

*County of Clarke, Virginia*

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*Financial Report*  
*Year Ended June 30, 2009*



**COUNTY OF CLARKE, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2009**

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# COUNTY OF CLARKE, VIRGINIA

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## Board of Supervisors

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John Staelin, Chairman  
J. Michael Hobert, Vice Chairman

Barbara Byrd

David Weiss

A.R. Dunning, Jr.

## County School Board

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Janet K. Craeger Agler, Chairman  
Jenifer A. Welliver, Vice-Chairman  
Thomas J. Judge, Clerk

Emily S. Rhodes

Barbara P. Lee

Robina R. Bouffault

## Board of Social Services

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Alan Melusen, Chairman  
Dwight Brown, Vice-Chairman

Barbara Byrd

Lyndon Willingham

Richard Davis

## Other Officials

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Judge of the Circuit Court..... Thomas J. Wilson, IV  
Judge of the Circuit Court..... John R. Prosser  
Judge of the Circuit Court..... Dennis L. Hupp  
Judge of the Circuit Court..... James V. Lane  
Judge of the Circuit Court..... John E. Wetsel, Jr.  
Clerk of the Circuit Court .....Helen Butts  
Judge of the General District Court .....Amy Beth Tisinger  
Judge of the Juvenile and Domestic Relations Court ..... Elizabeth Kellas  
Commonwealth's Attorney ..... Suzanne Perka  
Commissioner of the Revenue ..... Warren A. Arthur  
Treasurer..... Sharon Keeler  
Sheriff ..... Anthony W. Roper  
Superintendent of Schools.....Michael F. Murphy  
County Administrator ..... David L. Ash  
Director of Joint Administrative Services ..... Thomas J. Judge  
Director of Department of Social Services ..... Angie W. Jones



COUNTY OF CLARKE, VIRGINIA  
FINANCIAL REPORT  
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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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## Independent Auditors' Report

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**To The Honorable Members of the Board of Supervisors  
County of Clarke  
Berryville, Virginia**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, 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 Clarke'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 *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of June 30, 2009, and the respective changes in financial position 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 November 19, 2009, on our consideration of the County of Clarke, 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 important for assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Schedules and Schedule of Pension Funding Progress as identified in the accompanying table of contents are not required parts 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 Clarke, Virginia's basic financial statements. The accompanying financial information listed as Other Supplementary Information in the table of contents and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The other statistical information listed in the table of contents is not a required part of the basic financial statements, and we did not audit or apply limited procedures to such information. Accordingly, we express no opinion on them.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 19, 2009

## County of Clarke, Virginia Management's Discussion and Analysis

As management of the County of Clarke (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2009.

### Financial Highlights

- The assets of the County (excluding component units) exceeded its liabilities at the close of the most recent fiscal year by \$20.1 million (*net assets*). Of this amount, \$13.7 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$2.35 million, of which the governmental activities accounted for 100% of the increase.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14.0 million, or 74% of General Fund expenditures excluding transfers less any capital outlay projects funded with bond proceeds. The Fiscal Policy of Clarke County requires that certain financial designations of General Fund balance be maintained. These financial designations comprise \$3,672,081 of unreserved fund balance. Saving for pay-as-you-go capital expenditure comprises another \$3,017,948. Multi-year capital appropriations, net of estimated revenue, encumber an additional \$4,652,176. Finally, a total \$1,954,174 is designated for carryover requests from unexpended FY 09 funds, and \$205,380 is designated to cover the FY 10 budgeted deficit.
- The County's total long-term obligations decreased by \$505,067 (1.2%) during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide financial statements**

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of how the financial position of the County may be changing. Increases in net assets may indicate an improved financial position; however, even decreases in net assets may reflect a changing manner in which the County may have used previously accumulated funds.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g., uncollected taxes and earned but unused vacation leave).

## Overview of the Financial Statements (Continued)

### Government-wide financial statements: (Continued)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education. The County did not operate any business-type activities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board, a legally separate industrial development authority and a legally separate sanitary authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 11 through 13 of this report.

### Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The County maintains twelve individual governmental funds. The Conservation Easement fund was added in FY 08 to ensure that local match commitments could take place during the annual budget process, rather than as supplemental appropriations when grants become available. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Virginia Public Assistance Fund both of which are considered to be major funds. Data from the other nine County funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

## Overview of the Financial Statements (Continued)

### Fund financial statements: (Continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

The County maintains one type of *Proprietary Fund*. The County reports an internal service fund to account for the financing of health insurance provided to the various departments and the component unit school board. The internal service fund is reported on Exhibits 8-10 found on pages 19 through 21 of this report.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 18 of this report.

### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 46 of this report.

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund. Required supplementary information can be found on page 47 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 50 of this report.

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$20.1 million at the close of the most recent fiscal year. A large portion of the County's net assets (\$6.4 million, 32% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

## Government-Wide Financial Analysis (Continued)

The following table provides a comparative summary of the County's Statement of Net Assets:

County of Clarke, Virginia		
Summary of Net Assets		
As of June 30, 2009 and 2008		
	Governmental Activities	
	2009	2008
Current and other assets	\$ 40,729,638	\$ 43,415,141
Capital assets	21,741,251	17,695,912
Total assets	\$ 62,470,889	\$ 61,111,053
Long-term liabilities outstanding	\$ 40,656,643	\$ 41,147,517
Other liabilities	1,647,988	2,146,921
Total liabilities	\$ 42,304,631	\$ 43,294,438
Net assets:		
Invested in capital assets, net of related debt	\$ 6,429,976	\$ 5,803,987
Restricted	44,499	43,853
Unrestricted	13,691,783	11,968,775
Total net assets	\$ 20,166,258	\$ 17,816,615

An additional portion of the County's net assets (\$44,499) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$13.7 million) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental activities.

As noted previously, the County's net assets increased by \$2.35 million during the current fiscal year. This increase primarily results from the paydown of \$1.04 million of principal on the debt for the new high school prior to construction and will consequently reverse when the construction is completed, as well as responsible fiscal management of government expenditures.



**Government-Wide Financial Analysis (Continued)**

**Governmental activities** increased the County's net assets by \$2.35 million. The following table summarizes the County's Statement of Activities:

**County of Clarke, Virginia  
Changes in Net Assets  
Years Ended June 30, 2009 and 2008**

	Governmental Activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$ 1,136,230	\$ 1,357,592
Operating grants and contributions	2,700,641	2,724,781
Capital grants and contributions	-	375,577
General revenues:		
Property taxes	16,834,336	15,859,066
Other taxes	2,222,936	2,350,951
Unrestricted revenues	700,515	1,686,739
Miscellaneous	160,167	96,343
Grants and contributions not restricted to specific programs	2,893,678	2,846,105
Total revenues	<u>\$ 26,648,503</u>	<u>\$ 27,297,154</u>
Expenses:		
General governmental administration	\$ 2,002,482	\$ 2,060,607
Judicial administration	436,680	421,845
Public safety	3,612,168	3,447,907
Public works	1,155,450	1,244,607
Health and welfare	2,388,506	2,136,119
Parks, recreation, and cultural	995,410	961,293
Community development	924,413	1,096,427
Interest on long-term debt	1,427,619	1,761,950
Education	11,356,132	11,845,570
Total expenses	<u>\$ 24,298,860</u>	<u>\$ 24,976,325</u>
Increase (decrease) in net assets	\$ 2,349,643	\$ 2,320,829
Net assets - beginning of year	17,816,615	15,495,786
Net assets - end of year	<u>\$ 20,166,258</u>	<u>\$ 17,816,615</u>

Generally, net asset changes are for the difference between revenues and expenses. Key elements of this net increase are as follows:

- Increase in revenues due to the increase in property taxes.
- Paydown of \$1.04 million in principal for the new high school debt issue.

## Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14.66 million, an increase of \$.083 million in comparison with the prior year. Of this total amount, \$.083 million or 99.22% constitutes *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to a specific purpose.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$14.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 74% of total General Fund expenditures, while total fund balance represents the same amount.

The County Capital Improvements Fund accounts for all major general public improvements. The Capital Improvements Fund expended \$2,122,701 towards capital projects and received \$1,434,123 in various funds (excluding general fund transfers of \$688,578). Of the \$1,434,123 reported, the County received \$1,371,046 as proceeds of a lease revenue bond.

Reserved fund balances of \$32,380 for the Parks and Recreation Fund and \$12,119 for the Animal Care Fund are included in other governmental funds.

### General Fund Budgetary Highlights

There was a decrease of \$1,772,562 between the original budget and the final amended budgeted expenditures. The significant differences can be summarized as follows:

- \$172,227 decrease in general government administration budget.
- \$194,254 decrease in final budget appropriations for public safety.
- \$360,902 decrease in final public works budgeted expenditures.
- \$5,109 decrease in the health and welfare budget expenditures.
- \$724,505 decrease in final budget appropriations for education.
- \$95,256 decrease in final budget for parks, recreation and cultural.
- \$75,481 decrease in final budget appropriations for community development.
- \$33,194 decrease in judicial administration.
- \$111,633 decrease in nondepartmental expenditures.

## Capital Asset and Debt Administration

**Capital assets:** The County's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$21.74 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and construction in progress. Major capital asset events during the current fiscal year included the following:

- Replacement of four sheriff's department vehicles.
- Improvement of EDP equipment and infrastructure.
- Incurred expenditures for the groundwater study.
- Completion of the Joint Government Center.
- Other projects included continued improvements in sheriff's building renovations and park expansion.

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	Governmental Activities	
	2009	2008
Land	\$ 745,500	\$ 745,500
Buildings	7,226,714	7,953,559
Improvements	849,957	886,523
Machinery & Equipment	1,281,540	1,341,332
Construction in progress	11,637,540	6,768,998
Total	\$ 21,741,251	\$ 17,695,912

Additional information on the County's capital assets can be found in note 6 on pages 33 through 34 of this report.

**Long-term debt:** At the end of the current fiscal year, the County had total outstanding debt of \$40.64 million and details are summarized in the following table:

	Governmental Activities	
	2009	2008
Bonds Payable:		
General obligation bonds	\$ 32,140,000	\$ 33,795,000
Literary loans	-	-
Note Payables	5,331,622	4,149,184
Capital lease	1,865,412	2,038,180
Compensated absences	1,305,416	1,165,153
Total	\$ 40,642,450	\$ 41,147,517

- Debt associated with governmental activities decreases by \$505,067. The net decrease is a result of regularly scheduled principal payments net of an increase in the lease revenue bond for the joint facility in the amount of \$1,371,046.

Additional information on the County's long-term debt can be found in Note 8.

### **Economic Factors and Next Year's Budgets and Rates**

- The expenditure of funds to school space needs will continue to impact future budgets and rates.
- Federal stimulus funding for schools will begin to expire.
- Revenue from the Commonwealth is weak.
- Citizens are experiencing fiscal stress including unemployment.

### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Joint Administrative Services, County of Clarke, 524 Westwood Road, Berryville, VA 22611.

**BASIC FINANCIAL STATEMENTS**

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## **Government-wide Financial Statements**

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Statement of Net Assets  
June 30, 2009

	Primary Government Governmental Activities	Component Units		
		School Board	Clarke County Sanitary Authority	Industrial Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,605,952	\$ 1,626,043	\$ 1,563,454	\$ 119,192
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,459,776	-	-	-
Accounts receivable	44,466	67,499	87,520	-
Notes receivable	-	120,894	-	-
Due from other funds	140,738	-	-	-
Due from component unit	470,919	-	-	-
Due from other governmental units	1,645,310	674,299	-	-
Prepaid expenses	3,284	19,028	-	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	24,025,759	22,880	-	-
Capital assets (net of accumulated depreciation):				
Land	745,500	647,266	13,200	-
Buildings and system	7,226,714	9,093,421	-	-
Improvements other than buildings	849,957	198,166	-	-
Machinery and equipment	1,281,540	894,547	-	-
Utility plant in service	-	-	4,124,689	-
Construction in progress	11,637,540	544,440	1,669,212	-
Total assets	\$ 62,137,455	\$ 13,908,483	\$ 7,458,075	\$ 119,192
<b>LIABILITIES</b>				
Accounts payable	\$ 451,200	\$ 340,323	\$ 356,001	\$ -
Accrued liabilities	-	2,063,383	-	-
Accrued interest payable	710,980	-	-	-
Due to other funds	8,718	-	-	-
Due to primary government	-	470,919	-	-
Deferred revenue	143,656	-	-	-
Long-term liabilities:				
Due within one year	2,304,323	49,582	191,540	-
Due in more than one year	38,338,127	446,235	2,713,735	-
Accrued arbitrage liability	14,193	-	-	-
Total liabilities	\$ 41,971,197	\$ 3,370,442	\$ 3,261,276	\$ -
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 6,429,976	\$ 11,377,840	\$ 2,901,826	\$ -
Restricted for:				
Animal care	12,119	-	-	-
Parks and recreation	32,380	-	-	-
Unrestricted (deficit)	13,691,783	(839,799)	1,294,973	119,192
Total net assets	\$ 20,166,258	\$ 10,538,041	\$ 4,196,799	\$ 119,192

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

COUNTY OF CLARKE, 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	\$ 2,002,482	\$ 67,255	\$ 246,192	\$ -
Judicial administration	436,680	6,481	196,454	-
Public safety	3,612,168	516,717	973,969	-
Public works	1,155,450	-	-	-
Health and welfare	2,388,506	-	1,162,613	-
Education	11,356,132	-	117,163	-
Parks, recreation, and cultural	995,410	374,772	4,250	-
Community development	924,413	171,005	-	-
Interest on long-term debt	1,427,619	-	-	-
Total governmental activities	\$ 24,298,860	\$ 1,136,230	\$ 2,700,641	\$ -
Total primary government	\$ 24,298,860	\$ 1,136,230	\$ 2,700,641	\$ -
<b>COMPONENT UNITS:</b>				
School Board	\$ 21,514,303	\$ 538,538	\$ 9,409,921	\$ -
Clarke County Sanitary Authority	613,951	370,250	256,222	574,420
Clarke County Industrial Development Authority	6,236	-	-	-
Total component units	\$ 22,134,490	\$ 908,788	\$ 9,666,143	\$ 574,420
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use tax				
Consumer utility tax				
Communication taxes				
Taxes on recordation and wills				
Motor vehicle licenses				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Contribution from County of Clarke				
Total general revenues and transfers				
Change in net assets				
Net assets - beginning				
Net assets - ending				

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets				
Primary Government	Component Units			
Governmental Activities	School Board	Clarke County Sanitary Authority	Industrial Development Authority	
\$ (1,689,035)	\$ -	\$ -	\$ -	\$ -
(233,745)	-	-	-	-
(2,121,482)	-	-	-	-
(1,155,450)	-	-	-	-
(1,225,893)	-	-	-	-
(11,238,969)	-	-	-	-
(616,388)	-	-	-	-
(753,408)	-	-	-	-
(1,427,619)	-	-	-	-
<u>\$ (20,461,989)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (20,461,989)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (11,565,844)	\$ -	\$ -	\$ -
-	-	586,941	-	-
-	-	-	(6,236)	-
<u>\$ -</u>	<u>\$ (11,565,844)</u>	<u>\$ 586,941</u>	<u>\$ (6,236)</u>	<u>\$ -</u>
\$ 16,834,336	\$ -	\$ -	\$ -	\$ -
752,668	-	-	-	-
376,347	-	-	-	-
447,734	-	-	-	-
175,747	-	-	-	-
257,469	-	-	-	-
212,971	-	-	-	-
700,515	47,120	22,199	(25,065)	-
160,167	124,409	149,076	6,424	-
2,893,678	83,281	-	-	-
-	11,341,089	6,250	-	-
<u>\$ 22,811,632</u>	<u>\$ 11,595,899</u>	<u>\$ 177,525</u>	<u>\$ (18,641)</u>	<u>\$ -</u>
2,349,643	30,055	764,466	(24,877)	-
17,816,615	10,507,986	3,432,333	144,069	-
<u>\$ 20,166,258</u>	<u>\$ 10,538,041</u>	<u>\$ 4,196,799</u>	<u>\$ 119,192</u>	<u>\$ -</u>

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## **Fund Financial Statements**

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Balance Sheet  
 Governmental Funds  
 June 30, 2009

	General	Virginia Public Assistance	Other Govern- mental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,951,011	\$ -	\$ 613,953	\$ 12,564,964
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,459,776	-	-	1,459,776
Accounts receivable	44,466	-	-	44,466
Due from other funds	281,811	-	192,361	474,172
Due from component unit	470,919	-	-	470,919
Due from other governmental units	1,450,099	94,012	101,199	1,645,310
Prepaid items	3,284	-	-	3,284
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	44,499	44,499
<b>Total assets</b>	<b>\$ 15,661,366</b>	<b>\$ 94,012</b>	<b>\$ 952,012</b>	<b>\$ 16,707,390</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 204,113	\$ 416	\$ 246,671	\$ 451,200
Due to other funds	201,079	93,596	47,477	342,152
Deferred revenue	1,254,414	-	-	1,254,414
<b>Total liabilities</b>	<b>\$ 1,659,606</b>	<b>\$ 94,012</b>	<b>\$ 294,148</b>	<b>\$ 2,047,766</b>
Fund balances:				
Reserved for:				
Animal care	\$ -	\$ -	\$ 12,119	\$ 12,119
Parks and recreation	-	-	32,380	32,380
Unreserved, designated:				
Future projects	13,501,759	-	-	13,501,759
Unreserved, reported in:				
General fund	500,001	-	-	500,001
Special revenue funds	-	-	62,478	62,478
Capital projects funds	-	-	550,887	550,887
<b>Total fund balances</b>	<b>\$ 14,001,760</b>	<b>\$ -</b>	<b>\$ 657,864</b>	<b>\$ 14,659,624</b>
<b>Total liabilities and fund balances</b>	<b>\$ 15,661,366</b>	<b>\$ 94,012</b>	<b>\$ 952,012</b>	<b>\$ 16,707,390</b>

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

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Assets  
 June 30, 2009

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 14,659,624
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,741,251
Unspent bond proceeds used for construction by the component unit school board and other assets and liabilities are reported as assets and liabilities of the primary government on the statement of net assets.	23,981,260
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,110,758
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid	(710,980)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	40,988
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(40,656,643)</u>
Net assets of governmental activities	<u>\$ 20,166,258</u>

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



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

	General	Virginia Public Assistance	Other Governmental Funds	Total
<b>REVENUES</b>				
General property taxes	\$ 16,206,520	\$ -	\$ -	\$ 16,206,520
Other local taxes	2,102,002	-	120,934	2,222,936
Permits, privilege fees, and regulatory licenses	295,830	-	-	295,830
Fines and forfeitures	265,963	-	-	265,963
Revenue from the use of money and property	223,789	-	476,726	700,515
Charges for services	569,482	-	4,955	574,437
Miscellaneous	4,438	-	24,446	28,884
Recovered costs	316,339	34,690	-	351,029
Intergovernmental revenues:				
Commonwealth	3,916,033	313,854	695,043	4,924,930
Federal	151,067	518,322	-	669,389
Total revenues	<u>\$ 24,051,463</u>	<u>\$ 866,866</u>	<u>\$ 1,322,104</u>	<u>\$ 26,240,433</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,250,373	\$ -	\$ -	\$ 1,250,373
Judicial administration	433,671	-	-	433,671
Public safety	3,344,788	-	18,273	3,363,061
Public works	989,119	-	-	989,119
Health and welfare	348,689	1,281,799	741,781	2,372,269
Education	10,907,700	-	-	10,907,700
Parks, recreation, and cultural	902,369	-	-	902,369
Community development	722,546	-	169,048	891,594
Nondepartmental	13,125	-	514,896	528,021
Capital projects	-	-	2,122,701	2,122,701
Debt service:				
Principal retirement	-	-	1,968,467	1,968,467
Interest and other fiscal charges	-	-	1,798,391	1,798,391
Total expenditures	<u>\$ 18,912,380</u>	<u>\$ 1,281,799</u>	<u>\$ 7,333,557</u>	<u>\$ 27,527,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,139,083</u>	<u>\$ (414,933)</u>	<u>\$ (6,011,453)</u>	<u>\$ (1,287,303)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 414,933	\$ 3,858,522	\$ 4,273,455
Transfers out	(4,273,455)	-	-	(4,273,455)
Issuance of lease revenue bond	-	-	1,371,046	1,371,046
Total other financing sources (uses)	<u>\$ (4,273,455)</u>	<u>\$ 414,933</u>	<u>\$ 5,229,568</u>	<u>\$ 1,371,046</u>
Net change in fund balances	\$ 865,628	\$ -	\$ (781,885)	\$ 83,743
Fund balances - beginning	13,136,132	-	1,439,749	14,575,881
Fund balances - ending	<u>\$ 14,001,760</u>	<u>\$ -</u>	<u>\$ 657,864</u>	<u>\$ 14,659,624</u>

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

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

Net change in fund balances - total governmental funds \$ 83,743

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 depreciation exceeded capital outlays in the current period.

