

Surry County Consolidated Adopted Budget



Adopted June 17, 2010

Fiscal Year 2010-2011

For the Period Beginning July 1, 2010 through June 30, 2010



Surry County Board of Supervisors

Reginald O. Harrison, Chairman
John M. Seward, Vice Chairman
Ernest L. Blount
M. Sherlock Holmes
Judy S. Lyttle

COUNTY ADMINISTRATOR

Tyrone W. Franklin

ASST. COUNTY ADMINISTRATOR

John B. Edwards

COUNTY ATTORNEY

William Hefty

Constitutional Officers & State Officers

Sheriff	Alvin Clayton
Commonwealth's Attorney.....	Gerald G. Poindexter
Clerk of Circuit Court	Gail P. Clayton
Treasurer.....	Mary H. Shaw
Commissioner of Revenue.....	Debbie J. Nee
District Court Clerk	Deborah A. Hatcher
Registrar	Lucille J. Epps

Other Staff

Dir. of Finance & Information Technology.....	Melissa D. Rollins
Dir. of Planning & Community Development.....	Rhonda R. Mack
Director of Parks & Recreation.....	Ervin A. Jones
Director of Office on Youth	Sophenia P. Pierce
Building Official	Stacey Williams
Animal Control Officer.....	James R. Smith
Unit Director, VA Cooperative Extension.....	Billie J. Elmer
<hr/>	
Director of Social Services.....	Valerie P. Pierce
Division Superintendent	Lloyd A. Hamlin

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READER'S GUIDE

The purpose of this document is to provide useful and concise information about Surry County's financial plan and operation (revenue and expenditure details) to citizens, elected officials and other interested parties. The financial plan encompasses a one-year fiscal period beginning July 1 and ending June 30 annually. Preparation of each year's budget is initiated through actions of the County Administrator who requests fiscal projections from the Finance Director and solicits preliminary expenditure information from the departments and agencies of the County. The process ends upon approval and adoption of the budget, adoption of the tax rates and adoption of the budget resolutions by the Board of Supervisors.

The Consolidated Adopted Budget is organized along functional lines and includes a narrative of each department's purpose and major goals and objectives. Each narrative provides a breakdown of expenditures by the following categories:

<u>Salaries -</u>	Full and part-time salaries, commissions paid to members of certain boards and commissions
<u>Fringes -</u>	Cost of fringe benefits include FICA, employee retirement (VRS), health insurance, unemployment and worker's compensation
<u>Purchased Services-</u>	Mostly non-reoccurring expenditures to include but not limited to auditing, advertising, equipment repair, maintenance contract cost, contractual and other services.
<u>Operating expense -</u>	Reoccurring expenditures to include office supplies, utilities, travel, conferences, telephone, vehicle insurance, materials, dues & subscriptions, etc.
<u>Contributions -</u>	Cost for providing funding to independent agencies and organizations of the County who provide services to the citizens of Surry (i.e. fire and rescue organizations, libraries, planning districts, and the health department).
<u>Capital Outlay-</u>	Non-reoccurring and infrequent expenditures to include furniture, equipment and other departmental specific capital expenses.

This information is provided in the form of actual expenditures for FY 09, appropriations and actual expenditures for FY 10 and the adopted budget for FY 11. Also, workload indicators and/or performance measurers for selected departments and budget highlights for the current and previous fiscal years are included.

This document also includes information about the capital improvement budget and the Five Year Capital Improvement Plan for FY 2011-2015.

Other items of interest include the following information:

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"The Countrie it selfe, I must
confess is a very pleasant
land, rich in commodities;
and fertile in soyle . . ."
Samuel Argall, ca. 1609

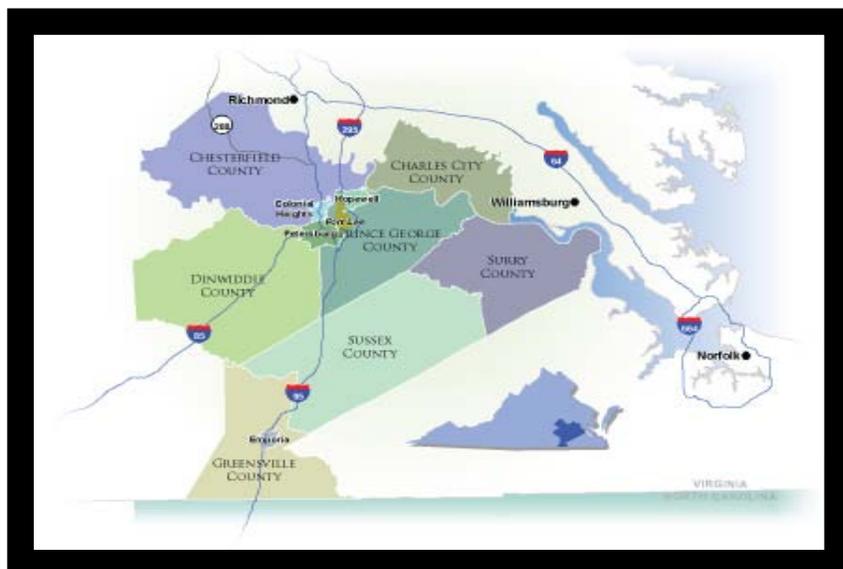
History and Description of Government

Surry County was settled as a part of the Jamestown settlement and in 1652, Surry became an independent County separating from James City County. Great plantations such as Chippokes, Claremont, Smith's Fort, Bacon's Castle and many others flourished near the James River as the colonies prospered. Further inland, small family farms were settled. Many of today's county citizens can date their family history to its founding in the mid-17th century.

Surry County is still mostly rural and much of the early heritage of its people has been preserved. Historic buildings abound, and original county records that date to 1652 can be found in the county courthouse. For history lovers, Surry is a wealth of stately old homes and plantations. For adventurers, there are footpaths through the woods, boating, off- road trails, hunting and fishing. For food lovers, Surry serves up the quintessence of Southern cuisine, world famous smoke cured hams and homegrown peanuts. Surry County is proud of its history and natural beauty. From the delightful ferry ride across the James River to the warmth and hospitality of the folks in Surry County, you are in for a unique and very memorable experience. Surry is also the home to Virginia's first nuclear power station.

Demographic and Economic Factors

Located strategically in southeastern Virginia, Surry is 10 miles south of Williamsburg, 50 miles southeast of Richmond and 40 miles northwest of Norfolk. The Counties of Prince George, Isle of Wight, Sussex and James City County, across the river, border the County. The County covers 306 square miles of gently rolling to level; 100 to 120 feet above sea level. The County's major enterprises are directly tied to natural resources. These include agri-business, forestry products and quarrying. The primary crops are peanuts, soybeans and corn. Surry County has 133,948 acres of commercial forest land (99% privately owned).



Transportation

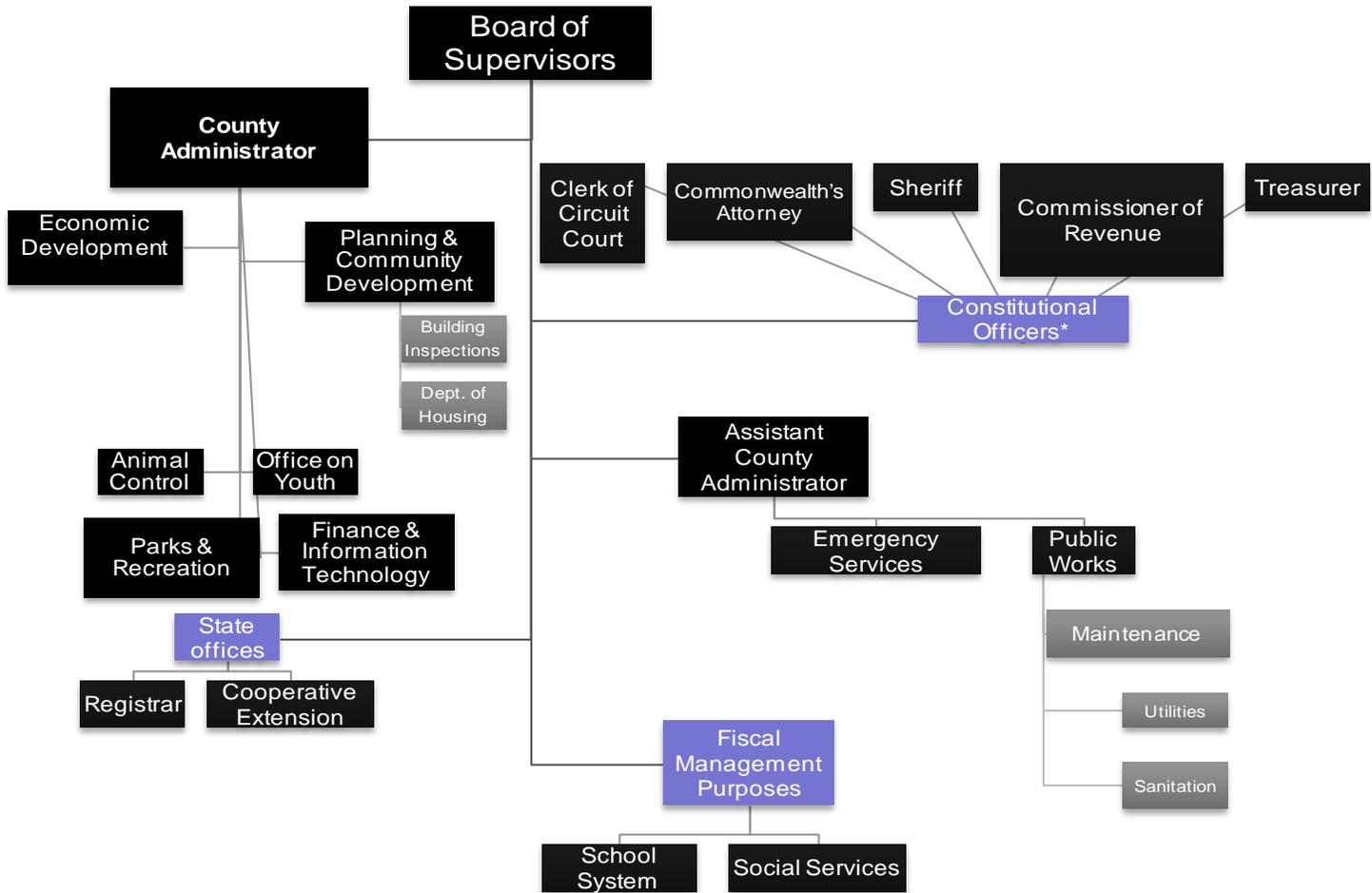
Located midway between Richmond and Hampton Roads, Surry has been an attractive location for businesses relocating or expanding, and for real estate developers interested in the opportunities in residential markets. The County is primarily served by State Routes 10, 31 and 40 which connect to I-95, 85 and 295. The Jamestown-Scotland Ferry connects with Highway 60 and Interstate 64. Maintenance of primary and secondary roads is under the jurisdiction of the Virginia Department of Transportation. Railroad freight service is provided by Norfolk-Southern Railroad in nearby Wakefield. The nearest commercial airports are Newport News/Williamsburg International (20 miles northwest); Norfolk International (40 miles east); Richmond International (40 miles northwest).

DESCRIPTION OF GOVERNMENT

The County is a political subdivision of the Commonwealth of Virginia and currently employs the traditional Board form of government with a County Administrator. Policies governing the administration of the County are set by a five-member Board of Supervisors elected from five districts. The Board appoints the County Administrator, who implements the policies of the Board and directs the day to day activities of the County.

The operation of the public schools is vested in a five-member elected School Board. The local share of the cost for operating public schools is met with an appropriation by the Board of Supervisors from the County's General Fund. A Superintendent is appointed by the School Board to administer the operations of the County's public schools.

SURRY COUNTY ORGANIZATION CHART



The County Administrator's FY10-11 Budget Transmittal Letter follows and is based on a recommended budget presented on May 6, 2010. The adopted budget reflects changes to this information based on subsequent budget deliberations and final recommendations of the Board of Supervisors.



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Surry, Virginia 23883

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County Administrator
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"The Countrie it selfe, I must
confesse is a very pleasant land,
rich in commodities; and fertile in
soyle..."

Samuel Argall, ca. 1609

May 6, 2010

TO: The Honorable Board of Supervisors

FROM: Tyrone W. Franklin, County Administrator

SUBJECT: Proposed FY2010-2011 Consolidated Budget

I am pleased to transmit for your consideration, my proposed operating and Capital Budget for the County's fiscal year that begins July 1, 2010 and ends June 30, 2011. The purpose of this document is to inform you of the fiscal affairs of Surry County and to provide sufficient information that will better enable you to ultimately adopt a budget that will effectively meet the needs of the County.

The budgetary shortages at the state level, the affects of the recession that began in 2007 and the impact on the local revenue stream has presented the County with greater fiscal challenges. If you recall, in September of 2009 the state implemented FY10 reductions in state aid to localities as a strategy to absorb an unprecedented decline in state revenues. In October of 2009, we presented the Board preliminary information on the impact of the Operating Budget for FY 2009-2010 and the outlook for FY 2010-2011. We later communicated a potential \$1.7 million gap between projected general fund revenues and expenditures, including declines in State and Local revenue sources for the next fiscal year. This is in addition to revenue shortfalls in FY 2010.

The County has established a set of guiding principles in our efforts to meet fiscal challenges and balance the FY2011 budget:

- Finding/creating efficiencies
- Implementing budget reductions strategies by departments
- Reviewing vacant positions for elimination
- Reviewing fee rate structure (minimum recommended changes)
- Limiting capital projects funded by general fund sources
- Protecting local education funding as much as possible
- Communicating the County's financial position to departments and constitutional offices

The guiding principle in developing this budget remains the same: to keep County government in a position where it can continue to provide effective, efficient and accessible services to the citizens of Surry County, to improve upon these services and to accomplish both at the lowest possible cost with minimal to no increase in the current tax rate. However, the proposed recommended budget calls for an increase in the current real estate tax rate by \$0.03 cents from \$0.70 to \$0.73 per \$100 of assessed value and an increase in the personal property tax rate from \$3.50 to \$4.00 per \$100 of assessed value. Justification for this recommendation is certainly warranted and is summarized as follows:

1. TAX RATE ADJUSTMENT

The County's **tax rate** has remained unchanged for the last three fiscal years. This has been remarkable in light of the required increase in the County's FY10 debt service obligations for facility improvements for the General and School Funds and public safety needs. In FY 10, the net annual debt service payment increased by \$961,000, slightly short of \$1.0 million. Of this amount, \$235,000 represented the debt service requirement for the high school renovation project, \$800,000 for the courthouse/government center renovation and \$123,000 for public safety equipment acquisition. The elimination of other debt defrayed the overall increase. Rather than imposing a \$0.04 cents on the tax rate to accommodate a \$961,000 increase in the debt service category, the County used fund balance reserves along with unused funding from the previous fiscal year.

2. USE OF FUND BALANCE RESERVES

Surry, like most localities in the State, relied heavily on **fund balance reserves** to balance the budgets in fiscal years 2009 and 2010 in wake of the recent economic downturn. Use of fund balance reserves is governed by financial policies. First, an adequate fund balance is necessary to (1) meet seasonal shortfalls in cash and (2) reduce susceptibility to emergency or unanticipated expenditures or to revenue shortfalls. Surry's financial policies dictate that 25% of the annual operating budget should remain as reserved fund balance. Second, sound fiscal policy dictates that we avoid the use of unappropriated fund balance to cover operating expenditure in our annual budget; simply put, operating revenue from tax revenue and other local state and federal sources should fully fund operating expenditures. As previously stated, the Board has relied on the reserves for the past few years to avoid tax rate increases; however, this tactic is unsustainable and should not be utilized to a large degree in FY 2011. We anticipate that the fund balance may drop as low as \$1.2 million at the end of FY 2010.

