Maximization Fund				Law Library Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,700	3,700	4,427	727
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 3,700	\$ 3,700	\$ 4,427	\$ 727
\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 2,155	\$ 2,845
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 2,155	\$ 2,845
\$ -	\$ -	\$ -	\$ -	\$ (1,300)	\$ (1,300)	\$ 2,272	\$ 3,572
\$ 55,856	\$ 55,856	\$ -	\$ (55,856)	\$ 1,300	\$ 1,300	\$ -	\$ 1,300
(55,856)	(55,856)	(55,856)	-	-	-	-	-
\$ -	\$ -	\$ (55,856)	\$ (55,856)	\$ 1,300	\$ 1,300	\$ -	\$ 1,300
\$ -	\$ -	\$ (55,856)	\$ (55,856)	\$ -	\$ -	\$ 2,272	\$ 2,272
-	-	55,856	55,856	-	-	28,461	28,461
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,733	\$ 30,733

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County of Orange, Virginia  
 Combining Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 As of June 30, 2009

Exhibit 21

	<u>Agency Funds</u>				<u>Total</u>
	<u>Special Welfare</u>	<u>Rapidan Hills Limited Partnership Fund</u>	<u>Commonwealth Fund</u>	<u>Bond Escrow Agency Fund</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 27,741	\$ 7,376	\$ 1,240	\$ 285,525	\$ 321,882
Total assets	<u>\$ 27,741</u>	<u>\$ 7,376</u>	<u>\$ 1,240</u>	<u>\$ 285,525</u>	<u>\$ 321,882</u>
<b>LIABILITIES</b>					
Amounts held for social services clients	\$ 27,741	\$ -	\$ -	\$ -	\$ 27,741
Amounts held for Rapidan Hills Limited Partnership	-	7,376	-	-	7,376
Amounts held for others	-	-	1,240	285,525	286,765
Total liabilities	<u>\$ 27,741</u>	<u>\$ 7,376</u>	<u>\$ 1,240</u>	<u>\$ 285,525</u>	<u>\$ 321,882</u>

County of Orange, Virginia  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2009

Exhibit 22

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special Welfare Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,208	\$ 20,677	\$ 26,144	\$ 27,741
Total assets	<u>\$ 33,208</u>	<u>\$ 20,677</u>	<u>\$ 26,144</u>	<u>\$ 27,741</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 33,208	\$ 20,677	\$ 26,144	\$ 27,741
Total liabilities	<u>\$ 33,208</u>	<u>\$ 20,677</u>	<u>\$ 26,144</u>	<u>\$ 27,741</u>
<b>Rapidan Hills Limited Partnership:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,376	\$ -	\$ -	\$ 7,376
Total assets	<u>\$ 7,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,376</u>
<b>LIABILITIES</b>				
Amounts held for Rapidan Hills Limited Partnership	\$ 7,376	\$ -	\$ -	\$ 7,376
Total liabilities	<u>\$ 7,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,376</u>
<b>Commonwealth Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,135	\$ 2,213,942	\$ 2,216,837	\$ 1,240
Total assets	<u>\$ 4,135</u>	<u>\$ 2,213,942</u>	<u>\$ 2,216,837</u>	<u>\$ 1,240</u>
<b>LIABILITIES</b>				
Amounts held for others	\$ 4,135	\$ 2,213,942	\$ 2,216,837	\$ 1,240
Total liabilities	<u>\$ 4,135</u>	<u>\$ 2,213,942</u>	<u>\$ 2,216,837</u>	<u>\$ 1,240</u>
<b>Bond Escrow Agency Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 360,115	\$ -	\$ 74,590	\$ 285,525
Total assets	<u>\$ 360,115</u>	<u>\$ -</u>	<u>\$ 74,590</u>	<u>\$ 285,525</u>
<b>LIABILITIES</b>				
Amounts held for others	\$ 360,115	\$ -	\$ 74,590	\$ 285,525
Total liabilities	<u>\$ 360,115</u>	<u>\$ -</u>	<u>\$ 74,590</u>	<u>\$ 285,525</u>
<b>Totals - All Agency Funds:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 404,834	\$ 2,234,619	\$ 2,317,571	\$ 321,882
Total assets	<u>\$ 404,834</u>	<u>\$ 2,234,619</u>	<u>\$ 2,317,571</u>	<u>\$ 321,882</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 33,208	\$ 20,677	\$ 26,144	\$ 27,741
Amounts held for Rapidan Hills Limited Partnership	7,376	-	-	7,376
Amounts held for others	364,250	2,213,942	2,291,427	286,765
Total liabilities	<u>\$ 404,834</u>	<u>\$ 2,234,619</u>	<u>\$ 2,317,571</u>	<u>\$ 321,882</u>

## **Discretely Presented Component Unit–School Board**

### **Major Governmental Funds**

School Operating Fund – The School Operating Fund is a special revenue fund that accounts for the operations of the County’s school system. Financing is provided by the State and Federal Governments as well as contributions from the general fund.

School Textbook Adoptions Fund – The School Textbook Adoptions Fund is a special revenue fund that accounts for transactions related to the adoption of textbooks to be utilized in the County’s school system.

Adult Education Fund – The Adult Education Fund is a special revenue fund that accounts for transactions related to the regional adult education program the County oversees.

### **Nonmajor Governmental Funds**

School Cafeteria Fund – The Cafeteria Fund is a special revenue fund that accounts for the County’s school lunch program. Financing is provided from lunch sales and state and federal reimbursements.

Head Start Fund – The Head Start Fund is a special revenue fund that accounts for the operations of the County’s Head Start program. Financing is provided by the Federal government.

County of Orange, Virginia  
Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
As of June 30, 2009

Exhibit 23

	<u>School Operating Fund</u>	<u>School Textbook Adoptions Fund</u>	<u>Adult Education Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 977,344	\$ -	\$ 108,835	\$ 1,086,179
Receivables (net of allowance for uncollectibles):					
Accounts receivable	70,919	-	5,889	3,701	80,509
Due from primary government	3,204,155	-	-	-	3,204,155
Due from other governmental units	1,030,992	-	44,989	-	1,075,981
Total assets	<u>\$ 4,306,066</u>	<u>\$ 977,344</u>	<u>\$ 50,878</u>	<u>\$ 112,536</u>	<u>\$ 5,446,824</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ 511,595	\$ -	\$ 3,138	\$ 34,575	\$ 549,308
Reconciled overdraft	93,247	-	39,629	1,974	134,850
Accrued liabilities	3,701,224	-	-	-	3,701,224
Total liabilities	<u>\$ 4,306,066</u>	<u>\$ -</u>	<u>\$ 42,767</u>	<u>\$ 36,549</u>	<u>\$ 4,385,382</u>

Fund balances:

Unreserved:

Designated for subsequent expenditure	\$ -	\$ 977,344	\$ 8,111	\$ -	\$ 985,455
Undesignated	-	-	-	75,987	75,987
Total fund balances	<u>\$ -</u>	<u>\$ 977,344</u>	<u>\$ 8,111</u>	<u>\$ 75,987</u>	<u>\$ 1,061,442</u>
Total liabilities and fund balances	<u>\$ 4,306,066</u>	<u>\$ 977,344</u>	<u>\$ 50,878</u>	<u>\$ 112,536</u>	<u>\$ 5,446,824</u>

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Total fund balances per above	\$ 1,061,442
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,059,101
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(838,007)</u>
Net assets of governmental activities	<u>\$ 22,282,536</u>

County of Orange, Virginia  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2009

Exhibit 24

	School Operating Fund	School Textbook Adoptions Fund	Adult Education Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Revenue from the use of money and property	\$ 14,094	\$ -	\$ -	\$ 779	\$ 14,873
Charges for services	33,870	-	40,856	1,053,289	1,128,015
Miscellaneous	363,874	-	-	-	363,874
Intergovernmental revenues:					
Local government	17,310,650	410,245	-	-	17,720,895
Commonwealth	25,687,055	-	74,635	22,432	25,784,122
Federal	1,905,652	-	137,407	1,685,805	3,728,864
Total revenues	<u>\$ 45,315,195</u>	<u>\$ 410,245</u>	<u>\$ 252,898</u>	<u>\$ 2,762,305</u>	<u>\$ 48,740,643</u>
<b>EXPENDITURES</b>					
Current:					
Education	\$ 45,265,100	\$ 31,985	\$ 289,524	\$ 2,758,573	\$ 48,345,182
Total expenditures	<u>\$ 45,265,100</u>	<u>\$ 31,985</u>	<u>\$ 289,524</u>	<u>\$ 2,758,573</u>	<u>\$ 48,345,182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 50,095</u>	<u>\$ 378,260</u>	<u>\$ (36,626)</u>	<u>\$ 3,732</u>	<u>\$ 395,461</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ 11,345	\$ 38,750	\$ 50,095
Transfers out	(50,095)	-	-	-	(50,095)
Total other financing sources and uses	<u>\$ (50,095)</u>	<u>\$ -</u>	<u>\$ 11,345</u>	<u>\$ 38,750</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 378,260	\$ (25,281)	\$ 42,482	\$ 395,461
Fund balances - beginning	-	599,084	33,392	33,505	665,981
Fund balances - ending	<u>\$ -</u>	<u>\$ 977,344</u>	<u>\$ 8,111</u>	<u>\$ 75,987</u>	<u>\$ 1,061,442</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ 395,461

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. 1,707,429

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (460,275)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. 184,081

Change in net assets of governmental activities \$ 1,826,696

County of Orange, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2009

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 19,545	\$ 19,545	\$ 14,094	\$ (5,451)
Charges for services	44,000	44,000	33,870	(10,130)
Miscellaneous	166,732	166,732	363,874	197,142
Intergovernmental revenues:				
Local government	17,942,984	18,439,741	17,310,650	(1,129,091)
Commonwealth	26,604,492	26,762,623	25,687,055	(1,075,568)
Federal	1,976,094	1,976,094	1,905,652	(70,442)
Total revenues	<u>\$ 46,753,847</u>	<u>\$ 47,408,735</u>	<u>\$ 45,315,195</u>	<u>\$ (2,093,540)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 46,702,554	\$ 47,327,442	\$ 45,265,100	\$ 2,062,342
Total expenditures	<u>\$ 46,702,554</u>	<u>\$ 47,327,442</u>	<u>\$ 45,265,100</u>	<u>\$ 2,062,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 51,293</u>	<u>\$ 81,293</u>	<u>\$ 50,095</u>	<u>\$ (31,198)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	-
Transfers out	(51,293)	(81,293)	(50,095)	31,198
Total other financing sources and uses	<u>\$ (51,293)</u>	<u>\$ (81,293)</u>	<u>\$ (50,095)</u>	<u>\$ 31,198</u>
Net change in fund balances	\$ -	\$ -	\$ -	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Textbook Adoptions Fund				Adult Education Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	22,049	22,049	40,856	18,807
-	-	-	-	-	-	-	-
410,245	410,245	410,245	-	-	-	-	-
-	-	-	-	72,287	72,287	74,635	2,348
-	-	-	-	165,676	165,676	137,407	(28,269)
<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ -</u>	<u>\$ 260,012</u>	<u>\$ 260,012</u>	<u>\$ 252,898</u>	<u>\$ (7,114)</u>
\$ 250,000	\$ 250,000	\$ 31,985	\$ 218,015	\$ 301,238	\$ 301,238	\$ 289,524	\$ 11,714
<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 31,985</u>	<u>\$ 218,015</u>	<u>\$ 301,238</u>	<u>\$ 301,238</u>	<u>\$ 289,524</u>	<u>\$ 11,714</u>
\$ 160,245	\$ 160,245	\$ 378,260	\$ 218,015	\$ (41,226)	\$ (41,226)	\$ (36,626)	\$ 4,600
\$ -	\$ -	\$ -	\$ -	\$ 41,226	\$ 41,226	\$ 11,345	\$ 29,881
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,226</u>	<u>\$ 41,226</u>	<u>\$ 11,345</u>	<u>\$ 29,881</u>
\$ 160,245	\$ 160,245	\$ 378,260	\$ 218,015	\$ -	\$ -	\$ (25,281)	\$ (25,281)
-	-	599,084	599,084	-	-	33,392	33,392
<u>\$ 160,245</u>	<u>\$ 160,245</u>	<u>\$ 977,344</u>	<u>\$ 817,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,111</u>	<u>\$ 8,111</u>