Capital outlay	\$	1,825,793	
Depreciation expense		(567,998)	
Joint tenancy asset transfer		(448,432)	809,363

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 627,816

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.

Issuance of lease revenue bonds		(1,371,046)	
Principal retired		1,968,467	
Bond premium amortization		47,909	645,330

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.

(Increase)/decrease in compensated absences		(140,262)	
(Increase)/decrease in accrued interest payable		22,704	
(Increase)/decrease in accrued arbitrage liability		300,159	182,601

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 790

Change in net assets of governmental activities \$ 2,349,643

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

Statement of Net Assets  
 Internal Service Fund  
 June 30, 2009

	<u>Self- Insurance Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ <u>40,988</u>
Total assets	\$ <u>40,988</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ <u>-</u>
Total current liabilities	\$ <u>-</u>
Total liabilities	\$ <u>-</u>
<b>NET ASSETS</b>	
Unrestricted	\$ <u>40,988</u>
Total net assets	\$ <u><u>40,988</u></u>

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Internal Service Fund  
 For the Year Ended June 30, 2009

---

	<u>Self- Insurance Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Insurance premiums	\$ <u>131,283</u>
Total operating revenues	\$ <u>131,283</u>
<b>OPERATING EXPENSES</b>	
Insurance claims and expenses	\$ <u>130,449</u>
Total operating expenses	\$ <u>130,449</u>
Operating income (loss)	\$ <u>834</u>
Change in net assets	\$ 834
Total net assets - beginning	<u>40,154</u>
Total net assets - ending	<u><u>\$ 40,988</u></u>

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

Statement of Cash Flows  
 Internal Service Fund  
 For the Year Ended June 30, 2009

	<u>Self- Insurance Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts for insurance premiums	\$ 131,283
Payments for premiums	<u>(130,493)</u>
Net cash provided (used) by operating activities	\$ <u>790</u>
Net increase (decrease) in cash and cash equivalents	\$ 790
Cash and cash equivalents - beginning	<u>40,198</u>
Cash and cash equivalents - ending	<u><u>\$ 40,988</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ <u>834</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	
Increase (decrease) in accounts payable	\$ <u>(44)</u>
Total adjustments	\$ <u>(44)</u>
Net cash provided (used) by operating activities	<u><u>\$ 790</u></u>

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

Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 June 30, 2009

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 108,662
Due from other governments	166,850
Due from other funds	<u>8,718</u>
Total assets	<u>\$ 284,230</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 9,443
Due to other funds	140,738
Amounts held for social services clients	43,210
Amounts held for employees	<u>64,727</u>
Total liabilities	<u>\$ 284,230</u>

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

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009

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## Note 1—Summary of Significant Accounting Policies:

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The County of Clarke, Virginia (the "County") is governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and volunteer fire protection and rescue service, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County of Clarke, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

### Government-wide and Fund Financial Statements

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

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 unit. 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.

Statement of Net Assets - The Statement of Net Assets is designed to display the financial position of the primary government (government and business-type activities) and its discretely presented component unit. Governments will report all capital assets in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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

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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.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

#### A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Clarke (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

#### B. Individual Component Unit Disclosures

*Blended Component Unit.* The County has no blended component units to be included for the fiscal year ended June 30, 2009.

##### *Discretely Presented Component Units:*

The School Board members are elected by the citizens of Clarke County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding of the school board is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2009.

The Clarke County Sanitary Authority is responsible for water and sewer treatment for many citizens in Clarke County. The Sanitary Authority consists of five members appointed by the Board of Supervisors. The Board of Supervisors has the ability to impose its will on the Sanitary Authority and therefore it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2009.



## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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

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#### B. Individual Component Unit Disclosures: (Continued)

##### *Discretely Presented Component Units: (Continued)*

The Clarke County Industrial Development Authority is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2009.

#### C. Other Related Organizations

##### Included in the County's Financial Report

None

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. 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. All other revenue items are considered to be measurable and available only when cash is received by the government. 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.

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

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**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)**

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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 within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures are either recognized when earned, at the time other specific expenditures are recognized 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.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed.

The General Fund is the primary operating fund of the County. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund.

Debt Service Funds - The Debt Service Funds account for debt service expenditures for the county and the school system. Payment of principal and interest on the county and school system's general long-term debt financing is provided by appropriations from the General Fund. The Primary Government and School debt service funds are reported as nonmajor funds.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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

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

##### 1. Governmental Funds: (Continued)

Capital Projects Funds - The Capital Projects funds account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The County reports the School Capital Projects Fund, School Capital Project Proffers Fund, and Parks Construction Fund as nonmajor funds.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consist of the following funds: Virginia Public Assistance Fund is presented as a major Special Revenue Fund. Comprehensive Services Act Fund, Joint Administrative Services Fund, Drug Enforcement and the Conservation Fund are all reported as nonmajor funds.

Permanent Funds - Permanent Funds account for earnings that are legally restricted for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. The County reported the Animal Care Fund and Parks and Recreation Fund as nonmajor permanent funds.

Fiduciary Funds - (Trust and Agency Funds) - account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. Agency funds utilize the modified accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

2. Proprietary Funds - account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary funds for the County consist of an internal service fund.

Internal Service Funds - account for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Internal Service Fund consists of the Self-Insurance Fund.

#### E. Cash and Cash Equivalents:

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments for the government, as well as for its component units are reported at fair value.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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

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**F. Investments**

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

**G. 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 portions of the interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$377,489 at June 30, 2009 and is comprised solely of property taxes.

**Real and Personal Property Tax Data:**

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5 (50% each date)	June 5/December 5 (50% each date)
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

**H. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

The Component Unit, Clarke County Sanitary Authority, a proprietary fund type, is required to capitalize its capital assets including the infrastructure constructed.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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

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**H. Capital Assets: (Continued)**

The Component Unit, Industrial Development Authority of Clarke County, does not have any capital assets to report.

The costs 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. Interest attributable to capitalized assets as of June 30, 2009 was immaterial.

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>
Plant, equipment and system	20-45
Motor vehicles	5-10
Equipment	5-15
Infrastructure	25-50

**I. 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 an expense in the statement of activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

**J. Retirement Plan**

Retirement plan contributions are actuarially determined and consist of current service costs and amortization of prior service cost over a 30-year period. The County’s policy is to fund pension cost as it accrues.

**K. 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 CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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

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**L. 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.

Designated portions of fund balance are established to indicate tentative plans for financial resource utilization in a future period. Designation of fund balance by specific purpose is as follows:

	<b>Other Governmental Funds</b>
Designated for:	
Animal care	\$ 12,119
Parks and recreation	32,380
	<hr/>
Total designated for specific purposes	\$ 44,499
	<hr/> <hr/>

**M. 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.

**N. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount.

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.

**O. Prepaid Items**

Prepaid expenditure in governmental funds are offset by reservation of fund balance.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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### Note 2—Stewardship, Compliance, and Accounting:

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

1. Prior to March 15th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted 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 or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.

### Note 3—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, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 3—Deposits and Investments: (Continued)**

**Investments**

Statutes authorize the County to invest in obligations of the United States or agencies 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).

As of June 30, 2009 the County does not have a formal investment policy addressing the various types of risks related to investments.

**Credit Risk of Debt Securities**

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

<u>Locality’s Rate Debt Investments’ Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
Federal Bonds/Notes	\$ 21,130,656
Local Government Investment Pool	2,081,578
State Non-Arbitrage Pool	<u>1,459,973</u>
Total	<u>\$ 24,672,207</u>

**Interest Rate Risk**

<u>Investment Type</u>	<u>Investment Maturity (in years)</u>		
	<u>Maturity</u>		
	<u>Fair Value</u>	<u>1</u>	<u>1-5</u>
U.S. Agencies	\$ 21,130,658	\$ 12,306,907	\$ 8,823,751
Local Government Investment Pool	<u>2,081,578</u>	<u>2,081,578</u>	<u>-</u>
Total	<u>\$ 23,212,236</u>	<u>\$ 14,388,485</u>	<u>\$ 8,823,751</u>

**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) are 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 CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 4—Due from Other Governments:**

At June 30, 2009, the County has receivables from other governments as follows:

	Primary Government	Component Unit		
		School Board	Sanitary Authority	Industrial Development Authority
Commonwealth of Virginia:				
Virginia Public Assistance funds	\$ 39,735	\$ -	\$ -	\$ -
State sales tax	-	293,461	-	-
Constitutional officer reimbursements	108,627	-	-	-
PPTRA	1,212,896	-	-	-
Communication taxes	64,983	-	-	-
Other state grants	40,270	-	-	-
Comprehensive Services Act	101,199	-	-	-
School fund grants	-	133,052	-	-
Federal Government:				
Virginia Public Assistance funds	54,276	-	-	-
Criminal Justice Grants	23,324	-	-	-
School fund grants	-	247,786	-	-
Total due from other governments	\$ <u>1,645,310</u>	\$ <u>674,299</u>	\$ <u>-</u>	\$ <u>-</u>

**Note 5—Interfund Obligations:**

Details of the Primary Government's interfund receivables and payables as of June 30, 2009, are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 281,811	\$ 201,079
Comprehensive Services Act	-	47,477
County Capital Projects Fund	134,139	-
Undistributed Local Sales Tax Fund	-	140,738
Joint Administrative Services Fund	6,771	-
Unemployment Compensation Benefits Fund	8,718	-
Virginia Public Assistance	-	93,596
School Debt Service Fund	51,451	-
Total	\$ <u>482,890</u>	\$ <u>482,890</u>

The above interfund obligations represent temporary advances between funds or amounts allocable to one fund and not yet transferred between the funds.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 6—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deletions	Joint Tenancy Transfer (Net)	Balance June 30, 2009
<b><u>Primary Government:</u></b>					
Capital assets not being depreciated:					
Land	\$ 745,500	\$ -	\$ -	\$ -	\$ 745,500
Construction in Progress	<u>6,768,998</u>	<u>4,868,542</u>	<u>-</u>	<u>-</u>	<u>11,637,540</u>
Total capital assets not being depreciated	<u>\$ 7,514,498</u>	<u>\$ 4,868,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,383,040</u>
Capital assets being depreciated:					
Buildings	\$ 13,317,148	\$ 11,505	\$ -	\$ (595,000)	\$ 12,733,653
Improvements other than buildings	1,610,032	20,050	-	-	1,630,082
Equipment	<u>2,844,068</u>	<u>260,239</u>	<u>127,709</u>	<u>-</u>	<u>2,976,598</u>
Total capital assets being depreciated	<u>\$ 17,771,248</u>	<u>\$ 291,794</u>	<u>\$ 127,709</u>	<u>\$ (595,000)</u>	<u>\$ 17,340,333</u>
Accumulated depreciation	<u>\$ 7,589,834</u>	<u>\$ 567,997</u>	<u>\$ 127,709</u>	<u>\$ (48,000)</u>	<u>\$ 7,982,122</u>
Net capital assets primary government	<u>\$ 17,695,912</u>	<u>\$ 4,592,339</u>	<u>\$ -</u>	<u>\$ (547,000)</u>	<u>\$ 21,741,251</u>
<b><u>Component Unit-School Board:</u></b>					
Capital assets not being depreciated:					
Land	\$ 647,266	\$ -	\$ -	\$ -	\$ 647,266
Construction in Progress	<u>216,518</u>	<u>327,922</u>	<u>-</u>	<u>-</u>	<u>544,440</u>
Total capital assets not being depreciated	<u>\$ 863,784</u>	<u>\$ 327,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,706</u>
Capital assets being depreciated:					
Buildings	\$ 14,274,123	\$ 132,401	\$ -	\$ 595,000	\$ 15,001,524
Improvements other than buildings	218,538	-	-	-	218,538
Equipment	<u>2,945,025</u>	<u>228,759</u>	<u>36,196</u>	<u>-</u>	<u>3,137,588</u>
Total capital assets being depreciated	<u>\$ 17,437,686</u>	<u>\$ 361,160</u>	<u>\$ 36,196</u>	<u>\$ 595,000</u>	<u>\$ 18,357,650</u>
Accumulated depreciation	<u>\$ 7,404,337</u>	<u>\$ 755,375</u>	<u>\$ 36,196</u>	<u>\$ 48,000</u>	<u>\$ 8,171,516</u>
Net capital assets component unit school board	<u>\$ 10,897,133</u>	<u>\$ (66,293)</u>	<u>\$ -</u>	<u>\$ 547,000</u>	<u>\$ 11,377,840</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 6—Capital Assets: (Continued)**

Depreciation expense was charged to functions/programs/funds as follows:

Governmental activities:	
General government	\$ 380,578
Public safety	94,496
Public works	4,031
Health and welfare	255
Parks, recreation and cultural	80,882
Community Development	<u>7,755</u>
Total Governmental activities	<u>\$ 567,997</u>
Component Unit School Board	<u>\$ 755,375</u>

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 Clarke, Virginia for the year ended June 30, 2009 is that school financed assets in the amount of \$4,645,000 are reported in the Primary Government for financial reporting purposes.

**Component Unit-Sanitary Authority:**

A summary of the component unit Sanitary Authority property, plant, and equipment at June 30, 2009 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 13,200	\$ -	\$ -	\$ 13,200
Construction in progress	<u>366,458</u>	<u>1,302,754</u>	<u>-</u>	<u>1,669,212</u>
Total capital assets not being depreciated	<u>\$ 379,658</u>	<u>\$ 1,302,754</u>	<u>\$ -</u>	<u>\$ 1,682,412</u>
Capital Assets being depreciated:				
Utility plant and equipment	\$ 5,887,955	\$ 17,910	\$ -	\$ 5,905,865
Less: accumulated depreciation	<u>(1,621,704)</u>	<u>(159,472)</u>	<u>-</u>	<u>(1,781,176)</u>
Total capital assets being depreciated, net	<u>\$ 4,266,251</u>	<u>\$ (141,562)</u>	<u>\$ -</u>	<u>\$ 4,124,689</u>
Capital assets, net	<u>\$ 4,645,909</u>	<u>\$ 1,161,192</u>	<u>\$ -</u>	<u>\$ 5,807,101</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 7— Interfund Transfers:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 4,273,455
School Debt Service	2,023,366	-
County Capital Improvements	688,578	-
Virginia Public Assistance	414,933	-
Comprehensive Services Act	398,446	-
Joint Administrative	514,896	-
Conservation Easement	-	-
General Debt Service	233,236	-
Total	<u>\$ 4,273,455</u>	<u>\$ 4,273,455</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.

**Note 8—Long-Term Obligations:**

**Primary Government:**

A summary of long-term obligations is as follows:

	<u>Amounts Payable at July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2009</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Obligations:</b>					
Incurred by County:					
Claims, judgments and compensated absences payable	\$ 1,165,153	\$ 140,263	\$ -	\$ 1,305,416	\$ 130,542
Lease revenue bond	2,375,725	1,371,046	7,980	3,738,791	99,339
Boyce wastewater VRA Note	984,000	-	95,500	888,500	103,500
Total incurred by County	<u>\$ 4,524,878</u>	<u>\$ 1,511,309</u>	<u>\$ 103,480</u>	<u>\$ 5,932,707</u>	<u>\$ 333,381</u>
Incurred by School Board:					
General obligation bonds payable	\$ 33,795,000	\$ -	\$ 1,655,000	\$ 32,140,000	\$ 1,705,000
Capital leases	2,038,180	-	172,768	1,865,412	180,335
VRS obligation	213,362	-	37,219	176,143	39,702
Total Incurred by School Board	<u>\$ 36,046,542</u>	<u>\$ -</u>	<u>\$ 1,864,987</u>	<u>\$ 34,181,555</u>	<u>\$ 1,925,037</u>
Premiums on bonds issued	\$ 576,097	\$ -	\$ 47,909	\$ 528,188	\$ 45,905
Total Governmental Obligations	<u>\$ 41,147,517</u>	<u>\$ 1,511,309</u>	<u>\$ 2,016,376</u>	<u>\$ 40,642,450</u>	<u>\$ 2,304,323</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30,	County Obligations		School Obligations					
	VRA Bonds Principal	Bonds and Literary Loans Principal	Interest	VRS Obligation Principal Interest		Capital Leases Principal Interest		
2010	\$ 103,500	\$ 1,790,947	\$ 1,645,444	\$ 39,702	\$ 11,750	\$ 180,335	\$ 74,580	
2011	113,000	1,847,952	1,540,608	42,350	9,102	150,016	66,677	
2012	124,000	1,887,280	1,446,886	45,175	6,277	131,813	60,259	
2013	137,500	1,891,790	1,352,728	48,916	3,264	137,212	54,861	
2014	147,500	1,891,490	1,259,144	-	-	142,831	49,242	
2015-2019	263,000	8,900,154	4,864,744	-	-	806,850	153,513	
2020-2024	-	5,676,083	3,292,558	-	-	316,355	18,353	
2025-2029	-	6,981,517	1,892,162	-	-	-	-	
2030-2032	-	5,011,578	342,177	-	-	-	-	
Total	\$ <u>888,500</u>	\$ <u>35,878,791</u>	\$ <u>17,636,451</u>	\$ <u>176,143</u>	\$ <u>30,393</u>	\$ <u>1,865,412</u>	\$ <u>477,485</u>	

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Virginia Resource Authority (VRA) Bonds:</u>	
\$1,800,000 General obligation Sewer bonds issued August 1, 1994 to the Town of Boyce due in annual installments of varying amounts through August 1, 2015. Debt-assumed by the County during fiscal years 1998-1999 no interest.	\$ <u>888,500</u>
<u>Lease Revenue Bond:</u>	
\$4,822,000 lease revenue bond for capital projects issued May 16, 2007 due in monthly installments of \$20,975 commencing May 16, 2009 payable through May 16, 2047 including interest at 4.125%.	\$ <u>3,738,791</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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**Note 8—Long-Term Obligations: (Continued)**

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**Primary Government: (Continued)**

