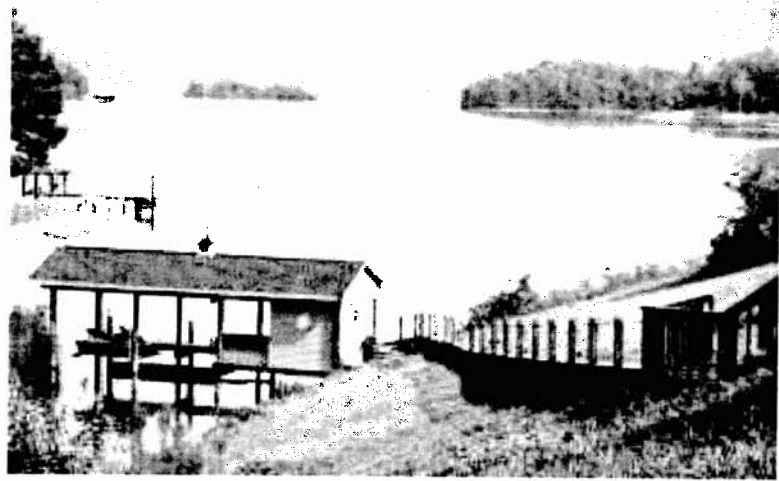


FINANCIAL SUMMARIES



Smith Mountain Lake

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Franklin County, Virginia
Fund Balance, Revenue and Expenditure Totals by Fund
Adopted FY2007-2008 Budget

	Fund						Totals	
	General	E911	Law Library	Capital Projects	Debt Service	School Operating		Utilities
Beginning Fund Balance	30,076,232	31,037	9,619	0	1,131,193	1,156,516	1,525,053	33,929,650
Revenues From Local Sources:								
General Property Taxes	33,585,418							33,585,418
Other Local Taxes	11,232,622		12,000					11,244,622
Permits, Fees and Licenses	672,700							672,700
Fines and Forfeitures	16,000							16,000
Revenue From Money & Property	1,400,000							1,400,000
Charges For Services	2,132,641				2,410,153	117,564		4,660,358
Miscellaneous Revenues	342,000	2,500						344,500
Recovered Costs	370,000							370,000
Revenues From Commonwealth of Virginia:								
School Funds								
Public Assistance Revenue	4,048,065				39,140,581			39,140,581
Comprehensive Services Act	2,588,750							4,048,065
Shared Expenses - Constitutional Officers	4,411,945							2,588,750
Personal Property Tax Relief	2,626,618							4,411,945
Other Grants and State Shared Expenses	1,149,438	72,400						2,626,618
Revenue From Federal Government	271,820					6,714,452		6,986,272
Fund Balance	2,660,000					561,698		3,221,698
Total Revenues	67,508,017	74,900	12,000	0	561,698	48,265,186	117,564	116,539,365
Interfund Transfers		919,637		5,053,876	1,091,459	27,739,167	750,995	35,555,134
Total Available Funds	97,584,249	1,025,574	21,619	5,053,876	2,784,350	77,160,869	2,393,612	186,024,149

Franklin County, Virginia
Fund Balance, Revenue and Expenditure Totals by Fund (Continued)
Adopted FY2007-2008 Budget

	Fund						Totals
	General	E911	Law Library	Capital Projects	Debt Service	School Operating	
Expenditures:							
General Government Administration	4,233,159						4,233,159
Judicial Administration	2,238,133		12,000				2,250,133
Public Safety	9,069,102	994,537					10,063,639
Public Works	2,094,686						2,094,686
Health and Welfare	9,728,426						9,728,426
Parks, Recreation and Cultural	1,492,915						1,492,915
Community Development	2,812,162						2,812,162
Non Departmental	35,839,434						35,839,434
Debt Service					1,653,157		1,653,157
School Operating Fund						76,004,353	76,004,353
Capital Projects				5,053,876			5,053,876
Utilities						868,559	868,559
Total Expenditures	67,508,017	994,537	12,000	5,053,876	1,653,157	76,004,353	152,094,499
Ending Fund Balance	30,076,232	31,037	9,619	0	1,131,193	1,156,516	33,929,650
Total Expenditures Less Interfund Transfers	32,002,883	944,537	12,000	5,053,876	1,653,157	76,004,353	116,539,365