Combining Balance Sheet

Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board

As of June 30, 2009

	School Cafeteria Fund	Employee Child Care Fund	Head Start Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 108,160	\$ -	\$ 675	\$ 108,835
Receivables (net of allowance for uncollectibles):				
Accounts receivable	1,847	1,854	-	3,701
Total assets	<u>\$ 110,007</u>	<u>\$ 1,854</u>	<u>\$ 675</u>	<u>\$ 112,536</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 33,633	\$ 267	\$ 675	\$ 34,575
Reconciled overdraft	-	1,974	-	1,974
Total liabilities	<u>\$ 33,633</u>	<u>\$ 2,241</u>	<u>\$ 675</u>	<u>\$ 36,549</u>
Fund balances:				
Unreserved:				
Undesignated	\$ 76,374	\$ (387)	\$ -	\$ 75,987
Total fund balances	<u>\$ 76,374</u>	<u>\$ (387)</u>	<u>\$ -</u>	<u>\$ 75,987</u>
Total liabilities and fund balances	<u>\$ 110,007</u>	<u>\$ 1,854</u>	<u>\$ 675</u>	<u>\$ 112,536</u>

County of Orange, Virginia  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2009

Exhibit 27

	School Cafeteria Fund	Employee Child Care Fund	Head Start Fund	Total
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 779	\$ -	\$ -	\$ 779
Charges for services	940,995	112,294	-	1,053,289
Intergovernmental revenues:				
Commonwealth	22,432	-	-	22,432
Federal	761,152	-	924,653	1,685,805
Total revenues	<u>\$ 1,725,358</u>	<u>\$ 112,294</u>	<u>\$ 924,653</u>	<u>\$ 2,762,305</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 1,691,239	\$ 142,681	\$ 924,653	\$ 2,758,573
Total expenditures	<u>\$ 1,691,239</u>	<u>\$ 142,681</u>	<u>\$ 924,653</u>	<u>\$ 2,758,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 34,119</u>	<u>\$ (30,387)</u>	<u>\$ -</u>	<u>\$ 3,732</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 8,750	\$ 30,000	\$ -	\$ 38,750
Total other financing sources and uses	<u>\$ 8,750</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 38,750</u>
Net change in fund balances	\$ 42,869	\$ (387)	\$ -	\$ 42,482
Fund balances - beginning	33,505	-	-	33,505
Fund balances - ending	<u>\$ 76,374</u>	<u>\$ (387)</u>	<u>\$ -</u>	<u>\$ 75,987</u>

County of Orange, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2009

	<b>School Cafeteria Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 779	\$ 779
Charges for services	936,846	936,846	940,995	4,149
Intergovernmental revenues:				
Commonwealth	22,781	22,781	22,432	(349)
Federal	668,525	668,525	761,152	92,627
Total revenues	<u>\$ 1,628,152</u>	<u>\$ 1,628,152</u>	<u>\$ 1,725,358</u>	<u>\$ 97,206</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 1,666,511	\$ 1,666,511	\$ 1,691,239	\$ (24,728)
Total expenditures	<u>\$ 1,666,511</u>	<u>\$ 1,666,511</u>	<u>\$ 1,691,239</u>	<u>\$ (24,728)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (38,359)</u>	<u>\$ (38,359)</u>	<u>\$ 34,119</u>	<u>\$ 72,478</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 38,359	\$ 38,359	\$ 8,750	\$ (29,609)
Total other financing sources and uses	<u>\$ 38,359</u>	<u>\$ 38,359</u>	<u>\$ 8,750</u>	<u>\$ (29,609)</u>
Net change in fund balances	\$ -	\$ -	\$ 42,869	\$ 42,869
Fund balances - beginning	-	-	33,505	33,505
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,374</u>	<u>\$ 76,374</u>

Employee Child Care Fund				Head Start Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	158,200	112,294	(45,906)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	922,961	922,961	924,653	1,692
\$ -	\$ 158,200	\$ 112,294	\$ (45,906)	\$ 922,961	\$ 922,961	\$ 924,653	\$ 1,692
\$ -	\$ 184,502	\$ 142,681	\$ 41,821	\$ 922,961	\$ 922,961	\$ 924,653	\$ (1,692)
\$ -	\$ 184,502	\$ 142,681	\$ 41,821	\$ 922,961	\$ 922,961	\$ 924,653	\$ (1,692)
\$ -	\$ (26,302)	\$ (30,387)	\$ (4,085)	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 3,698	\$ (387)	\$ 4,085	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ -	\$ 3,698	\$ (387)	\$ 4,085	\$ -	\$ -	\$ -	\$ -

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**Discretely Presented Component Unit-**  
**Economic Development Authority**

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**County of Orange, Virginia**  
**Balance Sheet**  
**Discretely Presented Component Unit - Economic Development Authority**  
**As of June 30, 2009**

**Exhibit 29**

	<b>Economic Development Authority</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,216,901
Total assets	<u>\$ 1,216,901</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 373
Total liabilities	<u>\$ 373</u>
Fund balances:	
Unreserved:	
Undesignated	\$ 1,216,528
Total liabilities and fund balances	<u>\$ 1,216,901</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 1,216,528
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>22</u>
Net assets of governmental activities	<u>\$ 1,216,550</u>

**County of Orange, Virginia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds - Discretely Presented Component Unit - Economic Development Authority**  
**For the Year Ended June 30, 2009**

**Exhibit 30**

	<b>Total Governmental Funds</b>
<b>REVENUES</b>	
Revenue from the use of money and property	\$ 20,767
Miscellaneous	189
Intergovernmental revenues:	
Contribution from County of Orange	177,253
Total revenues	<u>\$ 198,209</u>
<b>EXPENDITURES</b>	
Current:	
Community development	\$ 47,197
Miscellaneous - contingencies and incentives	80,048
Total expenditures	<u>\$ 127,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 70,964</u>
Fund balances - beginning	1,145,564
Fund balances - ending	<u>\$ 1,216,528</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Net change in fund balances - total governmental funds - per above	\$ 70,964
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.	<u>-</u>
Change in net assets of governmental activities	<u>\$ 70,964</u>

## **Supporting Schedules**

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County of Orange, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2009

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 22,625,660	\$ 22,625,660	\$ 23,342,108	\$ 716,448
Real and personal public service corporation taxes	420,670	420,670	662,409	241,739
Personal property taxes	4,347,287	4,347,287	4,711,580	364,293
Mobile home taxes	-	-	25,362	25,362
Machinery and tools taxes	1,210,000	1,210,000	1,004,940	(205,060)
Merchants' capital taxes	150,000	150,000	154,789	4,789
Airplanes	18,000	18,000	17,774	(226)
Boats	155,000	155,000	170,189	15,189
Penalties	230,000	230,000	279,835	49,835
Interest	85,000	85,000	136,144	51,144
Total general property taxes	<u>\$ 29,241,617</u>	<u>\$ 29,241,617</u>	<u>\$ 30,505,130</u>	<u>\$ 1,263,513</u>
Other local taxes:				
Local sales and use taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,825,239	\$ (174,761)
Consumers' utility taxes	2,155,000	2,155,000	2,091,128	(63,872)
Consumption taxes	85,000	85,000	91,249	6,249
E-911 telephone taxes	-	-	90	90
Utility license taxes	27,000	27,000	29,748	2,748
Motor vehicle licenses	645,000	645,000	662,465	17,465
Bank stock taxes	40,000	40,000	43,744	3,744
Taxes on recordation and wills	750,000	750,000	471,439	(278,561)
Hotel and motel room taxes	12,000	12,000	9,756	(2,244)
Restaurant food taxes	600,000	600,000	514,019	(85,981)
Total other local taxes	<u>\$ 6,314,000</u>	<u>\$ 6,314,000</u>	<u>\$ 5,738,877</u>	<u>\$ (575,123)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 9,000	\$ 9,000	\$ 13,613	\$ 4,613
Land use application fees	6,000	6,000	4,274	(1,726)
Transfer fees	2,000	2,000	1,126	(874)
Building and related permits	386,721	386,721	117,728	(268,993)
Zoning and related permits	86,898	86,898	41,674	(45,224)
Total permits, privilege fees, and regulatory licenses	<u>\$ 490,619</u>	<u>\$ 490,619</u>	<u>\$ 178,415</u>	<u>\$ (312,204)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,000	\$ 1,000	\$ 260	\$ (740)
Revenue from use of money and property:				
Revenue from use of money	\$ 1,200,000	\$ 1,200,000	\$ 574,637	\$ (625,363)
Revenue from use of property	110,268	110,268	141,491	31,223
Total revenue from use of money and property	<u>\$ 1,310,268</u>	<u>\$ 1,310,268</u>	<u>\$ 716,128</u>	<u>\$ (594,140)</u>
Charges for services:				
Excess fees of clerk	\$ 100,000	\$ 100,000	\$ 10,307	\$ (89,693)
Charges for law enforcement and traffic control	288,150	313,898	326,932	13,034
Charges for courthouse maintenance	13,500	13,500	14,812	1,312
Charges for EMS services	700,000	708,205	854,699	146,494
Charges for Commonwealth's Attorney	1,135	1,135	1,981	846
Charges for other protection	72,500	72,500	72,723	223
Charges for parks and recreation	818,844	818,844	489,837	(329,007)
Charges for maps and surveys	1,400	1,574	1,334	(240)

County of Orange, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for tourism	\$ -	\$ 523	\$ 547	\$ 24
Charges for library	38,640	42,975	32,505	(10,470)
Total charges for services	<u>\$ 2,034,169</u>	<u>\$ 2,073,154</u>	<u>\$ 1,805,677</u>	<u>\$ (267,477)</u>
Miscellaneous revenue:				
Miscellaneous	\$ 223,849	\$ 283,673	\$ 508,588	\$ 224,915
Donations	16,300	109,437	95,014	(14,423)
Total miscellaneous revenue	<u>\$ 240,149</u>	<u>\$ 393,110</u>	<u>\$ 603,602</u>	<u>\$ 210,492</u>
Recovered costs:				
Judge's secretary	\$ 36,348	\$ 36,348	\$ 12,439	\$ (23,909)
Insurance recoveries	-	55,734	64,544	8,810
Other recovered costs	65,000	65,000	86,187	21,187
Total recovered costs	<u>\$ 101,348</u>	<u>\$ 157,082</u>	<u>\$ 163,170</u>	<u>\$ 6,088</u>
Total revenue from local sources	<u>\$ 39,733,170</u>	<u>\$ 39,980,850</u>	<u>\$ 39,711,259</u>	<u>\$ (269,591)</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 11,884	\$ 11,884	\$ -	\$ (11,884)
Wine taxes	12,456	12,456	-	(12,456)
Motor vehicle carriers' tax	38,351	38,351	39,685	1,334
Mobile home titling tax	30,000	30,000	21,625	(8,375)
Recordation Taxes from State	157,547	157,547	145,717	(11,830)
Motor vehicle rental tax	2,200	2,200	4,128	1,928
Personal property tax relief funds	2,763,073	2,763,073	2,763,073	-
Total noncategorical aid	<u>\$ 3,015,511</u>	<u>\$ 3,015,511</u>	<u>\$ 2,974,228</u>	<u>\$ (41,283)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 220,626	\$ 220,626	\$ 226,569	\$ 5,943
Sheriff	1,253,729	1,253,729	985,866	(267,863)
Commissioner of revenue	108,734	108,734	112,612	3,878
Treasurer	121,216	121,216	125,119	3,903
Medical examiner	500	500	-	(500)
Registrar/electoral board	57,772	57,772	51,755	(6,017)
Clerk of the Circuit Court	229,288	279,091	274,319	(4,772)
Total shared expenses	<u>\$ 1,991,865</u>	<u>\$ 2,041,668</u>	<u>\$ 1,776,240</u>	<u>\$ (265,428)</u>
Other categorical aid:				
DCJS Senior Security grant funds	\$ -	\$ -	\$ 2,475	\$ 2,475
Emergency Services Grant	25,000	32,900	25,000	(7,900)
Virginia Commission for the Arts	4,500	4,500	-	(4,500)
State share of the county library	177,993	189,992	126,301	(63,691)
State Miscellaneous	16,000	16,000	1,218	(14,782)
ISTEA-Montpelier	42,618	286,471	286,471	-
Two for Life	27,000	27,000	55,805	28,805
Fire Programs	50,000	216,500	55,164	(161,336)
DCJS-Victim Witness Assist. Program	47,625	47,625	95,516	47,891
Comprehensive Services For Youth	255,611	785,999	756,830	(29,169)
Virginia Crime Control Act Grant	28,439	28,439	20,779	(7,660)