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Virginia Public School Authority (VPSA) Bonds:</u>	
\$2,500,000 Series B bonds issued December 17, 1992, due in annual installments of varying amounts through December 15, 2012; interest ranges from 5.85% to 8.1%	\$ 370,000
\$2,010,000 Series A refunding bonds issued January 3, 1994, due in annual installments of varying amounts through December 15, 2012; interest ranges from 6.35% to 7.18%	190,000
\$410,000 Series A issued November 10, 2004 due in annual principal installments of varying amounts through July 15, 2024, and interest payments between 4.6% and 5.6% due July 15 and January 15 of each year through July 15, 2024	320,000
\$29,200,000 plus a premium of \$635,208 Series 2006B issued November 9, 2006 due in annual principal installments of varying from \$800,000 to \$1,565,000 through January 26, 2026; interest payable at rates between 4.225% to 5.1% due January 15 and July 15 each year through January 26, 2026	27,175,000
\$8,185,000 Series B bonds issued November 20, 1998, due in annual principal installments of varying amounts on July 15 of each year and interest payments between 4.10% and 5.10% due July 15 and January 15 of each year through July 15, 2018	<u>4,085,000</u>
Total Virginia Public School Authority Bonds	\$ <u>32,140,000</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

Details of long-term indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Capital Leases:</u>	
\$1,525,605 School Energy Management Lease dated June 21, 2005 due in quarterly installments of principal and interest of \$33,755, interest at 3.95%	\$ 1,199,885
\$111,380 capital lease for school buses dated July 26, 2006 due in annual installments of principal and interest of \$24,621, interest at 5.27%	45,606
\$173,000 capital lease for school buses dated September 1, 2005 due in annual installments of principal and interest of \$38,221, interest at 4.8%	36,470
\$630,000 capital lease for elementary school gym, dated October 4, 2007 due in quarterly installments of principal and interest of \$14,264, interest at 4.26%	<u>583,451</u>
Total Capital Leases	\$ <u>1,865,412</u>
Compensated absences	\$ <u>1,305,416</u>
VRS Obligation	\$ <u>176,143</u>
Premium on bonds issued	\$ <u>528,188</u>
Total Primary Government	\$ <u><u>40,642,450</u></u>

The assets acquired through capital leases are as follows:

Asset:	
Machinery and equipment	\$ 534,380
Building improvements	2,203,755
Less: Accumulated depreciation	<u>(477,361)</u>
Total	<u><u>\$ 2,260,774</u></u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Component Unit—School Board:**

The following is a summary of long-term debt transactions of the Component Unit—School Board for the year ended June 30, 2009:

	<u>Amounts Payable at July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2009</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$ 538,483	\$ -	\$ 42,666	\$ 495,817	\$ 49,582
Details of Long-Term Indebtedness:					
Compensated absences liability				\$ 495,817	

**Component Unit—Sanitary Authority:**

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b><u>Long-term notes payable:</u></b>		
<b>Water Operating Fund:</b>		
\$997,000 water system revenue bonds issued August 21, 2001 due in semi-annual installments beginning September 1, 2002 through August 1, 2032. No interest	\$ 762,217	\$ 33,140
Note payable to VRA for the grouting project. Due June 2032. Payable semiannually. No interest	44,362	2,000
Note payable to VRA for new Berryville to Millwood line. Due June 2032. Payable semiannually. No interest	150,000	6,250
 \$829,104 note payable to VRA (of which only \$709,949 is outstanding at June 30, 2009) issued September 2, 2005 due in semiannual installments of \$28,235 payable through July 1, 2026, including 3.00% interest	 <u>709,949</u>	 <u>32,541</u>
Total Water Fund	\$ 1,666,528	\$ 73,931



COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Component Unit—Sanitary Authority: (Continued)**

	<b>Total Amount</b>	<b>Amount Due Within One Year</b>
<b>Boyce Wastewater Facility</b>		
Note payable to VRA for the Millwood Sewer project. Due June 2032. Payable semiannually.		
No interest	\$ 460,907	\$ 19,205
\$3,936,171 note payable to VRA (of which only \$777,840 is outstanding at June 30, 2009) issued October 1, 2008 due in semi-annual installments of \$98,404 payable through November 1, 2029.	777,840	98,404
Total Boyce Wastewater Facility	\$ 1,238,747	\$ 117,609
Total Clarke County Sanitary Authority	\$ 2,905,275	\$ 191,540

The following is a summary of long-term debt transactions of the Component Unit—Sanitary Authority for the year ended June 30, 2009:

Changes in Long-Term Debt:

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2009</b>
General Obligation Bond	\$ 795,357	\$ -	\$ 33,140	\$ 762,217
Notes payables	1,423,811	777,840	58,593	2,143,058
Note payable to County	5,287	-	5,287	-
Totals	\$ 2,224,455	\$ 777,840	\$ 97,020	\$ 2,905,275

Annual requirements to amortize the long-term bonds payable and the related interest are as follows:

<b>Year Ending June 30,</b>	<b>General Obligation Bond</b>		<b>Notes Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2010	\$ 33,140	\$ -	\$ 158,400	\$ 21,043
2011	33,140	-	257,787	20,059
2012	33,140	-	258,801	19,046
2013	33,140	-	259,845	18,002
2014	33,140	-	153,123	16,927
2015-2019	165,700	-	337,866	67,329
2020-2024	165,700	-	370,069	35,125
2025-2029	165,700	-	240,986	3,901
2030-2033	99,417	-	106,181	-
Total	\$ 762,217	\$ -	\$ 2,143,058	\$ 201,432

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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### Note 9—Deferred Revenue:

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Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$1,254,414 is comprised of the following:

Deferred Property Tax Revenue: Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$1,110,758 at June 30, 2009.

Prepaid Property Taxes: Property taxes due subsequent June 30, 2009, but paid in advance by the taxpayers totaled \$143,656 at June 30, 2009.

### Note 10—Commitments and Contingencies:

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Federal programs in which the County and all discretely presented 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 disallowance of current grant program expenditures, if any, would be immaterial.

### Note 11—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.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

Note 11—Defined Benefit Pension Plan: (Continued)

A. Plan Description: (Continued)

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.

B. Funding Policy

Primary Government

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 is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County’s contribution rate for the fiscal year ended June 30, 2009 was 9.45% of annual covered payroll.

Discretely Presented Component Unit - School Board (Non-professional)

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 School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board’s contribution rate for the fiscal year ended June 30, 2009 was 7.18% of annual covered payroll.

C. Annual Pension Cost

Primary Government

For fiscal year 2009, County’s annual pension cost of \$382,383 (does not include employee share of \$201,892 which was assumed by the County) was equal to the County’s required and actual contributions.

Three-Year Trend Information for County - Primary Government

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC) (1)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
County:			
June 30, 2007	\$ 299,855	100%	\$ -
June 30, 2008	310,415	100%	-
June 30, 2009	382,383	100%	-

(1) Employer portion only

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

**Note 11—Defined Benefit Pension Plan: (Continued)**

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

Primary Government: (Continued)

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 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.

Discretely Presented Component Unit - School Board (Non-professional)

For fiscal year 2009, School Board's annual pension cost of \$81,639 (does not include employee share of \$56,851 which was assumed by the School Board) was equal to the School Board's required and actual contributions.

(1) Employer portion only

**Three-Year Trend Information for County - Primary Government**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
School Board:			
Non-Professional:			
June 30, 2007	\$ 77,102	100%	\$ -
June 30, 2008	78,478	100%	-
June 30, 2009	81,639	100%	-

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 (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 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 School Board'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 CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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### Note 11—Defined Benefit Pension Plan: (Continued)

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#### D. Funded Status and Funding Progress

##### Primary Government

As of June 30, 2008, the most recent actuarial valuation date, the plan was 87.51% funded. The actuarial accrued liability for benefits was \$13,374,800, and the actuarial value of assets was \$11,703,932, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,670,868. The covered payroll (annual payroll of active employees covered by the plan) was \$3,892,436, and ratio of the UAAL to the covered payroll was 42.93%.

##### Discretely Presented Component Unit - School Board (Non-professional)

As of June 30, 2008, the most recent actuarial valuation date, the plan was 94.11% funded. The actuarial accrued liability for benefits was \$2,074,432, and the actuarial value of assets was \$1,952,193, resulting in an unfunded actuarial accrued liability (UAAL) of \$122,239. The covered payroll (annual payroll of active employees covered by the plan) was \$1,167,985, and ratio of the UAAL to the covered payroll was 10.47%.

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.

#### E. Professional Employees - Discretely Presented Component Unit School Board:

##### Plan Description

The Clarke County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. That report may be obtained by writing to the System at P.O. Box 2500, Richmond, Virginia 23218-2500 or a copy may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2008annurept.pdf>.

##### Funding Policy

Plan members are required to contribute 5.0% of their annual covered salary and Clarke County School Board is required to contribute at an actuarially determined rate. The current rate is 10.30% of annual covered payroll. The contribution requirements of plan members and Clarke County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2009, 2008, and 2007 were \$965,647, \$1,077,874, and \$954,891 respectively, equal to the required contributions for each year.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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**Note 12—Litigation:**

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At June 30, 2009, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

**Note 13—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; injuries to employees; and natural disasters. The County carries a broad range of insurance coverages, which management considers prudent for the protection of the County's assets and operations. Coverages currently include \$2,000,000 commercial general liability, \$2,000,000 automobile liability, and \$2,000,000 public official's liability. The property policy provides insurance coverage for all of the County's real and personal property up to the replacement cost value of the asset.

**Note 14—Conduit Debt:**

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The County has issued economic development revenue bonds through the Clarke County Industrial Development Authority. All responsibility for the payment of this debt rests with the Borrower. The County and the Authority have no responsibility for the payment of this debt. Outstanding conduit debt obligations are as follows at June 30, 2009:

<u>Description</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2009</u>
Heritage Child Development Center, Inc.	\$ 450,000	\$ 268,430
Winchester Medical Center, Inc.	70,000,000	70,000,000
Grafton School, Inc.	13,425,000	9,825,000
Powhatan School, Inc.	3,500,000	2,330,000
R-1 Berryville Town bond	2,327,000	2,327,000
R-2 Clarke County bond	4,822,000	4,822,000
	<u>\$ 94,524,000</u>	<u>\$ 89,572,430</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2009 (Continued)

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**Note 15—Designated Fund Balances:**

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Fund balances have been designated for the following purposes:

Liquidity Designation	\$	2,937,665
Stabilization Designation		734,416
Continuing Appropriations for Capital Projects		4,652,176
Continuing Appropriations for Conservation Easements		258,128
Energy Efficiency		200,000
School Capital and Debt		1,000,000
Parks Master Plan Implementation		100,000
Government Construction and Debt		630,000
Property Acquisition		265,000
Conservation Easements		172,948
Government Savings Reserve		442,329
Community Facilities		200,000
Comprehensive Services Act Reserve		260,000
Senior Center and Park Office		400,000
School Operating Carryover		993,717
Landfill Costs		50,000
FY 2010 Budget Deficit		205,380
		<hr/>
Total	\$	<u>13,501,759</u>

**Note 16—Surety Bonds:**

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	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
Helen Butts, Clerk of the Circuit Court	\$ 25,000
Sharon Keeler, Treasurer	400,000
Warren Arthur, Commissioner of the Revenue	3,000
Anthony W. Roper, Sheriff	30,000
Western Surety	
Sharon Keeler, Treasurer	10,000

**Note 17—Post Employment Benefits Other Than Pensions:**

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The County offers post-employment medical coverage to its retired employees. The County has elected not to obtain an actuarial valuation to determine liability for this benefit in accordance with the financial reporting requirements of GASB 45 and believes there is no material affect on the County's financial position.

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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.

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 -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 16,478,832	\$ 16,478,832	\$ 16,206,520	\$ (272,312)
Other local taxes	2,089,930	2,089,930	2,102,002	12,072
Permits, privilege fees, and regulatory licenses	310,721	310,721	295,830	(14,891)
Fines and forfeitures	297,305	297,305	265,963	(31,342)
Revenue from the use of money and property	284,345	284,345	223,789	(60,556)
Charges for services	615,553	624,241	569,482	(54,759)
Miscellaneous	11,551	11,551	4,438	(7,113)
Recovered costs	127,842	137,382	316,339	178,957
Intergovernmental revenues:				
Commonwealth	3,990,513	3,990,513	3,916,033	(74,480)
Federal	186,952	186,952	151,067	(35,885)
<b>Total revenues</b>	<b>\$ 24,393,544</b>	<b>\$ 24,411,772</b>	<b>\$ 24,051,463</b>	<b>\$ (360,309)</b>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,422,601	\$ 1,385,359	\$ 1,250,373	\$ 134,986
Judicial administration	466,865	474,601	433,671	40,930
Public safety	3,539,042	3,551,944	3,344,788	207,156
Public works	1,350,021	1,372,554	989,119	383,435
Health and welfare	353,798	354,098	348,689	5,409
Education	11,632,205	12,329,501	10,907,700	1,421,801
Parks, recreation, and cultural	997,625	1,019,334	902,369	116,965
Community development	798,027	846,229	722,546	123,683
Nondepartmental	121,633	63,390	13,125	50,265
<b>Total expenditures</b>	<b>\$ 20,681,817</b>	<b>\$ 21,397,010</b>	<b>\$ 18,912,380</b>	<b>\$ 2,484,630</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 3,711,727	\$ 3,014,762	\$ 5,139,083	\$ 2,124,321
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (4,330,093)	\$ (4,532,693)	\$ (4,273,455)	\$ 259,238
<b>Total other financing sources and uses</b>	<b>\$ (4,330,093)</b>	<b>\$ (4,532,693)</b>	<b>\$ (4,273,455)</b>	<b>\$ 259,238</b>
Net change in fund balances	\$ (618,366)	\$ (1,517,931)	\$ 865,628	\$ 2,383,559
Fund balances - beginning	618,366	1,517,931	13,136,132	11,618,201
Fund balances - ending	\$ -	\$ -	\$ 14,001,760	\$ 14,001,760

Virginia Public Assistance Fund - Special Revenue 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>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Recovered costs	-	-	34,690	34,690
Intergovernmental revenues:				
Commonwealth	356,448	356,448	313,854	(42,594)
Federal	588,786	588,786	518,322	(70,464)
 Total revenues	 \$ 945,234	 \$ 945,234	 \$ 866,866	 \$ (78,368)
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 1,364,224	\$ 1,364,224	\$ 1,281,799	\$ 82,425
 Total expenditures	 \$ 1,364,224	 \$ 1,364,224	 \$ 1,281,799	 \$ 82,425
 Excess (deficiency) of revenues over (under) expenditures	 \$ (418,990)	 \$ (418,990)	 \$ (414,933)	 \$ 4,057
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 418,990	\$ 418,990	\$ 414,933	\$ (4,057)
 Total other financing sources and uses	 \$ 418,990	 \$ 418,990	 \$ 414,933	 \$ (4,057)
 Net change in fund balances	 \$ -	 \$ -	 \$ -	 \$ -
Fund balances - beginning	-	-	-	-
 Fund balances - ending	 \$ -	 \$ -	 \$ -	 \$ -

Required Supplementary Information  
 Schedule of Pension Funding Progress for the Virginia Retirement System  
 Last Three Fiscal Years

County:

Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded)		Annual Annual Covered Payroll (e)	UAAL as % of Payroll (f)
			Actuarial Accrued (UAAL) (c)	Funded Ratio (d)		
			(b) - (a)	(a) / (b)		(c) / (e)
6/30/2008	\$ 11,703,932	\$ 13,374,800	1,670,868	87.51%	\$ 3,892,436	42.93%
6/30/2007	10,534,745	12,203,950	1,669,205	86.32%	3,737,797	44.66%
6/30/2006	9,452,027	9,958,865	506,838	94.91%	3,499,245	14.48%

School Board Non-Professionals:

Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded)		Annual Annual Covered Payroll (e)	UAAL as % of Payroll (f)
			Actuarial Accrued (UAAL) (c)	Funded Ratio (d)		
			(b) - (a)	(a) / (b)		(c) / (e)
6/30/2008	\$ 1,952,193	\$ 2,074,432	122,239	94.11%	\$ 1,167,985	10.47%
6/30/2007	1,672,020	1,835,472	163,452	91.09%	1,170,712	13.96%
6/30/2006	1,448,320	1,616,568	168,248	89.59%	1,122,689	14.99%

**OTHER SUPPLEMENTARY INFORMATION**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 63,066	\$ -	\$ 550,887	\$ -	\$ 613,953
Due from other funds	6,771	51,451	134,139	-	192,361
Due from other governmental units	101,199	-	-	-	101,199
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	-	-	44,499	44,499
<b>Total assets</b>	<b>\$ 171,036</b>	<b>\$ 51,451</b>	<b>\$ 685,026</b>	<b>\$ 44,499</b>	<b>\$ 952,012</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 61,081	\$ 51,451	\$ 134,139	\$ -	\$ 246,671
Due to other funds	47,477	-	-	-	47,477
<b>Total liabilities</b>	<b>\$ 108,558</b>	<b>\$ 51,451</b>	<b>\$ 134,139</b>	<b>\$ -</b>	<b>\$ 294,148</b>
Fund balances:					
Reserved for:					
Animal care expenditures	\$ -	\$ -	\$ -	\$ 12,119	\$ 12,119
Parks and recreation expenditures	-	-	-	32,380	32,380
Unreserved:					
Undesignated	\$ 62,478	\$ -	\$ 550,887	\$ -	\$ 613,365
<b>Total fund balances</b>	<b>\$ 62,478</b>	<b>\$ -</b>	<b>\$ 550,887</b>	<b>\$ 44,499</b>	<b>\$ 657,864</b>
<b>Total liabilities and fund balances</b>	<b>\$ 171,036</b>	<b>\$ 51,451</b>	<b>\$ 685,026</b>	<b>\$ 44,499</b>	<b>\$ 952,012</b>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Other local taxes	\$ 120,934	\$ -	\$ -	\$ -	\$ 120,934
Revenue from the use of money and property	274	475,507	629	316	476,726
Charges for services	-	4,955	-	-	4,955
Miscellaneous	17,606	-	6,510	330	24,446
Intergovernmental revenues:					
Commonwealth	436,522	200,444	58,077	-	695,043
Total revenues	<u>\$ 575,336</u>	<u>\$ 680,906</u>	<u>\$ 65,216</u>	<u>\$ 646</u>	<u>\$ 1,322,104</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	\$ 18,273	\$ -	\$ -	\$ -	\$ 18,273
Health and welfare	741,781	-	-	-	741,781
Community development	169,048	-	-	-	169,048
Nondepartmental	514,896	-	-	-	514,896
Capital projects	-	-	2,122,701	-	2,122,701
Debt service:					
Principal retirement	-	1,968,467	-	-	1,968,467
Interest and other fiscal charges	-	1,798,391	-	-	1,798,391
Total expenditures	<u>\$ 1,443,998</u>	<u>\$ 3,766,858</u>	<u>\$ 2,122,701</u>	<u>\$ -</u>	<u>\$ 7,333,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (868,662)</u>	<u>\$ (3,085,952)</u>	<u>\$ (2,057,485)</u>	<u>\$ 646</u>	<u>\$ (6,011,453)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 913,342	\$ 2,256,602	\$ 688,578	\$ -	\$ 3,858,522
Issuance of lease revenue bond	-	-	1,371,046	-	1,371,046
Total other financing sources and uses	<u>\$ 913,342</u>	<u>\$ 2,256,602</u>	<u>\$ 2,059,624</u>	<u>\$ -</u>	<u>\$ 5,229,568</u>
Net change in fund balances	\$ 44,680	\$ (829,350)	\$ 2,139	\$ 646	\$ (781,885)
Fund balances - beginning	17,798	829,350	548,748	43,853	1,439,749
Fund balances - ending	<u>\$ 62,478</u>	<u>\$ -</u>	<u>\$ 550,887</u>	<u>\$ 44,499</u>	<u>\$ 657,864</u>

