

BUDGET PROCESS CALENDAR – MONTHLY DETAIL

September 17, 2007 – Finance Director issues budget memorandum and instructions. Director of Strategic Planning issues the Capital Improvements Program memorandum and attachments.

December 4, 2007 – January 30, 2008 Departments begin presentations to the Board of Supervisors.

January 2008 – County Administrator conducts reviews of requests with Department Directors and Constitutional Officers.

February 19, 2008 – School Board Budget Presentation.

February 26, 2008 – County Administrator presents Recommended Budget and Capital Improvements Program to the Board of Supervisors.

February 28, 2008 – Board of Supervisors Budget Work session.

March 4, 6, 11, 2008 – Board of Supervisors Budget Work session.

March 13, 2008 – County Administrator presents to the Board of Supervisors for advertisement of budget synopsis, as proposed, and a public hearing.

March 14, 2008 – Tax Rate and Budget advertisement sent to newspaper for print on March 20th and March 27th.

April 8, 2008 – Board of Supervisors conducts a public hearing on the proposed budget.

April 15, 2008 – Board of Supervisors adopts approved budget and capital improvements program for the next fiscal year and sets tax levies for the calendar year and appropriations for FY2008-09.

July 1, 2008 – New fiscal year begins.

Basis of Budgeting

Government budgets are a financial planning tool used to establish policy to allow governments to control spending of public funds. Government funds operate by the modified accrual basis of accounting, in which revenues and expenses are recorded when measurable and available to be used for operations during the year. Proprietary Funds use the accrual basis of accounting which recognizes revenues and expenditures when they are earned or incurred. Annually, the County of Orange adopts a budget for each of its funds that will maintain the government operations as well as monitor the spending of tax-payers dollars. Generally, appropriations expire at fiscal year-end, except those for grant funded programs. These program dollars remaining at the end of each fiscal year are automatically carried forward in the budget process per the grant requirements. Capital projects are budgeted on a 5-year plan, where each plan year is reviewed for additions or deletions during the annual budget process.

FUND STRUCTURE

The budget of the County of Orange is organized on the basis of the various funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures as appropriate. The various funds are grouped as follows:

PRIMARY GOVERNMENT FUNDS

Primary government funds are those through which most governmental functions of the County are financed. These funds include:

General Fund

The General Fund accounts for all revenue and expenditures of basic County operations. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the State or Federal Governments. A fraction of General Fund revenues is used to maintain and operate the general government; however, a considerable portion is also transferred to other funds principally to fund debt service requirements, capital projects and school funds expenditures. Expenditures include, among other things, those for general government operations, education, public safety, welfare, culture and recreation.

Special Revenue Fund

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the resources obtained and used relating to Forfeited Assets and Virginia Public Assistance.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on all County and School related long-term debt except for accrued compensated absences. This fund also accounts for all capital lease obligations of the county

pertaining to buildings and equipment. Debt Service Fund resources are derived from transfers from the General Fund or Debt Service Fund Balance.

Capital Projects Funds

The County of Orange currently maintains two capital project funds; one for County projects and one for School projects. The Capital Project Funds account for all general government capital projects and school system capital projects. These projects are financed through a combination of proceeds from general obligation bonds and operating transfers from the General Fund.

PROPRIETARY FUNDS

Proprietary funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. There are two types of Proprietary funds enterprise and internal service funds. An internal service fund is one in which the services of the County unit are provided for a fee to other governmental funds or departments. Currently the County of Orange does not have an internal service fund. These funds include:

Enterprise Funds

Enterprise funds are ones in which a county service is offered to an external customer base for a service fee. Currently the County of Orange has two enterprise funds to operate its County Airport and County Landfill.