**Franklin County, Virginia
Total Revenues - All Funds**

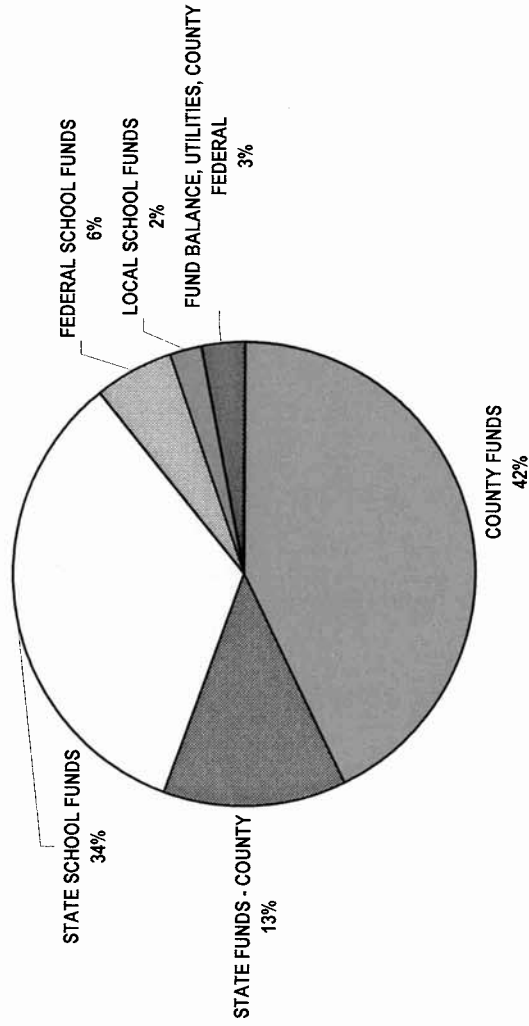
Revenues Function/Program	FY06 Actual	FY07 Budget	FY08 Adopted
Revenues From Local Sources:			
General Property Taxes	\$30,803,729	\$31,579,890	\$33,585,418
Other Local Taxes	10,101,315	11,348,213	11,244,622
Permits, Fees and Licenses	764,736	735,271	672,700
Fines and Forfeitures	18,117	22,225	16,000
Revenue From Use of Money & Property	1,046,574	784,000	1,400,000
Charges For Services	4,157,872	3,863,940	4,660,358
Miscellaneous Revenues	421,058	172,000	344,500
Recovered Costs	599,063	252,658	370,000
Revenues From Commonwealth of Virginia:			
School Funds	36,734,773	37,535,534	39,140,581
Public Assistance Revenue	3,566,023	3,730,579	4,048,065
Comprehensive Services Act	1,770,332	2,230,250	2,588,750
Shared Expenses - Constitutional Officers	3,844,458	3,975,500	4,411,945
Personal Property Tax Relief	2,703,765	2,626,618	2,626,618
Other Grants and State Shared Expenses	2,018,454	1,228,861	1,221,838
Revenue From Federal Government	5,884,262	6,276,374	6,986,272
Proceeds from Borrowing	234,332	0	0
From Fund Balance	<u>0</u>	<u>1,290,000</u>	<u>3,221,698</u>
Total Sources of Funding	<u>\$104,668,863</u>	<u>\$107,651,913</u>	<u>\$116,539,365</u>