Changes to Fund Balance Reporting:

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The standard does not affect the calculation of fund balance, but will change the various components used to report it. Going forward, the term fund balance reserve will be replaced by either committed fund balance, assigned fund balance or unassigned fund balance.

3. COMMITMENT TO EDUCATION

Public Education represents an important part of our local government and is the largest portion of the County's operating budget at 58%. I am proposing a local contribution to Surry County Public Schools in the amount of \$11,547,266. Implementation of a tax hike to avoid further cuts in the School budget is a critical decision in the budget process. The School System has been challenged by the significant loss in state revenue. It is projected that the School System will receive \$506,000 less in state/federal revenue in FY 2011 based on the adopted budget. This includes the elimination of \$253,000 in federal stimulus funds in the FY10 budget. While the proposed local contribution is \$146,000 or 1.25% less than the FY10 local appropriation of \$11.693 million, I believe this proposal demonstrates a continued commitment to education in our community. In addition, funding provided in the County's operating budget for debt service on school projects (\$235,000) and the Board's appropriation of an additional \$200,000 in prior year funds to the FY10 School budget for one time non-reoccurring operating expenditures further substantiates its support to Education.

4. CONTRIBUTION TO OUTSIDE AGENCIES

The County contributes to a number of **outside agencies**, such as the volunteer fire and rescue agencies, the Health Department, Blackwater Regional Library, District 19 Mental Health Services, Williamsburg Area Transit and others. Contributions in FY10 comprise 10% of the general fund operating budget or \$733,000. Most agencies in the proposed budget are funded at either the FY10 levels or below. Increase in funding requests for three agencies will be fully funded under the current proposal: Blackwater Regional Library,

Williamsburg Area Transit and Virginia Gateway Region. Collectively, this results in an increase in contributions totaling \$30,714. While this is a small portion of the additional revenue needed overall, fully funding these and other requests represents the County's desire to refrain from reducing services to the citizens (library and transportation) and to improve the County's economic tax base by supporting an additional \$10,000 to Virginia Gateway Region.

5. SALARY & FRINGE BENEFITS

Competitive **compensation and benefits** is an important tool in retaining and attracting qualified employees as implicated in the 2009 Compensation & Classification Study. Unfortunately, due to continued budget shortfalls, no cost of living or merit increases are recommended for County employees. It is hopeful that when the economy improves, the County will be able to implement recommendations from the study to increase salaries to competitive market levels. The proposed budget at the \$0.73 cents tax rate includes no impact on full time or part time positions, except in the cases where part-time has been reduced because of efficiency implementation. This will be explained further in the budget document. Because revenue at the current tax rate is insufficient to cover current operating costs, without an increase, it is likely that additional cuts to part-time and perhaps full time staff will need to be made, likely impacting service delivery. Rates imposed in FY2011 by the Virginia Retirement System reflect a 5% increase over the current rates. Health insurance premiums saw an average 8% increase which will be passed to employees with the exception of \$4.00 increase in the employer contribution to conform with requirements of the Local Choice Program.

6. SOCIAL SERVICES FUND

The proposed budget calls for a minimum reduction of \$21,000 to the local level appropriation for the Social Services Fund. The request from the department is \$704,000, the same as the FY10 local appropriation. The recommendation of \$684,000 in local funds is feasible based on the proposed tax rate increase.

7. CAPITAL PROJECTS

The County's **Capital Project Budget** for FY 2011 is proposed to be funded by local dollars totaling \$555,000. All projects are included in the current budget, but have been delayed, some due to budget constraints. Projects include the planned construction of the third solid waste convenience site, sanitary improvements to the existing site, continued local support for broadband implementation, highway revenue sharing and a feasibility study for much needed improvements to the parks and recreation center. Reserving fund balance by increasing the tax base to support operating needs will better enable the County to execute prior commitments rather than continue to forgo critical capital improvement needs.

While it is not the desire of the Board to increase the tax burden on citizens by imposing a tax rate increase, I strongly feel that that this measure, combined with budget strategies that reduce the cost of operations overall, is necessary to balance the FY 2010-2011 Operating and Capital Budgets. A tax rate of \$0.73 per \$100 of assessed value will better enable the County to: (1) replenish a portion of fund balance utilized over the last two years, (2) recoup revenue losses at the local and state level, (3) continue local funding to Education at 1.2% less than the current level, (4) maintain funding commitments to agencies impacting public safety, health and welfare, library services, economic development and other governmental functions, (5) avoid additional reductions in mostly, but not all, part-time salaries and (6) implement critical capital projects without increasing debt.

Revenue Summary

I. LOCAL TAX COLLECTIONS

The **2009 Real Estate Reassessment** marked the third consecutive annual assessment; the results, flat valuations of real property from the previous year. The overall increase in the projected 2010

assessed value of real property over the 2009 value was less than 1.0%, including new construction. The proposed rate of \$0.73 will generate \$262,000 in real estate tax revenue. The financial indicators relative to the housing market point to stable property values in the year ahead. Therefore, I am recommending the elimination of the annual reassessment in 2010. However, funds have been set aside for valuation of new construction. The net cost savings to the county is \$85,000.

FY 10-11 PROPOSED TAX RATES	
Real Estate	\$. 73 per \$100 of assessed value
Machinery & Tools	\$1.00 per \$100 of assessed value
Personal Property	\$ 4.00 per \$100 of assessed value
Personal Property Tax Relief	55%

Public Service Corporation Taxes: The ratio set by the Department of Taxation and submitted to the State Corporation Commission to adjust the tax value of the property of public service corporations in Surry impacts the amount of tax revenue the County receives from public service corporations. I am pleased to report that the estimated ratio for 2010 is 100.0%, up slightly from the 2009 ratio of 98.8%. Since preliminary projections were based on a 98.8% ratio, \$97,000 was added to the projections which helped narrow the initial deficit. As presented in earlier budget discussions, the County's assessment on public service was lower than projected in 2009 which resulted in a \$360,000 deficit in actual revenue over projections, contributing to the overall revenue shortfall in FY10. The projections for FY11 are conservative and are based on FY 09 values to avoid the risk of an unexpected shortfall in FY11. The County would rather benefit from a revenue surplus from this source than adjust for an unexpected shortage.

The table below shows the projected tax revenue the County can expect to receive from real property and public service corporation taxes for FY 10 and FY11 based on the proposed rate of \$0.73 per \$100 of assessed value. Real property taxes account for 37% of the total tax revenue collected versus 63% based on the assessment on public service corporations.

Table 1.

	FY 08-09 Actual	FY 09-10 Estimates	FY10-11 Projections	Dollar (\$) Variance	Percent (%) Variance
Real Property	5,821,795	6,108,132	6,369,909	261,777	4.29%
Public Service	10,576,419	10,347,250	10,790,703	443,453	4.29%
Total	16,398,214	16,455,382	17,160,612	705,230	4.29%

Personal Property Taxes: The taxes assessed on vehicles, business property and mobile homes is classified as personal property. The proposed rate is \$4.00, up \$0.50 from the current rate of \$3.50 per \$100 of assessed value. On average each ten cents will generate \$30,000. Based on the proposed increase, an additional \$150,000 can be added to the County's coffers.

Machinery & Tools: The taxes assessed on manufacturers in the County constitute machinery and tools taxes. The proposed rate of \$1.00 per \$100 of assessed value reflects no change from the current rate.

Personal Property Tax Relief Percentage: Beginning Tax Year 2006, qualifying vehicles with assessed value of more than \$1,000 shall be provided a percentage of tax relief, annually fixed and applied to the first \$20,000 in value. Qualifying vehicles with a value under \$1,000 will receive 100% tax relief. The amount of relief must be determined each year and is based on both the number of vehicles in the County and the values. Based on these factors, the estimated relief rate is up 55% from 50% in FY10.

II. STATE & FEDERAL REVENUE

State revenues which make up 23% of the FY 10 budget are projected to decrease by \$618,000 or 10% from the FY10 anticipated projections, most of which translates to reduced funding for K-12 Education. In addition, state funds used to primarily support daily operations of the constitutional offices will decline by \$72,000 as outlined below:

Office	Across-the- Board Reduction %	Revenue Impact
Sheriff	6.0%	30,707
Commonwealth Attorney	4.0%	5,938
Circuit Court	1.0%	4,775
Treasurer	18.7%	17,381
Commissioner of Revenue	14.8%	12,718

FY11 revenue estimates for the constitutional officers and registrar are \$107,000 less than the FY10 adopted budget. This includes the proposed 20% reduction (\$8,000) by the state in the salaries of the registrar and electoral board. In addition, the reduction in state aid to localities imposed in the FY09 & FY10 will continue in the FY11 budget year. During each year, the County's mandated reduction was \$29,000. State revenue for the Public Assistance Fund (Social Services) is slated to remain relatively stable unless revised projections are received prior to the end of the budget process.

Federal revenue of \$1.90 million accounts for approximately 7.0% of the proposed FY11 budget and is used relatively to fund Federal Programs (\$948,000) of the School System and social services programs (\$944,000).

III. EXPENDITURE HIGHLIGHTS

Expenditure highlights by the various categories of the general fund are as follows:

General Government Administration

- Includes \$30,000 for a water & sewer study to evaluate how the County can best meet the growing needs and obligations relative to water and sewer operations
- Eliminates \$90,000 for the Reassessment
- Increases legal fees by \$50,000 associated with OLF

Public Safety

- Eliminates a vacant full time dispatch position in the FY10 Sheriff Department budget - \$34,000
- Provides \$28,000 in contractual services for courthouse security
- Reduces the care of adult prisoners to reflect the trend of a reduction in the prison population - \$22,000
- Provides \$5,000 for training and recruiting for the Volunteer Rescue Squad
- Eliminates the part time animal pound attendant position - \$12,000

Public Works

- Reduces the cost of contractual services for disposal services based on an anticipated deduction in the cost per ton and other operating cost reductions - \$60,000
- Reduces the cost of part-time help in the amount of \$36,000 based on the proposed reduction in the convenience site operating hours from 7 days per week to 5 days per week.
- Includes landfill closure as an operating expense under Sanitation and removes this expense from the Capital budget - \$30,000

- Includes reductions in various maintenance operating costs (reduction and efficiency measures implemented) - \$50,000
- Includes \$25,000 in maintenance for the acquisition of two county vehicles
- Consolidates the Maintenance and Sanitation Supervisor's position to one position.
- Reduces costs for part-time salaries based on the proposal to cut the hours of operation of the solid waste convenience sites from seven days to five days per week. The estimated cost savings is \$36,000.

Parks, Recreation & Culture

- Reduces part-time summer help; grant funds under the Office on Youth programs will be used as a cost savings measure to accommodate the summer program- \$10,000

Debt Service

- Includes \$50,000 to pay down the principal due on the \$470,000 loan to USDA Rural Development for the Dendron Sewer Project. The actual repayment schedule calls for a 40 year term; however, the County's current debt service schedule calls for payment of the loan in five years. Due to funding constraints in FY10, only the required amount was budgeted. The elimination of prior year debt in the amount of \$123,000 defrayed the overall impact on the debt service category which is slated to decrease by \$94,000.

Water & Sewer Fund : The proposed budget includes a proposed rate increase for water and sewer fees:
Current Sewer Rates

Min. Rate/Mon. (0-4,000 Gal.)	Rate/1000 Gal. (> 4,000 Gal.)	Connection Fee	Type
\$25.00	\$2.00	\$2,000.00	Residence
\$50.00	\$2.00	\$5,000.00	Commercial
\$50.00	\$2.00	\$50/Student	School
\$50.00	\$2.00	\$2,000.00	Institutions
\$50.00	\$2.00	\$7,000.00	Industry

Proposed Sewer Rates

Min. Rate/Mon. (0-5,000 Gal.)	Rate/1000 Gal. (> 5,000 Gal.)	Connection Fee	Type
\$34.20	\$2.20	\$2,184.00	Residence
\$68.25	\$2.20	\$5,460.00	Commercial
\$68.25	\$2.20	\$54.60/Student	School
\$68.25	\$2.20	\$2,184.00	Institutions
\$68.25	\$2.20	\$7,644.00	Industry

Based on the proposed Water & Sewer Fund budget in the amount of \$212,710, the \$77,000 in revenue generated from user fees account for 36% of the budget. The County's operating transfer to the fund is \$135,000 or the remaining 64% of the total budget.

CONCLUSION

Overall, the FY11 expenditure plan for the County reflects a \$338,000 or 3.6% decrease in the General Fund operating budget from \$9,400,262 in FY 10 to \$9,062,127 proposed for FY 11. When factoring in the Social Services and School Funds, the proposed budget of \$27,647,433 is \$993,000 or

3.47% less than the FY 10 Adopted Budget. The proposed expenditure plan by fund is summarized in the proceeding table:

Table 2

CATEGORY	Actual Expenditures	Adopted Budget	Anticipated Expenditures	Recomm. Budget	FY 10-11 Recommended over FY 09-10 Adopted	
General Gov't Administration	1,519,756	1,625,011	1,517,014	1,588,163	(36,848)	-2.27%
Judicial Administration	382,048	417,473	409,261	413,844	(3,629)	-0.87%
Public Safety	2,331,629	2,545,217	2,446,676	2,506,119	(39,098)	-1.54%
Public Works	1,021,111	1,183,745	1,030,125	1,054,795	(128,950)	-10.89%
Health & Welfare	502,784	500,635	491,775	486,536	(14,099)	-2.82%
Parks & Recreation	537,577	535,468	535,468	539,863	4,395	0.82%
Community Development	436,811	466,190	464,415	455,128	(11,062)	-2.37%
Subtotal-General Operating	6,731,716	7,273,739	6,894,734	7,044,448	(229,291)	-3.15%
Special Funds						
Comprehensive Services	153,241	175,000	75,000	160,000	(15,000)	-8.57%
Indoor Plumbing	5,064	59,619	59,619	60,000	381	0.64%
Economic Development	0	79,160	0	79,160	0	0.00%
Food & Nutrition	7,481	7,500	5,626	7,500	0	0.00%
Total Special Funds	165,786	321,279	140,245	306,660	-14,619	-4.55%
Debt Service	843,622	1,805,244	1,781,464	1,711,019	(94,225)	-5.22%
Total General Operating	7,741,124	9,400,262	8,816,443	9,062,127	(338,135)	-3.60%
Enterprise Fund						
Water & Sewer Fund	159,746	197,257	224,688	212,710	15,453	7.83%
VPA FUND	1,749,729	2,250,599	2,160,599	2,232,729	(17,870)	-0.79%
SCHOOL FUND	16,883,704	16,792,792	17,657,116	16,139,867	(652,925)	-3.89%
TOTAL OPERATING BUDGET	26,534,303	28,640,910	28,858,846	27,647,433	(993,477)	-3.47%

I hope that this proposal will allow the Board to provide meaningful input to assist the County in coping with revenue challenges with little or no impact to County services or programs. We have attempted to address the fiscal challenge of reducing the cost of County operations to match resources while remaining committed to education, citizens and employees. The proposal presented reflects a strategy that still employs core services and programs while reducing various operational costs. I wish to express my appreciation to department heads who have worked to find savings in the current and ensuing budgets. All of these projections are preliminary and subject to change during the budget process and I look forward to working with you as we further deliberate the FY 2010-2011 Budget.