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	CSA Fund	Joint Administrative Services Fund	Drug Enforcement Fund	Conservation Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 25,461	\$ 37,605	\$ 63,066
Due from other funds	-	6,771	-	-	6,771
Due from other governmental units	101,199	-	-	-	101,199
<b>Total assets</b>	<u>\$ 101,199</u>	<u>\$ 6,771</u>	<u>\$ 25,461</u>	<u>\$ 37,605</u>	<u>\$ 171,036</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 53,722	\$ 6,771	\$ 48	\$ 540	\$ 61,081
Due to other funds	47,477	-	-	-	47,477
<b>Total liabilities</b>	<u>\$ 101,199</u>	<u>\$ 6,771</u>	<u>\$ 48</u>	<u>\$ 540</u>	<u>\$ 108,558</u>
Fund balances:					
Unreserved:					
Undesignated	\$ -	\$ -	\$ 25,413	\$ 37,065	\$ 62,478
<b>Total fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,413</u>	<u>\$ 37,065</u>	<u>\$ 62,478</u>
<b>Total liabilities and fund balances</b>	<u>\$ 101,199</u>	<u>\$ 6,771</u>	<u>\$ 25,461</u>	<u>\$ 37,605</u>	<u>\$ 171,036</u>



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

	CSA Fund	Joint Administrative Services Fund	Drug Enforcement Fund	Conservation Fund	Total
<b>REVENUES</b>					
Other local taxes	\$ -	\$ -	\$ -	\$ 120,934	\$ 120,934
Revenue from the use of money and property	-	-	274	-	274
Miscellaneous	12,898	-	4,708	-	17,606
Intergovernmental revenues:					
Commonwealth	330,437	-	20,906	85,179	436,522
<b>Total revenues</b>	<b>\$ 343,335</b>	<b>\$ -</b>	<b>\$ 25,888</b>	<b>\$ 206,113</b>	<b>\$ 575,336</b>
<b>EXPENDITURES</b>					
Current:					
Public safety	\$ -	\$ -	\$ 18,273	\$ -	18,273
Health and welfare	741,781	-	-	-	741,781
Community development	-	-	-	169,048	169,048
Nondepartmental	-	514,896	-	-	514,896
<b>Total expenditures</b>	<b>\$ 741,781</b>	<b>\$ 514,896</b>	<b>\$ 18,273</b>	<b>\$ 169,048</b>	<b>\$ 1,443,998</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (398,446)	\$ (514,896)	\$ 7,615	\$ 37,065	\$ (868,662)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 398,446	\$ 514,896	\$ -	\$ -	\$ 913,342
<b>Total other financing sources and uses</b>	<b>\$ 398,446</b>	<b>\$ 514,896</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 913,342</b>
Net change in fund balances	\$ -	\$ -	\$ 7,615	\$ 37,065	\$ 44,680
Fund balances - beginning	-	-	17,798	-	17,798
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,413</u>	<u>\$ 37,065</u>	<u>\$ 62,478</u>

COUNTY OF CLARKE, VIRGINIA

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

	CSA				Joint Administrative Services Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-	-	-	-	-
Miscellaneous	-	-	12,898	12,898	-	-	-	-
Intergovernmental revenues: Commonwealth	355,834	355,834	330,437	(25,397)	-	-	-	-
<b>Total revenues</b>	<b>\$ 355,834</b>	<b>\$ 355,834</b>	<b>\$ 343,335</b>	<b>\$ (12,499)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES</b>								
Current:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and welfare	766,772	794,272	741,781	52,491	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Nondepartmental	-	-	-	-	549,938	549,938	514,896	35,042
<b>Total expenditures</b>	<b>\$ 766,772</b>	<b>\$ 794,272</b>	<b>\$ 741,781</b>	<b>\$ 52,491</b>	<b>\$ 549,938</b>	<b>\$ 549,938</b>	<b>\$ 514,896</b>	<b>\$ 35,042</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (410,938)	\$ (438,438)	\$ (398,446)	\$ 39,992	\$ (549,938)	\$ (549,938)	\$ (514,896)	\$ 35,042
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ 410,938	\$ 438,438	\$ 398,446	\$ (39,992)	\$ 549,938	\$ 549,938	\$ 514,896	\$ (35,042)
<b>Total other financing sources and uses</b>	<b>\$ 410,938</b>	<b>\$ 438,438</b>	<b>\$ 398,446</b>	<b>\$ (39,992)</b>	<b>\$ 549,938</b>	<b>\$ 549,938</b>	<b>\$ 514,896</b>	<b>\$ (35,042)</b>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-	-	-	-	-
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Drug Enforcement Fund				Conservation Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 120,934	\$ 110,934
-	-	274	274	-	-	-	-
-	-	4,708	4,708	-	-	-	-
-	-	20,906	20,906	1,715,916	1,715,916	85,179	(1,630,737)
\$ -	\$ -	\$ 25,888	\$ 25,888	\$ 1,725,916	\$ 1,725,916	\$ 206,113	\$ (1,519,803)
\$ -	\$ -	\$ 18,273	\$ (18,273)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,984,044	169,048	(1,814,996)
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 18,273	\$ (18,273)	\$ 1,984,044	\$ 1,984,044	\$ 169,048	\$ (1,814,996)
\$ -	\$ -	\$ 7,615	\$ 7,615	\$ (258,128)	\$ (258,128)	\$ 37,065	\$ 295,193
\$ -	\$ -	\$ -	\$ -	\$ 258,128	\$ 258,128	\$ -	\$ (258,128)
\$ -	\$ -	\$ -	\$ -	\$ 258,128	\$ 258,128	\$ -	\$ (258,128)
\$ -	\$ -	\$ 7,615	\$ 7,615	\$ -	\$ -	\$ 37,065	\$ 37,065
-	-	17,798	17,798	-	-	-	-
\$ -	\$ -	\$ 25,413	\$ 25,413	\$ -	\$ -	\$ 37,065	\$ 37,065

Balance Sheet  
 Nonmajor Debt Service Fund  
 For the Year Ended June 30, 2009

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	<u>School Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>		
Due from other funds	\$ <u>51,451</u>	\$ <u>51,451</u>
Total assets	\$ <u><u>51,451</u></u>	\$ <u><u>51,451</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ <u>51,451</u>	\$ <u>51,451</u>
Total liabilities	\$ <u>51,451</u>	\$ <u>51,451</u>
Fund balances:		
Reserved for:		
Debt service	\$ <u>-</u>	\$ <u>-</u>
Total fund balances	\$ <u>-</u>	\$ <u>-</u>
Total liabilities and fund balances	\$ <u><u>51,451</u></u>	\$ <u><u>51,451</u></u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Debt Service Funds  
 For the Year Ended June 30, 2009

	Primary Government Debt Service Fund	School Debt Service Fund	Total
<b>REVENUES</b>			
Revenue from the use of money and property	\$ -	\$ 475,507	\$ 475,507
Charges for services	4,955	-	4,955
Intergovernmental revenues:			
Commonwealth	-	200,444	200,444
Total revenues	<u>\$ 4,955</u>	<u>\$ 675,951</u>	<u>\$ 680,906</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	\$ 103,480	\$ 1,864,987	\$ 1,968,467
Interest and other fiscal charges	134,711	1,663,680	1,798,391
Total expenditures	<u>\$ 238,191</u>	<u>\$ 3,528,667</u>	<u>\$ 3,766,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (233,236)</u>	<u>\$ (2,852,716)</u>	<u>\$ (3,085,952)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>\$ 233,236</u>	<u>\$ 2,023,366</u>	<u>\$ 2,256,602</u>
Total other financing sources and uses	<u>\$ 233,236</u>	<u>\$ 2,023,366</u>	<u>\$ 2,256,602</u>
Net change in fund balances	\$ -	\$ (829,350)	\$ (829,350)
Fund balances - beginning	-	829,350	829,350
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF CLARKE, VIRGINIA

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

	Primary Government Debt Service Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	4,955	4,955
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Total revenues	\$ -	\$ -	\$ 4,955	\$ 4,955
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 103,480	\$ 99,668	\$ 103,480	\$ (3,812)
Interest and other fiscal charges	206,059	209,871	134,711	75,160
Total expenditures	\$ 309,539	\$ 309,539	\$ 238,191	\$ 71,348
Excess (deficiency) of revenues over (under) expenditures	\$ (309,539)	\$ (309,539)	\$ (233,236)	\$ 76,303
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 309,539	\$ 309,539	\$ 233,236	\$ (76,303)
Total other financing sources and uses	\$ 309,539	\$ 309,539	\$ 233,236	\$ (76,303)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Exhibit 21

School Debt Service Fund			
Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
\$ 1,400,000	\$ 1,284,900	\$ 475,507	\$ (809,393)
-	-	-	-
220,855	220,855	200,444	(20,411)
<u>\$ 1,620,855</u>	<u>\$ 1,505,755</u>	<u>\$ 675,951</u>	<u>\$ (829,804)</u>
\$ 1,864,987	\$ 1,864,022	\$ 1,864,987	\$ (965)
1,664,181	1,665,146	1,663,680	1,466
<u>\$ 3,529,168</u>	<u>\$ 3,529,168</u>	<u>\$ 3,528,667</u>	<u>\$ 501</u>
<u>\$ (1,908,313)</u>	<u>\$ (2,023,413)</u>	<u>\$ (2,852,716)</u>	<u>\$ (829,303)</u>
<u>\$ 1,908,313</u>	<u>\$ 2,023,413</u>	<u>\$ 2,023,366</u>	<u>\$ (47)</u>
<u>\$ 1,908,313</u>	<u>\$ 2,023,413</u>	<u>\$ 2,023,366</u>	<u>\$ (47)</u>
\$ -	\$ -	\$ (829,350)	\$ (829,350)
-	-	829,350	829,350
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2009

	<u>Parks Construction Fund</u>	<u>County Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 64,756	\$ 486,131	\$ 550,887
Due from other funds	-	134,139	134,139
Total assets	<u>\$ 64,756</u>	<u>\$ 620,270</u>	<u>\$ 685,026</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 134,139	\$ 134,139
Total liabilities	<u>\$ -</u>	<u>\$ 134,139</u>	<u>\$ 134,139</u>
Fund balances:			
Unreserved:			
Undesignated	\$ 64,756	\$ 486,131	\$ 550,887
Total fund balances	<u>\$ 64,756</u>	<u>\$ 486,131</u>	<u>\$ 550,887</u>
Total liabilities and fund balances	<u>\$ 64,756</u>	<u>\$ 620,270</u>	<u>\$ 685,026</u>



Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2009

	Parks Construction Fund	County Capital Projects Fund	Total
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 629	\$ -	\$ 629
Miscellaneous	1,510	5,000	6,510
Intergovernmental revenues:			
Commonwealth	-	58,077	58,077
Total revenues	<u>\$ 2,139</u>	<u>\$ 63,077</u>	<u>\$ 65,216</u>
<b>EXPENDITURES</b>			
Capital projects	<u>\$ -</u>	<u>\$ 2,122,701</u>	<u>\$ 2,122,701</u>
Total expenditures	<u>\$ -</u>	<u>\$ 2,122,701</u>	<u>\$ 2,122,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,139</u>	<u>\$ (2,059,624)</u>	<u>\$ (2,057,485)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 688,578	\$ 688,578
Issuance of lease revenue bond	-	1,371,046	1,371,046
Total other financing sources and uses	<u>\$ -</u>	<u>\$ 2,059,624</u>	<u>\$ 2,059,624</u>
Net change in fund balances	\$ 2,139	\$ -	\$ 2,139
Fund balances - beginning	<u>62,617</u>	<u>486,131</u>	<u>548,748</u>
Fund balances - ending	<u><u>\$ 64,756</u></u>	<u><u>\$ 486,131</u></u>	<u><u>\$ 550,887</u></u>

COUNTY OF CLARKE, VIRGINIA

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

	Parks Construction Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 629	\$ 629
Miscellaneous	-	-	1,510	1,510
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	\$ -	\$ -	\$ 2,139	\$ 2,139
<b>EXPENDITURES</b>				
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 2,139	\$ 2,139
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Issuance of lease revenue bond	-	-	-	-
Total other financing sources and uses	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 2,139	\$ 2,139
Fund balances - beginning	-	-	62,617	62,617
Fund balances - ending	\$ -	\$ -	\$ 64,756	\$ 64,756

County Capital Projects Fund				
Budgeted Amounts		Actual	Variance with Final Budget	
Original	Final		Positive	(Negative)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	5,000	-	-
-	-	58,077	58,077	-
-	37,873	-	(37,873)	-
<u>\$ -</u>	<u>\$ 37,873</u>	<u>\$ 63,077</u>	<u>\$ 20,204</u>	<u>\$ -</u>
<u>\$ 605,497</u>	<u>\$ 703,370</u>	<u>\$ 2,122,701</u>	<u>\$ (1,419,331)</u>	<u>\$ -</u>
<u>\$ 605,497</u>	<u>\$ 703,370</u>	<u>\$ 2,122,701</u>	<u>\$ (1,419,331)</u>	<u>\$ -</u>
<u>\$ (605,497)</u>	<u>\$ (665,497)</u>	<u>\$ (2,059,624)</u>	<u>\$ (1,399,127)</u>	<u>\$ -</u>
\$ 474,247	\$ 534,247	\$ 688,578	\$ 154,331	\$ -
131,250	131,250	1,371,046	1,239,796	\$ -
<u>\$ 605,497</u>	<u>\$ 665,497</u>	<u>\$ 2,059,624</u>	<u>\$ 1,394,127</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (5,000)	\$ -
-	-	486,131	486,131	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,131</u>	<u>\$ 481,131</u>	<u>\$ -</u>

Combining Balance Sheet  
 Nonmajor Permanent Funds  
 June 30, 2009

	Animal Care Fund	Parks and Recreation Fund	Total
<b>ASSETS</b>			
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	\$ 12,119	\$ 32,380	\$ 44,499
Total assets	<u>\$ 12,119</u>	<u>\$ 32,380</u>	<u>\$ 44,499</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Reserved for:			
Animal care expenditures	\$ 12,119	\$ -	\$ 12,119
Parks and recreation expenditures	<u>-</u>	<u>32,380</u>	<u>32,380</u>
Total fund balances	<u>\$ 12,119</u>	<u>\$ 32,380</u>	<u>\$ 44,499</u>
Total liabilities and fund balances	<u>\$ 12,119</u>	<u>\$ 32,380</u>	<u>\$ 44,499</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Permanent Funds  
 For the Year Ended June 30, 2009

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	<u>Animal Care Trust Fund</u>	<u>Parks and Recreation Trust Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 76	\$ 240	\$ 316
Miscellaneous	330	-	330
	<u>406</u>	<u>240</u>	<u>646</u>
Total revenues	\$ 406	\$ 240	\$ 646
<b>EXPENDITURES</b>			
Total expenditures	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ 406	\$ 240	\$ 646
Net change in fund balances	\$ 406	\$ 240	\$ 646
Fund balances - beginning	<u>11,713</u>	<u>32,140</u>	<u>43,853</u>
Fund balances - ending	<u><u>\$ 12,119</u></u>	<u><u>\$ 32,380</u></u>	<u><u>\$ 44,499</u></u>

Combining Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 June 30, 2009

	Agency Funds				Total
	Special Welfare	Undistributed Local Sales Tax Fund	Cafeteria Plan Withholding Fund	Unemployment Compensation Benefits Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 43,210	\$ -	\$ 65,452	\$ -	\$ 108,662
Due from other governments	-	166,850	-	-	166,850
Due from other funds	-	-	-	8,718	8,718
Total assets	<u>\$ 43,210</u>	<u>\$ 166,850</u>	<u>\$ 65,452</u>	<u>\$ 8,718</u>	<u>\$ 284,230</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 725	\$ 8,718	\$ 9,443
Sales tax payable to other towns	-	26,112	-	-	26,112
Due to other funds	-	140,738	-	-	140,738
Amounts held for employees	-	-	64,727	-	64,727
Amounts held for social services clients	43,210	-	-	-	43,210
Total liabilities	<u>\$ 43,210</u>	<u>\$ 166,850</u>	<u>\$ 65,452</u>	<u>\$ 8,718</u>	<u>\$ 284,230</u>
<b>NET ASSETS</b>					
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and net assets	<u>\$ 43,210</u>	<u>\$ 166,850</u>	<u>\$ 65,452</u>	<u>\$ 8,718</u>	<u>\$ 284,230</u>

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special welfare:</b>				
Assets:				
Cash and cash equivalents	\$ 52,170	\$ 28,785	\$ 37,745	\$ 43,210
Liabilities:				
Amounts held for social service clients	\$ 52,170	\$ 28,785	\$ 37,745	\$ 43,210
<b>Undistributed local sales tax:</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 892,315	\$ 892,315	\$ -
Due from other governments	177,437	166,850	177,437	166,850
Total assets	\$ 177,437	\$ 1,059,165	\$ 1,069,752	\$ 166,850
Liabilities:				
Sales tax payable to other towns	\$ 27,769	\$ 26,112	\$ 27,769	\$ 26,112
Due to general fund	149,668	140,738	149,668	140,738
Total liabilities	\$ 177,437	\$ 166,850	\$ 177,437	\$ 166,850
<b>Cafeteria plan withholdings:</b>				
Assets:				
Cash and cash equivalents	\$ 50,253	\$ 191,519	\$ 176,320	\$ 65,452
Liabilities:				
Accounts payable	\$ 725	\$ -	\$ -	\$ 725
Accrued liabilities	49,528	15,199	-	64,727
Total liabilities	\$ 50,253	\$ 15,199	\$ -	\$ 65,452
<b>Unemployment compensation benefits:</b>				
Assets:				
Due from other funds	\$ -	\$ 11,397	\$ 2,679	\$ 8,718
Liabilities:				
Accounts payable	\$ -	\$ 11,397	\$ 2,679	\$ 8,718
<b>Totals -- All agency funds</b>				
Assets:				
Cash and cash equivalents	\$ 102,423	\$ 1,112,619	\$ 1,106,380	\$ 108,662
Accounts receivable	177,437	166,850	177,437	166,850
Due from other funds	-	11,397	2,679	8,718
Total assets	\$ 279,860	\$ 1,290,866	\$ 1,286,496	\$ 284,230
Liabilities:				
Amounts held for social service clients	\$ 52,170	\$ 28,785	\$ 37,745	\$ 43,210
Sales tax payable to other towns	27,769	26,112	27,769	26,112
Accrued liabilities	49,528	15,199	-	64,727
Due to general fund	149,668	140,738	149,668	140,738
Accounts payable	725	11,397	2,679	9,443
Total liabilities	\$ 279,860	\$ 222,231	\$ 217,861	\$ 284,230

Capital Assets Used in the Operation of Governmental Funds  
 Comparative Schedules by Source  
 June 30, 2009

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 745,500	\$ 745,500
Buildings	12,733,653	13,317,148
Improvements other than buildings	1,630,082	1,610,032
Machinery and equipment	2,976,598	2,844,068
Construction in progress	<u>11,637,540</u>	<u>6,768,998</u>
Total governmental funds capital assets	<u>\$ 29,723,373</u>	<u>\$ 25,285,746</u>
Investments in governmental funds capital assets by source:		
General fund	<u>\$ 29,723,373</u>	<u>\$ 25,285,746</u>
Total governmental funds capital assets	<u>\$ 29,723,373</u>	<u>\$ 25,285,746</u>



Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity  
 June 30, 2009

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
General government administration:						
Board of supervisors	\$ 642,775	\$ 5,329,073	\$ 193,118	\$ 251,226	\$ 4,382,900	\$ 10,799,092
County administrator	-	-	-	20,015	-	20,015
Treasurer	-	-	-	17,300	-	17,300
Central accounting	50,000	168,000	-	132,055	-	350,055
Total general government administration	\$ 692,775	\$ 5,497,073	\$ 193,118	\$ 420,596	\$ 4,382,900	\$ 11,186,462
Judicial administration:						
Clerk of Circuit Court	\$ -	\$ -	\$ -	\$ -	\$ 31,078	\$ 31,078
Total judicial administration	\$ -	\$ -	\$ -	\$ -	\$ 31,078	\$ 31,078
Public safety:						
Sheriff	\$ -	\$ 11,505	\$ 12,070	\$ 887,665	\$ 350,106	\$ 1,261,346
Emergency services	-	-	-	1,305,539	185,646	1,491,185
Building inspections	-	-	-	0	-	0
Animal control	20,000	37,800	25,575	24,303	-	107,678
Total public safety	\$ 20,000	\$ 49,305	\$ 37,645	\$ 2,217,507	\$ 535,752	\$ 2,860,209
Public works:						
Sanitation and waste removal	\$ -	\$ 1,700,000	\$ -	\$ -	\$ 26,990	\$ 1,726,990
Maintenance of buildings and grounds	-	-	4,514	116,146	-	120,660
Total public works	\$ -	\$ 1,700,000	\$ 4,514	\$ 116,146	\$ 26,990	\$ 1,847,650
Education:						
Schools	\$ -	\$ 4,645,000	\$ -	\$ -	\$ 6,235,393	\$ 10,880,393
Total education	\$ -	\$ 4,645,000	\$ -	\$ -	\$ 6,235,393	\$ 10,880,393
Health and welfare:						
Social services	\$ -	\$ -	\$ -	\$ 58,522	\$ -	\$ 58,522
Total health and welfare	\$ -	\$ -	\$ -	\$ 58,522	\$ -	\$ 58,522
Parks, recreation, and cultural:						
Parks and recreation	\$ 32,725	\$ 842,275	\$ 1,394,805	\$ 56,520	\$ 425,427	\$ 2,751,752
Library	-	-	-	44,069	-	44,069
Total parks, recreation, and cultural	\$ 32,725	\$ 842,275	\$ 1,394,805	\$ 100,589	\$ 425,427	\$ 2,795,821
Community development:						
Community development	\$ -	\$ -	\$ -	\$ 63,238	\$ -	\$ 63,238
Total community development	\$ -	\$ -	\$ -	\$ 63,238	\$ -	\$ 63,238
Total governmental funds capital assets	\$ 745,500	\$ 12,733,653	\$ 1,630,082	\$ 2,976,598	\$ 11,637,540	\$ 29,723,373

Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes By Function and Activity  
 For the Year Ended June 30, 2009

Function and Activity	Governmental Funds Capital Assets June 30, 2008	Additions	Deductions	Governmental Funds Capital Assets June 30, 2009
General government administration:				
Board of supervisors	\$ 9,179,848	\$ 1,619,244	\$ -	\$ 10,799,092
County administrator	20,015	-	-	20,015
Treasurer	17,300	-	-	17,300
Central accounting	350,055	-	-	350,055
Total general government administration	\$ 9,567,218	\$ 1,619,244	\$ -	\$ 11,186,462
Judicial administration:				
Circuit Court	\$ -	\$ 31,078	\$ -	\$ 31,078
Total judicial administration	\$ -	\$ 31,078	\$ -	\$ 31,078
Public safety:				
Sheriff	\$ 1,219,839	\$ 123,422	\$ (81,915)	\$ 1,261,346
Emergency services	1,491,185	-	-	1,491,185
Building inspections	16,140	-	(16,140)	-
Animal control	107,678	-	-	107,678
Total public safety	\$ 2,834,842	\$ 123,422	\$ (98,055)	\$ 2,860,209
Public works:				
Sanitation and waste removal	\$ 1,726,990	\$ -	\$ -	\$ 1,726,990
Maintenance of buildings and grounds	150,314	-	(29,654)	120,660
Total public works	\$ 1,877,304	\$ -	\$ (29,654)	\$ 1,847,650
Education:				
Schools	\$ 8,140,850	\$ 3,334,543	\$ (595,000)	\$ 10,880,393
Total education	\$ 8,140,850	\$ 3,334,543	\$ (595,000)	\$ 10,880,393
Health and welfare:				
Social services	\$ 58,522	\$ -	\$ -	\$ 58,522
Total health and welfare	\$ 58,522	\$ -	\$ -	\$ 58,522
Parks, recreation, and cultural:				
Parks and recreation	\$ 2,743,772	\$ 52,049	\$ -	\$ 2,795,821
Total parks, recreation, and cultural	\$ 2,743,772	\$ 52,049	\$ -	\$ 2,795,821
Community development:				
Community development	\$ 63,238	\$ -	\$ -	\$ 63,238
Total community development	\$ 63,238	\$ -	\$ -	\$ 63,238
Total governmental funds capital assets	\$ 25,285,746	\$ 5,129,258	\$ (722,709)	\$ 29,723,373

**Discretely Presented Component Unit-School Board**

Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2009

	School Operating Fund	School Food Service Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,970,228	\$ 50,791	\$ -	\$ 80,275	\$ 2,101,294
Receivables (net of allowance for uncollectibles):					
Accounts receivable	67,499	-	-	-	67,499
Interest receivable	-	-	120,894	-	120,894
Due from other funds	-	-	-	-	-
Due from other governmental units	534,240	7,007	133,052	-	674,299
Prepaid items	19,028	-	-	-	19,028
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	-	24,004,140	-	24,004,140
Total assets	<u>\$ 2,590,995</u>	<u>\$ 57,798</u>	<u>\$ 24,258,086</u>	<u>\$ 80,275</u>	<u>\$ 26,987,154</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Reconciled overdraft	\$ -	\$ -	\$ 475,251	\$ -	\$ 475,251
Accounts payable	245,025	733	94,565	-	340,323
Accrued liabilities	2,006,318	57,065	-	-	2,063,383
Due to primary government	339,152	-	131,767	-	470,919
Total liabilities	<u>\$ 2,590,495</u>	<u>\$ 57,798</u>	<u>\$ 701,583</u>	<u>\$ -</u>	<u>\$ 3,349,876</u>
Fund balances:					
Reserved for:					
Construction	\$ -	\$ -	\$ 23,556,503	\$ -	\$ 23,556,503
Unreserved:					
Undesignated	500	-	-	80,275	\$ 80,775
Total fund balances	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 23,556,503</u>	<u>\$ 80,275</u>	<u>\$ 23,637,278</u>
Total liabilities and fund balances	<u>\$ 2,590,995</u>	<u>\$ 57,798</u>	<u>\$ 24,258,086</u>	<u>\$ 80,275</u>	<u>\$ 26,987,154</u>

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

Total fund balances per above	\$ 23,637,278
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,377,840
Unspent bond proceeds used for construction by the component unit school board and other assets and liabilities are reported as assets and liabilities of the primary government on the statement of net assets	(23,981,260)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(495,817)
Net assets of governmental activities	<u>\$ 10,538,041</u>

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

	School Operating Fund	School Food Service Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Revenue from the use of money and property	\$ 43,844	\$ 400	\$ 261	\$ 2,615	\$ 47,120
Charges for services	93,210	445,328	-	-	538,538
Miscellaneous	124,409	-	-	-	124,409
Recovered costs	99,308	-	36,024	-	135,332
Intergovernmental revenues:					
Local government	10,794,089	-	98,568	-	10,892,657
Commonwealth	7,972,355	9,758	371,290	-	8,353,403
Federal	770,432	210,682	158,685	-	1,139,799
Total revenues	<u>\$ 19,897,647</u>	<u>\$ 666,168</u>	<u>\$ 664,828</u>	<u>\$ 2,615</u>	<u>\$ 21,231,258</u>
<b>EXPENDITURES</b>					
Current:					
Education	\$ 19,829,115	\$ 748,908	\$ -	\$ -	\$ 20,578,023
Capital projects	-	-	4,382,528	-	4,382,528
Total expenditures	<u>\$ 19,829,115</u>	<u>\$ 748,908</u>	<u>\$ 4,382,528</u>	<u>\$ -</u>	<u>\$ 24,960,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 68,532</u>	<u>\$ (82,740)</u>	<u>\$ (3,717,700)</u>	<u>\$ 2,615</u>	<u>\$ (3,729,293)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 68,532	\$ -	\$ -	\$ 68,532
Transfers out	(68,532)	-	-	-	(68,532)
Total other financing sources and uses	<u>\$ (68,532)</u>	<u>\$ 68,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ (14,208)	\$ (3,717,700)	\$ 2,615	\$ (3,729,293)
Fund balances - beginning	500	14,208	27,274,203	77,660	27,366,571
Fund balances - ending	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 23,556,503</u>	<u>\$ 80,275</u>	<u>\$ 23,637,278</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 \$ (3,729,293)

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. 3,716,683

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. 42,665

Change in net assets of governmental activities \$ 30,055

COUNTY OF CLARKE, 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			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 39,000	\$ 39,000	\$ 43,844	\$ 4,844
Charges for services	108,000	108,000	93,210	(14,790)
Miscellaneous	105,850	105,850	124,409	18,559
Recovered costs	52,325	52,325	99,308	46,983
Intergovernmental revenues:				
Local government	11,312,512	11,788,167	10,794,089	(994,078)
Commonwealth	8,014,926	8,014,926	7,972,355	(42,571)
Federal	671,310	671,310	770,432	99,122
Total revenues	<u>\$ 20,303,923</u>	<u>\$ 20,779,578</u>	<u>\$ 19,897,647</u>	<u>\$ (881,931)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 20,303,923	\$ 20,779,578	\$ 19,829,115	\$ 950,463
Total expenditures	<u>\$ 20,303,923</u>	<u>\$ 20,779,578</u>	<u>\$ 19,829,115</u>	<u>\$ 950,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,532</u>	<u>\$ 68,532</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(68,532)	(68,532)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,532)</u>	<u>\$ (68,532)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

School Food Service Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 1,000	\$ 1,000	\$ 400	\$ (600)
589,260	589,260	445,328	(143,932)
-	-	-	-
-	-	-	-
-	-	-	-
12,000	12,000	9,758	(2,242)
147,000	147,000	210,682	63,682
<u>\$ 749,260</u>	<u>\$ 749,260</u>	<u>\$ 666,168</u>	<u>\$ (83,092)</u>
\$ 749,260	\$ 749,260	\$ 748,908	\$ 352
<u>\$ 749,260</u>	<u>\$ 749,260</u>	<u>\$ 748,908</u>	<u>\$ 352</u>
\$ -	\$ -	\$ (82,740)	\$ (82,740)
\$ -	\$ -	\$ 68,532	\$ 68,532
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,532</u>	<u>\$ 68,532</u>
\$ -	\$ -	\$ (14,208)	\$ (14,208)
-	-	14,208	14,208
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Balance Sheet

Nonmajor Capital Project Fund - Discretely Presented Component Unit - School Board

June 30, 2009

	<u>School Capital Project Proffers Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>80,275</u>
Total assets	\$ <u><u>80,275</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ <u>-</u>
Total liabilities	\$ <u>-</u>
Fund balances:	
Unreserved:	
Undesignated	\$ <u>80,275</u>
Total fund balances	\$ <u>80,275</u>
Total liabilities and fund balances	\$ <u><u>80,275</u></u>



Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Capital Project Fund - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2009

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	<u>School Capital Project Proffers Fund</u>
<b>REVENUES</b>	
Revenue from the use of money and property	\$ 2,615
Miscellaneous	<u>-</u>
Total revenues	\$ <u>2,615</u>
<b>EXPENDITURES</b>	
Current:	
Education	\$ <u>-</u>
Total expenditures	\$ <u>-</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>2,615</u>
Net change in fund balances	\$ 2,615
Fund balances - beginning	<u>77,660</u>
Fund balances - ending	<u><u>80,275</u></u>

COUNTY OF CLARKE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor and Major Capital Projects Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2009

	<b>Capital Projects Proffers 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	\$ -	\$ -	\$ 2,615	\$ 2,615
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Local government	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,615</u>	<u>\$ 2,615</u>
<b>EXPENDITURES</b>				
Capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,615</u>	<u>\$ 2,615</u>
Net change in fund balances	\$ -	\$ -	\$ 2,615	\$ 2,615
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>77,660</u>	<u>77,660</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 80,275</u></u>	<u><u>\$ 80,275</u></u>

School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 261	\$ 261
-	36,024	36,024	-
304,650	526,291	98,568	(427,723)
180,000	180,000	371,290	191,290
-	-	158,685	158,685
<u>\$ 484,650</u>	<u>\$ 742,315</u>	<u>\$ 664,828</u>	<u>\$ (77,487)</u>
<u>\$ 484,650</u>	<u>\$ 742,315</u>	<u>\$ 4,382,528</u>	<u>\$ (3,640,213)</u>
<u>\$ 484,650</u>	<u>\$ 742,315</u>	<u>\$ 4,382,528</u>	<u>\$ (3,640,213)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,717,700)</u>	<u>\$ (3,717,700)</u>
-	-	(3,717,700)	(3,717,700)
-	-	27,274,203	27,274,203
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,556,503</u>	<u>\$ 23,556,503</u>

Capital Assets Used in the Operation of Governmental Funds -  
 Discretely Presented Component Unit - School Board  
 Comparative Schedules by Source  
 June 30, 2009

	<u>2009</u>	<u>2008</u>
Governmental funds capital assets:		
Land	\$ 647,266	\$ 647,266
Buildings	15,001,524	14,220,289
Improvements other than buildings	218,538	218,538
Machinery and equipment	3,137,588	2,998,859
Construction in progress	<u>544,440</u>	<u>216,518</u>
Total governmental funds capital assets	<u>\$ 19,549,356</u>	<u>\$ 18,301,470</u>
Investments in governmental funds capital assets by source:		
Special revenue funds	<u>\$ 19,549,356</u>	<u>\$ 18,301,470</u>
Total governmental funds capital assets	<u>\$ 19,549,356</u>	<u>\$ 18,301,470</u>

Capital Assets Used in the Operation of Governmental Funds -  
 Discretely Presented Component Unit - School Board  
 Schedule by Function and Activity  
 June 30, 2009

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
Education:						
Schools	\$ 647,266	\$ 15,001,524	\$ 218,538	\$ 3,137,588	\$ 544,440	\$ 19,549,356
Total governmental funds capital assets	<u>\$ 647,266</u>	<u>\$ 15,001,524</u>	<u>\$ 218,538</u>	<u>\$ 3,137,588</u>	<u>\$ 544,440</u>	<u>\$ 19,549,356</u>

Capital Assets Used in the Operation of Governmental Funds -  
 Discretely Presented Component Unit - School Board  
 Schedule of Changes By Function and Activity  
 For the Year Ended June 30, 2009

Function and Activity	Governmental Funds Capital Assets July 1, 2008	Additions	Deductions	Governmental Funds Capital Assets June 30, 2009
Education:				
Schools	\$ 18,301,470	\$ 1,284,082	\$ (36,196)	\$ 19,549,356
Total education	\$ 18,301,470	\$ 1,284,082	\$ (36,196)	\$ 19,549,356
Total governmental funds capital assets	\$ 18,301,470	\$ 1,284,082	\$ (36,196)	\$ 19,549,356

**Discretely Presented Component Unit – Sanitary Authority**

Statement of Fund Net Assets  
 Discretely Presented Component Unit - Sanitary Authority  
 As of June 30, 2009

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 828,382	\$ 735,072	\$ 1,563,454
Accounts receivable (net of allowance for uncollectible accounts)	45,566	41,954	87,520
Total current assets	\$ 873,948	\$ 777,026	\$ 1,650,974
Noncurrent assets:			
Capital assets:			
Land	\$ 13,200	\$ -	\$ 13,200
Utility plant in service	4,691,719	1,214,146	5,905,865
Less accumulated depreciation	(1,621,197)	(159,979)	(1,781,176)
Sub-total	\$ 3,083,722	\$ 1,054,167	\$ 4,137,889
Construction work in progress	33,201	1,636,011	1,669,212
Total capital assets	\$ 3,116,923	\$ 2,690,178	\$ 5,807,101
Total noncurrent assets	\$ 3,116,923	\$ 2,690,178	\$ 5,807,101
Total assets	\$ 3,990,871	\$ 3,467,204	\$ 7,458,075
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 21,229	\$ 334,772	\$ 356,001
Bonds payable - current portion	73,931	117,609	191,540
Total current liabilities	\$ 95,160	\$ 452,381	\$ 547,541
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 1,592,597	\$ 1,121,138	\$ 2,713,735
Total noncurrent liabilities	\$ 1,592,597	\$ 1,121,138	\$ 2,713,735
Total liabilities	\$ 1,687,757	\$ 1,573,519	\$ 3,261,276
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 1,450,395	\$ 1,451,431	\$ 2,901,826
Unrestricted	852,719	442,254	1,294,973
Total net assets	\$ 2,303,114	\$ 1,893,685	\$ 4,196,799
Total liabilities and net assets	\$ 3,990,871	\$ 3,467,204	\$ 7,458,075

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



Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Discretely Presented Component Unit - Sanitary Authority  
 For the Year Ended June 30, 2009

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Customer service charges	\$ 168,061	\$ 185,877	\$ 353,938
Connection fees	6,904	3,000	9,904
Miscellaneous	6,408	-	6,408
Total operating revenues	\$ 181,373	\$ 188,877	\$ 370,250
<b>OPERATING EXPENSES</b>			
Auto expenses	\$ 3	\$ 3	\$ 6
Insurance	5,337	5,337	10,674
Miscellaneous	2,159	1,271	3,430
Office supplies and expenses	1,780	972	2,752
Plant maintenance	3,129	29,015	32,144
Pipeline repairs	11,543	-	11,543
Pumphouse supplies and repairs	4,823	-	4,823
Operating supplies / small equipment	12,133	8,886	21,019
Professional services	120,093	117,568	237,661
Salaries and wages	15,332	15,332	30,664
Benefits	4,910	4,910	9,820
Testing services	4,066	7,236	11,302
Utilities	24,369	32,273	56,642
Depreciation	128,282	31,191	159,473
Total operating expenses	\$ 337,959	\$ 253,994	\$ 591,953
Operating income (loss)	\$ (156,586)	\$ (65,117)	\$ (221,703)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	\$ 12,154	\$ 10,045	\$ 22,199
Tower rental	149,076	-	149,076
County operating subsidy	-	6,250	6,250
Operating grant	-	256,222	256,222
Interest expense	(21,998)	-	(21,998)
Total nonoperating revenues (expenses)	\$ 139,232	\$ 272,517	\$ 411,749
Income before contributions and transfers	\$ (17,354)	\$ 207,400	\$ 190,046
Contributed capital - availability fees	\$ 217,637	\$ 356,783	\$ 574,420
Change in net assets	\$ 200,283	\$ 564,183	\$ 764,466
Total net assets - beginning	2,102,831	1,329,502	3,432,333
Total net assets - ending	\$ 2,303,114	\$ 1,893,685	\$ 4,196,799

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

Statement of Cash Flows  
 Discretely Presented Component Unit - Sanitary Authority  
 For the Year Ended June 30, 2009