Total Expenditures - All Funds

Expenditures	FY06 Actual	FY07 Budget	FY08 Adopted
General Fund			
General Government Administration	\$2,820,676	\$3,530,181	\$4,233,159
Judicial Administration	2,086,860	2,258,296	2,238,133
Public Safety	7,456,822	7,549,381	8,948,102
Public Works	1,982,658	1,841,372	2,094,686
Health and Welfare	8,348,114	8,743,614	9,728,426
Parks, Recreation and Cultural	1,199,790	1,376,123	1,492,915
Community Development	2,044,326	2,583,704	2,812,162
Non Departmental	50,563	455,300	455,300
Debt Service	730,299	1,404,530	1,653,157
E911 Fund	1,166,942	947,431	944,537
Law Library	5,852	15,000	12,000
Capital Projects	5,109,927	4,833,876	5,053,876
Utilities	1,332,100	841,294	868,559
School Operating Fund	<u>68,820,330</u>	<u>71,271,811</u>	<u>76,004,353</u>
Total Expenditures	<u>\$103,155,259</u>	<u>\$107,651,913</u>	<u>\$116,539,365</u>



ADOPTED 2007-2008 COUNTY REVENUES (Net of Interfund Transfers)



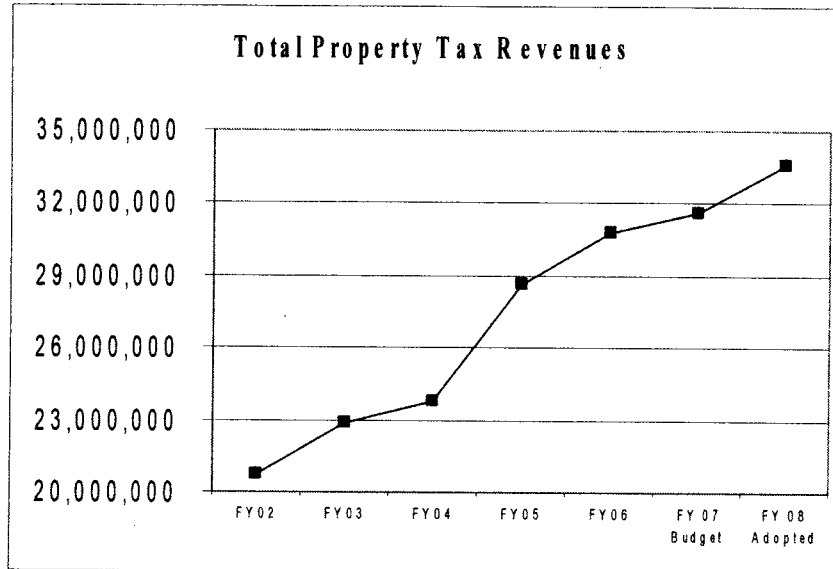
	FY 2006-2007 ADOPTED	FY 2007-2008 ADOPTED	FY 2006-2007/FY 2007-2008 DIFFERENCE	% CHANGE
COUNTY FUNDS	46,241,384	49,765,881	3,524,497	8%
STATE FUNDS - COUNTY	13,869,776	14,897,216	1,027,440	7%
STATE SCHOOL FUNDS	37,535,534	39,140,581	1,605,047	4%
FEDERAL SCHOOL FUNDS	6,226,347	6,714,452	488,105	8%
LOCAL SCHOOL FUNDS	2,269,169	2,410,153	140,984	6%
FUND BALANCE, UTILITIES, COUNTY FEDERAL	1,509,703	3,611,082	2,101,379	139%
TOTALS	107,651,913	116,539,365	8,887,452	8%



REVENUE ANALYSIS

General Property Taxes

General Property Taxes consist of real estate, personal property and public service corporation taxes. By State Law, property is assessed at 100% valuation and tax rates are applied per \$100 of assessed value. All real and personal property taxes are due December 5.



The 3% increase in projected property tax yield is based on the total billings for the current fiscal year (2006-2007), multiplied by a collection percentage of 97% and then multiplied by a growth percentage of 4.0%.