Respectfully Submitted,



Tyrone W. Franklin
County Administrator

ADOPTED TAX RATES FOR FY11

	FY 2010	ADOPTED FY2011	CHANGE
REAL ESTATE			
General	\$0.70	\$0.73	\$0.03
Public Service Corporations	\$0.70	\$0.73	\$0.03
PERSONAL PROPERTY			
General	\$3.50	\$4.00	\$0.50
Machinery & Tool	\$1.00	\$1.00	no change
Merchant's Capital	\$0.00	\$0.00	no change
Farm Equipment & Machinery	\$0.00	\$0.00	no change
Certain motor vehicles of volunteer fire dept. and rescue squad members used to respond to emergency calls within Surry County as certified by the Commissioner of Revenue (up to \$15,000)	\$0.00	\$0.00	no change
PERSONAL PROPERTY TAX RELIEF PERCENTAGE	50%	55%	5%

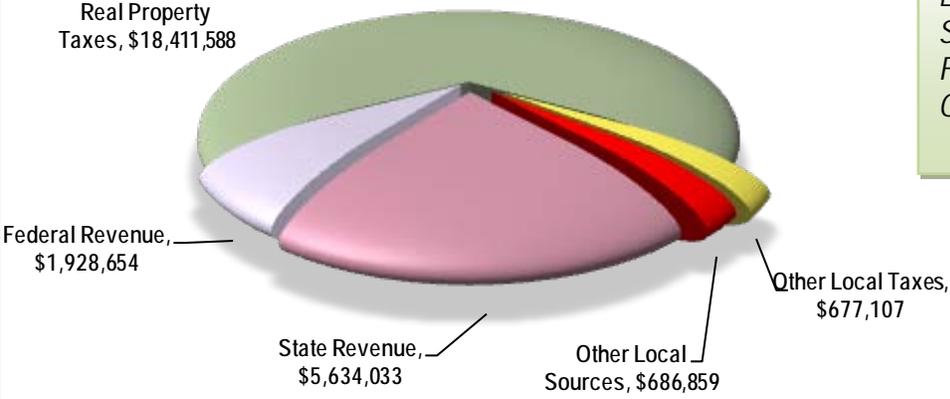
**CONSOLIDATED REVENUE AND EXPENDITURE SUMMARY
FY 2011 ADOPTED FOR ALL FUNDS**

	General Fund*	School Fund	Enterprise Water & Sewer	Capital Fund	Total
Real Estate Taxes	\$ 6,369,909				\$ 6,369,909
Personal Property Taxes	1,140,598				1,140,598
Public Service Corporation Taxes	10,790,703				10,790,703
Other Local Taxes	677,107				677,107
Permits, Fines, Penalty & Interest	177,378				177,378
Use of Money & Property	127,210			-	127,210
Charges for Services	98,849	275,000	77,000		450,849
Miscellaneous & Recovered Costs	16,800	25,000			41,800
State Funding	2,290,253	3,343,780		850,000	6,484,033
Federal Funding	979,833	948,821		600,000	2,528,654
Other Financing Sources				640,000	640,000
Transfer to other funds	(11,379,361)			-	(11,379,361)
Transfer from other funds		11,243,651	135,710		11,379,361
Est. Beginning Fund Balance	8,449,995				8,449,995
Less: Committed Fund Balance	(6,782,016)				(6,782,016)
Less: Unassigned Fund Balance	(1,162,979)				(1,162,979)
Assigned Fund Balance	(505,000)			505,000	-
TOTAL REVENUE	\$ 11,289,279	\$ 15,836,252	\$ 212,710	\$ 2,595,000	\$ 29,933,241
Expenditures:					
	General Fund*	School Fund	Enterprise Water & Sewer	Capital Fund	Total
General Government	\$ 1,594,586			950,000	\$ 2,544,586
Judicial Administration	413,844				\$ 413,844
Public Safety	2,506,119			640,000	\$ 3,146,119
Public Works	1,054,795		212,710	1,005,000	\$ 2,272,505
Health & Welfare*	2,848,671				\$ 2,848,671
Education	30,594	15,571,362			\$ 15,601,956
Parks, Recreation & Culture	535,363			-	\$ 535,363
Community Development	594,288				\$ 594,288
Debt Service	1,711,019	264,890			\$ 1,975,909
TOTAL EXPENDITURES	\$ 11,289,279	\$ 15,836,252	\$ 212,710	\$ 2,595,000	\$ 29,933,241

*For the purpose of audit financial reporting, General Fund includes Social Services for Health & Welfare administration, revenue and expenditures. In preparation of the budget, the Social Services Fund is separated from General Fund.

**COMPOSITION OF OPERATING GOVERNMENT
ALL COUNTY OPERATING FUNDS - \$27,338,241**

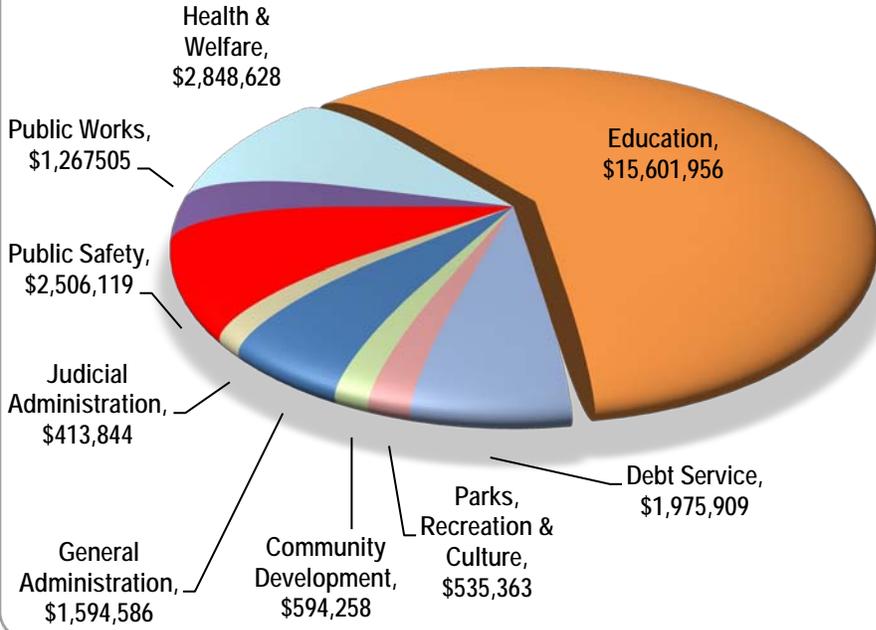
**Operating Government-All Funds
Where Does the Money Come From?**



Operating Revenue by Source

Local Taxes	68%
State Revenue	20%
Federal Revenue	7%
Other Local Sources	3%

**Operating Government- All Funds
How is the Money Spent?**



Operating Costs by Expenditure Category

Education	57%
Health & Welfare	10%
Public Safety	9%
Debt Service	7%
General Administration	6%
Public Works	5%
Community Development	2%
Parks, Recreation & Cultural	2%
Judicial Administration	2%

Board of Supervisors' Mission Statement Strategic Goals & Priorities

Surry County Mission Statement

Maintain a strong commitment towards the improved efficiency and effectiveness of County government that impacts the public safety, health, education and welfare of the citizens of Surry; through effective leadership and fiscal integrity, the Board of Supervisors will encourage the orderly growth and development of the community which will enhance the quality of life for the citizens of Surry County.

Strategies:

- ✚ Promote growth in a manner which protects the county's agriculture, environment, quality of life and historic resources.
- ✚ Balance quality of government services with fiscal integrity
- ✚ Enhance relations with the stakeholders of County government (i.e. citizens, businesses, employees, towns)
- ✚ Keep citizens informed; encourage openness and participation in government

Priorities:

- ✚ Work with regional economic development organizations to promote Surry County as the ideal business location
- ✚ Continue to exercise sound financial management and build the County's fiscal strength while minimizing the property tax burden
- ✚ Support the development and deployment of broadband technology
- ✚ Work closely with the School System to plan joint county services and facilities
- ✚ Increase public services and facilities relative to tourism, parks and recreation and library services.
- ✚ Implement a Capital Improvement Plan in conjunction with the County's Comprehensive Plan
- ✚ Promote and maintain a quality workforce; equip employees with the resources needed to be efficient and effective
- ✚ Work to ensure the safety, security and maintenance of all County facilities.
- ✚ Work closely with legislators and regional organizations in critical public policy areas (i.e. transportation, infrastructure).

SURRY COUNTY BUDGET PROCESS

The County's budget policy addresses the process by which a budget is formulated from departmental requests to Board of Supervisors' adoption, including the adoption of a Capital Improvements Budget and Five Year Capital Improvement Plan. Other pertinent issues presented to the Board during the budget process are also addressed. Also, the Board of Supervisors annually adopts budgetary goals and objectives, which serve as a basis for the formulation of the budget. A budget calendar is provided that serves as a guideline in formulating and adopting a budget in a timely manner.

The development of the County's budget begins each year in December and usually ends in June with the adoption of the budget (see Budget Calendar). The process is designed to incorporate a detailed review of each department and agency's request and to allocate resources across departmental programs. Each expenditure request is reviewed by the County's budget staff and the County Administrator prior to presentation to the Board of Supervisors.

In January, all County departments and agency heads are asked by the Finance Department to follow guidelines outlined below in the submission of their operating budgets and contribution requests:

- Maintain the operating efficiency of the department without significant increases in expenditures; per directives, reduce operating budget expenditures and justify budget needs.
- Provide a mission statement, departmental goals and objectives, strategies for implementing objectives and workload indicators/performance measures. Also highlight significant accomplishments of the current fiscal year and problems encountered in meeting prior year goals and objectives. The County uses a word document template that enables each department to prepare this information.
- Provide a detail justification of capital items or project needs to include narrative requests and supporting documentation (i.e. replacement, addition, cost, etc.).
- Using the fringe benefit rates and amounts for the ensuing fiscal year, calculate salaries based upon the directives of management. The County uses an excel worksheet template that enables each department to prepare this information.
- In addition, departments charged with oversight of the calculation and/or collection of revenue must provide details on anticipated collections and factors used in the development of the projections.

A summary of the remaining process is as follows:

- By February of each year, budget requests are received from all departments and agencies and initial revenue projections are formulated.
- In March, Finance staff formulates all requests and revenue projections and submits to the County Administrator.
- The Capital Projects Committee meets to discuss and plan for a five year capital improvement plan. The plan is forwarded to the Surry County Planning Commission for consideration and adoption.
- Before or around April 1st, 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 means of financing them.
- Public hearings are conducted to obtain citizen comments on the recommended and advertised budgets.

SURRY COUNTY BUDGET PROCESS

- Prior to June 30th, the budget is legally adopted by the Board of Supervisors to include resolutions that (1) establish the amount of the operating and capital budgets, (2) establish restrictions on the transfer of funds from one category of the budget to another and (3) set the tax rates commencing July 1st. The Five Year Capital Improvement Plan is adopted simultaneously with the budget process.

After the adoption of the budget, the following policies govern budget transfers, amendments and appropriations.

- Per the code of Virginia, any additional appropriations(s) which increases the total budget by more than \$500,000 at any one Board meeting, is required to be advertised for a public hearing at least seven days prior to the Board of Supervisor's approval of such appropriation.
- Any amendments that increase the total revenues for the School Fund require the approval of the Board of Supervisors upon prior approval of the School Board. The same applies for the Social Services Fund.
- Amendments that increase the General Fund up to \$10,000 that do not require a local funding commitment may be amended by the County Administrator; the Board of Supervisors shall receive quarterly notice of such amendments.
- All transfers from one category of the School Fund budget to another require the approval of the Board of Supervisors upon prior approval of the School Board.
- All departmental budget transfer requests require the approval of County Administrator or his designee.
- The County Administrator is authorized to transfer within departmental budget line items and between departments.
- Transfers or payments from the Contingency Fund require approval from the Board of Supervisors.
- The General Operating Fund is appropriated on a quarterly basis unless otherwise requested and approved by the Board. The School System submits monthly appropriation requests by category for approval and Social Services submits monthly appropriation requests in an amount as needed for approval by the Board of Supervisors.
- All appropriations lapse on June 30th. Unencumbered balances for capital projects are amended to the ensuing year budget around July or August of that year; appropriations for capital projects may remain appropriated until the completion of the capital project or until the Board of Supervisors change or eliminate the appropriation.

SURRY COUNTY BUDGET CALENDAR

November/December

- Agency heads begin to submit requests for contributions.

December/January

- Department heads are advised to begin development of strategic plans, goals and objectives
- Budget directives, guidelines and forms are distributed to Departments

January/February

- Preliminary revenue projections are formulated
- Department and agency budget submissions are submitted to Finance

February/March

- Budget staff reviews department budget submissions
- Revenue projections are defined
- Finance staff presents summary of budget operating requests to County Administrator
- School System and Social Services present budget requests to the Board of Supervisors
- The Five Year Capital Improvement Plan is forwarded to the Planning Commission
- Work sessions are scheduled

March/April

- County Administrator presents formulated operating budget requests to the Board of Supervisors
- Work sessions are scheduled
- School System holds public hearing on the Proposed School System budget and presents adopted School Board budget to the Board of Supervisors
- Board of Supervisors conduct public hearing on proposed School System Budget to solicit taxpayer input
- The Planning Commission takes action on the Five Year Capital Improvement Plan

April/May

- County Administrator presents a preliminary operating budget and capital budget to the Board of Supervisors
- Budget revisions are made by County Administrator for presentation of a recommended consolidated budget to the Board of Supervisors
- The recommended budget is advertised and public hearing is held to solicit taxpayer input
- Work sessions are scheduled
- Board of Supervisors take action on the proposed School System budget (May 1 deadline)

May/June

- Final work sessions are scheduled.
- The Board of Supervisors makes changes to the County Administrator's recommended budget
- The Board of Supervisors officially adopts the operating and capital budgets, set the tax rates, and adopts budget resolutions

July

- The new fiscal year commences on July 1st.

SURRY COUNTY FINANCIAL POLICIES AND GUIDELINES

PURPOSE

The County of Surry strives to promote financial integrity and to be "exemplary stewards of the public trust." The following financial policies and guidelines establish the framework for the County's overall fiscal planning and management.

BALANCED BUDGET

The provisions of the Code of Virginia shall control the preparation, consideration and adoption and execution of the budget of the County. It is the duty of the County to adopt a balanced budget.

The County currently prepares and approves an annual budget. The County will annually adopt and execute a budget for such funds as may be required by law or by sound financial practices and generally accepted accounting standards. The budget shall control the levy of taxes and the expenditure of money for all County purposes during the ensuing fiscal year. The County budget shall be balanced with all available revenues, including fund balance, being allocated to expenditures of an equal amount. All agencies and departments supported by the resources of the County must function within the limits of the financial resources identified or available specifically to them.

REVENUE POLICIES

The County will strive to diversify its revenue system through economic development and other resources to shelter the government from fluctuations in any revenue source and ensure its ability to provide ongoing service.

Fees and Charges

All fees established by Surry County for licenses, permits, fines, services, applications and other charges should be set to recover all or a portion of the County's expense in providing the attendant service. These fees shall be reviewed periodically. The County conducted a review of its fees in FY 09-10 and changes in sewer rates and solid waste collection fees were approved effective for FY 10-11.

Restricted Revenue

Restricted revenue (such as asset forfeiture funds) shall only be used for the purpose intended and in a fiscally responsible manner.

Note: Categorical or restricted revenue includes grant funds and special revenue funds, used for the explicit purpose for which it is received or for which it was implemented.

Revenue Collection

The County shall strive to achieve an overall property tax collection rate of 100%.