County of Orange, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Tobacco Grant	\$ -	\$ -	\$ 2,245	\$ 2,245
School Resource Officer	-	-	83,340	83,340
E911 Wireliess Funds	100,000	100,000	108,310	8,310
Spay/Neuter	-	-	210	210
Other State Funds	4,975	87,690	71,356	(16,334)
Total other categorical aid	<u>\$ 779,761</u>	<u>\$ 1,823,116</u>	<u>\$ 1,691,020</u>	<u>\$ (132,096)</u>
Total categorical aid	<u>\$ 2,771,626</u>	<u>\$ 3,864,784</u>	<u>\$ 3,467,260</u>	<u>\$ (397,524)</u>
Total revenue from the Commonwealth	<u>\$ 5,787,137</u>	<u>\$ 6,880,295</u>	<u>\$ 6,441,488</u>	<u>\$ (438,807)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ -	\$ -	\$ 4,878	\$ 4,878
Categorical aid:				
State Homeland Security	\$ -	\$ 1,294	\$ 7,900	\$ 6,606
UDS Child/Adult Food Program	10,000	10,000	-	(10,000)
ISTEA Funds Montpelier Project	286,000	136,000	136,000	-
DMV Grant	-	21,405	19,150	(2,255)
SAFER Grant	180,090	180,090	180,090	-
ARRA Stabilization Federal Funds	-	-	284,134	284,134
Total categorical aid	<u>\$ 476,090</u>	<u>\$ 348,789</u>	<u>\$ 627,274</u>	<u>\$ 278,485</u>
Total revenue from the federal government	<u>\$ 476,090</u>	<u>\$ 348,789</u>	<u>\$ 632,152</u>	<u>\$ 283,363</u>
Total General Fund	<u>\$ 45,996,397</u>	<u>\$ 47,209,934</u>	<u>\$ 46,784,899</u>	<u>\$ (425,035)</u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,591,679	\$ 1,591,679	\$ 835,815	\$ (755,864)
Total revenue from the Commonwealth	<u>\$ 1,591,679</u>	<u>\$ 1,591,679</u>	<u>\$ 835,815</u>	<u>\$ (755,864)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 709,678	\$ 709,678	\$ 1,252,971	\$ 543,293
Public assistance and welfare administration - ARRA	-	-	22,911	22,911
Total revenue from the federal government	<u>\$ 709,678</u>	<u>\$ 709,678</u>	<u>\$ 1,275,882</u>	<u>\$ 566,204</u>
Total Virginia Public Assistance Fund	<u>\$ 2,301,357</u>	<u>\$ 2,301,357</u>	<u>\$ 2,111,697</u>	<u>\$ (189,660)</u>

County of Orange, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (continued)</b>				
<b>Asset Forfeiture Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ 37	\$ 518	\$ 481
Total revenue from local sources	\$ -	\$ 37	\$ 518	\$ 481
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ 949	\$ 3,279	\$ 2,330
Total revenue from the commonwealth	\$ -	\$ 949	\$ 3,279	\$ 2,330
Total Asset Forfeiture Fund	\$ -	\$ 986	\$ 3,797	\$ 2,811
<b>Law Library Fund:</b>				
Revenue from local sources:				
Charges for services:				
Law library fees	\$ 3,700	\$ 3,700	\$ 4,427	\$ 727
Total charges for services	\$ 3,700	\$ 3,700	\$ 4,427	\$ 727
Total revenue from local sources	\$ 3,700	\$ 3,700	\$ 4,427	\$ 727
Total Law Library Fund	\$ 3,700	\$ 3,700	\$ 4,427	\$ 727
<b>Debt Service Fund:</b>				
<b>School Debt Service Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 103	\$ 103
Total revenue from local sources	\$ -	\$ -	\$ 103	\$ 103
Total School Debt Service Fund	\$ -	\$ -	\$ 103	\$ 103
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ 127,847	\$ 145,990	\$ 18,143
Miscellaneous revenue:				
Miscellaneous Revenue	\$ 85,000	\$ 85,292	\$ 116,797	\$ 31,505
Total revenue from local sources	\$ 85,000	\$ 213,139	\$ 262,787	\$ 49,648
Revenue from the Commonwealth:				
Categorical aid:				
DEQ Water Supply Grant	\$ -	\$ 10,000	\$ -	\$ (10,000)
Other categorical aid	158,131	140,761	7,800	(132,961)
Total categorical aid	\$ 158,131	\$ 150,761	\$ 7,800	\$ (142,961)
Total revenue from the Commonwealth	\$ 158,131	\$ 150,761	\$ 7,800	\$ (142,961)

County of Orange, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Capital Projects Fund: (Continued)</b>				
<b>County Capital Improvements Fund: (Continued)</b>				
Revenue from the federal government:				
Categorical aid:				
Community development block grant	\$ -	\$ 231,139	\$ 231,179	\$ 40
Total revenue from the federal government	\$ -	\$ 231,139	\$ 231,179	\$ 40
Total County Capital Improvements Fund	\$ 243,131	\$ 595,039	\$ 501,766	\$ (93,273)
<b>School Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 143,634	\$ 143,634
Total revenue from use of money and property	\$ -	\$ -	\$ 143,634	\$ 143,634
Total School Capital Projects Fund	\$ -	\$ -	\$ 143,634	\$ 143,634
Total Primary Government	\$ 48,544,585	\$ 50,111,016	\$ 49,550,323	\$ (560,693)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>Special Revenue Funds:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 19,545	\$ 19,545	\$ 14,094	\$ (5,451)
Charges for services:				
Charges for education	\$ 44,000	\$ 44,000	\$ 33,870	\$ (10,130)
Miscellaneous revenue:				
Miscellaneous revenue	\$ 141,732	\$ 141,732	\$ 233,322	\$ 91,590
Medicaid reimbursement	25,000	25,000	130,552	105,552
Total miscellaneous revenue	\$ 166,732	\$ 166,732	\$ 363,874	\$ 197,142
Total revenue from local sources	\$ 230,277	\$ 230,277	\$ 411,838	\$ 181,561
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Orange, Virginia	\$ 17,942,984	\$ 18,439,741	\$ 17,310,650	\$ (1,129,091)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,446,714	\$ 4,446,714	\$ 4,073,134	\$ (373,580)
State School Funds	-	-	7,710	7,710
Basic school aid	15,725,411	15,725,411	15,456,033	(269,378)
Regular foster care	70,280	70,280	59,813	(10,467)
Gifted and talented	132,141	132,141	128,880	(3,261)
Remedial education summer	104,289	104,289	86,864	(17,425)
Remedial education	261,345	261,345	254,896	(6,449)
Special education	1,468,230	1,468,230	1,431,999	(36,231)
Textbook payment	348,029	348,029	339,441	(8,588)
Vocational standards of quality payments	323,011	323,011	315,040	(7,971)
Social security fringe benefits	745,861	745,861	727,456	(18,405)
Retirement fringe benefits	963,159	963,159	939,391	(23,768)
Group life insurance instructional	32,301	32,301	31,504	(797)
State lottery payments	699,641	699,641	568,876	(130,765)
Early reading intervention	51,590	51,590	53,310	1,720

County of Orange, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Funds: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Homebound education	\$ 25,480	\$ 25,480	\$ 31,713	\$ 6,233
Special education jails	1,000	1,000	-	(1,000)
Special education - Regional programs	183,630	183,630	16,191	(167,439)
At risk payments	179,908	179,908	175,413	(4,495)
GED funding	7,859	7,859	7,859	-
K-3 Initiative	410,528	410,528	396,233	(14,295)
Standards of Learning algebra readiness	35,130	35,130	35,130	-
Career and Technical Education	15,912	15,912	15,813	(99)
English as a second language	70,902	70,902	55,146	(15,756)
School construction funds	-	158,131	158,245	114
VPSA technology funds	258,000	258,000	258,000	-
Other state funds	44,141	44,141	62,965	18,824
Total categorical aid	<u>\$ 26,604,492</u>	<u>\$ 26,762,623</u>	<u>\$ 25,687,055</u>	<u>\$ (1,075,568)</u>
Total revenue from the Commonwealth	<u>\$ 26,604,492</u>	<u>\$ 26,762,623</u>	<u>\$ 25,687,055</u>	<u>\$ (1,075,568)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 666,225	\$ 666,225	\$ 705,453	\$ 39,228
Title VI-B, special education flow-through	956,695	956,695	936,196	(20,499)
Vocational education	64,170	64,170	62,558	(1,612)
Title VI-B, special education pre-school	29,733	29,733	6,849	(22,884)
Drug free schools	16,061	16,061	28,241	12,180
Title II, Technology	6,775	6,775	9,768	2,993
Title II, Teacher Quality	163,663	163,663	103,386	(60,277)
Title III, Limited English Proficiency	6,863	6,863	3,403	(3,460)
JROTC	60,913	60,913	49,798	(11,115)
Title V, Part A - Innovative programs	4,996	4,996	-	(4,996)
Total categorical aid	<u>\$ 1,976,094</u>	<u>\$ 1,976,094</u>	<u>\$ 1,905,652</u>	<u>\$ (70,442)</u>
Total revenue from the federal government	<u>\$ 1,976,094</u>	<u>\$ 1,976,094</u>	<u>\$ 1,905,652</u>	<u>\$ (70,442)</u>
Total School Operating Fund	<u>\$ 46,753,847</u>	<u>\$ 47,408,735</u>	<u>\$ 45,315,195</u>	<u>\$ (2,093,540)</u>
<b>Employee Child Care Fund:</b>				
Revenue from local sources:				
Charges for services:				
USDA Reimbursements	\$ -	\$ -	\$ 4,380	\$ 4,380
Tuition Day Care	-	156,900	107,914	(48,986)
Registration fee Day Care	-	1,300	-	(1,300)
Total charges for services	<u>\$ -</u>	<u>\$ 158,200</u>	<u>\$ 112,294</u>	<u>\$ (45,906)</u>
Total Employee Child Care Fund	<u>\$ -</u>	<u>\$ 158,200</u>	<u>\$ 112,294</u>	<u>\$ (45,906)</u>
<b>School Textbook Adoptions Fund:</b>				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Orange, Virginia	<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ -</u>
Total revenues from local governments	<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ -</u>
Total School Textbook Adoptions Fund	<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ 410,245</u>	<u>\$ -</u>

County of Orange, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Funds: (Continued)</b>				
<b>Adult Education Fund:</b>				
Revenue from local sources:				
Charges for services:				
Charges for Education	\$ 22,049	\$ 22,049	\$ 40,856	\$ 18,807
Total revenue from local sources	<u>\$ 22,049</u>	<u>\$ 22,049</u>	<u>\$ 40,856</u>	<u>\$ 18,807</u>
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ 72,287	\$ 72,287	\$ 74,635	\$ 2,348
Total revenue from the Commonwealth	<u>\$ 72,287</u>	<u>\$ 72,287</u>	<u>\$ 74,635</u>	<u>\$ 2,348</u>
Revenue from the federal government:				
Categorical aid:				
Adult basic education	\$ 165,676	\$ 165,676	\$ 137,407	\$ (28,269)
Total revenue from the federal government	<u>\$ 165,676</u>	<u>\$ 165,676</u>	<u>\$ 137,407</u>	<u>\$ (28,269)</u>
Total Adult Education Fund	<u><u>\$ 260,012</u></u>	<u><u>\$ 260,012</u></u>	<u><u>\$ 252,898</u></u>	<u><u>\$ (7,114)</u></u>
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 936,846	\$ 936,846	\$ 940,995	\$ 4,149
Revenue from the use of money and property				
Revenue from the use of money	\$ -	\$ -	\$ 779	\$ 779
Total revenue from local sources	<u>\$ 936,846</u>	<u>\$ 936,846</u>	<u>\$ 941,774</u>	<u>\$ 4,928</u>
Revenue from the commonwealth:				
Categorical aid:				
School food program grant	\$ 22,781	\$ 22,781	\$ 22,432	\$ (349)
Total revenue from the Commonwealth	<u>\$ 22,781</u>	<u>\$ 22,781</u>	<u>\$ 22,432</u>	<u>\$ (349)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 668,525	\$ 668,525	\$ 761,152	\$ 92,627
Total revenue from the federal government	<u>\$ 668,525</u>	<u>\$ 668,525</u>	<u>\$ 761,152</u>	<u>\$ 92,627</u>
Total School Cafeteria Fund	<u><u>\$ 1,628,152</u></u>	<u><u>\$ 1,628,152</u></u>	<u><u>\$ 1,725,358</u></u>	<u><u>\$ 97,206</u></u>
<b>Head Start Fund:</b>				
Revenue from the federal government:				
Categorical aid:				
Head Start grant	\$ 922,961	\$ 922,961	\$ 924,653	\$ 1,692
Total revenue from the federal government	<u>\$ 922,961</u>	<u>\$ 922,961</u>	<u>\$ 924,653</u>	<u>\$ 1,692</u>
Total Head Start Fund	<u><u>\$ 922,961</u></u>	<u><u>\$ 922,961</u></u>	<u><u>\$ 924,653</u></u>	<u><u>\$ 1,692</u></u>
Total Discretely Presented Component Unit - School Board	<u><u>\$ 49,975,217</u></u>	<u><u>\$ 50,788,305</u></u>	<u><u>\$ 48,740,643</u></u>	<u><u>\$ (2,047,662)</u></u>