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 151,396	\$ 183,852	\$ 335,248
Payments to suppliers	(177,715)	121,679	(56,036)
Payments to and on behalf of employees	(20,242)	(20,242)	(40,484)
Net cash provided (used) by operating activities	\$ (46,561)	\$ 285,289	\$ 238,728
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Tower rental	\$ 149,076	\$ -	\$ 149,076
Operating grant	-	256,222	256,222
Operating subsidy from Clarke County	-	6,250	6,250
Net cash provided (used) by noncapital financing activities	\$ 149,076	\$ 262,472	\$ 411,548
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of property, plant and equipment	\$ (47,811)	\$ (1,272,853)	\$ (1,320,664)
Capital contributions	217,637	356,783	574,420
Retirements of long-term indebtedness	(77,817)	(19,204)	(97,021)
Proceeds from indebtedness	-	777,840	777,840
Interest payments	(21,998)	-	(21,998)
Net cash provided (used) by capital and related financing activities	\$ 70,011	\$ (157,434)	\$ (87,423)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	\$ 12,154	\$ 10,045	\$ 22,199
Net cash provided (used) by investing activities	\$ 12,154	\$ 10,045	\$ 22,199
Net increase (decrease) in cash and cash equivalents	\$ 184,680	\$ 400,372	\$ 585,052
Cash and cash equivalents - beginning	643,702	334,700	978,402
Cash and cash equivalents - ending	\$ 828,382	\$ 735,072	\$ 1,563,454
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (156,586)	\$ (65,117)	\$ (221,703)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	128,282	31,191	159,473
(Increase) decrease in accounts receivable	(18,694)	(5,025)	(23,719)
(Increase) decrease in prepaid expenses	5,287	5,287	10,574
Increase (decrease) in accounts payable	6,433	318,953	325,386
Increase (decrease) deferred revenue	(11,283)	-	(11,283)
Total adjustments	\$ 110,025	\$ 350,406	\$ 460,431
Net cash provided (used) by operating activities	\$ (46,561)	\$ 285,289	\$ 238,728

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

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

Statement of Fund Net Assets  
 Discretely Presented Component Unit - Industrial Development Authority  
 As of June 30, 2009

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	<b>Industrial Development Authority</b>
	<u>                    </u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ <u>119,192</u>
Total assets	\$ <u><u>119,192</u></u>
<b>NET ASSETS</b>	
Unrestricted	<u>119,192</u>
Total net assets	\$ <u>119,192</u>

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Discretely Presented Component Unit - Industrial Development Authority  
 For the Year Ended June 30, 2009

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	<u>Industrial Development Authority</u>
<b>OPERATING REVENUES</b>	
Miscellaneous revenue	\$ <u>6,424</u>
Total operating revenues	\$ <u>6,424</u>
<b>OPERATING EXPENSES</b>	
Contribution to Lord Fairfax Small Business Park	\$ 3,500
Professional services	2,000
Board members' fee	650
Miscellaneous	<u>86</u>
Total operating expenses	\$ <u>6,236</u>
Operating income (loss)	\$ <u>188</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Unrealized gain (loss) on investments	\$ <u>(25,065)</u>
Total nonoperating revenues (expenses)	\$ <u>(25,065)</u>
Change in net assets	\$ (24,877)
Total net assets - beginning	<u>144,069</u>
Total net assets - ending	<u><u>\$ 119,192</u></u>

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

Statement of Cash Flows  
 Discretely Presented Component Unit - Industrial Development Authority  
 For the Year Ended June 30, 2009

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	<b>Industrial Development Authority</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 6,424
Payments to suppliers	<u>(6,236)</u>
Net cash provided (used) by operating activities	<u>\$ 188</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Unrealized gain (loss) on investments	\$ <u>(25,065)</u>
Net cash provided (used) by investing activities	<u>\$ (25,065)</u>
Net increase (decrease) in cash and cash equivalents	\$ (24,877)
Cash and cash equivalents - beginning	<u>144,069</u>
Cash and cash equivalents - ending	<u><u>\$ 119,192</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ <u>188</u>
Net cash provided (used) by operating activities	<u><u>\$ 188</u></u>

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

## **Supporting Schedules**

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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	\$ 12,419,993	\$ 12,419,993	\$ 12,365,919	\$ (54,074)
Real and personal public service corporation taxes	234,375	234,375	256,936	22,561
Personal property taxes	3,341,034	3,341,034	3,134,576	(206,458)
Mobile home taxes	848	848	-	(848)
Machinery and tools taxes	308,199	308,199	281,179	(27,020)
Proceeds from delinquent land sales	5,000	5,000	4,306	(694)
Penalties	114,179	114,179	98,425	(15,754)
Interest	55,204	55,204	65,179	9,975
	<u>\$ 16,478,832</u>	<u>\$ 16,478,832</u>	<u>\$ 16,206,520</u>	<u>\$ (272,312)</u>
Other local taxes:				
Local sales and use taxes	\$ 800,000	\$ 800,000	\$ 752,667	\$ (47,333)
Consumers' utility taxes	333,094	333,094	376,346	43,252
Communication taxes	447,138	447,138	447,734	596
Consumption taxes	35,176	35,176	35,170	(6)
Motor vehicle licenses	278,730	278,730	257,469	(21,261)
Taxes on recordation and wills	151,280	151,280	175,747	24,467
Franchise license taxes	-	-	17,314	17,314
Transient occupancy taxes	17,802	17,802	15,225	(2,577)
Business license taxes	26,710	26,710	24,330	(2,380)
	<u>\$ 2,089,930</u>	<u>\$ 2,089,930</u>	<u>\$ 2,102,002</u>	<u>\$ 12,072</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,184	\$ 8,184	\$ 11,922	\$ 3,738
Land use application fees	9,350	9,350	3,600	(5,750)
Animal shelter fees	9,711	9,711	7,965	(1,746)
Building and related permits	134,111	134,111	154,594	20,483
Zoning and subdivision	130,500	130,500	100,103	(30,397)
Transfer fees	660	660	417	(243)
Signs permits and inspection fees	772	772	2,985	2,213
Weapons permits	2,835	2,835	7,315	4,480
Excess clerk fees	14,035	14,035	5,554	(8,481)
Other permits and fees	563	563	1,375	812
	<u>\$ 310,721</u>	<u>\$ 310,721</u>	<u>\$ 295,830</u>	<u>\$ (14,891)</u>

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)				
Fines and forfeitures:				
Court fines and forfeitures	\$ 297,305	\$ 297,305	\$ 265,963	\$ (31,342)
Total fines and forfeitures	\$ 297,305	\$ 297,305	\$ 265,963	\$ (31,342)
Revenue from use of money and property:				
Revenue from use of money	\$ 209,439	\$ 209,439	\$ 146,801	\$ (62,638)
Revenue from use of property	74,906	74,906	76,988	2,082
Total revenue from use of money and property	\$ 284,345	\$ 284,345	\$ 223,789	\$ (60,556)
Charges for services:				
Sheriff's fees	\$ 797	\$ 797	\$ 796	\$ (1)
Charges for emergency medical services	2,000	2,000	8,241	6,241
Charges for courthouse security	45,000	45,000	58,240	13,240
Charges for jail processing	1,911	1,911	1,681	(230)
Court appointed attorney	-	-	252	252
Charges for other localities	76,140	76,140	62,300	(13,840)
Charges for Commonwealth's Attorney	511	511	675	164
Charges for planning and community development	813	813	40	(773)
Charges for parks and recreation	124,381	133,069	143,333	10,264
Parks program - reimbursement	300,000	300,000	231,439	(68,561)
Charges for engineer's fees/biosolids applications	64,000	64,000	62,485	(1,515)
Total charges for services	\$ 615,553	\$ 624,241	\$ 569,482	\$ (54,759)
Miscellaneous revenue:				
Miscellaneous	\$ 11,551	\$ 11,551	\$ 4,438	\$ (7,113)
Total miscellaneous revenue	\$ 11,551	\$ 11,551	\$ 4,438	\$ (7,113)
Recovered costs:				
Gas tax refund	\$ 28,162	\$ 28,162	\$ 251,288	\$ 223,126
Insurance recovery	16,578	16,578	17,982	1,404
Gifts & donations in lieu of taxes	33,502	33,502	2,500	(31,002)
Sale of salvage and surplus property	5,000	14,540	10,819	(3,721)
Loan repayment	5,287	5,287	33,750	28,463
Recycling rebate	39,313	39,313	-	(39,313)
Total recovered costs	\$ 127,842	\$ 137,382	\$ 316,339	\$ 178,957
Total revenue from local sources	\$ 20,216,079	\$ 20,234,307	\$ 19,984,363	\$ (249,944)

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:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 17,671	\$ 17,671	\$ 41,939	\$ 24,268
Mobile home titling tax	-	-	3,281	3,281
Taxes on deeds	150,000	150,000	97,946	(52,054)
Quarterly rental tax	2,361	2,361	2,463	102
Wireless E911 grant	47,600	47,600	29,333	(18,267)
Personal property tax relief funds	2,483,842	2,483,842	2,483,842	-
<b>Total noncategorical aid</b>	<b>\$ 2,701,474</b>	<b>\$ 2,701,474</b>	<b>\$ 2,658,804</b>	<b>\$ (42,670)</b>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 188,398	\$ 188,398	\$ 189,233	\$ 835
Sheriff	791,414	791,414	747,393	(44,021)
Commissioner of revenue	94,780	94,780	94,297	(483)
Treasurer	105,434	105,434	103,984	(1,450)
Medical examiner	170	170	-	(170)
Registrar/electoral board	50,637	50,637	47,911	(2,726)
Clerk of the Circuit Court	6,481	6,481	7,221	740
<b>Total shared expenses</b>	<b>\$ 1,237,314</b>	<b>\$ 1,237,314</b>	<b>\$ 1,190,039</b>	<b>\$ (47,275)</b>
Other categorical aid:				
Fire programs fund	\$ 35,123	\$ 35,123	\$ 40,906	\$ 5,783
Litter control grant	5,429	5,429	6,337	908
Virginia Commission for the Arts	5,250	5,250	4,250	(1,000)
State criminal alien assistance program	-	-	12,817	12,817
Other categorical aid	5,923	5,923	2,880	(3,043)
<b>Total other categorical aid</b>	<b>\$ 51,725</b>	<b>\$ 51,725</b>	<b>\$ 67,190</b>	<b>\$ 15,465</b>
<b>Total categorical aid</b>	<b>\$ 1,289,039</b>	<b>\$ 1,289,039</b>	<b>\$ 1,257,229</b>	<b>\$ (31,810)</b>
<b>Total revenue from the Commonwealth</b>	<b>\$ 3,990,513</b>	<b>\$ 3,990,513</b>	<b>\$ 3,916,033</b>	<b>\$ (74,480)</b>

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 federal government:				
Payments in lieu of taxes	\$ 4,916	\$ 4,916	\$ 8,337	\$ 3,421
Categorical aid:				
Crime victim assistance	\$ 38,259	\$ 38,259	\$ 41,048	\$ 2,789
Violence against women formula grants	26,417	26,417	17,767	(8,650)
Emergency management performance grant	3,679	3,679	-	(3,679)
DMV CPSF grant	5,130	5,130	-	(5,130)
Local law enforcement block grant	7,500	7,500	5,877	(1,623)
Gang free schools and communities	75,001	75,001	62,202	(12,799)
Bulletproof vest grant	1,050	1,050	445	(605)
Ed Byrne Discretionary Grant - School resource officer	19,000	19,000	-	(19,000)
Speed control 402	6,000	6,000	15,391	9,391
Total categorical aid	\$ 182,036	\$ 182,036	\$ 142,730	\$ (39,306)
Total revenue from the federal government	\$ 186,952	\$ 186,952	\$ 151,067	\$ (35,885)
Total General Fund	\$ 24,393,544	\$ 24,411,772	\$ 24,051,463	\$ (360,309)
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Recovered costs:				
Payments from other jurisdictions	\$ -	\$ -	\$ 31,686	\$ 31,686
Expenditure refunds	-	-	3,004	3,004
Total recovered costs	\$ -	\$ -	\$ 34,690	\$ 34,690
Total revenue from local sources	\$ -	\$ -	\$ 34,690	\$ 34,690
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 356,448	\$ 356,448	\$ 313,854	\$ (42,594)
Total categorical aid	\$ 356,448	\$ 356,448	\$ 313,854	\$ (42,594)
Total revenue from the Commonwealth	\$ 356,448	\$ 356,448	\$ 313,854	\$ (42,594)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 588,786	\$ 588,786	\$ 518,322	\$ (70,464)
Total categorical aid	\$ 588,786	\$ 588,786	\$ 518,322	\$ (70,464)
Total revenue from the federal government	\$ 588,786	\$ 588,786	\$ 518,322	\$ (70,464)
Total Virginia Public Assistance Fund	\$ 945,234	\$ 945,234	\$ 866,866	\$ (78,368)

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>Comprehensive services fund:</b>				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 12,898	\$ 12,898
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,898</u>	<u>\$ 12,898</u>
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive services	\$ 355,834	\$ 355,834	\$ 330,437	\$ (25,397)
Total categorical aid	<u>\$ 355,834</u>	<u>\$ 355,834</u>	<u>\$ 330,437</u>	<u>\$ (25,397)</u>
Total revenue from the Commonwealth	<u>\$ 355,834</u>	<u>\$ 355,834</u>	<u>\$ 330,437</u>	<u>\$ (25,397)</u>
Total comprehensive services fund	<u><u>\$ 355,834</u></u>	<u><u>\$ 355,834</u></u>	<u><u>\$ 343,335</u></u>	<u><u>\$ (12,499)</u></u>
<b>Drug Enforcement Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 274	\$ 274
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274</u>	<u>\$ 274</u>
Miscellaneous revenue:				
Gifts and donations	\$ -	\$ -	\$ 4,708	\$ 4,708
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,708</u>	<u>\$ 4,708</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,982</u>	<u>\$ 4,982</u>
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 18,018	\$ 18,018
Drug Enforcement grant	-	-	2,888	2,888
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,906</u>	<u>\$ 20,906</u>
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,906</u>	<u>\$ 20,906</u>
Total drug enforcement fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,888</u></u>	<u><u>\$ 25,888</u></u>

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>Conservation Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Other local taxes	\$ 10,000	\$ 10,000	\$ 120,934	\$ 110,934
Total other local taxes	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 120,934</u>	<u>\$ 110,934</u>
Total revenue from local sources	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 120,934</u>	<u>\$ 110,934</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Other noncategorical aid	\$ 1,715,916	\$ 1,715,916	\$ 85,179	\$ (1,630,737)
Total conservation fund	<u>\$ 1,725,916</u>	<u>\$ 1,725,916</u>	<u>\$ 206,113</u>	<u>\$ (1,519,803)</u>
<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	\$ 1,400,000	\$ 1,284,900	\$ 475,507	\$ (809,393)
Total revenue from use of money and property	<u>\$ 1,400,000</u>	<u>\$ 1,284,900</u>	<u>\$ 475,507</u>	<u>\$ (809,393)</u>
Total revenue from local sources	<u>\$ 1,400,000</u>	<u>\$ 1,284,900</u>	<u>\$ 475,507</u>	<u>\$ (809,393)</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Lottery payments	\$ 103,578	\$ 103,578	\$ 83,281	\$ (20,297)
Total noncategorical aid	<u>103,578</u>	<u>103,578</u>	<u>83,281</u>	<u>(20,297)</u>
Categorical aid:				
School construction payments	\$ 117,277	\$ 117,277	\$ 117,163	\$ (114)
Total categorical aid	<u>\$ 117,277</u>	<u>\$ 117,277</u>	<u>\$ 117,163</u>	<u>\$ (114)</u>
Total revenue from the Commonwealth	<u>\$ 220,855</u>	<u>\$ 220,855</u>	<u>\$ 200,444</u>	<u>\$ (20,411)</u>
Total School Debt Service Fund	<u><u>\$ 1,620,855</u></u>	<u><u>\$ 1,505,755</u></u>	<u><u>\$ 675,951</u></u>	<u><u>\$ (829,804)</u></u>
<b>General Debt Service Fund:</b>				
Revenue from local sources:				
Charges for services:				
Charges for services	\$ -	\$ -	\$ 4,955	\$ 4,955
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,955</u>	<u>\$ 4,955</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,955</u>	<u>\$ 4,955</u>
Total General Debt Service Fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,955</u></u>	<u><u>\$ 4,955</u></u>

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:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Gifts and donations	\$ -	\$ -	\$ 5,000	\$ 5,000
Total revenue from local sources	\$ -	\$ -	\$ 5,000	\$ 5,000
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 58,077	\$ 58,077
Total revenue from the Commonwealth	\$ -	\$ -	\$ 58,077	\$ 58,077
Revenue from the federal government:				
Categorical aid:				
Emergency management performance grant	\$ -	\$ 37,873	\$ -	\$ (37,873)
Total categorical aid	\$ -	\$ 37,873	\$ -	\$ (37,873)
Total revenue from the federal government	\$ -	\$ 37,873	\$ -	\$ (37,873)
Total County Capital Projects Fund	\$ -	\$ 37,873	\$ 63,077	\$ 20,204
<b>Parks Construction Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 629	\$ 629
Total revenue from use of money and property	\$ -	\$ -	\$ 629	\$ 629
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 1,260	\$ 1,260
Gifts and donations	-	-	250	250
Total miscellaneous revenue	\$ -	\$ -	\$ 1,510	\$ 1,510
Total revenue from local sources	\$ -	\$ -	\$ 2,139	\$ 2,139
Total Parks Construction Fund:	\$ -	\$ -	\$ 2,139	\$ 2,139
<b>Permanent Funds:</b>				
<b>Animal Care Fund:</b>				
Revenue from local sources:				
Revenue from use of money:				
Revenue from the use of money	\$ -	\$ -	\$ 76	\$ 76
Total revenue from use of money	\$ -	\$ -	\$ 76	\$ 76

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>Permanent Funds: (Continued)</b>				
<b>Animal Care Fund: (Continued)</b>				
Miscellaneous revenue:				
Gifts and donations	\$ -	\$ -	\$ 330	\$ 330
Total miscellaneous revenue	\$ -	\$ -	\$ 330	\$ 330
Total Animal Care Fund	\$ -	\$ -	\$ 406	\$ 406
<b>Parks and Recreation Fund:</b>				
Revenue from local sources:				
Revenue from use of money:				
Revenue from the use of money	\$ -	\$ -	\$ 240	\$ 240
Total revenue from local sources	\$ -	\$ -	\$ 240	\$ 240
Total Parks and Recreation Fund	\$ -	\$ -	\$ 240	\$ 240
Total Primary Government	\$ 29,041,383	\$ 28,982,384	\$ 26,240,433	\$ (2,746,951)
<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	\$ 39,000	\$ 39,000	\$ 43,844	\$ 4,844
Charges for services:				
Tuition	\$ 80,000	\$ 80,000	\$ 57,221	\$ (22,779)
Town of Berryville Crossing	23,000	23,000	30,989	7,989
Facility use fees	5,000	5,000	5,000	-
Total charges for services	\$ 108,000	\$ 108,000	\$ 93,210	\$ (14,790)
Miscellaneous revenue:				
Other miscellaneous	\$ 1,850	\$ 1,850	\$ 103,110	\$ 101,260
Private gifts and donations	104,000	104,000	21,299	(82,701)
Total miscellaneous revenue	\$ 105,850	\$ 105,850	\$ 124,409	\$ 18,559
Recovered costs:				
Rebates and refunds	\$ 34,825	\$ 34,825	\$ 90,596	\$ 55,771
Insurance recoveries	15,000	15,000	697	(14,303)
Sale of equipment	2,500	2,500	8,015	5,515
Total recovered costs	\$ 52,325	\$ 52,325	\$ 99,308	\$ 46,983
Total revenue from local sources	\$ 305,175	\$ 305,175	\$ 360,771	\$ 55,596