Note: The property tax collection rate for FY 2007 exceeded 99.3% and is expected to increase for FY 08 as additional resources for collecting delinquent taxes are utilized.

SURRY COUNTY FINANCIAL POLICIES AND GUIDELINES

OPERATING BUDGET POLICIES

Budget Performance Monitoring

The Finance Department maintains ongoing contact with department heads in the process of implementation and execution of the budget. Expenditure reports are provided monthly for review. Revenue and expenditure reports are reviewed quarterly by Finance in addition to a review of appropriations versus actual expenditures.

Note: The County Administrator, through the Finance Department, exercises appropriate fiscal management as necessary to live within the limits of the adopted budget.

Budget Amendments

Amendments to the operating budget are brought before the Board of Supervisors for approval throughout the budget year. Budget amendments include but are not limited to: grant funds received not already included in the current budget, grant funds beyond the amount included in the budget, carryover for grant appropriations remaining from the prior year, insurance recoveries where replacement of goods is needed and transfers from the contingency fund to fund additional appropriations if needed. Policy dictates that all amendments exceeding \$10,000 must be approved by the Board of Supervisors.

Budget Transfers

Budget transfers between departmental line items are approved at the administration level. A transfer from the Contingency Fund to any other budget requires the approval of the Board of Supervisors.

Use of Carryover Funds/One time Expenditure Savings

As an incentive to return unspent appropriations, the use of one-time expenditure savings may be re-appropriated for use in the subsequent fiscal year for non-reoccurring expenditures. A request for these funds will be reviewed on a case-by-case basis and dictated by the financial position of the County.

**SURRY COUNTY
FINANCIAL POLICIES AND GUIDELINES**

DEBT POLICY

The County's debt 1) as a percentage of assessed value and (2) per capita has declined by over 50% in 10 years from the period beginning 1997-2006, a clear indication of the County's ability to plan for the necessary financing of capital projects while maintaining credit worthiness. Due to the acquisition of debt in 2007, the County's ratio rose sharply as expected. June 30, 2009 key debt ratios are shown below:

	<u>Actual June 30, 2009</u>
Debt as a Percentage of Assessed Value	.77%
Debt Per Capita	2,731
Debt as a Percentage of General Operating Expenditures (3)	7.9%

- (1) Debt as a percentage of assessed value: This ratio indicates the relationship between the County's debt and the taxable value of property in the County. It is an important indicator of the County's ability to repay debt, because property taxes are the source of the County's revenue used to repay debt. A smaller ratio is an indication that the County will be better to withstand possible future economic downturns and continue to meet its debt obligations.
- (2) Debt per capita is a general indicator of the County's debt burden. A smaller ratio indicates a lighter burden.
- (3) Debt as a Percentage of General Governmental Expenditures (excludes capital, special revenue and enterprise funds) is a measure of the County's ability to repay debt without hampering other county services. A small ratio indicates a lesser burden on the County's operating budget.

I. Background and Purpose

This debt policy is designed to provide guidance to the County of Surry and its operating units in the issuance of debt and similar obligations. For the purposes of this Policy, any Capital Lease obligation whereas not legally considered debt of the County, shall be treated as such. This Policy shall apply to all operating units of the County receiving General Fund support for repayment of debt used to finance Capital Projects. This Policy is designed to be used with other Financial Policies of the County as they exist from time to time.

This Policy will address various types of debt which may be issued by or on behalf of the County, the level of these obligations, the corresponding annual debt service costs of these obligations and the approval requirements for the issuance of such obligations.

SURRY COUNTY FINANCIAL POLICIES AND GUIDELINES

The purpose of this Policy is to ensure the issuance and repayment of all debt obligations are properly planned, approved and executed to ensure the efficient and effective financial operations of the County.

II. Planning, Performance, and Monitoring

- A. The planning, issuance, and review of outstanding and proposed debt obligations will ensure that compliance with this Policy is maintained.
- B. The County may issue debt obligations for the purpose of acquiring, improving, renovating, or constructing Capital Projects including buildings, machinery, equipment, furniture, and fixtures or other similar longer life assets (i.e., water or sewer capacity, etc.).
- C. Whenever feasible, similar debt obligations will be issued at one time to minimize issuance costs.
- D. The County will annually prepare and adopt a multi-year Capital Improvements Program to identify and establish an orderly plan to meet the County's infrastructure needs with all debt-related projects and the corresponding debt service impact upon the General Funds of the County identified.
- E. As a part of the annual budgeting process, the County shall prepare a report summarizing compliance with this policy.

III. Issuance Guidelines

- A. The County will not use short-term borrowing to finance operating needs, except in instances as described under Revenue Anticipation Notes.
- B. The County shall prepare an analysis of anticipated revenues, the potential tax impact and future operating costs associated with any project proposal for external financing.
- C. The final maturity of any obligation will not exceed the expected useful life of the assets or project for which the obligation is issued.
- D. Prior to the issuance of any form of debt, the County will ensure that the issuance of such debt will not result in the non-compliance with this Policy.
- E. At a minimum, all such obligations require approval by the Board of Supervisors of the County. This approval shall indicate the Board of Supervisors approval of the identified funding for this Project and compliance with this Debt Policy.

- F. Unless approved by the Board of Supervisors, no obligations shall be issued for

**SURRY COUNTY
FINANCIAL POLICIES AND GUIDELINES**

an amount less than \$500,000 or for Capital Projects with a useful life of less than three (3) years.

- G. Based on the recommendations of its Financial Advisor and approval by the Board of Supervisors, all debt obligations shall include funds sufficient to provide, if needed, capitalized interest, a Debt Service Reserve Fund, Rate Stabilization or other similar Funds as well as funds necessary to cover the cost of issuance of the Obligations.

IV. Debt Parameters

The County shall maintain compliance with the following Debt parameters on a historical basis as well as on a Pro Forma basis after giving affect to the obligation being issued.

- A. Net Debt as a percentage of Assessed Value will not exceed 3.0%. (Net Debt is General Obligation debt and Capital Lease Obligation exclusive of debt or leases payable from an Enterprise Fund.)
- B. General Obligation Debt Service and Capital Lease payments as a percentage of General Governmental Expenditures will not exceed 10%. For purposes of this requirement, General Governmental Expenditures shall be that amount reported in the most recent Comprehensive Annual Financial Report.

V. Permitted Obligations

Based on the implementation of this Policy, the County shall consider the following Obligation as Permitted Obligations for the purposes as stated. Unless stated otherwise in the section below, all such obligations shall be considered Debt for purposes of the Policy.

A. *Revenue Anticipation Notes*

1. The County's Fund Balance Policy is designed to provide adequate cash flow to avoid the need for Revenue Anticipation Notes (RANs). As such, the use of RANs is discouraged.
2. The County may issue RANs in situations beyond the County's control or ability to forecast when the revenues will be received after the related funds are scheduled to be distributed.
3. The County will issue RANs for a period not to exceed the one year period permitted under the Constitution of Virginia, Article VII Section 10.

**SURRY COUNTY
FINANCIAL POLICIES AND GUIDELINES**

4. Prior to the issuance of RANs, the County will advise the Board of Supervisors of the circumstances creating the need for the RANs and whether this need will continue in the future. In all cases, the County shall attempt to minimize the amount of RANs issued.
5. The issuance of RANs will not be counted as debt for purposes of this Policy.

B. Bond Anticipation Notes

1. The County may issue Bond Anticipation Notes (BANs) in expectation of the issuance of General Obligation Bonds or Revenue Bonds when funds are required for the financed capital project to be initiated or continued but the County does not need to issue all of the permanent funding at that time.
2. The County may issue BANs when the long-term financial markets do not appear appropriate on a given date, but have a clear potential for improvement within the next twelve months.
3. The County may issue BANs with a maturity of up to two years in length with no more than one additional two year period.
4. Prior to issuing BANs, the County will clearly demonstrate its ability to comply with this Debt Policy upon issuance of the permanent financing.

C. General Obligation Bonds

1. The Constitution of Virginia, Article VII Section 10, and the Public Finance Act provides the authority for a County to issue General Obligation (GO) Debt with no limit on the amount of GO Debt that a County may issue.
2. The County may issue GO debt for any capital projects or other properly approved projects or programs.
3. All debt secured by the General Obligation of the County must be approved by the Board of Supervisors and a public referendum, with the exception of Virginia Public School Authority (VPSA) Bonds and State Literary Fund loans and refunding bonds which do not otherwise need approval by referendum.

D. Virginia Public School Authority (VPSA) Bonds

1. The County may finance its Schools needs with General Obligation debt or lease appropriation debt which may be subject to other provisions of this Policy. Should the County wish to use the VPSA, additional requirements must be met.

**SURRY COUNTY
FINANCIAL POLICIES AND GUIDELINES**

2. Approval of the School Board is required prior to approval by the Board of Supervisors for projects funded with VPSA.

E. Revenue Bonds

1. The County may issue Revenue Bonds to fund enterprise activities, such as water and sewer utilities, solid waste disposal facilities or for capital projects which will generate a revenue stream sufficient to fund the annual debt service costs of the Revenue Bonds.
2. The Revenue Bonds will include written covenants which will require that the revenue sources are sufficient to fund operating expenses and all debt service requirements.

F. Capital Leases

1. The County may execute Capital Leases or Certificates of Participation with independent parties to provide for the use of buildings, machinery, equipment, furniture, and fixtures as long as the asset is acquired at the end of the lease and the Capital Lease, if treated as Debt, complies with this Debt Policy.

G. Moral Obligation Debt

1. The County may enter into leases, contracts, or other agreements with other public bodies which provide for the payment of debt service when revenues of such public bodies or agencies may prove insufficient to cover debt service.
2. Payment of such moral obligation debt service will be done when the best interest of the County is clearly demonstrated.
3. While such moral obligation support does not affect the debt limit of the County, the amount of bonds issued with the County's moral obligation should be controlled in order to limit potential demands on the County and any expected use of this type of obligation should be clearly within the parameter of this Debt Policy.
5. The County will not count this type of obligation as Debt as long as this Debt remains self sufficient. Should the County need to fund any of this debt, the County should count its maximum total debt exposure under this agreement as Debt for purposes of this Policy.

SURRY COUNTY FINANCIAL POLICIES & GUIDELINES

FUND BALANCE POLICY

I. Background and Purpose

Surry County desires to maintain the financial operation of the County in a manner consistent with sound financial management principles which require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this base, it is essential that the County maintain an adequate level of fund balance sufficient to mitigate current and future risks (revenue shortfalls and unanticipated expenditures), to provide for cash flow reserves during the fiscal year due to timing difference between the receipt of revenues and disbursement of expenditures and to meet desired reserves. Fund balance levels are also a crucial consideration in long-term financial planning.

The purpose of this policy is to provide guidance as to the composition of this General Fund Balance and a method of funding it. Compliance for such policy is in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

II. Components of General Fund Balance

- A. **Committed fund balance** is for amounts that can be used for specific purposes pursuant to self-imposed actions by the Board in accordance with established policies. In Surry County's case, 25% of general operating expenditures are classified as the "committed" portion of the County's total fund balance. This minimum fund balance is necessary to meet ongoing expenditure obligations. In addition, year end encumbrances or unexpended capital project funds that are re-appropriated to the next fiscal year constitute committed funds.
- B. **Assigned Fund Balance** reflects the County's need or intended use of resources. This typically will reflect the County's "assignment" of fund balance for use to fund the operating or capital projects. Based on availability, it is the governing body's intent to utilize a percentage of fund balance to be a part of the County's Capital Improvement Financing Plan. Funding a portion of capital expenditures on a "pay as you go basis" by consistently assigning a percentage of fund balance for short-term capital investments further enhances sound financial/debt management.
- C. **Unassigned Fund Balance** represents the residual fund balance after the committed and assigned fund balanced categories are deducted. Unassigned fund balance is available for appropriation subject to Board approval.
- D. Other components of fund balance, less typical to Surry County's financial structure are **non-spendable fund balance**, the portion of fund balance that is not available for appropriation and **restricted fund balance** which includes amounts constrained either by external parties such as those associated with legal obligations or state and federal guidelines (i.e. grants funds).

SURRY COUNTY FINANCIAL POLICIES & GUIDELINES

III. Monitoring and Funding

- A. Balances should be at such a level that the County will not incur short-term borrowing as a means to fund financial obligations from July 1st through December 5th of each fiscal year at which such time the County receives a large payment of revenue.
- B. Compliance with fund balance policy will be reviewed in conjunction with the budget and audit processes and upon changes made to the budget throughout the fiscal year.

SURRY COUNTY FINANCIAL POLICIES & GUIDELINES

INVESTMENT POLICY (excerpt from the County Treasurer's Investment Policy)

Cash and investment programs will be maintained in accordance with the County investment policy and will ensure that proper controls and safeguards are maintained. County funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity and financial return on principal.

The Investment Policy has been established to ensure effective management of the day-to-day investment activity for the County, and is designed to increase non-tax revenues by investing funds when not needed for current obligations. The objective is to obtain the highest possible yield on available financial assets, consistent with constraints imposed by safety objectives, cash flow considerations and the laws of the State that restrict the placement of public funds.

Policy Highlights

- The Surry County Treasurer currently uses the Local Government Investment Pool (LGIP) to invest cash balances from the General funds to maximize yield.
- The Treasurer's maturity schedule shall be timed according to anticipated need. Investment maturities for operating funds shall coincide with projected cash requirements, taking into consideration routine operating expenses such as payroll and accounts payable as well as considering sizable blocks of anticipated revenue.
- Use of the LGIP enables the Treasurer to have the ability to withdraw funds without penalty with short notice and the yield is competitive to most banks.
- Bids are solicited from pre-approved institutions for the highest investment yield
- Controls are in place to ensure the safe transfer of funds as wire payments and transfers from the LGIP.
- A report of investments is submitted to the Board of Supervisors monthly which includes interest rates, maturity dates, accrued interest and balances for investments.

SURRY COUNTY DEBT SERVICE ORVIEW

Description

Bonded Debt Authorization and Issuance Policies

The Constitution of Virginia and the Virginia Public Finance Act provides the County with authority to issue general obligation debt secured solely by the pledge of its faith and credit, as well as debt secured first by the fee revenues generated by the system for which the bonds are issued and, if necessary, by general obligation tax revenues. There is no limitation imposed by state law or local ordinance on the amount of general obligation debt a county may issue. Debt secured solely by the revenues generated by the system for which the bonds were issued may be issued in any amount without a public referendum. The County also engages in bank loan and lease purchase financing.

The County, at June 30, 2009, had total net long-term outstanding obligations of \$31.2 mil (this includes **current** established annual principal and interest payments). The process of issuing debt begins with the County Administrator's presentation of capital expenditure needs to the Board of Supervisors.

The County's financial policies in terms of debt issuance are guided by the following principles:

- (1) Net debt ratio as a % of assessed value should not exceed 3%.
- (2) Net debt ratio as a % of general fund expenditures should not exceed 10%.

The county's existing debt levels are within the guidelines of this policy.

Debt service schedules by for each existing project financed with debt for the General and School Funds follow on pages 41-44.