County of Orange, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009

Fund, Function, Activity, Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 131,854	\$ 215,803	\$ 195,200	\$ 20,603
General and financial administration:				
County administrator	\$ 617,082	\$ 613,727	\$ 623,473	\$ (9,746)
Legal services	61,659	131,424	104,576	26,848
County attorney	130,436	439,400	434,217	5,183
Human resources	153,046	138,618	119,808	18,810
Independent auditor	44,500	44,500	39,150	5,350
Commissioner of revenue	419,911	414,403	367,810	46,593
Treasurer	411,668	437,009	426,318	10,691
Finance	379,784	373,428	369,550	3,878
Data processing	552,736	512,709	489,893	22,816
Other general and financial administration	8,643	8,643	8,487	156
Total general and financial administration	<u>\$ 2,779,465</u>	<u>\$ 3,113,861</u>	<u>\$ 2,983,282</u>	<u>\$ 130,579</u>
Board of elections:				
Electoral board and officials	\$ 58,050	\$ 59,050	\$ 56,895	\$ 2,155
Registrar	103,402	104,969	99,024	5,945
Total board of elections	<u>\$ 161,452</u>	<u>\$ 164,019</u>	<u>\$ 155,919</u>	<u>\$ 8,100</u>
Total general government administration	<u>\$ 3,072,771</u>	<u>\$ 3,493,683</u>	<u>\$ 3,334,401</u>	<u>\$ 159,282</u>
Judicial administration:				
Courts:				
Circuit court	\$ 93,974	\$ 97,460	\$ 86,620	\$ 10,840
General district court	18,700	18,700	10,841	7,859
Special magistrates	5,355	5,355	3,938	1,417
Clerk of the circuit court	490,758	541,135	516,183	24,952
Sheriff	459,815	493,984	491,138	2,846
Total courts	<u>\$ 1,068,602</u>	<u>\$ 1,156,634</u>	<u>\$ 1,108,720</u>	<u>\$ 47,914</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 388,021	\$ 384,079	\$ 374,352	\$ 9,727
Total commonwealth's attorney	<u>\$ 388,021</u>	<u>\$ 384,079</u>	<u>\$ 374,352</u>	<u>\$ 9,727</u>
Total judicial administration	<u>\$ 1,456,623</u>	<u>\$ 1,540,713</u>	<u>\$ 1,483,072</u>	<u>\$ 57,641</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,647,898	\$ 2,816,806	\$ 2,751,416	\$ 65,390
E-911 and central dispatch	725,072	818,767	741,428	77,339
Victim Witness Program	61,337	61,011	57,377	3,634
Other law enforcement	169,530	192,053	137,901	54,152
Total law enforcement and traffic control	<u>\$ 3,603,837</u>	<u>\$ 3,888,637</u>	<u>\$ 3,688,122</u>	<u>\$ 200,515</u>

County of Orange, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued):

Fund, Function, Activity, Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (continued)</b>				
Public safety: (continued)				
Fire and rescue services:				
Volunteer fire departments	\$ 382,473	\$ 382,473	\$ 382,473	\$ -
Volunteer rescue departments	111,923	111,923	111,923	-
Emergency medical services	3,230,624	3,114,658	3,064,853	49,805
Other fire and rescue services	99,800	103,336	52,111	51,225
Total fire and rescue services	<u>\$ 3,824,820</u>	<u>\$ 3,712,390</u>	<u>\$ 3,611,360</u>	<u>\$ 101,030</u>
Correction and detention:				
Jointly operated institutions	\$ 601,131	\$ 617,216	\$ 617,309	\$ (93)
Probation office	4,350	4,350	4,034	316
Total correction and detention	<u>\$ 605,481</u>	<u>\$ 621,566</u>	<u>\$ 621,343</u>	<u>\$ 223</u>
Inspections:				
Building	\$ 435,506	\$ 427,829	\$ 413,830	\$ 13,999
Total inspections	<u>\$ 435,506</u>	<u>\$ 427,829</u>	<u>\$ 413,830</u>	<u>\$ 13,999</u>
Other protection:				
Animal control	\$ 628,764	\$ 723,268	\$ 652,460	\$ 70,808
Medical examiner	1,200	1,200	360	840
Emergency services (civil defense)	174,409	82,651	57,683	24,968
Sludge monitor	1,100	1,100	542	558
Total other protection	<u>\$ 805,473</u>	<u>\$ 808,219</u>	<u>\$ 711,045</u>	<u>\$ 97,174</u>
Total public safety	<u>\$ 9,275,117</u>	<u>\$ 9,458,641</u>	<u>\$ 9,045,700</u>	<u>\$ 412,941</u>
Public works:				
Maintenance of general buildings and grounds:				
General properties	\$ 873,613	\$ 1,013,143	\$ 932,482	\$ 80,661
Total public works	<u>\$ 873,613</u>	<u>\$ 1,013,143</u>	<u>\$ 932,482</u>	<u>\$ 80,661</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 380,000	\$ 380,000	\$ 380,000	\$ -
Total health	<u>\$ 380,000</u>	<u>\$ 380,000</u>	<u>\$ 380,000</u>	<u>\$ -</u>
Mental health and mental retardation:				
Community services board	\$ 153,759	\$ 153,759	\$ 153,759	\$ -
Total mental health and mental retardation	<u>\$ 153,759</u>	<u>\$ 153,759</u>	<u>\$ 153,759</u>	<u>\$ -</u>
Welfare:				
Board of public welfare	\$ 3,000	\$ 3,000	\$ 1,750	\$ 1,250
State and local hospitalization	11,000	11,000	11,613	(613)
Comprehensive youth services act and administration	634,837	1,293,664	1,222,123	71,541
Virginia juvenile crime control act	38,501	38,829	38,298	531
Youth commission	106,932	119,086	118,087	999
Youth substance abuse programs	8,000	17,097	7,624	9,473

County of Orange, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued):

Fund, Function, Activity, Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (continued)</b>				
Health and welfare: (continued)				
Welfare: (continued)				
Skyline CAP grant	\$ 5,000	\$ 5,718	\$ 4,855	\$ 863
At risk program	2,300	2,300	205	2,095
Project excel	4,950	5,950	2,913	3,037
Total welfare	<u>\$ 814,520</u>	<u>\$ 1,496,644</u>	<u>\$ 1,407,468</u>	<u>\$ 89,176</u>
Total health and welfare	<u>\$ 1,348,279</u>	<u>\$ 2,030,403</u>	<u>\$ 1,941,227</u>	<u>\$ 89,176</u>
Education:				
Other instructional costs:				
Contributions to Germanna Community College	\$ 5,614	\$ 5,614	\$ 5,614	\$ -
Contribution to County School Board	18,353,229	18,413,238	17,285,776	1,127,462
Total education	<u>\$ 18,358,843</u>	<u>\$ 18,418,852</u>	<u>\$ 17,291,390</u>	<u>\$ 1,127,462</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 463,443	\$ 317,007	\$ 99,991	\$ 217,016
Recreation programs	102,857	205,487	156,819	48,668
Child Care	488,187	519,000	457,276	61,724
Total parks and recreation	<u>\$ 1,054,487</u>	<u>\$ 1,041,494</u>	<u>\$ 714,086</u>	<u>\$ 327,408</u>
Cultural enrichment:				
James Madison Memorial Foundation	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Orange County Historical Society	2,500	2,500	2,500	-
Orange County Fair Association	3,500	3,500	3,500	-
Services to Abused Families	4,000	4,000	4,000	-
Other contributions	33,428	33,428	33,428	-
Total cultural enrichment	<u>\$ 50,928</u>	<u>\$ 50,928</u>	<u>\$ 50,928</u>	<u>\$ -</u>
Library:				
Orange County library	\$ 621,518	\$ 600,350	\$ 596,034	\$ 4,316
Wilderness library	260,155	272,726	272,871	(145)
Gordonsville library	122,754	118,664	117,050	1,614
Total library	<u>\$ 1,004,427</u>	<u>\$ 991,740</u>	<u>\$ 985,955</u>	<u>\$ 5,785</u>
Total parks, recreation, and cultural	<u>\$ 2,109,842</u>	<u>\$ 2,084,162</u>	<u>\$ 1,750,969</u>	<u>\$ 333,193</u>
Community development:				
Planning and community development:				
Planning & zoning	\$ 408,845	\$ 404,570	\$ 377,541	\$ 27,029
Planning district commission	21,673	21,673	21,673	-
Community development	343,118	436,971	436,971	-
Planning commission	34,200	49,182	17,858	31,324
Zoning appeals board	5,600	7,100	3,598	3,502
Economic development	113,725	105,186	46,912	58,274
Industrial Development Authority	177,253	177,253	177,253	-
Tourism	297,115	289,095	273,763	15,332
Total planning and community development	<u>\$ 1,401,529</u>	<u>\$ 1,491,030</u>	<u>\$ 1,355,569</u>	<u>\$ 135,461</u>

County of Orange, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued):

Fund, Function, Activity, Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (continued)</b>				
Community development: (continued)				
Environmental management:				
Contribution to soil and water conservation district	\$ 61,382	\$ 61,382	\$ 61,382	\$ -
Virginia division of forestry	5,925	8,294	8,294	-
Total environmental management	<u>\$ 67,307</u>	<u>\$ 69,676</u>	<u>\$ 69,676</u>	<u>\$ -</u>
Cooperative extension program:				
VPI extension program	\$ 138,792	\$ 123,034	\$ 116,022	\$ 7,012
Total community development	<u>\$ 1,607,628</u>	<u>\$ 1,683,740</u>	<u>\$ 1,541,267</u>	<u>\$ 142,473</u>
Nondepartmental:				
Contingencies	\$ 342,028	\$ -	\$ -	-
Miscellaneous	323,535	140,240	70,641	69,599
Total nondepartmental	<u>\$ 665,563</u>	<u>\$ 140,240</u>	<u>\$ 70,641</u>	<u>\$ 69,599</u>
Total General Fund	<u><u>\$ 38,768,279</u></u>	<u><u>\$ 39,863,577</u></u>	<u><u>\$ 37,391,149</u></u>	<u><u>\$ 2,472,428</u></u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 3,041,739	\$ 3,011,739	\$ 2,609,250	\$ 402,489
Total health and welfare	<u>\$ 3,041,739</u>	<u>\$ 3,011,739</u>	<u>\$ 2,609,250</u>	<u>\$ 402,489</u>
Total Virginia Public Assistance Fund	<u><u>\$ 3,041,739</u></u>	<u><u>\$ 3,011,739</u></u>	<u><u>\$ 2,609,250</u></u>	<u><u>\$ 402,489</u></u>
<b>Asset Forfeiture Fund:</b>				
Judicial administration:				
Commonwealth's attorney:				
Commonwealth's attorney	\$ -	\$ 3,419	\$ 462	\$ 2,957
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ -	\$ 3,838	\$ 650	\$ 3,188
Total Asset Forfeiture fund	<u>\$ -</u>	<u>\$ 7,257</u>	<u>\$ 1,112</u>	<u>\$ 6,145</u>
<b>Law Library Fund:</b>				
Judicial administration:				
Courts:				
Law library	\$ 5,000	\$ 5,000	\$ 2,155	\$ 2,845
Total Law Library	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 2,155</u>	<u>\$ 2,845</u>
Total Law Library Fund	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 2,155</u></u>	<u><u>\$ 2,845</u></u>

County of Orange, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued):