In FY05, the real estate tax rate was decreased by \$.08 from \$0.60 per \$100 of assessed value to \$0.52 per \$100 of assessed value. A complete reassessment of all County property was completed during the prior fiscal year (FY03-04) that produced an average increase in property values of approximately 44%. The new tax rate became effective with the FY 04-05 fiscal year (Franklin County reassesses property every four years). The large increase in property values explains the spike in the FY05 general property tax revenues even though the actual tax rate was decreased. The tax rate was increased by 1 cent to the FY05-06 adopted rate of \$0.53 per \$100 of assessed value. It is assumed that General Property Taxes will remain strong in future years due to annual population growth in the County of greater than 1% per year. Franklin County is one the ten fastest growing Counties in the State of Virginia and has seen a huge influx of retired or semi-retired people moving to the Smith Mountain Lake area of the County.

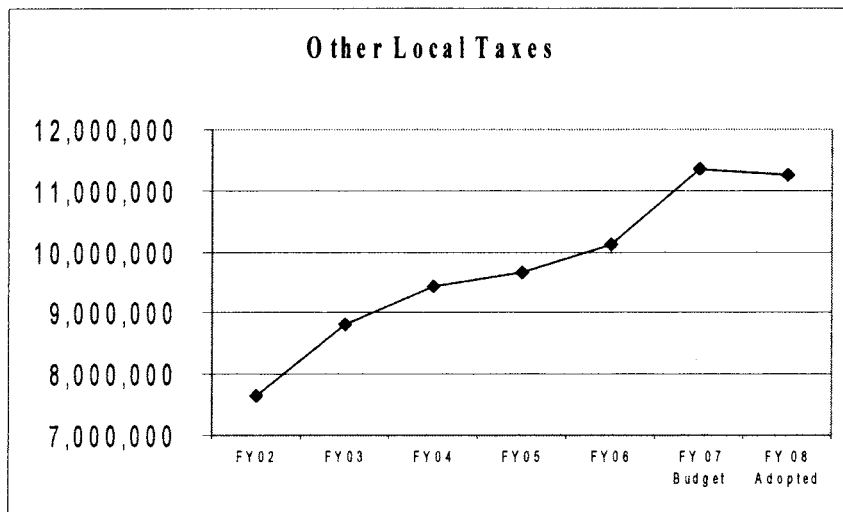
\$33,585,418 is budgeted for General Property Taxes in the FY 07-08 adopted budget.

Other Local Taxes

Other local taxes consist of local sales tax, consumer utility taxes, transient occupancy taxes, meals tax, franchise taxes, local decal revenue, recordation taxes and bank stock taxes. Future projections of these revenues indicate steady growth in correlation to the population growth experienced by Franklin County. Although the State sales tax percentage was increased by ½% last year from 3 and ½% to 4% by the Commonwealth of Virginia, this will not increase the local sales tax revenue to the County. The local sales tax percentage remains at 1%.

As we look to the future of these revenues, the County must be aware that a slow down in the housing market has made a small impact on the recordation tax revenue which comprises 9% of the local tax revenue. Also the Commonwealth of Virginia has consolidated several taxes including the consumer utility tax on telephones, E911 tax, Cable TV Franchise Tax and Utility License Tax causing these taxes to remain level for FY07-08.

A total of \$11,244,622 is budgeted in FY07-08 in this revenue category.



Permits, Fees and Licenses

Revenues in this category include building permit fees and planning and zoning fees. In FY04, planning and zoning fees were raised to help offset the expenses of the planning and zoning department. A small increase in planning and zoning fees was also implemented in FY06 as a continuing measure to offset the continued growth of the building inspection and planning and zoning departments. Growth of building permit and planning and zoning fees is projected to decrease as a result of the slowdown in the housing industry. A budget decrease of \$62,571 is projected for FY08.