SURRY COUNTY DEBT OVERVIEW
Debt Service Schedule by Project

FYE	Construction of L. P. Jackson Middle School		
June 30	Middle School Bond (1993)		
	Principal	Interest	Total
2011	120,000	10,250	130,250
2012	80,000	5,250	85,250
2013	30,000	2,500	32,500
2014	35,000	875	35,875
	265,000	18,875	283,875

FYE	High School HVAC/Roof Repair		
June 30	VPSA (2000)		
	Principal	Interest	Total
2011	130,000	3,640	133,640
2012	0	0	0
2013	0	0	0
2014	0	0	0
	130,000	3,640	133,640

Amount of Loan	\$ 6,445,000
Interest Rate - Variable 4.475% - 5.0%	
Interests On Loan	<u>\$ 2,367,874</u>
Total Payment	\$ 8,812,874
Expired Debt thru June 30, 2010	<u>\$ 8,528,999</u>
Balance Due	\$ 283,875

Amount of Loan	\$ 1,335,000
Interest Rate - Variable - 5.29%	
Interest on Loan	<u>\$ 397,523</u>
Total Payments - P & I	1,732,523
Expired Debt thru June 30, 2010	1,598,883
Balance Due	133,640

SURRY COUNTY DEBT OVERVIEW
Debt Service Schedule by Project

FYE June 30	Industrial Park/Water & Sewer Lines			FYE June 30	USDA Sewer Revenue Bond Dendron Sewerline		
	Principal	Interest	Total		Principal	Interest	Total
2011	47,706	16,069	63,775	2011	50,000	25,440	75,440
2012	49,148	14,627	63,775	2012	58,750	17,123	75,873
2013	50,634	13,141	63,775	2013	58,750	15,289	74,039
2014	52,164	11,611	63,775	2014	58,750	13,375	72,125
2015	53,741	10,034	63,775	2015	58,750	11,378	70,128
2016	55,365	8,410	63,775	2016	58,750	9,293	68,043
2017	57,039	6,736	63,775	2017	58,750	7,117	65,867
2018	58,763	5,013	63,776	2018	58,750	4,845	63,595
2019	60,539	3,237	63,776	2019	8,750		8,750
2020	62,369	1,407	63,776				-
	<u>547,468</u>	<u>90,285</u>	<u>637,753</u>		<u>470,000</u>	<u>103,860</u>	<u>573,860</u>

Amount of Loan \$ 937,575
Interest Rate - Variable 3.0%
Interests On Loan \$ 308,321
Total Payment \$ 1,245,896

Amount of Loan \$ 470,000
Interest Rate - 4.50%
Interests On Loan (Not Utilizing USDA's 40 year debt

Expired Debt thru June 30, 2010 \$ 608,143
Balance Due \$ **637,753**

Expired Debt thru June 30, 2010 \$ 51,792

SURRY COUNTY DEBT OVERVIEW
Debt Service Schedule by Project

FYE June 30	\$9.0 Mil Courthouse/Gov't Center Project			FYE June 30	\$6.0 Mil Courthouse /Gov't Center Project		
	Series 2006				Series 2007		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	320,000	353,010	673,010	2011	215,000	235,443	450,443
2012	335,000	339,788	674,788	2012	225,000	226,525	451,525
2013	350,000	325,848	675,848	2013	235,000	217,198	452,198
2014	365,000	311,395	676,395	2014	240,000	207,460	447,460
2015	375,000	296,328	671,328	2015	250,000	197,518	447,518
2016	395,000	280,748	675,748	2016	265,000	187,165	452,165
2017	410,000	264,348	674,348	2017	275,000	176,198	451,198
2018	425,000	247,435	672,435	2018	285,000	164,820	449,820
2019	445,000	229,435	674,435	2019	295,000	153,033	448,033
2020	465,000	211,355	676,355	2020	310,000	140,733	450,733
2021	485,000	192,085	677,085	2021	325,000	127,920	452,920
2022	505,000	171,995	676,995	2022	335,000	114,493	449,493
2023	525,000	151,085	676,085	2023	350,000	100,553	450,553
2024	545,000	129,355	674,355	2024	365,000	86,100	451,100
2025	565,000	106,805	671,805	2025	375,000	71,033	446,033
2026	595,000	83,333	678,333	2026	395,000	55,453	450,453
2027	615,000	58,733	673,733	2027	410,000	39,053	449,053
2028	640,000	33,313	673,313	2028	425,000	22,140	447,140
2029	330,000	6,765	336,765	2029	220,000	4,510	224,510
	8,690,000	3,793,159	12,483,159		5,795,000	2,527,348	8,322,348

Amount of Loan \$ 9,000,000
Interest Rate - 4.10%
Interests On Loan \$ 4,374,598
Total Payment \$ 13,374,598

Expired Debt thru June 30, 2010 \$ 891,439
Balance Due \$ 12,483,159

Amount of Loan \$ 6,000,000
Interest Rate - 4.10%
Interests On Loan \$ 2,914,793
Total Payment \$ 8,914,793

Expired Debt thru June 30, 2010 \$ 592,445
Balance Due \$ 8,322,348

SURRY COUNTY DEBT OVERVIEW
Debt Service Schedule by Project

FYE	VRA \$2.1 mil Public Safety				FYE	VPSA 2008 \$3.0 mil School Bond		
June 30	Fire & Rescue Vehicles, Equipment, CVFD Expansion				June 30	High School Renovation		
	<u>Principal</u>	<u>Interest</u>	<u>Admin Fee</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	189,826	57,832	4,449	252,107	2011	95,000	142,253	237,253
2012	196,046	51,612	3,970	251,628	2012	100,000	137,280	237,280
2013	202,468	45,188	3,476	251,132	2013	105,000	132,840	237,840
2014	209,101	38,554	2,966	250,621	2014	110,000	128,695	238,695
2015	215,953	31,704	2,439	250,096	2015	110,000	124,185	234,185
2016	223,028	24,628	1,894	249,550	2016	115,000	119,572	234,572
2017	230,336	17,320	1,332	248,988	2017	125,000	114,028	239,028
2018	237,883	9,774	752	248,409	2018	130,000	107,525	237,525
2019	121,848	1,980	152	123,980	2019	135,000	100,766	235,766
					2020	145,000	93,446	238,446
					2021	150,000	85,555	235,555
					2022	160,000	77,263	237,263
					2023	170,000	68,435	238,435
					2024	180,000	59,073	239,073
					2025	185,000	49,309	234,309
					2026	200,000	39,010	239,010
					2027	210,000	28,305	238,305
					2028	220,000	17,340	237,340
					2029	230,000	5,865	235,865
				-				
	<u>1,826,489</u>	<u>278,592</u>	<u>21,430</u>	<u>2,126,511</u>		<u>2,875,000</u>	<u>1,630,745</u>	<u>4,505,745</u>

Amount of Loan	\$ 2,100,000	Amount of Loan	\$ 2,950,000
Interest Rate - 3.50%		Interest Rate -Variable 4.10-5.35%	
Interests On Loan	<u>\$ 377,140</u>	Interests On Loan	<u>\$ 1,790,912</u>
Admin Fees	<u>\$ 29,011</u>		
Total Payment	\$ 2,506,151	Total Payment	\$ 4,740,912
Expired Debt thru June 30, 2010	<u>\$ 379,640</u>	Expired Debt thru June 30, 2010	<u>\$ 235,167</u>
Balance Due	\$ 2,126,511	Balance Due	\$ 4,505,745

SURRY COUNTY FINANCIAL POLICIES & GUIDELINES

BASIS OF AUDITING

REPORTING ENTITY

An external auditing firm conducts and completes the annual audited financial statements of the County. The basis criterion for determining whether a governmental department, agency, institution, commission, public utility, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose 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 the reporting entity. These financial statements present the County of Surry (the primary government) and its component units. Blended component units, although legally separate entities, are in substance, part of the primary 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 County's financial statements to emphasize it is legally separate from the government.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles, applicable to governmental units. Budgeted amounts reflected in Annual Financial Report are as originally adopted and as amended by the Board of Supervisors.

Discretely Presented Component Units

The Surry County School Board is an elected five-member board. The School Board is responsible for the operations of the County's School System and is fiscally dependent upon the County. The Board of Supervisors has the responsibility of adopting its budget by category, approving categorical transfers and budget amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate audit financial report but is presented as a discrete presentation of the County financial statements.

Funds not administered by the County and not included in any financial statements include the School Activity Funds, which are administered by the individual schools and issued under separate financial statements.

SURRY COUNTY FINANCIAL POLICIES & GUIDELINES

BASIS OF ACCOUNTING

The County's accounting records for general government operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the goods or services are received and the liabilities incurred. Certain revenues such as property taxes, sales taxes, and intergovernmental revenues, being measurable and available, are accrued in the general governmental operations.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. Management believes the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Administrative budgetary control is maintained within the activity at the line item level of expenditure by approval of all expenditures, line item budgetary transfers and prior purchase order approval for certain expenditures that exceed a specified dollar amount.

GOVERNMENTAL FUND TYPES

Governmental type funds are those through which most governmental functions of the County are financed. The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which comprise assets, liabilities, fund equities, revenues, and expenditures, or expenses, as appropriate. The following fund types and account groups are used by the County:

General Fund - 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 other income. A significant part of the General Fund's revenues is used principally to finance the operations of the School Board.

Special Revenue Funds – Special revenue funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds consist of the Comprehensive Services, Indoor Plumbing, Industrial Development Authority, and Health Center Fund.

SURRY COUNTY FINANCIAL POLICIES & GUIDELINES

BASIS OF ACCOUNTING

Capital Improvement Fund – Capital improvement funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. Capital improvement funds consist of the General Government and School Improvement projects.

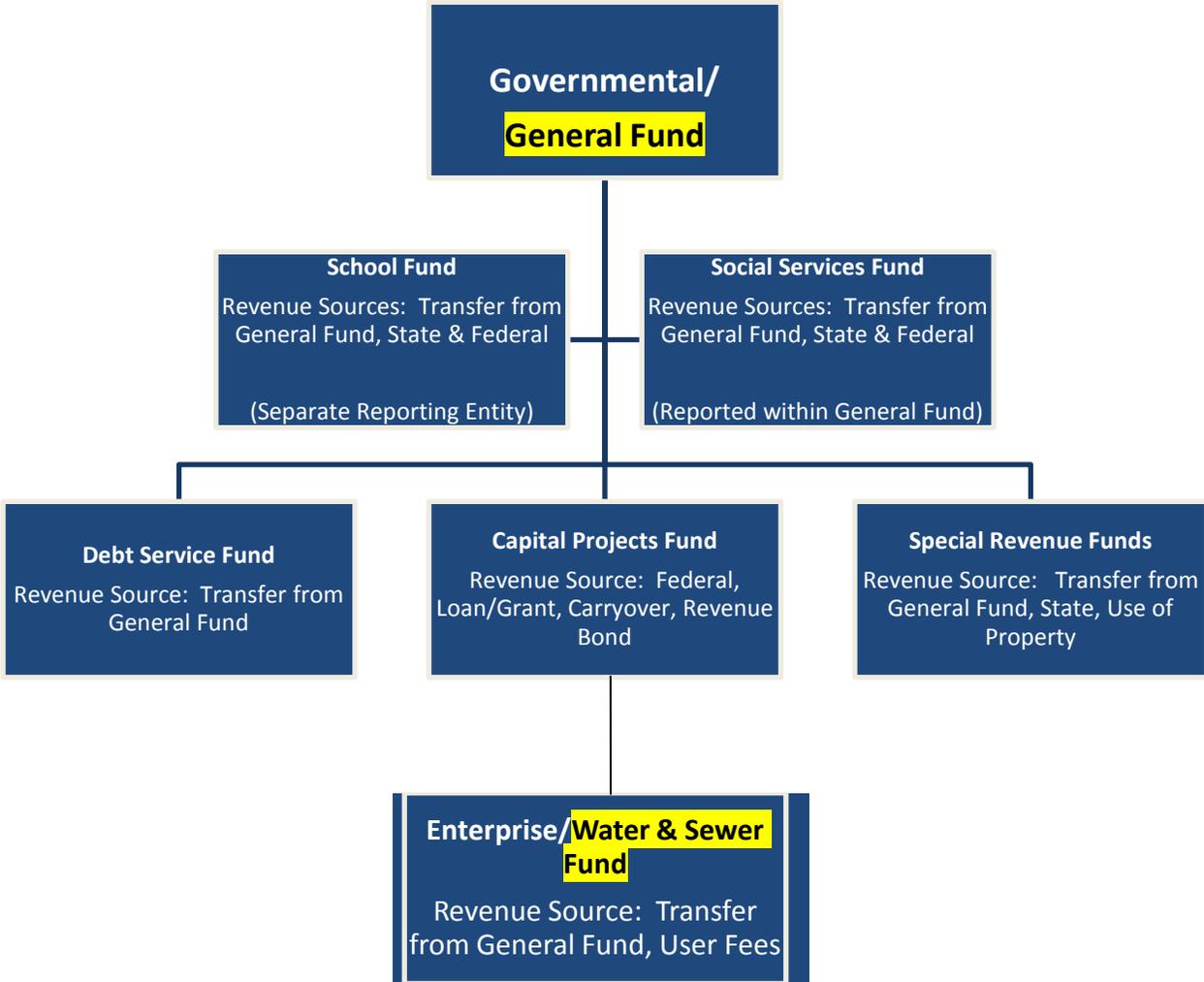
Enterprise Fund – Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The measurement focus is upon the determination of net income. The County's proprietary fund type includes the Enterprise Funds, which are used to account for the acquisition, operation, and maintenance of governmental facilities and services which are primarily supported by user charges. The operations of the Water & Sewer Fund constitute an enterprise fund.

Debt Service Fund - The Debt Service fund is used for the payment of principal and interest on all loans, leases and general obligations. The County's debt service fund is exclusive of the School Fund for budgeting purposes but is consolidated in the County's annual financial statements.

FIXED ASSETS AND DEPRECIATION

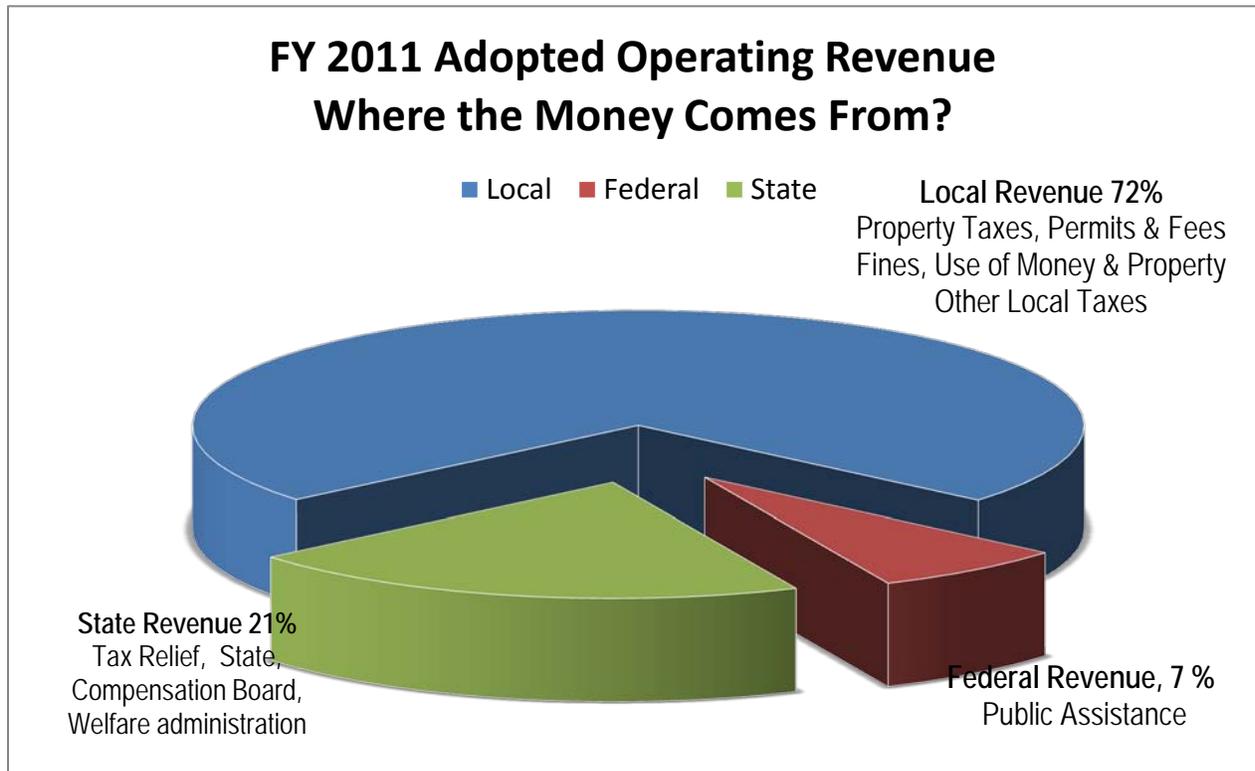
Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings and equipment with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Depreciation is provided over estimated useful lives of assets using the straight-line method.