Fund, Function, Activity, Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 3,533,225	\$ 3,533,225	\$ 3,528,930	\$ 4,295
Interest and other fiscal charges	2,855,972	2,855,972	2,849,764	6,208
Total School Debt Service Fund	<u>\$ 6,389,197</u>	<u>\$ 6,389,197</u>	<u>\$ 6,378,694</u>	<u>\$ 10,503</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Education:				
Contribution to Component Unit School Board	\$ -	\$ 336,748	\$ 336,748	\$ -
Capital projects expenditures:				
Courthouse renovation project	\$ 93,394	\$ -	\$ -	\$ -
Business Park	-	50,000	-	50,000
Neighborhood Park	-	50,000	-	50,000
Reassessment	187,500	337,500	-	337,500
Library projects	262,478	1,014,908	164,028	850,880
School Capital Projects	505,000	105,821	95,700	10,121
Animal shelter	-	24,819	-	24,819
Public Works Projects	60,000	271,349	20,451	250,898
Water impoundment project	334,499	552,500	12,888	539,612
Wireless project	200,000	707,238	7,601	699,637
E911 and central dispatch	-	177,196	-	177,196
Fire & rescue projects	1,440,065	1,491,134	1,364,836	126,298
Planning and zoning ordinance project	50,000	169,377	87,471	81,906
Postal project	-	81,031	1,614	79,417
Timbertruss project	-	7,800	7,800	-
Force main installation	-	338,034	264,866	73,168
Nursing Home	-	12,553,212	12,077,795	475,417
Total capital projects	<u>\$ 3,132,936</u>	<u>\$ 17,931,919</u>	<u>\$ 14,105,050</u>	<u>\$ 3,826,869</u>
Total County Capital Improvements Fund	<u>\$ 3,132,936</u>	<u>\$ 18,268,667</u>	<u>\$ 14,441,798</u>	<u>\$ 3,826,869</u>
<b>School Capital Projects Fund:</b>				
Education:				
Contribution to Component Unit School Board	\$ -	\$ 100,000	\$ 98,371	\$ 1,629
Capital projects expenditures:				
School construction/renovation	\$ 44,780,000	\$ 38,021,534	\$ 3,873,243	\$ 34,148,291
Total capital projects	<u>\$ 44,780,000</u>	<u>\$ 38,021,534</u>	<u>\$ 3,873,243</u>	<u>\$ 34,148,291</u>
Debt service:				
Other debt service	\$ -	\$ 7,553	\$ 161,844	\$ (154,291)
Total debt service	<u>\$ -</u>	<u>\$ 7,553</u>	<u>\$ 161,844</u>	<u>\$ (154,291)</u>
Total School Capital Projects Fund	<u>\$ 44,780,000</u>	<u>\$ 38,129,087</u>	<u>\$ 4,133,458</u>	<u>\$ 33,995,629</u>
Total Primary Government	<u>\$ 96,117,151</u>	<u>\$ 105,674,524</u>	<u>\$ 64,957,616</u>	<u>\$ 40,716,908</u>

County of Orange, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued):

Fund, Function, Activity, Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>Special revenue funds:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
School board	\$ 82,705	\$ 82,705	\$ 64,335	\$ 18,370
Executive administration services	444,995	433,995	525,795	(91,800)
Personnel	345,633	345,633	294,686	50,947
Fiscal services	433,169	418,169	386,782	31,387
School nurses	324,220	322,720	324,731	(2,011)
School psychologist	243,199	243,199	246,196	(2,997)
Other administrative costs	107,145	103,146	72,186	(30,960)
Total administration of schools	<u>\$ 1,981,066</u>	<u>\$ 1,949,567</u>	<u>\$ 1,914,711</u>	<u>\$ (27,064)</u>
Instruction costs:				
Elementary and secondary schools	\$ 27,867,084	\$ 27,899,200	\$ 26,745,859	\$ 1,153,341
Guidance services	905,194	902,746	874,224	28,522
Social worker services	69,322	69,322	69,565	(243)
Other instructional costs	2,560,461	2,536,024	2,064,067	471,957
Media services	714,137	715,132	701,502	13,630
Office of the principal	2,593,733	2,596,813	2,555,061	41,752
Total instruction costs	<u>\$ 34,709,931</u>	<u>\$ 34,719,237</u>	<u>\$ 33,010,278</u>	<u>\$ 1,708,959</u>
Operating costs:				
Attendance and health services				
Pupil transportation	\$ 3,970,036	\$ 3,970,036	\$ 3,698,620	\$ 271,416
Operation and maintenance of school plant	4,690,846	4,790,846	4,739,084	51,762
Facilities	-	547,081	547,081	-
Technology	1,350,675	1,350,675	1,355,326	(4,651)
Total operating costs	<u>\$ 10,011,557</u>	<u>\$ 10,658,638</u>	<u>\$ 10,340,111</u>	<u>\$ 318,527</u>
Total education	<u>\$ 46,702,554</u>	<u>\$ 47,327,442</u>	<u>\$ 45,265,100</u>	<u>\$ 2,062,342</u>
Total School Operating Fund	<u>\$ 46,702,554</u>	<u>\$ 47,327,442</u>	<u>\$ 45,265,100</u>	<u>\$ 2,062,342</u>
<b>School Textbook Adoptions Fund:</b>				
Education:				
Instruction costs:				
Textbook Adoptions	\$ 250,000	\$ 250,000	\$ 31,985	\$ 218,015
Total education	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 31,985</u>	<u>\$ 218,015</u>
Total School Textbook Adoptions Fund	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 31,985</u>	<u>\$ 218,015</u>
<b>Adult Education Fund:</b>				
Education:				
Instruction	\$ 301,238	\$ 301,238	\$ 289,524	\$ 11,714
Total Adult Education Fund	<u>\$ 301,238</u>	<u>\$ 301,238</u>	<u>\$ 289,524</u>	<u>\$ 11,714</u>

County of Orange, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2009 (Continued):

Fund, Function, Activity, Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special revenue funds: (Continued)</b>				
<b>Cafeteria Fund:</b>				
Education:				
School food services				
Administration of school food program	\$ 1,666,511	\$ 1,666,511	\$ 1,691,239	\$ (24,728)
Total Cafeteria Fund	<u>\$ 1,666,511</u>	<u>\$ 1,666,511</u>	<u>\$ 1,691,239</u>	<u>\$ (24,728)</u>
<b>Employee Child Care Fund:</b>				
Education:				
Instruction	\$ -	\$ 184,502	\$ 142,681	\$ 41,821
Total Employee Child Care Fund	<u>\$ -</u>	<u>\$ 184,502</u>	<u>\$ 142,681</u>	<u>\$ 41,821</u>
<b>Head Start Fund:</b>				
Education:				
Instruction	\$ 922,961	\$ 922,961	\$ 924,653	\$ (1,692)
Total Head Start Fund	<u>\$ 922,961</u>	<u>\$ 922,961</u>	<u>\$ 924,653</u>	<u>\$ (1,692)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 49,843,264</u>	<u>\$ 50,652,654</u>	<u>\$ 48,345,182</u>	<u>\$ 2,307,472</u>

## Statistical Section

<u>Contents</u>	<u>Tables</u>
Financial Trends These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.	1 - 6
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Debt Capacity These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	11 - 12
Demographic and Economic Information This table offers demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	13
Operating Information These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	14-15

*Sources:* Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

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**County of Orange, Virginia**  
**Net Assets by Component**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

**Table 1**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 2,823,689	\$ 3,762,291	\$ 7,389,293	\$ 9,363,277	\$ 4,870,909	\$ 6,899,872	\$ 5,816,416
Restricted	-	-	-	-	-	-	393,018
Unrestricted	<u>8,289,588</u>	<u>17,045,551</u>	<u>21,901,113</u>	<u>24,799,517</u>	<u>23,236,212</u>	<u>22,349,138</u>	<u>20,813,918</u>
Total governmental activities net assets	<u>\$ 11,113,277</u>	<u>\$ 20,807,842</u>	<u>\$ 29,290,406</u>	<u>\$ 34,162,794</u>	<u>\$ 28,107,121</u>	<u>\$ 29,249,010</u>	<u>\$ 27,023,352</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 5,756,300	\$ 8,274,862	\$ 9,337,495
Unrestricted	-	-	-	-	1,162,008	828,666	1,355,176
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,918,308</u>	<u>\$ 9,103,528</u>	<u>\$ 10,692,671</u>
Primary government							
Invested in capital assets, net of related debt	\$ 2,823,689	\$ 3,762,291	\$ 7,389,293	\$ 9,363,277	\$ 10,627,209	\$ 15,174,734	\$ 15,153,911
Restricted	-	-	-	-	-	-	393,018
Unrestricted	<u>8,289,588</u>	<u>17,045,551</u>	<u>21,901,113</u>	<u>24,799,517</u>	<u>24,398,220</u>	<u>23,177,804</u>	<u>22,169,094</u>
Total primary government net assets	<u>\$ 11,113,277</u>	<u>\$ 20,807,842</u>	<u>\$ 29,290,406</u>	<u>\$ 34,162,794</u>	<u>\$ 35,025,429</u>	<u>\$ 38,352,538</u>	<u>\$ 37,716,023</u>

Note: Accrual-basis financial information is available back to fiscal year 2003 when the County implemented GASB 34.

**County of Orange, Virginia**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

**Table 2**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>							
Governmental activities:							
General government	\$ 1,790,631	\$ 1,646,727	\$ 2,341,890	\$ 2,763,001	\$ 3,003,694	\$ 3,387,068	\$ 5,107,926
Judicial administration	954,897	945,917	1,101,740	1,181,123	1,240,757	1,377,117	1,471,735
Public safety	4,033,313	4,585,509	5,393,425	6,247,025	8,695,463	8,715,289	9,951,868
Public works	1,635,586	1,063,492	1,880,492	1,539,839	1,218,688	616,698	800,019
Health and welfare	3,066,903	3,263,359	3,516,557	3,518,227	3,790,421	4,490,368	4,579,632
Education	16,140,469	17,949,742	11,331,591	18,215,899	17,154,592	20,282,099	20,716,819
Parks, recreation and cultural	1,587,098	1,768,321	1,968,330	2,189,340	2,583,963	2,646,279	1,766,622
Community development	1,147,338	861,578	665,415	1,720,063	2,167,702	1,737,481	1,542,893
Interest on long-term debt	3,060,620	2,790,069	2,635,335	2,810,123	2,617,981	2,690,659	2,629,414
Total governmental activities expenses	\$ 33,416,855	\$ 34,874,714	\$ 30,834,775	\$ 40,184,640	\$ 42,473,261	\$ 45,943,058	\$ 48,566,928
Business-type activities:							
Airport	\$ -	\$ -	\$ -	\$ -	\$ 488,408	\$ 568,900	\$ 548,514
Landfill	-	-	-	-	2,061,273	3,161,506	2,616,278
Total business-type activities expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,549,681	\$ 3,730,406	\$ 3,164,792
Total primary government expenses	\$ 33,416,855	\$ 34,874,714	\$ 30,834,775	\$ 40,184,640	\$ 45,022,942	\$ 49,673,464	\$ 51,731,720
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
Judicial administration	\$ 51,601	\$ 80,264	\$ 215,273	\$ 168,416	\$ 155,591	\$ 87,693	\$ 31,787
Public safety	174,905	664,997	893,633	985,938	911,715	960,636	1,267,967
Public works	267,471	403,609	358,607	502,646	543,931	292,287	166,136
Parks, recreation and cultural	615,252	737,063	816,855	967,809	1,084,077	1,012,648	522,889
Community development	3,825	816	3,189	2,960	-	-	-
Operating grants and contributions	4,121,566	4,421,239	4,775,102	5,132,282	5,805,572	5,568,166	5,787,039
Capital grants and contributions	1,581,316	331,373	1,418,746	1,709,449	1,114,046	878,745	661,450
Total governmental activities program revenues	\$ 6,815,936	\$ 6,639,361	\$ 8,481,405	\$ 9,469,500	\$ 9,614,932	\$ 8,800,175	\$ 8,437,268
Business-type activities:							
Charges for services:							
Airport	\$ -	\$ -	\$ -	\$ -	\$ 281,737	\$ 285,453	\$ 223,071
Landfill	-	-	-	-	452,795	531,189	317,267
Operating grants and contributions	-	-	-	-	622,321	1,766,434	8,820
Capital grants and contributions	-	-	-	-	-	-	956,978
Total business-type activities program revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,356,853	\$ 2,583,076	\$ 1,506,136
Total primary government program revenues	\$ 6,815,936	\$ 6,639,361	\$ 8,481,405	\$ 9,469,500	\$ 10,971,785	\$ 11,383,251	\$ 9,943,404
Net (expense) / revenue							
Governmental activities	\$ (26,600,919)	\$ (28,235,353)	\$ (22,353,370)	\$ (30,715,140)	\$ (32,858,329)	\$ (37,142,883)	\$ (40,129,660)
Business-type activities	-	-	-	-	(1,192,828)	(1,147,330)	(1,658,656)
Total primary government net expense	\$ (26,600,919)	\$ (28,235,353)	\$ (22,353,370)	\$ (30,715,140)	\$ (34,051,157)	\$ (38,290,213)	\$ (41,788,316)

County of Orange, Virginia  
Changes in Net Assets  
Last Seven Fiscal Years  
*(accrual basis of accounting)*