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>				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 11,312,512	\$ 11,788,167	\$ 10,794,089	\$ (994,078)
Total revenues from local governments	<u>\$ 11,312,512</u>	<u>\$ 11,788,167</u>	<u>\$ 10,794,089</u>	<u>\$ (994,078)</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Wine tax	\$ 5,687	\$ 5,687	\$ -	\$ (5,687)
Lottery revenue	<u>98,211</u>	<u>98,211</u>	<u>83,281</u>	<u>(14,930)</u>
Total noncategorical aid	<u>\$ 103,898</u>	<u>\$ 103,898</u>	<u>\$ 83,281</u>	<u>\$ (20,617)</u>
Categorical aid:				
Share of state sales tax	\$ 2,072,505	\$ 2,072,505	\$ 1,870,236	\$ (202,269)
At risk payments	4,468	4,468	8,886	4,418
Adult education	2,443	2,443	-	(2,443)
Salary supplement	27,735	27,735	-	(27,735)
Basic school aid	4,541,888	4,541,888	4,602,159	60,271
Foster home children	26,144	26,144	15,530	(10,614)
Gifted and talented children	38,661	38,661	38,573	(88)
Homebound education	851	851	399	(452)
Preschool At-Risk	12,520	12,520	11,664	(856)
Special education - soq	310,127	310,127	309,426	(701)
Group life insurance	9,665	9,665	9,224	(441)
Special education - foster children	-	-	25,155	25,155
Vocational education - soq	72,279	72,279	72,116	(163)
Vocational occupational preparedness	15,520	15,520	11,836	(3,684)
Vocational education - other	2,800	2,800	2,527	(273)
Textbook payments	99,976	99,976	99,385	(591)
Remedial education	32,778	32,778	32,704	(74)
Share of fringe benefits	480,739	480,739	478,814	(1,925)
Remedial summer school	26,839	26,839	23,813	(3,026)
Regional program tuition	44,942	44,942	96,292	51,350
Industry certification program	-	-	1,128	1,128
Mentor teacher program	3,464	3,464	2,963	(501)
SOL algebra readiness	4,986	4,986	4,993	7
Early intervention	12,204	12,204	12,223	19
ISAEF	7,859	7,859	7,859	-
English as a second language	16,635	16,635	13,998	(2,637)
E-Rate	28,000	28,000	31,581	3,581
Other categorical aid	<u>15,000</u>	<u>15,000</u>	<u>105,590</u>	<u>90,590</u>
Total categorical aid	<u>\$ 7,911,028</u>	<u>\$ 7,911,028</u>	<u>\$ 7,889,074</u>	<u>\$ (21,954)</u>
Total revenue from the Commonwealth	<u>\$ 8,014,926</u>	<u>\$ 8,014,926</u>	<u>\$ 7,972,355</u>	<u>\$ (42,571)</u>

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 federal government:				
Categorical aid:				
Title I part A: Grants to local educational agencies	\$ 174,291	\$ 174,291	\$ 158,325	\$ (15,966)
Title II part A: Improving teacher quality	66,680	66,680	36,188	(30,492)
Title V part A: State grants for innovative programs	-	-	2,127	2,127
Title II part D: Education technology state grants	2,051	2,051	1,347	(704)
Title III, Part A: English language acquisition grants	-	-	1,561	1,561
Safe and drug free schools and communities	5,976	5,976	4,951	(1,025)
Vocational education basic grants to states	23,921	23,921	23,098	(823)
Title VI-B: Special education grants to states	372,993	372,993	522,555	149,562
Goals 2000 grant	2,940	2,940	-	(2,940)
Special education preschool handicapped grant	13,658	13,658	13,499	(159)
Medicaid	8,800	8,800	6,781	(2,019)
Total categorical aid	<u>\$ 671,310</u>	<u>\$ 671,310</u>	<u>\$ 770,432</u>	<u>\$ 99,122</u>
Total revenue from the federal government	<u>\$ 671,310</u>	<u>\$ 671,310</u>	<u>\$ 770,432</u>	<u>\$ 99,122</u>
Total School Operating Fund	<u>\$ 20,303,923</u>	<u>\$ 20,779,578</u>	<u>\$ 19,897,647</u>	<u>\$ (881,931)</u>
<b>School Food Service Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,000	\$ 1,000	\$ 400	\$ (600)
Total revenue from use of money and property	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 400</u>	<u>\$ (600)</u>
Charges for services:				
Cafeteria sales	\$ 589,260	\$ 589,260	\$ 445,328	\$ (143,932)
Total charges for services	<u>\$ 589,260</u>	<u>\$ 589,260</u>	<u>\$ 445,328</u>	<u>\$ (143,932)</u>
Total revenue from local sources	<u>\$ 590,260</u>	<u>\$ 590,260</u>	<u>\$ 445,728</u>	<u>\$ (144,532)</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 12,000	\$ 12,000	\$ 9,758	\$ (2,242)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 147,000	\$ 147,000	\$ 210,682	\$ 63,682
Total categorical aid	<u>147,000</u>	<u>147,000</u>	<u>210,682</u>	<u>63,682</u>
Total revenue from the federal government	<u>147,000</u>	<u>147,000</u>	<u>210,682</u>	<u>63,682</u>
Total School Food Service Fund	<u>\$ 749,260</u>	<u>\$ 749,260</u>	<u>\$ 666,168</u>	<u>\$ (83,092)</u>

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>Capital Projects Funds:</b>				
<b>School Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 261	\$ 261
Total revenue from use of money and property	\$ -	\$ -	\$ 261	\$ 261
Recovered costs:				
Other recovered costs	\$ -	\$ 36,024	\$ 36,024	\$ -
Total recovered costs	\$ -	\$ 36,024	\$ 36,024	\$ -
Total revenue from local sources	\$ -	\$ 36,024	\$ 36,285	\$ 261
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Clarke , Virginia	\$ 304,650	\$ 526,291	\$ 98,568	\$ (427,723)
Total revenues from local governments	\$ 304,650	\$ 526,291	\$ 98,568	\$ (427,723)
Revenue from the Commonwealth:				
Categorical aid:				
Instructional technology grant	\$ 180,000	\$ 180,000	\$ 371,290	\$ 191,290
Total categorical aid	\$ 180,000	\$ 180,000	\$ 371,290	\$ 191,290
Total revenue from the Commonwealth	\$ 180,000	\$ 180,000	\$ 371,290	\$ 191,290
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 158,685	\$ 158,685
Total categorical aid	\$ -	\$ -	\$ 158,685	\$ 158,685
Total revenue from the federal government	\$ -	\$ -	\$ 158,685	\$ 158,685
Total School Capital Projects Fund	\$ 484,650	\$ 742,315	\$ 664,828	\$ (77,487)
<b>School Capital Projects Proffers Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,615	\$ 2,615
Total revenue from use of money and property	\$ -	\$ -	\$ 2,615	\$ 2,615
Total revenue from local sources	\$ -	\$ -	\$ 2,615	\$ 2,615
Total School Capital Projects Proffers Fund	\$ -	\$ -	\$ 2,615	\$ 2,615
Total Discretely Presented Component Unit - School Board	\$ 21,537,833	\$ 22,271,153	\$ 21,231,258	\$ (1,039,895)

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 65,004	\$ 65,004	\$ 65,755	\$ (751)
General and financial administration:				
Legal services	\$ 75,856	\$ 73,821	\$ 68,418	\$ 5,403
Commissioner of revenue	243,365	243,355	235,260	8,095
Assessor	96,138	95,590	59,787	35,803
Information technology	290,127	289,747	233,997	55,750
Treasurer	276,676	276,695	263,242	13,453
Total general and financial administration	\$ 1,259,080	\$ 1,220,543	\$ 1,091,014	\$ 129,529
Board of elections:				
Registrar	\$ 66,982	\$ 67,632	\$ 62,139	\$ 5,493
Electoral board and officials	31,535	32,180	31,465	715
Total board of elections	\$ 98,517	\$ 99,812	\$ 93,604	\$ 6,208
Total general government administration	\$ 1,422,601	\$ 1,385,359	\$ 1,250,373	\$ 134,986
Judicial administration:				
Courts:				
Circuit court	\$ 15,270	\$ 15,270	\$ 10,342	\$ 4,928
General district court	7,821	7,821	5,969	1,852
Magistrate	1,350	1,350	663	687
Juvenile and domestic relations court	19,200	19,200	13,251	5,949
Clerk of the circuit court	101,417	101,409	88,852	12,557
Victim Witness Program	38,259	42,233	41,976	257
Division of court services	3,500	3,500	2,028	1,472
Blue Ridge legal services	2,000	2,000	2,000	-
Total courts	\$ 188,817	\$ 192,783	\$ 165,081	\$ 27,702
Commonwealth's attorney:				
Commonwealth's attorney	\$ 278,048	\$ 281,818	\$ 268,590	\$ 13,228
Total commonwealth's attorney	\$ 278,048	\$ 281,818	\$ 268,590	\$ 13,228
Total judicial administration	\$ 466,865	\$ 474,601	\$ 433,671	\$ 40,930

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,681,955	\$ 1,691,085	\$ 1,568,267	\$ 122,818
Criminal justice training	13,000	13,000	12,160	840
Drug task force	15,000	15,000	9,957	5,043
Total law enforcement and traffic control	<u>\$ 1,709,955</u>	<u>\$ 1,719,085</u>	<u>\$ 1,590,384</u>	<u>\$ 128,701</u>
Fire and rescue services:				
Emergency services board	\$ 366,828	\$ 366,879	\$ 345,994	\$ 20,885
Communications	398,190	397,569	376,074	21,495
Fire and rescue departments	266,723	266,723	265,906	817
Lord Fairfax Emergency Medical Services	4,929	4,929	4,929	-
Forestry services	3,576	3,576	2,782	794
Total fire and rescue services	<u>\$ 1,040,246</u>	<u>\$ 1,039,676</u>	<u>\$ 995,685</u>	<u>\$ 43,991</u>
Correction and detention:				
Regional jail	\$ 440,903	\$ 440,903	\$ 434,313	\$ 6,590
Juvenile detention home	58,420	58,420	50,855	7,565
Probation office	2,030	2,030	528	1,502
Total correction and detention	<u>\$ 501,353</u>	<u>\$ 501,353</u>	<u>\$ 485,696</u>	<u>\$ 15,657</u>
Inspections:				
Building	\$ 153,125	\$ 152,027	\$ 151,735	\$ 292
Total inspections	<u>\$ 153,125</u>	<u>\$ 152,027</u>	<u>\$ 151,735</u>	<u>\$ 292</u>
Other protection:				
Animal control	\$ 134,063	\$ 139,503	\$ 121,208	\$ 18,295
Medical examiner	300	300	80	220
Total other protection	<u>\$ 134,363</u>	<u>\$ 139,803</u>	<u>\$ 121,288</u>	<u>\$ 18,515</u>
Total public safety	<u>\$ 3,539,042</u>	<u>\$ 3,551,944</u>	<u>\$ 3,344,788</u>	<u>\$ 207,156</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 285,000	\$ 285,000	\$ 158,950	\$ 126,050
Sanitation	49,200	53,200	52,910	290
Litter control program	5,429	7,629	7,506	123
Total sanitation and waste removal	<u>\$ 339,629</u>	<u>\$ 345,829</u>	<u>\$ 219,366</u>	<u>\$ 126,463</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public Works: (continued)				
Maintenance of general buildings and grounds:				
General properties	\$ 1,010,392	\$ 1,026,725	\$ 769,753	\$ 256,972
Total maintenance of general buildings and grounds	\$ 1,010,392	\$ 1,026,725	\$ 769,753	\$ 256,972
Total public works	\$ 1,350,021	\$ 1,372,554	\$ 989,119	\$ 383,435
Health and welfare:				
Health:				
Supplement of local health department	\$ 200,205	\$ 200,205	\$ 194,835	\$ 5,370
Our Health	6,500	6,500	6,500	-
Total health	\$ 206,705	\$ 206,705	\$ 201,335	\$ 5,370
Mental health and mental retardation:				
Northwestern Community Services	\$ 82,000	\$ 82,000	\$ 82,000	-
Northwestern Health Systems	747	747	747	-
Concern Hotline	1,000	1,000	1,000	-
NW Works	1,000	1,000	1,000	-
Total mental health and mental retardation	\$ 84,747	\$ 84,747	\$ 84,747	-
Welfare:				
State and local hospitalization	\$ 5,500	\$ 5,800	\$ 5,762	\$ 38
Shenandoah area on aging	35,000	35,000	35,000	-
Loudoun County Transportation Association	17,639	17,639	17,639	-
Abused women's shelter	2,500	2,500	2,500	-
Independent living center	1,000	1,000	1,000	-
Disability services	707	707	706	1
Total welfare	\$ 62,346	\$ 62,646	\$ 62,607	\$ 39
Total health and welfare	\$ 353,798	\$ 354,098	\$ 348,689	\$ 5,409
Education:				
Other instructional costs:				
Contribution to Clarke County Public Schools	\$ 11,617,162	\$ 12,314,458	\$ 10,892,657	\$ 1,421,801
Lord Fairfax Community College	15,043	15,043	15,043	-
Total education	\$ 11,632,205	\$ 12,329,501	\$ 10,907,700	\$ 1,421,801
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 322,769	\$ 331,540	\$ 316,738	\$ 14,802
Recreation center	97,852	101,662	101,639	23
Swimming pool	87,819	95,270	82,161	13,109
Programs	283,650	285,327	201,627	83,700
Total parks and recreation	\$ 792,090	\$ 813,799	\$ 702,165	\$ 111,634

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Parks, recreation, and culture: (continued)				
Cultural enrichment:				
Virginia commission for the arts	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Total cultural enrichment	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ -</u>
Library:				
Contribution to Handley library	\$ 197,035	\$ 197,035	\$ 191,704	\$ 5,331
Total library	<u>\$ 197,035</u>	<u>\$ 197,035</u>	<u>\$ 191,704</u>	<u>\$ 5,331</u>
Total parks, recreation, and cultural	<u>\$ 997,625</u>	<u>\$ 1,019,334</u>	<u>\$ 902,369</u>	<u>\$ 116,965</u>
Community development:				
Planning and community development:				
Planning administration	\$ 460,561	\$ 494,832	\$ 491,777	\$ 3,055
Help with housing	7,200	7,200	7,200	-
Board of zoning appeals	3,620	3,620	856	2,764
Office of Economic Development	60,000	60,000	34,981	25,019
Berryville Development Authority	3,800	14,300	11,362	2,938
Small business development center	2,000	2,000	2,000	-
Blandy Experimental Farm	4,000	4,000	4,000	-
Planning commission	82,117	82,117	17,791	64,326
Board of septic appeals	2,740	3,939	3,715	224
Historic preservation	7,500	7,500	6,846	654
Northern Shenandoah Valley Regional Commission	12,810	12,810	12,810	-
Regional airport	5,000	5,000	5,000	-
Total planning and community development	<u>\$ 651,348</u>	<u>\$ 697,318</u>	<u>\$ 598,338</u>	<u>\$ 98,980</u>
Environmental management:				
Friends of the Shenandoah	\$ 6,000	\$ 6,000	\$ 6,000	-
Lord Fairfax Soil and Water Conservation	9,500	9,500	9,500	-
Biosolids Application	17,570	20,035	19,924	111
Gypsy Moth Program	17,507	17,505	18,170	(665)
Total environmental management	<u>\$ 50,577</u>	<u>\$ 53,040</u>	<u>\$ 53,594</u>	<u>\$ (554)</u>
Cooperative extension program:				
Cooperative extension service	\$ 93,102	\$ 92,871	\$ 67,614	\$ 25,257
Northern Virginia 4-H Center	3,000	3,000	3,000	-
Total cooperative extension program	<u>\$ 96,102</u>	<u>\$ 95,871</u>	<u>\$ 70,614</u>	<u>\$ 25,257</u>
Total community development	<u>\$ 798,027</u>	<u>\$ 846,229</u>	<u>\$ 722,546</u>	<u>\$ 123,683</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Nondepartmental:				
Miscellaneous	\$ -	\$ -	\$ 1,728	\$ (1,728)
Unemployment compensation	10,000	11,400	11,397	3
Legal/professional services contingency	111,633	51,990	-	51,990
Total nondepartmental	<u>\$ 121,633</u>	<u>\$ 63,390</u>	<u>\$ 13,125</u>	<u>\$ 50,265</u>
Total General Fund	<u>\$ 20,681,817</u>	<u>\$ 21,397,010</u>	<u>\$ 18,912,380</u>	<u>\$ 2,484,630</u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Public assistance and welfare administration	\$ 1,364,224	\$ 1,364,224	\$ 1,281,799	\$ 82,425
Total health and welfare	<u>\$ 1,364,224</u>	<u>\$ 1,364,224</u>	<u>\$ 1,281,799</u>	<u>\$ 82,425</u>
Total Virginia Public Assistance Fund	<u>\$ 1,364,224</u>	<u>\$ 1,364,224</u>	<u>\$ 1,281,799</u>	<u>\$ 82,425</u>
<b>Comprehensive Services Fund:</b>				
Health and welfare:				
Welfare and social services:				
Program expenditures	\$ 766,772	\$ 794,272	\$ 741,781	\$ 52,491
Total health and welfare	<u>\$ 766,772</u>	<u>\$ 794,272</u>	<u>\$ 741,781</u>	<u>\$ 52,491</u>
Total CSA Fund	<u>\$ 766,772</u>	<u>\$ 794,272</u>	<u>\$ 741,781</u>	<u>\$ 52,491</u>
<b>Joint Administrative Services Fund:</b>				
Joint Services:				
Joint Services:				
Operations	\$ 549,938	\$ 549,938	\$ 514,896	\$ 35,042
Total non-departmental	<u>\$ 549,938</u>	<u>\$ 549,938</u>	<u>\$ 514,896</u>	<u>\$ 35,042</u>
Total Joint Services Fund	<u>\$ 549,938</u>	<u>\$ 549,938</u>	<u>\$ 514,896</u>	<u>\$ 35,042</u>
<b>Drug Enforcement Fund:</b>				
Public Safety:				
Public Safety				
Operations	\$ -	\$ -	\$ 18,273	\$ (18,273)
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,273</u>	<u>\$ (18,273)</u>
Total Drug Enforcement Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,273</u>	<u>\$ (18,273)</u>



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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Conservation Fund:</b>				
General Government Administration:				
Community Development				
Planning administration	\$ 1,984,044	\$ 1,984,044	\$ 169,048	\$ 1,814,996
Total community development	\$ 1,984,044	\$ 1,984,044	\$ 169,048	\$ 1,814,996
Total Conservation Fund	\$ 1,984,044	\$ 1,984,044	\$ 169,048	\$ 1,814,996
<b>Debt Service Fund:</b>				
<b>School Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 1,864,987	\$ 1,864,022	\$ 1,864,987	\$ (965)
Interest and other fiscal charges	1,664,181	1,665,146	1,663,680	1,466
Total School Debt Service Fund	\$ 3,529,168	\$ 3,529,168	\$ 3,528,667	\$ 501
<b>Primary Government Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 103,480	\$ 99,668	\$ 103,480	\$ (3,812)
Interest and other fiscal charges	206,059	209,871	134,711	75,160
Total Primary Government Debt Service	\$ 309,539	\$ 309,539	\$ 238,191	\$ 71,348
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Capital projects expenditures:				
Vehicle replacement	\$ 266,778	\$ 266,778	\$ 109,407	\$ 157,371
Emergency management grants	-	37,873	8,008	29,865
Sheriff's equipment	50,000	50,000	30,275	19,725
Circuit courthouse renovations	-	-	31,078	(31,078)
Roofing	18,150	18,150	12,070	6,080
Plan updates	-	-	8,372	(8,372)
Library furnishings	44,069	44,069	44,069	-
Groundwater study	100,000	100,000	100,000	-
Technology and equipment improvements	35,500	35,500	116,324	(80,824)
Administrative building	-	-	1,494,912	(1,494,912)
Reassessments	72,000	132,000	145,391	(13,391)
Carpeting	14,000	14,000	3,255	10,745
Parks parking renovations	-	-	11,560	(11,560)
Total capital projects	\$ 605,497	\$ 703,370	\$ 2,122,701	\$ (1,419,331)
Total County Capital Projects Fund	\$ 605,497	\$ 703,370	\$ 2,122,701	\$ (1,419,331)
Total Primary Government	\$ 29,790,999	\$ 30,631,565	\$ 27,527,736	\$ 3,103,829