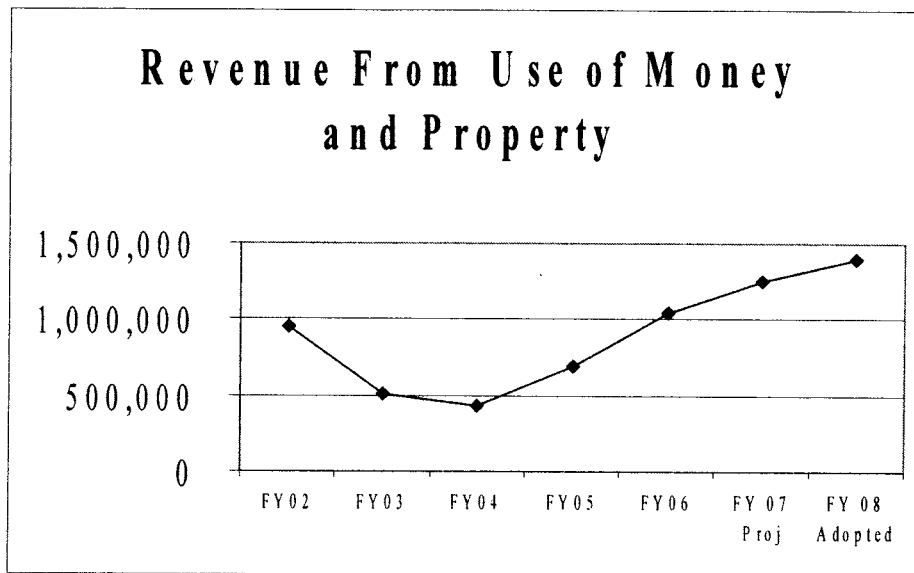
These fees are closely tied to increases or decreases in the new housing market and will be difficult to project in future years. The County has experienced overall continued growth in residential and commercial building projects during the past 10 years.

\$672,700 is budgeted for FY07-08.

Revenue from the Use of Money and Property

This revenue category is composed of interest the County earns on its bank deposits and investments as well as a small amount of rental income the County earns on property it owns and leases to local businesses. The dramatic drop in interest rates during the past three to four years caused actual interest income to fall short of its projected budget level. The trend of low interest rates continued into early FY04, but has rebounded during the past fiscal year and will actually show some growth for FY07-08 as interest rates continue a steady upward climb.

A total of \$1,400,000 is budgeted in this category for FY07-08.

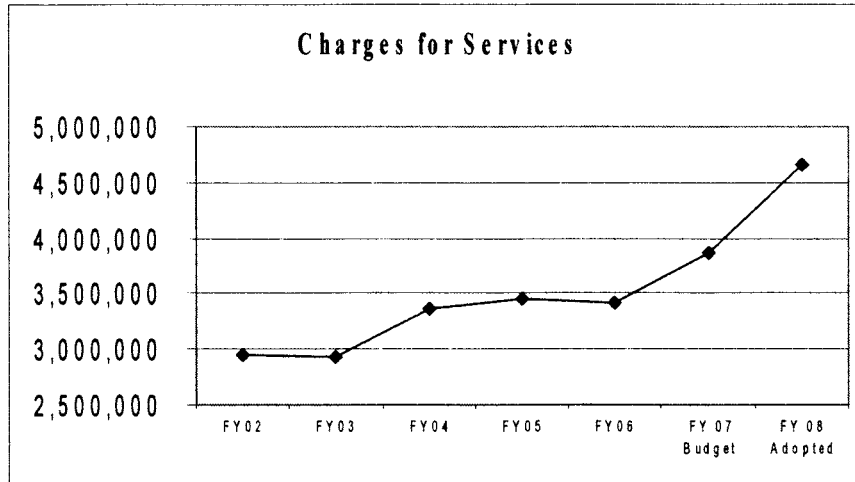


Charges for Services

This category includes such revenues as fees for recreation programs, library fees, school cafeteria receipts, landfill fees and EMS billing revenues. These fees remain strong as the demand for services and tons of trash taken to the landfill increase. The tipping fee at the landfill was increased \$4 per ton during the FY04-05 budget process. Another large increase was \$500,000 in the EMS billing revenue category. This revenue takes into account volunteer agencies billing for EMS services as well as a strong collection percentage from career staff billings.