STRUCTURE OF COUNTY FUNDS



General Fund Revenue Analysis

All revenues come from one of three different categories. They are either locally generated or come from state or federal sources. The proportion of the County's revenues from each of these sources is shown in the graph below.



GENERAL PROPERTY TAXES

Surry County generates the majority of its General Fund revenue through public service corporation taxes, personal property and real property taxes. In FY 11, Surry expects to receive \$18.60 mil in general property taxes from these sources which account for 93% of the total revenue collected from local sources. Of this amount, \$11.24 mil or 60% will fund the School Fund budget. In addition, Surry collects other local taxes including sales tax, business licenses, utility consumption, E-911 taxes and motor vehicle license taxes. These other local taxes are projected to contribute \$677,000 in FY11 and are the General Fund's second largest local revenue source. The County performs a bi-annual assessment of all real

property unless otherwise directed by the Board of Supervisors, which is the case for FY11. Due to relatively flat assessments indicative of the housing market, an assessment will not be conducted in 2010. The Commissioner of Revenue assesses personal property annually, and the Treasurer is responsible for the collection of all taxes and other payments to the County.

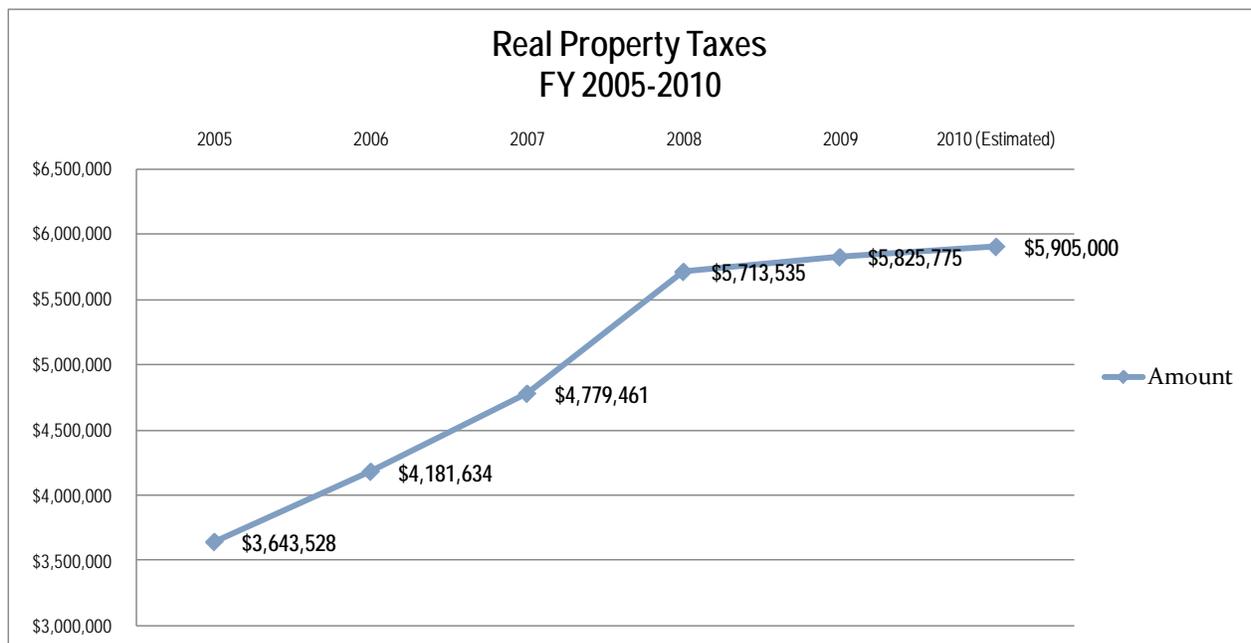
The County's major revenue sources are discussed and outlined in the tables and graphs on the following pages. They are intended to provide an overall picture of the primary local, state and federal revenues received in the County, including projections.

General Fund Revenue Analysis

Real Property Taxes

Real Property is defined as land and improvements, including buildings and other structures. Real property taxes are projected to generate \$6.4 mil of the County's General Fund revenue. This represents a 7.0% increase over the FY 10 anticipated receipts due to the increased tax rate. Real property taxes are levied by October 1 with payments due on December 5. The real estate tax rate is \$0.73 per \$100 of assessed value. Collection rates have recently averaged 99%. Assumptions for 2010 are a 1% growth in new construction and a 99.5% collection rate.

The real estate tax collected in the County increased in FY 2009 by \$2.1 mil from FY 2005 to 2009 (Graph 1). This is a result of Property Reassessments, fluctuations in the tax rate and an estimated average 3-4% growth each year (through 2008) in the County due to new construction.



Graph 1

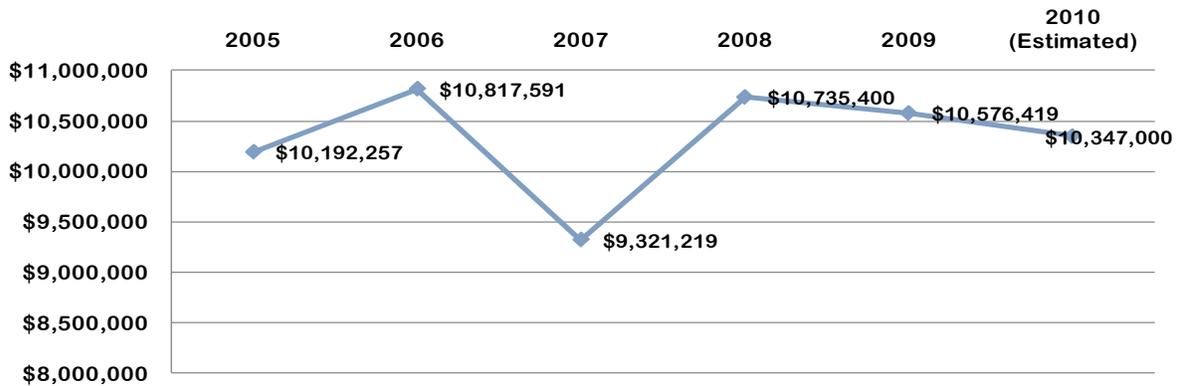
Public Service Corporation Tax

Public Service Corporation tax is the County's largest source of locally generated revenue. Public Service Corporation tax is defined as the tax assessed to utility companies based on the assessed value of property. Each year, the Department of Taxation sets a real estate assessment ratio for Surry County that it submits to the State Corporation Commission to use to adjust the tax value of the property of public service corporations in the County. This ratio greatly impacts the amount of tax revenue the County receives from public service corporations. The estimated ratio for 2010 is 100%, a slight increase from the 2009 ratio of 98.8%. The value of public service corporation property for 2010 is \$1.45 billion, which reflects a decrease of \$13.9 million from the 2009 assessed value.

General Fund Revenue Analysis

The amount of taxes collected from this source is predicated upon the assessed value of public service corporations as set by the State Corporation Commission. The County largely will base its tax rate on this value and accordingly, the amount of taxes generated, if significant fluctuations occur from year to year. The taxes generated over the six years shown in Graph 2 indicate a variance of \$1.5 mil between the lowest collection in 2007 and the highest in 2006. (An estimated \$0.06 increase in the tax rate would recover a loss of \$1.5 mil in local tax revenue). The taxes collected in FY 07 decreased significantly due to the adverse decline in the ratio to a low 74.9%. FY 08 revenue saw an increase as a result of the higher ratio of 98.8%.

**Public Service Corporation Taxes
FY 2005-2010**



Graph 2

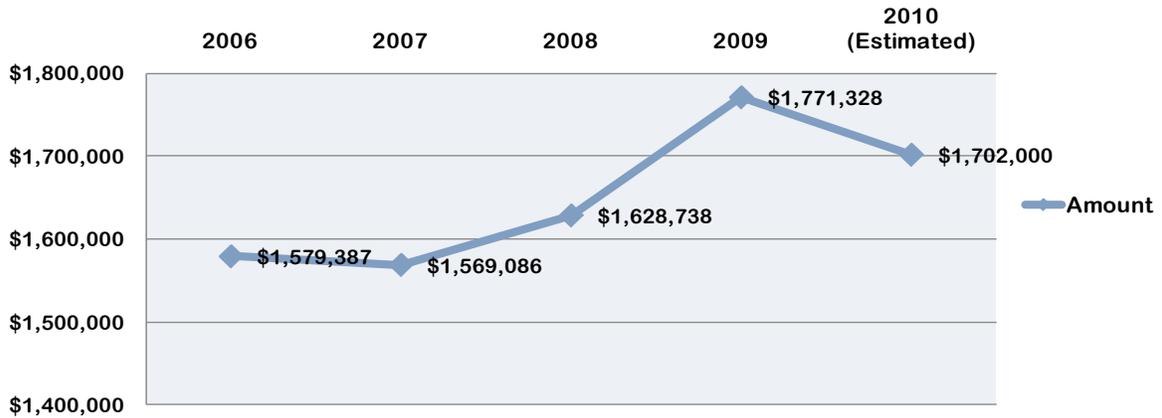
Personal Property Tax

Personal property taxes are estimated to generate \$1.8 mil of the County's General Fund revenue, which includes \$677,000 of personal property taxes paid to the County from the State under the Personal Property Tax Relief Act of 1998 (PPTRA). This is the County's share of the statewide cap classified as non-categorical aid. Also, PPTRA legislation in 2005 required localities to decide the percentage of relief it will be able to support beginning in 2006. Based on the rate of growth in the value of the total fleet of qualifying vehicles, the County's affordable relief percentage has been set at 55%, an increase from 50% in the previous year. The amount of relief is partly governed by NADA book values and the new vehicle market.

The personal property tax includes: motor vehicles, buses, mobile camping trailers and boats belonging to residents and businesses. The County has a personal property tax of \$4.00 per \$100 assessed value. Due to an increase in the personal property tax relief rate from \$3.50, an additional \$142,000 is expected in FY10. Machinery & Tools used primarily in manufacturing are tax separately under this classification. The County has a machinery and tools tax rate of \$1.00 per \$100 of assessed value.

General Fund Revenue Analysis

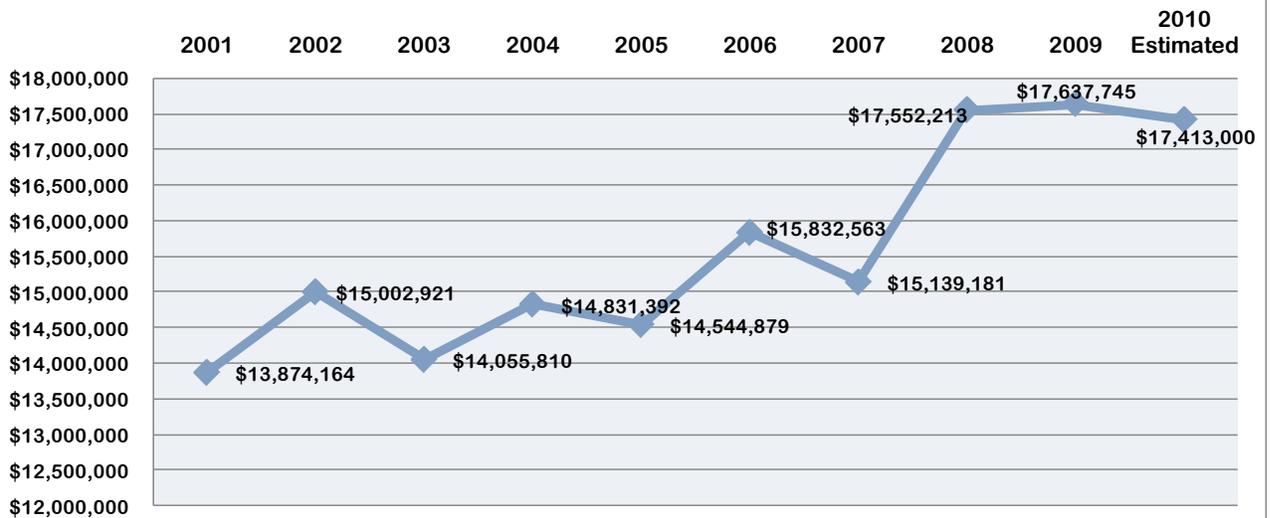
Personal Property Taxes FY 2006-2010



Graph 3.

Graph 4 shows general property tax collections for the last 10 years.

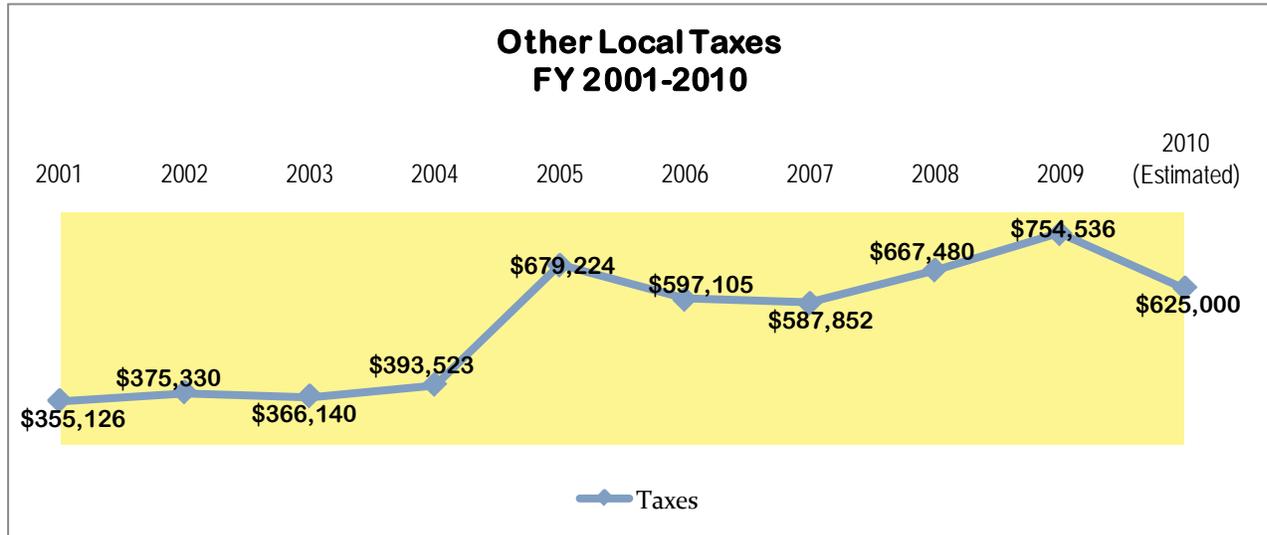
General Property Tax Collections FY 2001-2010



General Fund Revenue Analysis

OTHER LOCAL TAXES

The following table of other local taxes is comprised of local sales taxes, business license taxes, motor vehicle licenses, E911 taxes and the utility consumption tax. Since 2001 the County has seen a 100% increase in revenue from these sources collectively. The majority of the increase is due to the



increased revenue from sales tax. Revenue from business licenses and E911 tax revenue have had slight increases over the years as businesses and new residents locate to the County. The utility consumption tax was implemented in FY 08. As fees increase, such as for decals in FY 07, the taxes collected also increase. The FY 10 projection of \$125,000 reflects a mid-year change in the collection of the County decal. Effective with the 2010 tax billings (FY11), the fee for the decal will be added to the taxpayer's tax bill; decals were not sold in 2010.