Table 2

	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes							
Property taxes	\$ 18,606,397	\$ 29,538,450	\$ 21,598,071	\$ 23,299,421	\$ 25,212,472	\$ 28,715,860	\$ 30,690,664
Local sales and use taxes	1,685,245	1,835,213	1,941,534	2,073,563	2,102,596	2,065,302	1,825,239
Consumers' utility taxes	836,980	865,991	824,666	1,003,459	1,087,064	2,174,844	2,091,128
Consumption taxes	73,830	101,583	78,857	122,586	87,131	88,810	91,249
Cable franchise taxes	49,605	51,518	57,292	61,553	71,315	-	-
E-911 taxes	378,939	362,019	394,164	355,080	188,853	-	-
Cellular phone taxes	212,948	261,143	323,304	313,258	193,332	-	-
Motor vehicle license taxes	561,490	583,312	617,435	648,453	35,106	626,497	662,465
Taxes on recordation and wills	360,837	439,586	818,847	1,180,858	794,539	699,013	471,439
Restaurant food taxes	332,144	340,754	409,958	429,096	541,263	540,904	514,019
Other local taxes	144,306	83,040	102,631	92,602	84,397	93,386	83,338
Permits, privilege fees, and regulatory licenses	366,971	-	-	-	-	-	-
Unrestricted revenues from use							
of money and property	841,844	484,998	630,817	1,285,767	1,414,945	2,091,066	1,006,373
Miscellaneous	304,424	221,720	297,771	1,508,103	195,531	676,056	690,938
Unrestricted grants and contributions	2,667,730	2,760,591	2,810,083	3,213,729	2,870,001	3,024,981	2,979,106
Transfers	-	-	-	-	(3,087,955)	(2,485,976)	(3,201,956)
<b>Total governmental activities</b>	<b>\$ 27,423,690</b>	<b>\$ 37,929,918</b>	<b>\$ 30,905,430</b>	<b>\$ 35,587,528</b>	<b>\$ 31,790,590</b>	<b>\$ 38,310,743</b>	<b>\$ 37,904,002</b>
Business-type activities:							
Unrestricted revenues from use							
of money and property	\$ -	\$ -	\$ -	\$ -	\$ 35,247	\$ 33,880	\$ 40,775
Miscellaneous	-	-	-	-	-	-	5,068
Transfers	-	-	-	-	3,087,955	2,485,976	3,201,956
<b>Total business-type activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,123,202</b>	<b>\$ 2,519,856</b>	<b>\$ 3,247,799</b>
<b>Total primary government</b>	<b>\$ 27,423,690</b>	<b>\$ 37,929,918</b>	<b>\$ 30,905,430</b>	<b>\$ 35,587,528</b>	<b>\$ 34,913,792</b>	<b>\$ 40,830,599</b>	<b>\$ 41,151,801</b>
<b>Change in Net Assets</b>							
Governmental activities	\$ 822,771	\$ 9,694,565	\$ 8,552,060	\$ 4,872,388	\$ (1,067,739)	\$ 1,167,860	\$ (2,225,658)
Business-type activities	-	-	-	-	1,930,374	1,372,526	1,589,143
<b>Total primary government</b>	<b>\$ 822,771</b>	<b>\$ 9,694,565</b>	<b>\$ 8,552,060</b>	<b>\$ 4,872,388</b>	<b>\$ 862,635</b>	<b>\$ 2,540,386</b>	<b>\$ (636,515)</b>

Note: Accrual-basis financial information is available back to fiscal year 2003 when the County implemented GASB 34

County of Orange, Virginia  
 Governmental Activities Tax Revenues by Source  
 Last Seven Fiscal Years  
 (accrual basis of accounting)

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<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Local sales and use Tax</u>	<u>Consumer Utility Tax</u>	<u>Consumption Tax</u>	<u>Cable Franchise Tax</u>	<u>E-911 Tax</u>
2009	\$ 30,690,664	\$ 1,825,239	\$ 2,091,128	\$ 91,249	\$ -	\$ -
2008	28,715,860	2,065,302	2,174,844	88,810	-	-
2007	25,212,472	2,102,596	1,087,064	87,131	71,315	188,853
2006	23,299,421	2,073,563	1,003,459	122,586	61,553	355,080
2005	21,598,071	1,941,534	824,666	78,857	57,292	394,164
2004	29,538,450	1,835,213	865,991	101,583	51,518	362,019
2003	18,606,397	1,685,245	836,980	73,830	49,605	378,939

Note: Accrual-basis financial information is available back to fiscal year 2003 when the County implemented GASB 34

Table 3

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<b>Cellular Phone Tax</b>	<b>Motor Vehicle Tax</b>	<b>Taxes on Recordation and Wills</b>	<b>Restaurant Food Tax</b>	<b>Other Local Tax</b>	<b>Total</b>
\$ -	\$ 662,465	\$ 471,439	\$ 514,019	\$ 83,338	\$ 36,429,541
-	626,497	699,013	540,904	93,386	35,004,616
193,332	35,106	794,539	541,263	84,397	30,398,068
313,258	648,453	1,180,858	429,096	92,602	29,579,929
323,304	617,435	818,847	409,958	102,631	27,166,759
261,143	583,312	439,586	340,754	83,040	34,462,609
212,948	561,490	360,837	332,144	144,306	23,242,721

**County of Orange, Virginia**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
***(modified accrual basis of accounting)***

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	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>6,929,903</u>	<u>7,504,970</u>	<u>8,063,111</u>	<u>9,409,239</u>
Total general fund	<u>\$ 6,929,903</u>	<u>\$ 7,504,970</u>	<u>\$ 8,063,111</u>	<u>\$ 9,409,239</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	187,363	273,985	276,989
Debt service funds	-	-	-	-
Capital projects funds	<u>26,772</u>	<u>27,386</u>	<u>332,158</u>	<u>30,777,443</u>
Total all other governmental funds	<u>\$ 26,772</u>	<u>\$ 214,749</u>	<u>\$ 606,143</u>	<u>\$ 31,054,432</u>

Table 4

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	-	-	\$ 10,299,878	\$ 10,926,181	\$ 11,924,047	\$ -
	<u>18,830,090</u>	<u>21,251,381</u>	<u>8,763,365</u>	<u>7,106,515</u>	<u>6,010,892</u>	<u>15,756,672</u>
\$	<u><u>18,830,090</u></u>	<u><u>21,251,381</u></u>	<u><u>19,063,243</u></u>	<u><u>18,032,696</u></u>	<u><u>17,934,939</u></u>	<u><u>15,756,672</u></u>
\$	1,372,806	\$ 2,415,367	\$ 3,427,367	\$ 2,265,476	1,371,161	34,667,985
	581,870	399,756	915,799	126,342	238,715	400,645
	-	-	-	-	-	1,209,197
	<u>7,999,083</u>	<u>4,146,299</u>	<u>5,727,834</u>	<u>4,536,111</u>	<u>21,400,988</u>	<u>3,699,353</u>
\$	<u><u>9,953,759</u></u>	<u><u>6,961,422</u></u>	<u><u>10,071,000</u></u>	<u><u>6,927,929</u></u>	<u><u>23,010,864</u></u>	<u><u>39,977,180</u></u>

County of Orange, Virginia

**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years (1)  
(modified accrual basis of accounting)**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Revenues</b>					
General property taxes	\$ 15,672,480	\$ 15,985,943	\$ 17,737,805	\$ 18,608,288	\$ 28,630,362
Other local taxes	2,970,172	3,519,140	3,900,642	4,636,324	4,924,159
Permits, privilege fees and regulatory licenses	184,327	287,435	364,980	366,971	465,707
Fines and forfeitures	4,938	2,224	2,096	11,151	1,049
Revenue from use of money and property	622,118	607,679	427,588	841,844	484,998
Charges for services	666,504	758,442	732,674	1,101,903	1,419,993
Miscellaneous	270,369	217,186	250,355	304,424	221,720
Recovered costs	16,234	46,374	80,030	148,211	299,298
Intergovernmental:					
Local government	-	-	-	-	-
Commonwealth	3,785,132	5,326,096	6,132,571	6,093,544	5,895,673
Federal	1,565,720	1,242,429	2,167,139	2,277,068	1,617,530
Total revenues	<u>\$ 25,757,994</u>	<u>\$ 27,992,948</u>	<u>\$ 31,795,880</u>	<u>\$ 34,389,728</u>	<u>\$ 43,960,489</u>
<b>Expenditures</b>					
General government administration	\$ 1,139,228	\$ 1,247,076	\$ 1,488,064	\$ 1,541,731	\$ 1,659,099
Judicial administration	792,978	923,268	939,362	950,529	965,949
Public safety	3,027,863	3,461,309	3,567,000	3,906,290	4,324,133
Public works	1,056,079	1,053,114	1,264,432	1,390,671	1,438,725
Health and welfare	2,404,772	2,757,452	3,178,928	3,035,056	3,458,184
Education	21,750	17,410	10,327	14,304,597	12,994,395
Parks, recreation and cultural	885,703	1,090,027	1,184,210	1,523,280	1,692,525
Community development	1,097,519	843,658	828,212	1,215,602	963,910
Nondepartmental	37,581	20,143	12,993	9,916	20,485
Capital projects	501,744	1,334,088	3,584,611	22,058,313	21,895,739
Debt service					
Principal	370,224	310,417	255,190	3,438,996	3,351,197
Interest and other fiscal charges	247,329	224,986	206,618	2,660,482	2,875,970
Bond Issue Costs					
Total expenditures	<u>\$ 11,582,770</u>	<u>\$ 13,282,948</u>	<u>\$ 16,519,947</u>	<u>\$ 56,035,463</u>	<u>\$ 55,640,311</u>
Excess of revenues over (under) expenditures	<u>\$ 14,175,224</u>	<u>\$ 14,710,000</u>	<u>\$ 15,275,933</u>	<u>\$ (21,645,735)</u>	<u>\$ (11,679,822)</u>
<b>Other financing sources (uses)</b>					
Transfers in	\$ 668,708	\$ 1,346,420	\$ 1,294,372	\$ 3,349,787	\$ 3,140,289
Transfers out	(14,885,439)	(15,293,376)	(16,920,770)	(3,349,787)	(3,140,289)
Bonds issued	-	-	1,300,000	28,046,200	-
Premium on bonds issued	-	-	-	-	-
Refunding of bonds	-	-	-	-	-
Discount on lease revenue and refunding bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>\$ (14,216,731)</u>	<u>\$ (13,946,956)</u>	<u>\$ (14,326,398)</u>	<u>\$ 28,046,200</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ (41,507)</u>	<u>\$ 763,044</u>	<u>\$ 949,535</u>	<u>\$ 6,400,465</u>	<u>\$ (11,679,822)</u>
Debt service as a percentage of noncapital expenditures	5.573%	4.481%	3.570%	17.952%	18.454%

(1) Beginning with fiscal year 2003, all debt previously reflected as debt belonging to the component unit-school board, the primary government in accordance is now reflected as part of with legislation passed by the Virginia General Assembly.