It is assumed that future revenues in this category will continue to grow at a rate that is proportional to population growth (approximately 1% per year).

A total of \$4,660,358 is budgeted for FY07-08.



Revenue from the Commonwealth of Virginia

Revenues from the Commonwealth of Virginia are earmarked to support the County’s Constitutional Officers (Clerk of Court, Sheriff, Commonwealth Attorney, Commissioner of Revenue, and Treasurer), the County’s School System, Social Services programs and Comprehensive Services Act children that are in foster care or are special education children. These revenues have increased as additional state funds have been approved for educational purposes, as cost of living raises have been approved for the Constitutional Officers and as various social services programs have increased.

This revenue category is showing an overall increase of \$2.4 million and a total budget of almost \$54 million.

Revenue from the Federal Government

Federal revenue is primarily used to support the County’s School System. However, this funding source showed an increase in FY05 because of an anticipated grant to assist with the building of county water system. For FY07-08 these revenues will show small growth as the School system obtains additional grants for educational purposes.

For the future: Revenues from the Federal Government will vary from year to year as the availability of federal grant funds will depend on federal budget appropriations. The County plans to apply for any future school and water system grants that should become available.

\$7 million is budgeted for FY07-08.

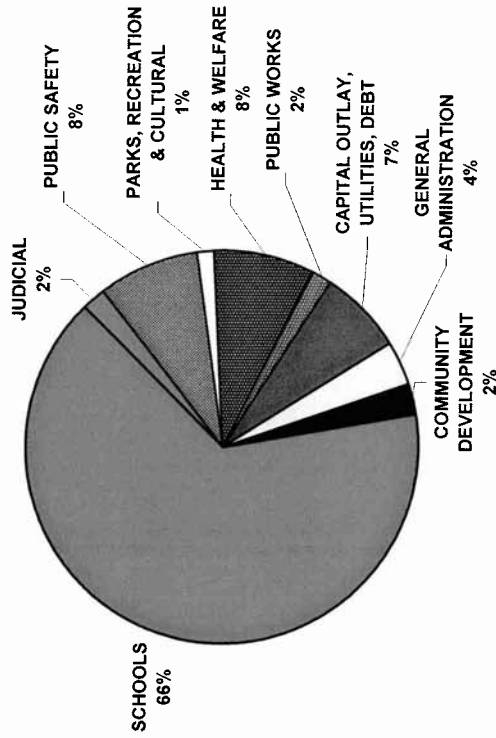
County of Franklin
Funding Crosswalk by Department

This crosswalk is intended to show the funding sources for each of the major departments of the County for the adopted 2007-2008 budget.

<u>General Fund</u> <u>Department</u>	<u>Revenues From</u> <u>Local Sources</u>	<u>Funding Source</u>		
		<u>State</u> <u>Revenues</u>	<u>Federal</u> <u>Revenues</u>	<u>Local School</u> <u>Revenues</u>
General Government Administration				
Board of Supervisors	356,217			
County Administrator	350,764			
Commissioner of Revenue	367,387	186,149		
General Reassessment	200,000			
Treasurer	289,272	163,164		
Finance	1,355,985			
Information Services	744,798			
Registrar	165,423	54,000		
Judicial Administration				
Circuit Court	89,318			
General District Court	11,243			
Magistrate	2,975			
Juvenile and Domestic Relations Court	419,112			
Clerk of the Circuit Court	285,261	324,700		
Sheriff - Courts	458,486			
J and D Court Services	28,012	29,811		
Commonwealth's Attorney	159,215	430,000		
Public Safety				
Sheriff	2,482,290	3,278,662	20,000	
Building Inspections	426,107			
Animal Control	257,503			
Public Safety	2,483,540			
Public Works				
Solid Waste and Recycling	1,254,202			
General Properties	840,484			
Health and Welfare				
Health Department	329,852			
Social Services	836,684	4,048,065		
Health and Welfare Continued				