Local Sales Taxes

The County receives 1% of the Commonwealth's 4.5% sales tax on all local sales. This tax is collected by the merchants and remitted through the Commonwealth to Surry. The County then remits a portion of that to the Towns. Local sales tax will provide an estimated \$354,000 in revenue in FY 10. Assumptions for FY 11 reflected a decrease over the previous year.

Business Licenses

The County requires all persons conducting any business, profession, trade, or occupation to have a license. The Commissioner of Revenue computes the amount of license tax and after payment to the Treasurer, the license is issued. The County anticipates a collection of \$55,000 from this tax in FY 11, down from \$74,000 in FY10. The assumption is that less will be received due the completion of major construction projects in FY10.

General Fund Revenue Analysis

Motor Vehicle License Fee

Other local taxes also include an annual vehicle licensed fee on every motor vehicle and trailer garaged, stored or parked in the County. The cost of a County license for vehicles is assessed at \$20 and will be added to the tax payers' bill commencing December 2010. These fees are projected to produce \$120,000 in revenue for FY 11. There is also a slight growth assumption in FY 11 for new vehicles.

Communication Taxes

Effective, January 1, 2007, the State restructured the E911 tax, combined the telephone utility and cellular telephone utility into one communication sales and use tax at a rate of 5% per gross receipts and imposed a separate right of way fee for landline phones, cable lines and E911 land line services. These taxes and fees are now State imposed fees and the revenue generated from them are collected by the State and distributed to localities at a predetermined ratio.

Utility Consumption Tax

The utility consumption tax is imposed by the Code of Virginia on consumers of heat, light or power by means of electricity and/or natural gas. These taxes are anticipated to provide \$18,755 to the General Fund in FY 10. Assumptions are level collections for FY11.

The following table provides a three year history of actual revenue generated from these sources.

Table 1.

Tax Type	FY 2008 Actual	FY 2009 Actual	FY 2010 Est. Actual	FY 2011 Projected
Sales Taxes	354,728	490,364	354,760	375,000
Business License	69,191	66,800	77,000	52,107
Motor Vehicle License	85,943	81,166	6,000	130,000
E911/Communication Tax	54,791	53,575	55,595	55,000
Utility Consumption	18,551	20,364	18,736	20,000

PERMITS, FEES AND REGULATORY LICENSES

Building Permits

Revenue from building and related permits is the largest source from all permits, fees and regulatory license charges in the County. Building fees include, but are not limited to, mechanical, electrical and plumbing permits. Building permit revenue is primarily affected by new construction and building additions in the County. Projected revenue for FY11 is \$29,300. Fees for permits have been on the decline in recent years due to the sluggish economy.

Other Permits, Fees and Licenses

Revenue from animal licenses and various planning and zoning fees are included in this category. Revenue collected for animal licenses has increased over the last three years. FY 09 collections were \$6,060 compared to \$3,860 in the prior year. Fees for associated planning services include subdivision fees, conditional use permits and various other planning and building related charges are also indicative of growth and development in the County.

General Fund Revenue Analysis

Table 2.

Tax Type	FY 2008 Actual	FY 2009 Actual	FY 2010 Est. Actual	FY 2011 Projected
Building permits	41,021	27,165	22,231	29,300
Planning, Zoning Fees	16,566	14,545	12,495	13,000
Animal Licenses	3,860	6,090	4,920	5,000

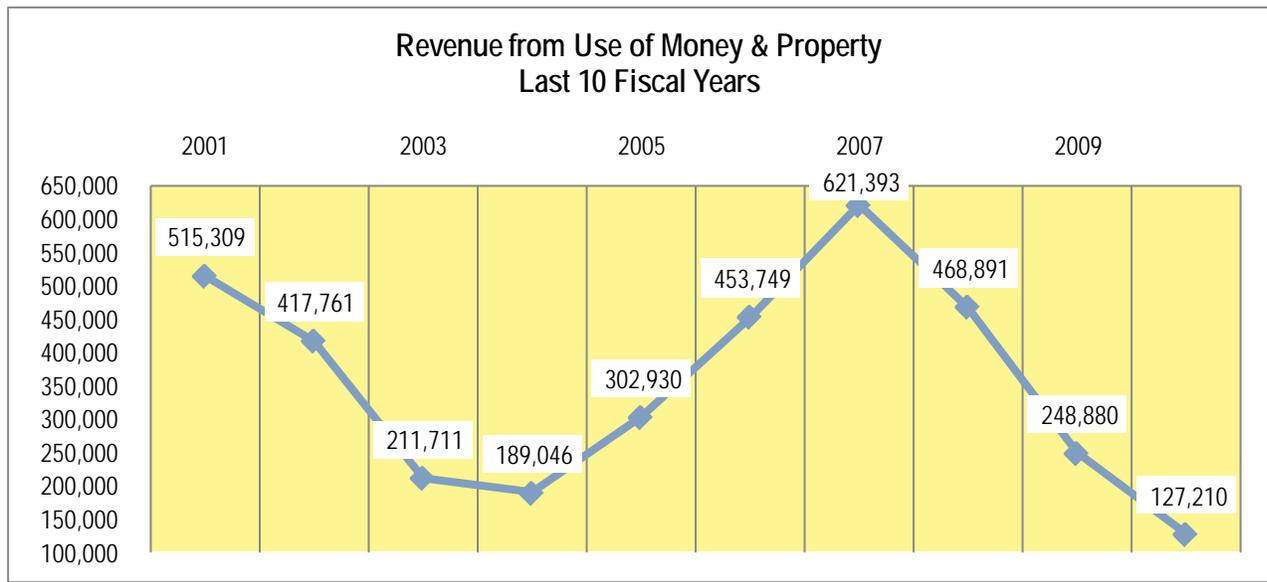
REVENUE FROM USE OF MONEY AND PROPERTY

Investments (use of money)

Revenue from investments is affected by two variables: 1) the amount of cash available for investing (cash flow); and 2) the interest rate at the time of investment. Interest revenue saw a decline in FY 08 from FY 07 due to low interest rates indicative of the economy. Revenue from this source were higher in FY 07 and FY 08 due to additional investments of borrowed funds; however, indicative of the economy, interest rates persist at an all time low and little revenue has been earned from investments in the recent years. Only \$35,000 is projected for FY10; assumptions for FY11 are level projections.

Use of Property

The County receives revenue from the use of space occupied by the Department of Social Services. This amount was determined by the State per square footage of occupied space. The fee is \$4,006 per month for a total fiscal year collection of \$48,072. The County also receives revenue from the State for use of the Surry Health Department and District 19 Community Services Board, which occupies space in the Health Department. \$500 per month is collected from the Improvement Association for use of the Head Start facility. The amount generated in FY 10 from these sources was \$48,138.



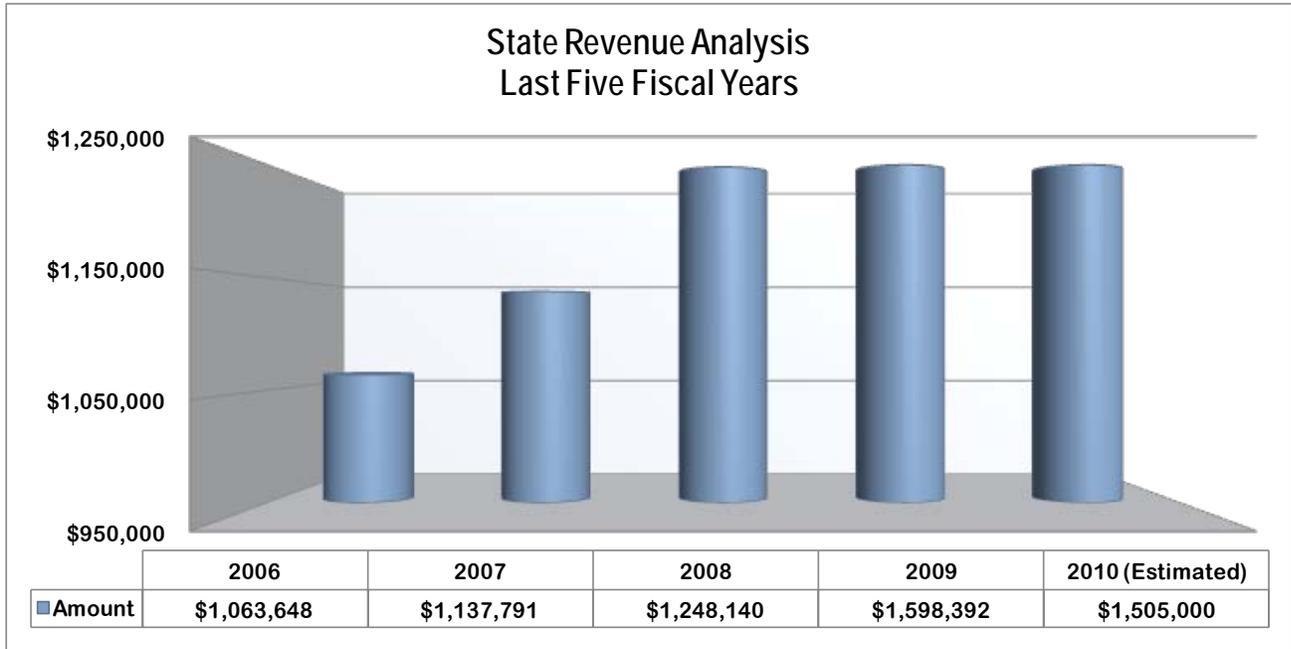
General Fund Revenue Analysis

STATE REVENUE

State revenues provide 10% of the General Fund operating revenue and 20% of overall revenue. State revenue is divided into three categories: 1) Shared expenses (Compensation Board revenue) - state funding for programs that benefit both the County and the State, such as the Sheriff, Treasurer, Commonwealth's Attorney, Commissioner of the Revenue, Clerk of the Circuit Court and Registrar; 2) Non-categorical State aid which includes taxes on deeds/mobile home titling taxes and state car tax relief; and 3) Categorical State aid for various County programs, primarily social services, office on youth and other grant programs. Funds received from Comprehensive services in addition to various state

grants (i.e. emergency services, state fire programs) are a part of categorical aid. Assumptions for 2011 are a decrease in reimbursements from the State Compensation Board. The state budget reductions have had a significant impact on the budget as the County's share to support state funded programs continue to increase as the revenues have decreased over time. Revenue from the State Compensation Board, for example, will be \$70,000 less in FY11. This is on top of state mandated reductions implemented under the State Aid to Localities Reduction Program of 2010 and 2011. The County's share of funding returned to the State is \$28,000 in each year.

NOTE: Not shown in this graph is the non-categorical State for car tax relief and revenue associated with grants. Revenue sources included are: all other non categorical aid, shared expenses, welfare administration and assistance, office on youth and comprehensive services reimbursement revenue.

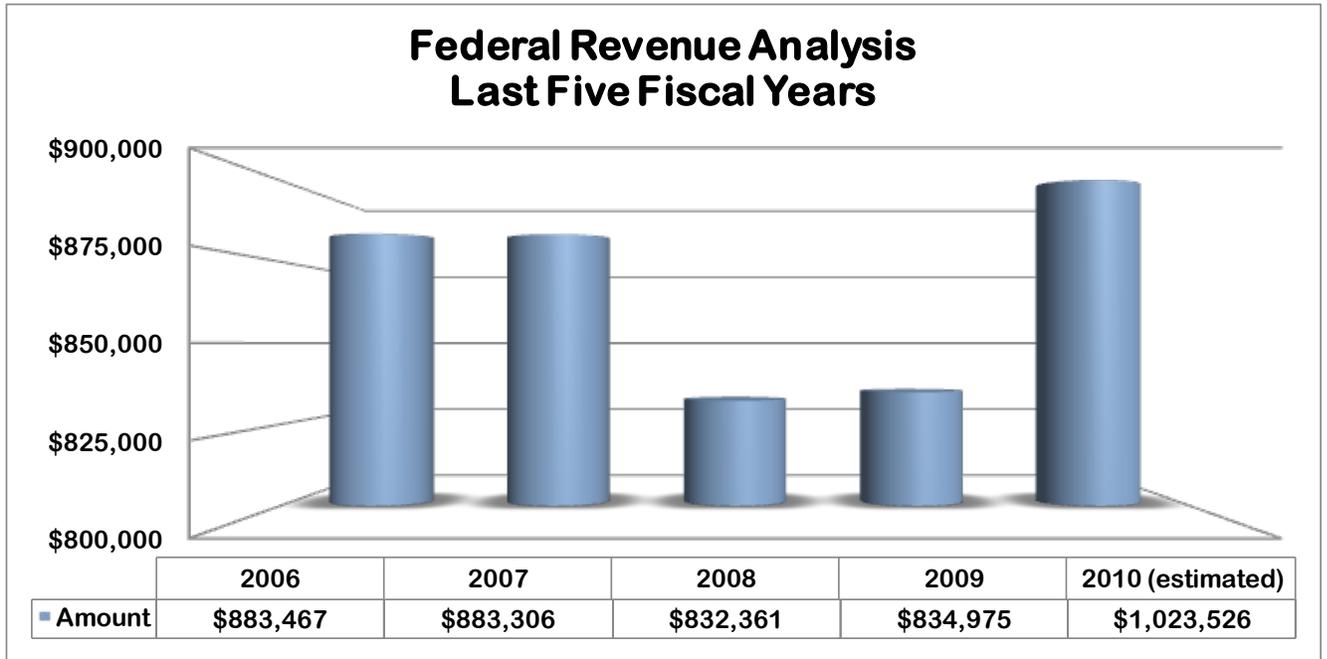


General Fund Revenue Analysis

FEDERAL REVENUE

The general government of the County receives the majority of revenue from the federal government for welfare administration and public assistance programs. Additional funding may be received as a result of federally funded grants. Revenue from the Federal government will also vary due to funds received as reimbursements for natural disasters

expenditures. The following graph reflects revenue for welfare administration and assistance and excludes federal funds received for public safety (homeland security) or natural disaster reimbursements. Assumptions for FY11 indicate level projections from FY10.