Table 5

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	21,705,461	\$ 23,602,447	\$ 25,565,511	\$ 28,258,629	\$ 30,505,130
	5,568,688	6,280,508	5,185,596	6,288,756	5,738,877
	675,005	623,031	550,158	306,181	178,415
	1,102	1,422	1,956	407	260
	630,817	1,285,767	1,414,945	2,089,726	1,006,373
	1,611,450	2,003,316	2,143,200	2,046,676	1,810,104
	297,771	1,508,103	195,531	676,056	720,399
	219,577	286,981	60,490	171,527	163,170
	-	36,269	-	-	-
	6,174,105	6,966,667	6,692,331	7,004,007	7,307,774
	2,829,826	3,052,524	3,097,288	2,469,225	2,119,821
\$	<u>39,713,802</u>	<u>\$ 45,647,035</u>	<u>\$ 44,907,006</u>	<u>\$ 49,311,190</u>	<u>\$ 49,550,323</u>
\$	1,979,038	\$ 2,268,798	\$ 2,621,032	\$ 2,936,254	\$ 3,334,401
	1,099,273	1,174,246	1,283,875	1,407,439	1,485,689
	5,524,201	6,294,257	8,253,771	8,476,543	9,046,350
	1,714,695	2,061,668	613,288	697,084	932,482
	3,516,108	3,492,498	3,774,708	4,482,198	4,550,477
	12,380,334	15,352,687	15,406,279	17,148,492	17,726,509
	1,891,866	2,145,518	2,514,024	2,650,633	1,750,969
	1,077,812	1,362,168	2,146,077	1,681,742	1,541,267
	22,496	75,188	1,386	1,929	70,641
	6,330,765	5,611,190	2,447,742	12,756,559	17,978,293
	2,003,081	3,320,548	2,825,416	3,011,120	3,528,930
	2,675,684	2,554,408	2,914,272	2,574,325	2,849,764
				636,298	161,844
\$	<u>40,215,353</u>	<u>\$ 45,713,174</u>	<u>\$ 44,801,870</u>	<u>\$ 58,460,616</u>	<u>\$ 64,957,616</u>
\$	<u>(501,551)</u>	<u>(66,139)</u>	<u>105,136</u>	<u>(9,149,426)</u>	<u>(15,407,293)</u>
\$	4,996,596	\$ 6,090,826	\$ 6,891,911	\$ 9,288,064	\$ 8,694,491
	(4,996,596)	(6,090,826)	(9,164,536)	(11,774,040)	(11,896,447)
	-	15,214,434	-	5,220,000	30,550,000
	-	773,145	-	280,267	2,847,298
	-	(15,000,000)	-	31,235,000	-
	-	-	-	(724,544)	-
	-	-	-	(10,359,432)	-
\$	<u>-</u>	<u>987,579</u>	<u>(2,272,625)</u>	<u>24,810,283</u>	<u>30,195,342</u>
\$	<u>(501,551)</u>	<u>921,440</u>	<u>(2,167,489)</u>	<u>15,660,857</u>	<u>14,788,049</u>
	13.808%	14.650%	13.552%	12.221%	15.853%

**County of Orange, Virginia**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Consumer Utility Tax</b>	<b>Consumption Tax (1)</b>	<b>Cable Franchise Tax</b>	<b>E-911 Tax</b>	<b>Cellular Phone Tax (2)</b>
2009	\$ 30,505,130	\$ 1,825,239	\$ 2,091,128	\$ 91,249	\$ -	\$ 90	\$ -
2008	28,258,629	2,065,302	2,174,844	88,810	-	-	-
2007	25,565,510	2,102,596	1,087,064	87,131	71,315	188,853	193,332
2006	23,602,447	2,073,563	1,003,459	122,586	61,553	355,080	313,258
2005	21,705,461	1,941,534	824,666	78,857	57,292	394,164	323,304
2004	28,630,362	1,835,213	865,991	101,583	51,518	362,019	261,143
2003	18,608,288	1,685,245	836,980	73,830	49,605	378,939	212,948
2002	17,737,805	1,555,929	964,532	70,267	45,192	360,909	-
2001	15,985,943	1,427,501	893,170	33,221	33,941	328,533	-
2000	15,672,480	1,292,171	775,110	-	42,368	212,080	-

(1) Fiscal year 2001 was the first year County collected this tax.  
 (2) Fiscal year 2003 was the first year County collected this tax.  
 (3) Fiscal year 2002 was the first year County collected this tax.

Table 6

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<b>Motor Vehicle Tax</b>	<b>Taxes on Recordation and Wills</b>	<b>Restaurant Food Tax (3)</b>	<b>Other Local Tax</b>	<b>Total</b>
\$ 662,465	\$ 471,439	\$ 514,019	\$ 83,248	\$ 36,244,007
626,497	699,013	540,904	93,386	34,547,385
35,106	794,539	541,263	84,397	30,751,106
648,453	1,180,858	429,096	92,602	29,882,955
617,435	818,847	409,958	102,631	27,274,149
583,312	439,586	340,754	83,040	33,554,521
561,490	360,837	332,144	144,306	23,244,612
537,583	196,502	91,669	78,059	21,638,447
507,556	144,537	-	150,681	19,505,083
393,142	128,791	-	126,510	18,642,652

**County of Orange, Virginia**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>Real Estate (2)</b>	<b>Personal Property (4)</b>	<b>Mobile Homes</b>	<b>Machinery and Tools (4)</b>	<b>Merchants' Capital</b>	<b>Farm Machinery (5,7)</b>
2009	\$ 4,996,544,500	\$ 260,664,730	\$ 6,142,616	\$ 51,910,995	\$ 38,197,251	-
2008	5,567,913,400	351,899,437	6,073,710	62,542,275	38,635,793	-
2007	5,447,028,351	324,623,641	6,376,260	67,804,289	38,535,558	-
2006	2,297,694,000	274,370,387	7,604,983	60,500,467	34,972,515	-
2005	2,089,249,600	241,849,727	7,839,828	56,029,585	34,901,761	-
2004	1,937,505,800	238,340,293	8,257,750	60,485,416	34,456,222	-
2003	1,622,055,210	227,399,469	8,164,670	69,101,175	29,936,736	7,529,625
2002	1,567,087,710	88,755,039	7,501,740	23,971,220	31,433,053	-
2001	1,519,134,744	82,835,323	6,979,010	24,372,602	31,168,004	-
2000	1,412,919,829	76,214,203	7,180,040	24,446,430	29,647,151	-

- (1) Unable to collect reasonable estimates for the fiscal year 2006 audit report. Efforts will be made to collect this data for future reports.
- (2) Real estate is assessed at 100% of fair market value.
- (3) Assessed values are established by the State Corporation Commission.
- (4) Personal property is assessed at 100% of fair market value as of January 1, 2002, prior assessments at 40% of fair market value.
- (5) Property not taxed prior to January 1, 2002.
- (6) Property not taxed prior to January 1, 2003.
- (7) Board of Supervisors voted to no longer tax during the 2003-04 fiscal year.
- (8) Property not taxed prior to January 1, 2005.

Source: Commissioner of Revenue

Table 7

<u>Airplanes (5)</u>	<u>Boats (6)</u>	<u>Logging Equipment (8)</u>	<u>Public Service (3)</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value (1)</u>
\$ 3,814,495	\$ 9,737,873	\$ -	\$ 140,990,520	\$ 5,508,002,980	N/A
3,711,290	11,582,732	509,650	135,209,462	6,178,077,749	N/A
3,403,890	9,652,980	648,950	138,595,709	6,631,423,028	N/A
2,136,935	8,162,686	611,355	70,611,891	2,756,665,219	N/A
1,248,935	7,377,229	-	105,125,010	2,543,621,675	N/A
1,294,555	7,131,398	-	119,547,772	2,407,019,206	N/A
1,499,940	-	-	101,918,634	2,067,605,459	N/A
-	-	-	103,579,420	1,822,328,182	N/A
-	-	-	98,777,188	1,763,266,871	N/A
-	-	-	99,547,161	1,649,954,814	N/A

County of Orange, Virginia  
 Property Tax Rates (1)  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years

Table 8

Fiscal Years	Direct Rates								
	Real Estate	Personal Property (2)	Mobile Homes	Machinery and Tools (2)	Merchants' Capital	Farm Machinery	Airplanes	Boats	Logging Equipment
2009	\$ 0.470	\$ 3.270	\$ 0.470	\$ 1.831	\$ 0.400	-	\$ 0.700	\$ 2.090	\$ -
2008	0.470	2.200	0.470	1.831	0.400	-	0.550	1.650	-
2007	0.420	2.200	0.420	1.831	0.400	-	0.550	1.650	-
2006	0.870	2.200	0.840	1.831	0.400	-	0.550	1.650	0.920
2005	0.840	2.200	0.840	1.831	0.400	-	0.550	1.650	-
2004	0.840	2.200	0.840	1.831	0.400	-	0.550	1.650	-
2003	0.870	2.200	0.870	1.831	0.400	1.100	0.550	-	-
2002	0.850	5.500	0.850	5.500	0.400	-	-	-	-
2001	0.720	5.500	0.720	5.500	0.400	-	-	-	-
2000	0.700	5.500	0.700	5.500	0.400	-	-	-	-

(1) Per \$100 of assessed value

(2) In fiscal year 2003, assessments for personal property taxes changed from 40% to 100% of value base.

**County of Orange, Virginia  
Principal Property Taxpayers  
Current Year and the Period Nine Years Prior**

**Table 9**

<u>Taxpayer</u>	<u>Type Business</u>	<u>Fiscal Year 2009</u>		<u>Fiscal Year 2000</u>	
		<u>2009 Assessed Valuation (1)</u>	<u>% of Total Assessed Valuation</u>	<u>2000 Assessed Valuation (1)</u>	<u>% of Total Assessed Valuation</u>
Aerojet General Corp	Manufacturing	23,225,600	25.96%	-	0.00%
Holtzbrinck Publishers	Book Distributor	19,308,900	21.58%	16,290,400	41.05%
Orange Village	Shopping Center	9,429,300	10.54%	4,663,500	11.75%
American Woodmark	Manufacturing	6,725,400	7.52%	3,663,500	9.23%
PMC Distribution	Manufacturing	5,887,300	6.58%	1,722,700	4.34%
Angela's Properties	Housing	5,330,500	5.96%	-	0.00%
General Shale	Manufacturing	5,500,100	6.15%	3,421,100	8.62%
Schooler Prop of Wilderness	Shopping Center	4,872,800	5.45%	2,790,700	7.03%
Oakbrook Terrace	Housing	4,661,000	5.21%	3,911,500	9.86%
One America Place	Manufacturing	4,523,300	5.06%	3,217,700	8.11%
		<u>89,464,200</u>	<u>100.00%</u>	<u>39,681,100</u>	<u>100.00%</u>

Note: Companies/entities with no amounts for fiscal year 2000 were not located in the County during that fiscal year.

Source: Commissioner of Revenue

(1) Amounts provided for real estate assessments only.

County of Orange, Virginia  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 10

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009 \$	31,114,223	\$ 29,624,406	95.21%	\$ -	30,616,453	98.40%
2008	28,931,323	28,369,702	98.06%	250,006	28,670,568	99.10%
2007	25,148,884	24,720,477	98.30%	300,866	25,021,344	99.49%
2006	23,323,620	22,722,591	97.42%	356,933	23,079,524	98.95%
2005	21,643,012	21,022,481	97.13%	384,678	21,409,196	98.92%
2004	31,352,454	30,334,042	96.75%	912,071	31,246,113	99.66%
2003	20,899,564	20,395,286	97.59%	444,663	20,839,949	99.71%
2002	19,950,271	19,426,446	97.37%	478,793	19,905,239	99.77%
2001	17,214,826	16,764,785	97.39%	412,707	17,177,492	99.78%
2000	16,266,352	15,779,859	97.01%	485,533	16,265,392	99.99%

Source: Commissioner of Revenue, County Treasurer's office

County of Orange, Virginia  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years (2)

Table 11

Fiscal Years	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Literary Fund Loans	Other Notes/ Bonds	Capital Leases			
2009	\$ 76,354,106	\$ -	\$ 29,836,524	\$ 2,136,850	\$ 108,327,480	10.93%	\$ 3,269
2008	45,920,518	-	29,997,222	2,594,984	78,512,724	8.25%	2,383
2007	43,021,209	-	9,900,000	894,582	53,815,791	5.94%	1,715
2006	45,569,781	-	9,900,000	1,281,452	56,751,233	6.83%	1,937
2005	32,543,400	-	24,900,000	1,640,802	59,084,202	7.11%	2,017
2004	34,148,800	43,800	24,900,000	1,977,483	61,070,083	7.50%	2,128
2003	37,141,200	87,100	24,900,000	2,292,980	64,421,280	8.80%	2,326
2002	35,420,000	130,400	1,675,000	2,588,677	39,814,077	5.62%	1,464
2001	1,765,000	-	-	1,578,673	3,343,673	0.49%	126
2000	1,865,000	-	-	1,789,090	3,654,090	0.57%	141

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics - Table 13

(2) Section 15.2-1800.1, Code of Virginia, 1950, as amended, was enacted during the year ended June 30, 2002, which affected the reporting of local school capital assets and related debt for financial statement purposes. All debt historically reported by the Discretely Presented Component Unit - School Board has been assumed by the Primary Government as a result of this legislation.