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

Fund, Function, Activity and 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:				
Instruction	\$ 15,781,163	\$ 16,256,818	\$ 15,676,669	\$ 580,149
Administration, attendance and health	1,394,739	1,394,739	1,264,665	130,074
Pupil transportation services	1,136,579	1,136,579	1,062,017	74,562
Operation and maintenance services	1,991,442	1,991,442	1,825,764	165,678
<b>Total School Operating Fund</b>	<u>\$ 20,303,923</u>	<u>\$ 20,779,578</u>	<u>\$ 19,829,115</u>	<u>\$ 950,463</u>
<b>School Food Service Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 749,260	\$ 749,260	\$ 748,908	\$ 352
<b>Total School Food Service Fund</b>	<u>\$ 749,260</u>	<u>\$ 749,260</u>	<u>\$ 748,908</u>	<u>\$ 352</u>
<b>School Capital Projects Fund:</b>				
Capital projects expenditures:				
School furniture replacement	\$ 20,000	\$ 20,000	\$ 19,396	\$ 604
Software/on-line content	15,000	109,450	58,923	50,527
Bus and vehicle purchases	100,000	100,000	149,383	(49,383)
Building improvements	5,000	95,000	216,977	(121,977)
Technology	180,000	180,000	351,991	(171,991)
High school construction	-	36,024	3,334,543	(3,298,519)
School security upgrades	30,000	42,500	221,963	(179,463)
Band instruments	19,650	19,650	14,073	5,577
Cooley gymnasium	-	10,606	13,994	(3,388)
Other projects	115,000	129,085	1,285	127,800
<b>Total capital projects</b>	<u>\$ 484,650</u>	<u>\$ 742,315</u>	<u>\$ 4,382,528</u>	<u>\$ (3,640,213)</u>
<b>Total School Capital Projects Fund</b>	<u>\$ 484,650</u>	<u>\$ 742,315</u>	<u>\$ 4,382,528</u>	<u>\$ (3,640,213)</u>
<b>Total Discretely Presented Component Unit - School Board</b>	<u>\$ 21,537,833</u>	<u>\$ 22,271,153</u>	<u>\$ 24,960,551</u>	<u>\$ (2,689,398)</u>

## **Other Statistical Information**

COUNTY OF CLARKE, VIRGINIA

Government-Wide Expenses by Function  
 Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>
2002-03	\$ 1,239,593	\$ 460,679	\$ 1,965,842	\$ 1,178,996	\$ 2,173,837
2003-04	1,472,858	289,897	2,510,705	1,057,024	2,223,481
2004-05	1,619,702	326,410	2,813,413	1,069,522	2,253,222
2005-06	1,487,688	361,369	2,876,709	1,273,203	1,993,945
2006-07	1,696,286	420,489	3,307,884	1,157,030	2,565,678
2007-08	2,060,607	421,845	3,447,907	1,244,607	2,136,119
2008-09	2,002,482	436,680	3,612,168	1,155,450	2,388,506

(1) Information has only been available for 7 years.

Table 1

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	<u>Education</u>	<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Interest on Long- Term Debt</u>	<u>Sanitary Authority</u>	<u>IDA</u>	<u>Total</u>
\$	17,166,200	\$ 746,629	\$ 541,334	\$ 453,011	\$ 413,807	\$ 1,126,366	\$ 27,466,294
	17,835,673	834,924	784,509	583,183	479,537	6,376	28,078,167
	18,892,347	681,001	561,228	278,763	606,925	3,052	29,105,585
	19,290,683	892,222	689,568	397,908	507,662	17,786	29,788,743
	21,446,988	898,356	1,267,673	1,289,965	556,260	12,371	34,618,980
	22,132,397	961,293	1,096,427	1,761,950	633,795	18,030	35,914,977
	21,529,346	995,410	924,413	1,413,426	613,951	6,236	35,078,068

COUNTY OF CLARKE, VIRGINIA

Government-Wide Revenues  
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2002-03	\$ 1,865,163	\$ 10,338,854	\$ 265,586
2003-04	1,796,557	9,536,079	1,204,289
2004-05	2,110,112	10,277,896	595,496
2005-06	2,225,483	10,533,886	1,012,594
2006-07	2,235,396	11,865,571	1,137,027
2007-08	2,326,605	11,941,509	1,162,277
2008-09	2,045,018	12,366,784	574,420

- (1) Information has only been available for 7 years.
- (2) Includes discretely presented component units.

Table 2

GENERAL REVENUES							
General Property Taxes	Other Local Taxes	Unrestricted revenues from money or property	Miscella- neous	Grants and Contributions Not Restricted to Specific Programs	Gain (Loss) on Disposal of Asset	Total	
\$ 10,341,814	\$ 1,797,139	\$ 237,908	\$ 615,543	\$ 3,479,531	\$ (40,025)	\$ 28,901,513	
10,963,220	1,830,593	219,256	457,279	1,959,463	298,570	28,265,306	
12,047,914	2,254,173	319,583	417,991	2,471,192	541,325	31,035,682	
12,435,828	2,536,599	412,710	401,202	3,405,339	90,651	33,054,292	
15,104,767	2,457,607	1,265,352	480,258	2,728,288	-	37,274,266	
16,045,705	2,350,951	1,757,156	448,435	2,957,252	-	38,989,890	
16,834,336	2,222,936	744,769	440,076	2,976,959	-	38,205,298	

COUNTY OF CLARKE, VIRGINIA

General Governmental Expenditures by Function (1)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Education (2)</u>
1999-00	\$ 980,629	\$ 248,031	\$ 1,656,157	\$ 831,210	\$ 1,232,423	\$ 12,741,022
2000-01	1,059,895	264,435	1,667,897	883,396	1,746,494	14,330,390
2001-02	1,137,131	264,742	2,007,868	972,045	1,986,661	15,421,598
2002-03	874,242	289,362	1,967,080	1,036,982	2,229,399	15,625,975
2003-04	978,755	289,897	2,385,071	976,522	2,233,933	16,812,591
2004-05	1,052,796	326,410	2,612,682	1,097,103	2,264,177	17,702,813
2005-06	1,054,602	367,620	2,853,241	1,095,905	2,054,545	18,643,505
2006-07	1,148,248	419,882	3,101,165	1,145,874	2,581,195	19,688,323
2007-08	1,277,128	418,960	3,288,061	1,125,273	2,155,592	20,273,221
2008-09	1,250,373	433,671	3,363,061	989,119	2,372,269	20,593,066

(1) Includes General, Special Revenue, Debt Service and Capital Project funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.



Table 3

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	<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Non- departmental</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$	574,042	\$ 541,058	\$ -	\$ 1,687,523	\$ 7,640,349	\$ 28,132,444
	612,403	543,784	-	1,616,073	4,352,163	27,076,930
	736,517	775,819	12,834	1,396,526	2,726,828	27,438,569
	695,862	556,199	341,466	1,366,663	1,676,545	26,659,775
	735,161	782,433	356,820	1,372,114	1,669,437	28,592,734
	772,119	680,165	373,123	1,356,963	1,514,423	29,752,774
	830,169	683,302	404,615	1,535,036	3,324,626	32,847,166
	828,018	1,244,788	429,871	1,460,101	4,595,984	36,643,449
	886,456	1,068,892	486,779	4,011,771	5,360,875	40,353,008
	902,369	891,594	528,021	3,766,858	6,505,229	41,595,630

COUNTY OF CLARKE, VIRGINIA

General Governmental Revenues by Source (1)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services
1999-00	\$ 9,959,037	\$ 1,242,094	\$ 288,096	\$ 62,929	\$ 399,085	\$ 917,684
2000-01	10,147,623	1,417,622	308,334	68,466	1,301,958	1,174,346
2001-02	9,999,370	1,570,852	437,384	61,861	412,569	1,215,904
2002-03	10,190,653	1,797,139	396,610	57,576	549,094	1,175,725
2003-04	10,659,908	1,830,593	472,820	73,207	1,144,134	957,639
2004-05	12,257,621	2,254,173	614,690	114,229	824,408	1,071,583
2005-06	13,146,490	2,641,776	570,681	140,977	546,121	1,202,341
2006-07	15,027,301	2,457,607	409,494	306,494	1,562,945	1,183,139
2007-08	16,150,133	2,350,951	432,043	238,256	1,749,052	1,316,037
2008-09	16,206,520	2,222,936	295,830	265,963	747,635	1,112,975

(1) Includes General, Special Revenue, Debt Service and Capital Project funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 4

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<u>Miscellaneous</u>	<u>Recovered Costs</u>	<u>Inter- governmental (2)</u>	<u>Subtotal</u>	<u>Proceeds From Debt</u>	<u>Total</u>
\$ 389,107	\$ 91,085	\$ 9,357,038	\$ 22,706,155	\$ -	\$ 22,706,155
529,120	110,280	11,534,826	26,592,575	-	26,592,575
432,448	67,266	11,611,131	25,808,785	-	25,808,785
520,868	147,996	11,945,782	26,781,443	-	26,781,443
319,064	108,204	12,438,075	28,003,644	250,000	28,253,644
401,271	190,941	13,235,235	30,964,151	1,966,355	32,930,506
341,554	394,593	14,225,862	33,210,395	173,000	33,383,395
569,111	286,346	15,310,686	37,113,123	29,511,710	66,624,833
315,074	114,879	15,274,338	37,940,763	2,805,396	40,746,159
153,293	486,361	15,087,521	36,579,034	1,371,046	37,950,080

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1), (2)	Current Tax Collections (1), (4)	Percent of Levy Collected	Delinquent Tax Collections (1), (3)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
1999-00	\$ 10,557,190	\$ 10,513,344	99.58%	\$ 198,666	\$ 10,712,010	101.47%	\$ 1,206,813	11.43%
2000-01	11,804,679	11,248,305	95.29%	291,368	11,539,673	97.76%	1,340,673	11.36%
2001-02	11,765,659	11,602,614	98.61%	218,268	11,820,882	100.47%	1,133,172	9.63%
2002-03	12,184,755	11,957,442	98.13%	221,318	12,178,760	99.95%	860,509	7.06%
2003-04	12,423,985	12,330,542	99.25%	174,868	12,505,410	100.66%	1,325,734	10.67%
2004-05	13,604,747	13,463,299	98.96%	237,212	13,700,511	100.70%	939,476	6.91%
2005-06	15,599,814	15,894,611	101.89%	167,564	16,062,175	102.96%	1,060,745	6.80%
2006-07	16,926,279	17,029,772	100.61%	216,803	17,246,575	101.89%	1,416,900	8.37%
2007-08	18,057,673	17,846,889	98.83%	388,062	18,234,951	100.98%	1,206,020	6.68%
2008-09	18,811,655	15,858,187	84.30%	184,729	16,042,916	85.28%	1,806,318	9.60%

(1) Exclusive of penalties and interest.

(2) 1999-00 was the first year for personal property tax relief by the Commonwealth of Virginia.

(3) Delinquent tax collections are exclusive of land redemptions.

(4) In calendar year 2006 PPTRA was established as a fixed amount by the Commonwealth. Payments will be received on specified dates, not necessarily corresponding with tax collections.

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Utility (2)		Total
				Real Estate	Personal Property	
1999-00	\$ 778,507,697	\$ 84,558,128	\$ 11,043,716	\$ 34,178,547	\$ -	\$ 908,288,088
2000-01	815,052,011	94,720,626	19,476,145	39,032,073	-	968,280,855
2001-02	908,343,957	97,154,771	16,953,691	37,638,577	-	1,060,090,996
2002-03	1,036,076,509	100,044,457	18,784,779	40,569,471	-	1,195,475,216
2003-04	1,064,502,206	107,050,697	22,578,269	41,351,924	-	1,235,483,096
2004-05	1,108,825,959	117,548,788	23,590,165	35,750,413	-	1,285,715,325
2005-06	1,739,594,473	129,289,703	22,324,393	33,449,538	-	1,924,658,107
2006-07	2,379,976,523	134,031,694	23,092,118	44,713,209	-	2,581,813,544
2007-08	2,441,782,816	147,619,698	23,665,552	46,902,741	-	2,659,970,807
2008-09	2,486,836,400	116,384,130	21,681,568	51,387,105	-	2,676,289,203

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	(2) Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Public Utility	
					Real Estate (2)	Personal Property
1999-00	\$ 0.92	\$ 0.92	\$ 4.00	\$ 1.25	\$ 0.92	\$ 4.00
2000-01	0.92	0.92	4.00	1.25	0.92	4.00
2001-02	0.74	0.74	4.00	1.25	0.74	4.00
2002-03	0.74	0.74	4.00	1.25	0.74	4.00
2003-04	0.74	0.74	4.00	1.25	0.74	4.00
2004-05	0.81	0.81	4.00	1.25	0.81	4.00
2005-06	.81/.45	.81/.45	4.00	1.25	.81/.45	4.00
2006-07	.45/.48	.45/.48	4.00	1.25	.45/.48	4.00
2007-08	.48/.50	.48/.50	4.00	1.25	.48/.50	4.00
2008-09	.50/.53	.50/.53	4.00/4.81	1.25	.50/.53	4.00

(1) Per \$100 of assessed value.

(2) The County collects property taxes based on installments. Calendar year 2006 was a reassessment year for real property. The tax neutral rate for calendar year 2006 was computed to be \$.42/100. The rate for the first half of fiscal year 2006 was \$.81/100 (calendar year 2005); for the second half of fiscal year 2006, the rate was \$.45/100 (calendar year 2006) an effective tax increase of 7%.

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value (in thousands) (2)</b>	<b>Gross &amp; Net Bonded Debt (3)</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
1999-00	12,652	\$ 908,288	\$ 13,077,480	1.44%	\$ 1,034
2000-01	12,652	968,281	12,048,500	1.24%	952
2001-02	12,652	1,060,091	11,201,000	1.06%	885
2002-03	12,652	1,195,475	10,323,461	0.86%	816
2003-04	12,652	1,235,483	9,496,500	0.77%	751
2004-05	13,852	1,285,715	9,058,500	0.70%	654
2005-06	13,900	1,924,658	8,186,000	0.43%	589
2006-07	14,565	2,581,814	36,773,330	1.42%	2,525
2007-08	14,565	2,659,971	37,154,725	1.40%	2,551
2008-09	14,565	2,676,289	36,767,291	1.37%	2,524

(1) www.fedstats.gov

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, compensated absences, and VRS obligations.

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**Compliance**

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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 Clarke, Virginia

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia as of and for the year ended June 30, 2009, which collectively comprise the County of Clarke, Virginia's basic financial statements and have issued our report thereon dated November 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and 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 Clarke, 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Clarke, 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 County'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 County's financial statements that is more than inconsequential will not be prevented or detected by the County'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 County's internal control.

Our consideration of the 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 Clarke, 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 other matters involving the internal control and its operation that we have reported to management of the County of Clarke, Virginia in a separate letter dated November 19, 2009.

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 19, 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 Clarke, Virginia

### Compliance

We have audited the compliance of the County of Clarke, 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 Clarke, 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 Clarke, Virginia's management. Our responsibility is to express an opinion on the County of Clarke, 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 Clarke, 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 of County of Clarke, Virginia's compliance with those requirements.

In our opinion, the County of Clarke, 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 Clarke, 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 Clarke, 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's internal control over compliance.

A control deficiency in an County'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 County'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 County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County'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 management, the Board of Supervisors 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  
November 19, 2009

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:		
Pass Through Payments:		
Department of Social Services:		
Promoting safe and stable families	93.556	\$ 15,444
Temporary assistance to needy families (TANF)	93.558	66,295
Refugee and entrant assistance - state administered programs	93.566	246
Low income home energy assistance	93.568	3,113
Child care and development block grant	93.575	63,581
Chafee education and training vouchers program	93.599	2,400
Child care mandatory and matching funds of the child care and development fund	93.596	37,190
Child welfare services - state grants	93.645	496
Foster care - Title IV-E	93.658	66,459
Adoption assistance	93.659	20,593
Social services block grant	93.667	40,607
Chafee foster care independence program	93.674	2,063
Child care and development block grant (ARRA)	93.713	895
State children's health insurance program	93.767	8,003
Medical assistance program (Title XIX)	93.778	83,483
Total Department of Health and Human Services-pass through		\$ <u>410,868</u>
Total Department of Health and Human Services		\$ <u>410,868</u>
Department of Agriculture:		
Direct Payments:		
Community facilities loans and grants	10.766	\$ <u>1,376,046</u>
Pass Through Payments:		
Department of Agriculture:		
Food distribution	10.555	\$ 46,516
Department of Education:		
National school breakfast program	10.553	17,980
National school lunch program	10.555	146,186
Department of Social Services:		
State administrative matching grants for the supplemental nutrition assistance program	10.561	<u>114,234</u>
Total Department of Agriculture - pass-through payments		\$ <u>324,916</u>
Total Department of Agriculture		\$ <u>1,700,962</u>

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 the Interior:		
Direct payments:		
Payment in lieu of taxes	15.226	\$ <u>8,337</u>
Department of Justice:		
Pass Through Payments:		
Department of Criminal Justice Service:		
Gang free schools and communities - community based gang intervention	16.544	\$ 62,202
Edward Byrne memorial formula grant program	16.579	5,877
Public safety partnership and community policing grants	16.710	158,685
Bulletproof vest partnership program	16.607	445
Violence against women formula grants	16.588	17,768
Crime victim assistance	16.575	<u>41,048</u>
Total Department of Justice		\$ <u>286,025</u>
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
State and community highway safety program	20.600	\$ <u>15,391</u>
Total Department of Transportation		\$ <u>15,391</u>
Department of Education:		
Pass Through Payments:		
Department of Education:		
Title I: Grants to local educational agencies	84.010	158,325
Special education grants to states	84.027	522,555
Special education - preschool grants	84.173	13,499
Grants for state assessments and related activities	84.369	1,561
Career and technical education - basic grants to states	84.048	23,098
Safe and drug free schools and communities	84.186	4,951
Education technology state grants	84.318	1,347
State grants for innovative programs	84.298	2,127
Improving teacher quality state grants	84.367	<u>36,188</u>
Total Department of Education		\$ <u>763,651</u>
Total Federal Assistance		\$ <u><u>3,185,234</u></u>



COUNTY OF CLARKE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

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Note 1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federally assisted programs of the County of Clarke, Virginia. The County's reporting entity is defined 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 the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in note 1 to the County's basic financial statements.

Note 3 - Relationship to 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:

General Fund	\$ 151,067
Special Revenue Funds:	
Virginia Public Assistance Fund	518,322
Total primary government	<u>\$ 669,389</u>

Component Unit Public Schools:

School Operating Fund	\$ 770,432
School Cafeteria Fund	210,682
School Capital Projects Fund	158,685
Total component unit public schools	<u>\$ 1,139,799</u>

Component Unit Clarke County Sanitary Authority	<u>\$ 1,376,046</u>
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Total federal expenditures per basic financial statements	<u>\$ 3,185,234</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 3,185,234</u></u>
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COUNTY OF CLARKE, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified not considered to be material weaknesses? No

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133,  
Section .510 (a)? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.766	Community Facilities Loans and Grants
93.575/93.596/93.713	Child Care and Development Cluster

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

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

None

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

None

**Prior Year Audit Findings**

None