	Revenues From Local Sources	Funding Source		Local School Revenues
		State Revenues	Federal Revenues	
General Fund				
CSA - Youth Services	1,249,499	2,588,750		
Family Resource Center	46,362	185,000	18,000	
Community Colleges and Boards	155,913			
Aging Services	119,804	81,935	68,562	
Parks, Recreation and Cultural				
Parks and Recreation	867,674			
Library Administration	491,671	133,570		
Community Development				
Planning Agencies	527,533		150,000	
Planning and Community Development	749,561			
Economic Development	519,985			
Work Force Development Consortium	132,383	63,000		
Tourism Development	67,000			
GIS and Mapping	179,163			
Virginia Cooperative Extension	96,045			
Public Works	327,492			
Nondepartmental				
Nondepartmental	455,300			
Not Allocated to Specific Departments	(3,273,268)	3,258,010	15,258	
Total General Fund	<u>16,906,247</u>	<u>14,824,816</u>	<u>271,820</u>	<u>0</u>
Special Revenue Fund - E911	872,137	72,400		
Special Revenue Fund - Law Library	12,000			
Capital Projects	5,053,876			
Debt Service	1,653,157			
Utilities	868,559			
School Operating Fund	<u>27,739,167</u>	<u>39,140,581</u>	<u>6,714,452</u>	<u>2,410,153</u>
Total County	<u><u>53,105,143</u></u>	<u><u>54,037,797</u></u>	<u><u>6,986,272</u></u>	<u><u>2,410,153</u></u>

ADOPTED 2007-2008 COUNTY EXPENDITURES (Net of Interfund Transfers)



	FY 2006-2007 ADOPTED	FY 2007-2008 ADOPTED	FY 2006-2007/FY 2007-2008 DIFFERENCE	% CHANGE	PERCENT OF TOTAL
SCHOOLS	71,271,811	76,004,353	4,732,542	7%	65%
JUDICIAL	2,273,296	2,250,133	(23,163)	-1%	2%
PUBLIC SAFETY	8,496,812	9,892,639	1,395,827	16%	8%
PARKS, RECREATION & CULTURAL	1,376,123	1,492,915	116,792	8%	1%
HEALTH & WELFARE	8,743,614	9,728,426	984,812	11%	8%
PUBLIC WORKS	1,841,372	2,094,686	253,314	14%	2%
CAPITAL OUTLAY, UTILITIES, DEBT	7,535,000	8,030,892	495,892	7%	7%
GENERAL ADMINISTRATION	3,530,181	4,233,159	702,978	20%	4%
COMMUNITY DEVELOPMENT	2,583,704	2,812,162	228,458	9%	2%
TOTALS	107,651,913	116,539,365	8,887,452	8%	100%



**Franklin County
Expenditure Highlights
Adopted FY 08 Budget**

General Government Administration:

- Funded the future reassessment of all property in Franklin County by an outside appraisal firm on a four year cycle in the amount of \$200,000.
- Funded an estimated 20% increase in fuel costs, an estimated 5% increase in health insurance costs and a 20% jump in workers compensation insurance premiums.
- Employee portion of Virginia Retirement System life insurance paid.
- Funded a compensation pool of \$500,000 to address market survey of salaries and benefits.

Judicial Administration:

- Continued funding the anticipated cost of housing juveniles in the regional detention center – an operational increase of \$100,000 in last year's budget.