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

**Table 12**

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less: Amounts Reserved for Debt Service</b>	<b>Net Bonded Debt (3)</b>	<b>Ratio of Net General Obligation Debt to Assessed Value (2)</b>	<b>Net Bonded Debt per Capita (1)</b>
2009	\$ 106,190,630	\$ 1,209,197	\$ 104,981,433	1.91%	\$ 3,168
2008	75,917,740	1,371,161	74,546,579	1.21%	2,263
2007	52,921,209	2,265,476	50,655,733	0.76%	1,614
2006	55,469,781	3,427,367	52,042,414	1.89%	1,776
2005	57,443,400	2,415,367	55,028,033	2.16%	1,878
2004	59,092,600	1,372,806	57,719,794	2.40%	2,011
2003	62,128,300	-	62,128,300	3.00%	2,243
2002	37,225,400	-	37,225,400	2.04%	1,369
2001	1,765,000	-	1,765,000	0.10%	66
2000	1,865,000	-	1,865,000	0.11%	72

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 13

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7

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

County of Orange, Virginia  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

Table 13

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2009	33,139	\$ 991,386,324	\$ 29,916	40-44.8	5,077	3.20%
2008	32,942	951,101,424	28,872	40-44.8	4,411	2.90%
2007	31,387	906,205,464	28,872	40-44.9	4,411	2.90%
2006	29,300	830,772,200	28,354	40-44.9	4,616	2.80%
2005	29,300	830,772,200	28,354	40-44.9	4,616	2.80%
2004	28,700	813,759,800	28,354	40-44.9	4,298	3.10%
2003	27,700	732,166,400	26,432	40-44.9	4,090	3.80%
2002	27,200	708,668,800	26,054	40-44.9	3,988	4.40%
2001	26,600	686,918,400	25,824	40-44.9	3,955	2.70%
2000	25,881	646,015,641	24,961	40-44.9	3,845	2.00%

Source: Weldon Cooper Center, Annual school report - prepared by the county, [www.fedstats.gov](http://www.fedstats.gov)

County of Orange, Virginia  
Principal Employers  
Current Year and Nine Years Ago

Table 14

Employer	Fiscal Year 2009			Fiscal Year 2000		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Orange County School Board (1)	766	1	8.16%	753	1	10.08%
County of Orange (2), (3)	292	2	3.11%	216	10	2.89%
MPS (2), (4)	308	3	3.28%	300	N/A	4.02%
Germanna Community College (2), (3)	545	4	5.81%	370	5	4.95%
American Woodmark Corporation (2)	157	5	1.67%	300	3	4.02%
Orange County Nursing Home (3)	280	6	2.98%	190	7	2.54%
American Press (3)	165	7	1.76%	205	4	2.74%
Food Lion (3)	78	8	0.83%	150	8	2.01%
Battlefield Farms (3)	135	9	1.44%	90	11	1.20%
Ridgid Tool Manufacturing (3)	127	10	1.35%	200	6	2.68%
Aerojet General Corporation (3), (4)	75	12	0.80%	45	N/A	0.60%
Zamma	129	N/A	1.37%	40	2	0.54%
PBM Products	0	N/A	0.00%	13	12	0.17%
Totals	<u>3,057</u>		<u>32.56%</u>	<u>2,872</u>		<u>38.45%</u>
Total County employment	9,388			7,470		

Source: Virginia Employment Commission, Virginia Electronic Labor Market Access

- (1) Employment numbers given as range of 500 to 999 employees, with midpoint used for table above
- (2) Employment numbers given as range of 250 to 499 employees, with midpoint used for table above
- (3) Employment numbers given as range of 100 to 249 employees, with midpoint used for table above
- (4) Employer did not make the top 50 listing for both fiscal years provided, due to relocation, closing, or changes in employment levels.

**County of Orange, Virginia  
Operating Indicators by Function  
Last Ten Fiscal Years**

**Table 15**

<b>Function</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Public safety</b>										
Sheriffs department: (1)										
Physical arrests	n/a	389	871	917	945	976	331	1,059	996	847
Traffic violations	n/a	606	1,696	1,636	1,889	1,894	320	1,328	2,294	3,260
Civil papers	n/a	6,794	11,086	11,204	11,977	11,068	3,893	11,361	11,648	11,920
Fire and rescue:										
Number of calls answered	4,767	5,204	5,354	5,477	5,131	5,248	4,174	5,281	5,385	4,686
Building inspections:										
Permits issued	904	1,029	968	1,088	1,240	1,514	980	1,207	985	675
Animal control:										
Number of calls answered (1)	n/a	11,479	23,619	22,161	21,508	25,162	8,370	947	767	658
<b>Public works</b>										
General maintenance:										
Trucks/vehicles	9	9	10	12	12	13	15	15	16	3
Landfill:										
Refuse collected (tons/day)	n/a	n/a	28,980	38,583	44,211	56,600	71,866	76,656	47,762	44,914
Recycling (tons/day)	n/a	n/a	n/a	n/a	n/a	876	881	n/a	4,035	2,343
<b>Health and welfare</b>										
Department of Social Services:										
Caseload	n/a	n/a	n/a	2,077	3,003	2,700	3,084	n/a	n/a	4,035
<b>Culture and recreation</b>										
Parks and recreation:										
After-school program participants	145	160	221	226	274	315	360	379	461	n/a
Youth sports participants	647	684	792	938	915	1,262	866	1,139	1,864	364
<b>Community development</b>										
Planning:										
Zoning permits issued	681	844	784	831	1,079	1,276	695	764	497	337
<b>Component Unit - School Board</b>										
Education:										
School age population	3,845	3,955	3,988	4,090	4,298	4,616	n/a	4,900	5,041	5,103
Number of teachers	276	279	294	314	316	347	n/a	390	386	388
Local expenditures per pupil	2,778	2,840	3,033	3,078	3,388	3,006	n/a	3,280	3,418	3,458
<b>Employee Population</b>										
General Administration	n/a	38	35							
Judicial Administration	n/a	23	23							
Public Safety	n/a	109	114							
Public Works	n/a	8	6							
Health and Welfare	n/a	3	2							
Education	n/a	-	-							
Parks, recreation, and cultural	n/a	90	58							
Community Development	n/a	13	10							
Non-departmental	n/a	-	-							
Airport	n/a	5	4							
Landfill	n/a	36	34							
<b>Capital Assets</b>										
General Administration	n/a	11,043,280	30,664,369							
Judicial Administration	n/a	15,023	10,611							
Public Safety	n/a	2,585,021	3,867,259							
Public Works	n/a	33,988	37,087							
Health and Welfare	n/a	-	-							
Education	n/a	-	-							
Parks, recreation, and cultural	n/a	184,996	197,236							
Community Development	n/a	5,505,549	257,021							
Non-departmental	n/a	-	4,827,679							
Airport	n/a	5,596,081	5,809,127							
Landfill	n/a	43,790	92,572							

Source: Individual county departments

(1) Statistics available on calendar year, rather than fiscal year.

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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### TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF ORANGE, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia, as of and for the year ended June 30, 2009, which collectively comprise the County of Orange, Virginia's basic financial statements and have issued our report thereon dated December 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

#### **Internal Control Over Financial Reporting:**

In planning and performing our audit, we considered the County of Orange, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Orange, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Orange, Virginia's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Orange, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the County of Orange, Virginia in a separate letter dated December 16, 2009.

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 16, 2009

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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**To the Honorable Members of the Board of Supervisors  
County of Orange, Virginia**

### **Compliance**

We have audited the compliance of the County of Orange, 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, 2009. The County of Orange, 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 Orange, Virginia's management. Our responsibility is to express an opinion on the County of Orange, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Orange, 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 Orange, Virginia's compliance with those requirements.

In our opinion, the County of Orange, 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, 2009.

### **Internal Control Over Compliance**

The management of the County of Orange, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Orange, Virginia's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Orange, Virginia's internal control over compliance.

## Internal Control Over Compliance (Continued)

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

*Robinson, Farmer, Co. Associates*

Charlottesville, Virginia  
December 16, 2009

**COUNTY OF ORANGE, VIRGINIA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2009**

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Health and Human Services:		
Direct Payments:		
Headstart Program	93.600	\$ <u>924,653</u>
Pass Through Payments:		
Department of Social Services:		
Promoting Safe and Stable Families	93.556	\$ 15,330
Temporary Assistance for Needy Families (TANF)	93.558	165,264
Refugee and Entrant Assistance - State Administered Programs	93.566	2,429
Low Income Home Energy Assistance	93.568	8,515
Child Care and Development Block Grant (Child Care Cluster)	93.575	200,904
Child Care Mandatory and Matching funds of the Child Care and Development Fund (Child Care Cluster)	93.596	104,276
Child Care and Development Block Grant - ARRA (Child Care Cluster)	93.713	1,802
Child Welfare Services - State Grants	93.645	1,067
Foster Care - Title IV-E	93.658	230,953
Foster Care - Title IV-E - ARRA	93.658	18,018
Adoption Assistance	93.659	36,964
Adoption Assistance - ARRA	93.659	3,091
Social Services Block Grant	93.667	82,480
Chafee Foster Care Independence Program	93.674	1,451
Children's Health Insurance Program	93.767	16,490
Medical Assistance Program	93.778	<u>140,091</u>
Total Department of Health and Human Services-pass through		\$ <u>1,029,125</u>
Total Department of Health and Human Services		\$ <u>1,953,778</u>
Department of Housing and Urban Development:		
Pass Through Payments:		
Department of Housing and Community Development:		
Community Development Block Grant	14.228	\$ <u>231,179</u>
Department of Agriculture:		
Pass Through Payments:		
Department of Agriculture:		
Food Distribution (Child Nutrition Cluster)	10.555	\$ 76,231
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	1,359
Department of Education:		
National school breakfast program (Child Nutrition Cluster)	10.553	\$ 150,890
National school lunch program (Child Nutrition Cluster)	10.555	610,262
Department of Social Services:		
State Admin Matching Grants for Supplemental Nutrition Assistance Program	10.561	\$ <u>246,757</u>
Total Department of Agriculture		\$ <u>1,085,499</u>
Department of the Interior:		
Direct payments:		
Bureau of Land Management:		
Payments in Lieu of Taxes	15.226	\$ <u>4,878</u>

**COUNTY OF ORANGE, VIRGINIA**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2009**

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Transportation:		
Direct Payments:		
Highway planning and construction	20.205	\$ 136,000
Airport improvement program	20.106	333,150
Pass Through Payments:		
Department of Motor Vehicles:		
State and community highway safety program	20.600	15,061
Alcohol traffic safety and drunk driving prevention incentive grants	20.601	<u>4,089</u>
Total Department of Transportation		\$ <u>488,300</u>
Department of Homeland Security:		
Pass Through Payments:		
Department of Emergency Services:		
Emergency management performance grant	97.042	\$ 7,900
Assistance to firefighters grant	97.044	<u>180,090</u>
Total Department of Homeland Security		\$ <u>187,990</u>
Department of Education:		
Pass Through Payments:		
Virginia Compensation Board:		
State Fiscal Stabilization Fund	84.397	\$ 284,134
Pass Through Payments:		
Department of Education:		
Adult Education - Basic Grants to States	84.002	\$ 137,407
Title I grants to local educational agencies	84.010	705,453
Special Education - Grants to States (Special Education Cluster)	84.027	936,196
Career and Technical Education: Basic grants to states	84.048	62,558
Special Education - preschool grants (Special Education Cluster)	84.173	6,849
Safe Drug Free Schools and Communities - State Grants	84.186	28,241
Education Technology State Grants	84.318	9,768
English language acquisition grants	84.365	3,403
Improving Teacher Quality State Grants	84.367	<u>103,386</u>
Total Department of Education		\$ <u>2,277,395</u>
Department of Defense:		
Direct payments:		
ROTC	12.000	\$ <u>49,798</u>
Total Federal Assistance		\$ <u><u>6,278,817</u></u>

**COUNTY OF ORANGE, VIRGINIA**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2009**

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NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of federal expenditures includes the activity of all federally assisted programs of the County of Orange, Virginia and is presented on the accrual basis of accounting, as described in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

NOTE B - FOOD DISTRIBUTION:

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C - RELATIONSHIP TO THE FINANCIAL STATEMENTS:

Federal expenditures, revenues, and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:		
Governmental funds	\$	2,139,213
Business-type activities		333,150
Total primary government	\$	<u>2,472,363</u>
Discretely presented component unit - School Board:		
School operating fund	\$	1,905,652
Adult education fund		137,407
Cafeteria fund		761,152
Head start fund		924,653
Total discretely presented component unit - School Board	\$	<u>3,728,864</u>
Non-cash expenditures - value of donated commodities	\$	<u>77,590</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>6,278,817</u></u>

**COUNTY OF ORANGE, VIRGINIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2009**

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

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Financial Statements

Type of auditors' report issued unqualified

Internal control over financial reporting:

- Material weaknesses identified?     yes   x   no
- Significant deficiencies identified that are not considered to be material weaknesses?     yes   x   none reported

Noncompliance material to financial statements noted?     yes   x   no

Federal Awards

Internal control over major programs: unqualified

- Material weaknesses identified?     yes   x   no
- Significant deficiencies identified that are not considered to be material weaknesses?     yes   x   no

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.575/93.596/93.713 .....	Child Care Cluster
20.106 .....	Airport Improvement Program
84.397 .....	State Fiscal Stabilization Fund
93.658 .....	Foster Care / Foster Care ARRA
93.600 .....	Head Start

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

Auditee qualified as low-risk auditee?   x   yes     no

**Section II-Financial Statement Findings**

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None

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

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None

**Section IV-Prior Year Federal Award Findings and Questioned Costs**

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None