Public Safety:

- Absorbed another increase in Housing Adult Inmates out of Franklin County of \$415,000.
- Additional resources for Fire/Rescue/Public Safety support are budgeted in the form of additional personnel funded from EMS billing revenue. This will allow an additional ambulance to be staffed 24/7 in the County.

Public Works:

- Continues significant landfill monitoring and engineering expenditures.
- Absorbed a 30% increase in electric costs for the school system and local government.

Health and Welfare:

- 10% increase in social service programs primarily in the area of special needs for children in foster care and for elderly and disabled care. Total dollar increase for this area is \$984,812 and is primarily offset by increased State revenues.

Parks, Recreation and Cultural:

- Additional Parks and Recreation costs for the opening of Smith Mountain Lake Community Park, five additional youth athletic fields at Waid Park and two new canoe access points.

Community Development:

- Continued funding of the Water Quality Monitoring Program on a share basis with two surrounding counties.

Capital Projects:

- Funds \$312,120 for Disaster Recovery Protection of Mission Critical Information as well as other Technology Infrastructure improvements.
- Funds \$1.7 million for various Parks & Recreation Facilities including \$700,000 for the Pigg River Whitewater Park/Recreation Center, \$160,000 for improvements at the Franklin County Recreation Park and \$350,000 for beach, parking and restroom related development at Smith Mountain Lake Community Park.
- Continues Significant Landfill Monitoring and Groundwater Corrective Action Expenditures.
- Includes \$745,250 for Public Safety and Law Enforcement Apparatus, Vehicles and Improvements.
- Provides Architect/Engineering funds for a future branch library – location to be determined.

Debt Service:

- \$248,627 increase in debt service expenditures to fund first year payments on the County Government complex and public safety center in the Westlake area.

Utilities:

- Provides continued debt service for utility expansion projects.

Schools:

- Operational Increase of \$1,900,000. Total School Operational Support of \$27.7 million or 41% of General Fund Expenditures. Operational and Capital Total Support of \$29.1 million or 43% of General Fund Expenditures.
- Increases School Capital funding to the \$1,100,000 level. This amount includes \$351,030 in debt service reduction from prior years that will be rededicated to debt service upon the opening of Windy Gap Elementary School, most likely in the 2009-2010 fiscal year. Also included in the County Capital Fund is the School Debt Service reduction amount of \$248,876 which is being set aside as additional capital for Windy Gap Elementary when that school opens.



Franklin County
A Natural Setting for Opportunity

**County of Franklin, Virginia
Table of Departments and Funds**

<u>Department</u>	<u>Fund</u>					<u>Component Unit (Schools)</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Utility Fund</u>	
Board of Supervisors	✓					
County Administrator	✓					
Commissioner of Revenue	✓					
Treasurer	✓					
Finance	✓					
Information Technology	✓					
Registrar	✓					
Circuit Court	✓					
General District Court	✓					
Magistrate	✓					
Juvenile and Domestic Relations Court	✓					
Clerk of the Circuit Court	✓					
J and D Court Services	✓					
Commonwealth's Attorney	✓					
Sheriff	✓					
Building Inspections	✓					
Public Safety	✓					
Solid Waste and Recycling	✓					
General Properties	✓					
Health Department	✓					
Social Services	✓					
CSA - Youth Services	✓					
Family Resource Center	✓					
Aging Services	✓					
Community Colleges and Boards	✓					
Parks and Recreation	✓					
Library Administration	✓					
Planning Agencies	✓					
Planning and Community Development	✓					
Economic Development	✓					
Work Force Development Consortium	✓					
Tourism Development	✓					
GIS and Mapping	✓					
Public Works	✓					
Virginia Cooperative Extension	✓					
Nondepartmental	✓					
Debt Service				✓		
E911		✓				
Law Library		✓				
Capital Projects			✓			
Utilities					✓	
School Operating Fund						✓