REVENUE DETAIL

	FY08-09	FY 09-10	FY09-10	Variance-FY 10	FY10-11
Revenue Sources	Actual	Budgeted	Estimated Actual	Budget vs. Est.	Projection
General Property taxes					
Real Property	5,821,795	6,044,185	6,041,016	(3,169)	6,369,909
Real and public service	10,576,419	10,710,133	10,347,732	(362,401)	10,790,703
Personal property	1,086,242	958,136	1,025,000	66,864	1,140,598
Penalties	56,328	40,000	45,000	5,000	45,506
Interest	81,020	67,000	72,080	5,080	64,872
Total General Property Taxes	17,621,804	17,819,454	17,530,828	(288,626)	18,411,588
Other local taxes:					
Local sales & use	495,355	350,000	375,000	25,000	375,000
Business license	66,815	50,710	74,171	23,461	52,107
Motor vehicle license	81,165	125,000	6,000	(119,000)	130,000
Tax on recordation & wills	42,266	60,000	50,000	(10,000)	45,000
Utility Consumption Tax	20,365	15,320	20,000	4,680	20,000
E911 Taxes/Communication Taxes	53,575	55,000	55,000	0	55,000
Total Other Local Taxes	759,541	656,030	580,171	(75,859)	677,107
Permits, privilege fees and regulatory licenses:					
Animal license	6,090	3,500	5,500	2,000	5,000
Building permits, plumbing, electrical	27,165	40,000	29,300	(10,700)	29,300
Zoning and subdivision permits	7,850	7,000	7,000	0	8,000
Board of zoning fees	1,600	2,200	800	(1,400)	800
Zoning and building application	2,485	2,700	2,450	(250)	2,000
Land Disturbance Permit	600	700	750	50	700
Conditional use fees	350	700	350	(350)	700
Site Plan Review	900	600	300	(300)	300
Zoning/E911 Map	470	200	200	0	200
Other	285	0	0	0	0
Total permits, fees & licenses	47,795	57,600	46,650	(10,950)	47,000
Court fines & forfeitures/Circuit Court	24,854	15,000	15,000	0	20,000
Total fines and forfeitures	24,854	15,000	15,000	0	20,000
Revenue from use of money	152,265	150,000	30,000	(120,000)	30,000
Use of Money from Loan Investments					
Revenue from use of property	96,615	97,210	97,210	0	97,210
Total from money & property	248,880	247,210	127,210	(120,000)	127,210
Charges for Service:					
Charges for Comm. Attorney	170	100	100	0	100
Charges for Sheriff	299	299	299	0	299
Courthouse Security Fee/Sheriff	15,472	13,500	13,500	0	13,500
Courthouse Maintenance - Circuit Court	195	200	200	0	200
Courthouse Maintenance - District Court	3,135	3,000	3,000	0	3,000
Local Cost & Interest	1,946	1,000	1,250	250	1,250

REVENUE DETAIL

	FY08-09	FY 09-10	FY09-10	Variance-FY 10	FY10-11
Revenue Sources	Actual	Budgeted	Estimated Actual	Estim. Vs. Budget	Projection
Welfare Administration & Assistance	393,460	526,419	516,000	(10,419)	529,163
				0	
State E-911 Wireless Board	54,894	51,000	51,000	0	51,000
Buffer Zone Grant	56,085	0	0	0	0
Fire Program Funds	16,129	0	0	0	0
VA Fires Grant	1,000	0	0	0	
Clerk of Court Technology Grant	6,931	0	0	0	0
Local Law Enforcement Block Grant	6,008	0	0	0	0
DCJS Lynx Grant	14,992	0	0	0	0
Office on Youth-GOSAP	4,041	0	0	0	0
Juvenile Crime Control	8,974	9,204	9,204	0	6,544
Dept. of Emergency Services	50,000	0	0	0	0
Dept. of Health - 4 for Life	8,118	0	0	0	0
Victim Witness Program Grant	17,650	20,000	20,000	0	20,000
Litter Control	6,337	0	0	0	0
Comprehensive Services	70,617	75,000	50,000	(25,000)	99,347
Total Other Categorical Aid	321,776	155,204	130,204	(25,000)	176,891
Total Categorical Aid	1,542,062	1,562,082	1,448,954	(113,128)	1,479,171
TOTAL REVENUE FROM THE STATE	2,265,300	2,274,989	2,156,861	(118,128)	2,190,078
Public assistance and welfare admin.	819,935	972,040	965,000	(7,040)	944,212
Payment in Lieu of Taxes	0	0	0	0	0
GOSAP-Project Plead	4,041	0	0	0	0
Summer food service program	7,499	6,500	6,500	0	6,500
Victim/Witness Grant-Federal	0	0	0	0	0
Federal Stimul - Social Services	0	0	0	0	29,121
VDEM Grant	0	0	10,950	10,950	0
Buffer Zone	0	0	84,482	84,482	0
Total Other Categorical Aid	11,540	6,500	101,932	95,432	35,621
TOTAL FEDERAL REVENUE	831,475	978,540	1,066,932	88,392	979,833

REVENUE DETAIL

	FY08-09	FY 09-10	FY09-10	Variance-FY 10	FY10-11
Revenue Sources	Actual	Budgeted	Est. Actual	Budget. Vs. Est.	Projection
TOTAL REVENUE GENERAL FUND	21,906,445	22,133,272	21,625,551	(507,721)	22,561,965
Special Revenue Funds:					
Litter Control	6,337	0	0	0	0
Social Services Programs-Federal	3,500	4,000	6,324	2,324	0
Social Services Programs - Stimulus		0	3,500	0	0
Social Services Programs-State	3,862	43,275	20,000	(23,275)	40,175
Social Services Programs - Local		0	0	0	6,500
Use of money & proprety		0	0	0	0
TOTAL SPECIAL REVENUE FUNDS	13,699	47,275	29,824	(20,951)	46,675
Other Local Sources	0	0	0		
Other: Sale of Property	0	0	0		
TOTAL REVENUES - PRIMARY GOV'T	21,920,144	22,180,547	21,655,375	(528,672)	22,608,640
Capital Projects Funding & Other Funds					
Dept. of Housing & Comm. Dev. (IPR)	26,700	0	0	0	60,000
Dept. of Housing & Comm. Dev. (Broadband)	60,000	0	0	0	0
Revenue for Capital Investments	50,181	25,000	6,000	(19,000)	0
Total Capital Projects Fund	136,881	25,000	6,000	(19,000)	60,000
Water & Sewer Fund					
Sewer Fees - Businesses	0	3,500	3,500	0	9,672
Connection Fees - Sewer	2,000	6,000	2,000	(4,000)	6,000
Sewer Fees - Residents	38,535	50,000	45,000	(5,000)	60,328
Water & Sewer Fees - County Customers	0	1,000	1,000	0	1,000
Total Capital & Other Funds	40,535	60,500	51,500	(9,000)	77,000
TOTAL REVENUE	22,097,560	22,266,047	21,712,875	(556,672)	22,745,640
School Operating Fund:					
Revenue from use of money & property	1,845	0	0	0	0
Miscellaneous revenue	73,474	25,000	25,000	0	25,000
Total Revenue from Local Sources	75,319	25,000	25,000	0	25,000
Revenue from the Commonwealth:					
Categorical Aid:					
Share of State sales tax	953,196	921,299	854,050	(67,249)	877,559
Basic School aid	1,817,102	1,646,969	1,628,096	(18,873)	1,315,293
Special Foster care	0	0	0	0	0
Gifted & talented	15,063	14,679	14,645	(34)	12,687
Primary Class Size (Reduced K-3)	80,802	79,427	71,658	(7,769)	52,135
Regular foster care	13,861	23,144	57,789	34,645	63,067

REVENUE DETAIL

	FY08-09	FY 09-10	FY09-10	Variance-FY 10	FY10-11
Revenue Sources	Actual	Budgeted	Est. Actual	Budget. Vs. Est.	Projection
Special Ed	190,248	185,400	184,791	(609)	160,140
Textbook payments	38,809	37,820	0	(37,820)	14,813
Vocational Ed - SOQ	104,784	101,794	101,559	(235)	103,753
Career & Technical Ed	3,294	4,801	3,294	(1,507)	3,294
Remedial education	56,321	54,567	54,411	(156)	43,136
Fringe benefits	229,542	222,736	190,383	(32,353)	136,457
Enrollment Loss	5,535	10,404	13,937	3,533	0
SOL teaching materials		0	0	0	0
Additional teachers		0	0	0	0
At Risk SOQ Payments	81,154	73,599	72,041	(1,558)	49,674
Maintenance reserve		0	0	0	0
Homebound	345	370	540	170	517
Virginia Pre-School Initiative		129,000	147,000	18,000	117,000
Technology	256,000	128,000	128,000	0	128,000
Adult Ed	0	2,280	2,280	0	2,280
At Risk 4 Yr. Old	98,754			0	
Salary supplement		0	0	0	0
Composite Index Hold Harmless		0	0	0	214,805
Remedial Summer School	19,170	20,662	19,556	(1,106)	17,712
Special Foster care	7,120	0	0	0	0
School Construction funds	106,820	28,997	34,342	5,345	0
GED Funding (ISAEP)	7,859	7,859	7,859	0	7,859
Lottery Proceeds	65,041	0	0	0	0
Other State Aid (Student Achivement)	2,393	0	0	0	0
Technology Literacy Grant	1,367	0	0	0	0
SOL Algebra Readiness	7,390	7,390	7,346	(44)	5,689
English as a second language		0	0	0	329
Teacher Mentor Grant	1,077	393	1,077	684	1,077
Federal Stimulus		253,515	368,218	114,703	0
Reading intervention and assistance	7,214	7,214	7,214	0	5,551
Total Categorical Aid from State	4,170,261	3,962,319	3,970,086	7,767	3,332,827
Revenue from the Federal Government:					
Title I	164,645	172,869	172,869	0	230,000
Title II - Technology Part D	59,995	2,000	2,000	0	5,500
Title VIB-Special Ed	128,992	239,352	239,352	0	239,352
Title IV-Safe & Drug Free Schools	4,441	4,200	4,200	0	3,400
Vocational Ed- Perkins	2,412	0	0	0	20,021
JROTC	69,516	53,000	53,000	0	57,348
E-Rate		50,000	50,000	0	50,000

REVENUE DETAIL

	FY08-09	FY09-10	FY10-11	Variance-FY 10	FY10-11
Revenue Sources	Actual	Est. Actual	Projection	Budget vs. Est.	Projection
Class Reduction Size Grant	0		60,775	0	60,000
21st Century Learning Grant	77,897	255,796	0	199,999	0
Pre-school mini grant	3,770	2,032	4,708	0	8,200
Other Federal Aid	5,183	0	0	0	0
Total Categorical - Federal Gov't	610,935	687,829	586,904	199,999	673,821
Total Operating School Fund	3,440,089	4,933,409	4,574,223	207,766	4,031,648
School Cafeteria Fund:					
Cafeteria sales	283,310	289,000	275,000	0	275,000
School Food Programs-State	8,474	17,713	9,917	(376)	10,953
Commodities		41,906	0	0	0
School Food Programs - Federal	281,784	294,193	240,000	0	275,000
Total School Cafeteria Fund	573,568	642,812	524,917	(376)	560,953
Total School & Cafeteria Fund	4,013,657	5,576,221	5,099,140	207,390	4,592,601
TOTAL OPERATING REVENUE	26,642,904	27,673,781	27,365,187	(349,282)	27,338,241

CATEGORIES OF GENERAL OPERATING GOVERNMENT

**General Government Administration
Judicial Administration
Public Safety
Public Works
Education, Health & Welfare
Parks, Recreation & Culture
Community Development**

The following pages provide a breakdown of the departments, agencies and organizations in each category of the General Operating Government as outlined above.



GENERAL GOVERNMENT ADMINISTRATION

	FY 08-09	FY 09-10	FY 09-10	FY 10-11	NET CHANGE	
	<i>Actual Expenditures</i>	<i>Revised Budget</i>	<i>Actual Expenditures</i>	<i>Adopted Budget</i>	<i>FY 11 Adopted over FY 10 Revised</i> Dollar (\$) Percent (%)	
<u>General Gov't Administration</u>						
Board of Supervisors	186,615	151,226	154,121	201,918	50,692	33.52%
Contingency Fund	75,484	89,690	0	106,423	16,733	18.66%
Board of Equalization/Reassessment	107,959	90,000	84,711	0	(90,000)	-100.00%
County Administrator's Office	278,175	322,169	309,680	355,183	33,014	10.25%
Finance	146,048	152,435	147,826	150,305	(2,130)	-1.40%
Insurance/Worker's Compensation	47,039	55,500	48,233	40,000	(15,500)	-27.93%
County Attorney	71,074	70,720	70,429	70,720	0	0.00%
Commissioner of Revenue	168,702	173,666	168,164	175,667	2,001	1.15%
Treasurer	239,528	252,352	243,943	244,510	(7,842)	-3.11%
Electoral Board & Registrar	93,960	98,033	85,049	94,838	(3,195)	-3.26%
Information Technology Services	<u>105,172</u>	<u>124,425</u>	<u>119,485</u>	<u>155,022</u>	<u>30,597</u>	<u>24.59%</u>
SubTotal	1,519,756	1,580,216	1,431,641	1,594,586	14,370	0.91%

FY09-10 Budget Transfers and Amendments:

Contingency Fund Transfers total \$47,525 to the following departments:

<u>Dept.</u>	<u>Amount</u>	<u>Purpose</u>
<i>Building Official -</i>	<i>\$12,000</i>	<i>Personnel for two officials during training</i>
<i>Economic Development -</i>	<i>\$30,000</i>	<i>Expenses associated with ODEC</i>
<i>State Forestry -</i>	<i>\$ 2,525</i>	<i>Funds needed to cover required contribution</i>
<i>Board of Supervisors-</i>	<i>\$ 3,000</i>	<i>Cover cost of auditing expenses</i>
Total -	\$47,525	

Board of Supervisors

DESCRIPTION

The **Board of Supervisors** is a five-member board elected to four year terms by registered voters as representatives of each of the County's five election districts. The Board has both administrative and legislative duties and responsibilities, including but not limited to, adopting the County budget, levying County taxes, appropriating funds, approving and enforcing ordinances and establishing policies and procedures to improve the overall quality of life for the Citizens of Surry. The Board reviews and approves issues pertaining to land use, zoning, and development in the County. The

Board appoints the County Administrator, County Attorney, Social Services Board members, Planning Commission members and members of other various boards and commissions. A citizen's comment period is provided by the Board during regular scheduled meetings of the Board. Agendas of the meetings are posted on the County's website at: www.surrycountyva.gov.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Board of Supervisors	\$213,528	\$151,226	\$154,121	\$201,918	\$50,692	33.52%
Contingency Fund	75,484	89,960	-	106,423	\$16,463	18.30%
TOTAL	<u>\$289,012</u>	<u>\$241,186</u>	<u>\$154,121</u>	<u>\$308,341</u>	<u>\$67,155</u>	<u>27.84%</u>
Salaries	\$25,000	\$25,000	\$25,000	\$25,000	\$0	0.00%
Fringe Benefits	1,913	1,913	1,913	1,913	\$0	0.00%
Purchased Services	173,599	108,813	113,744	162,150	\$53,337	49.02%
Operating Expenses	13,016	15,500	13,464	12,855	(\$2,645)	-17.06%
Contingency Fund	<u>75,484</u>	<u>89,960</u>	<u>0</u>	<u>106,423</u>	<u>\$ 16,463</u>	<u>18.30%</u>
TOTAL	<u>\$289,012</u>	<u>\$241,186</u>	<u>\$154,121</u>	<u>\$308,341</u>	<u>\$67,155</u>	<u>27.84%</u>

FY 11 Budget Highlights

- ❖ The Board of Supervisors budget includes \$100K for legal services to support the County's opposition to the Navy's Outlying Landing Field (OLF) location in Surry County. The County has been designated as one of the five possible sites by the U.S. Department of the Navy. The County has employed the services of a legal expert who is working with affected jurisdictions. This is \$50,000 more than the amount included in the FY10 budget.

Prior Year Accomplishments

- ✚ *Sponsored a Business Appreciation Reception in May, 2010 in conjunction with the Surry County Chamber of Commerce in appreciation of the businesses in Surry County. It was an informative meeting in which the County Administrator, members of the Board of Supervisors, and guest speakers outlined continued contributions toward strengthening our local economy. The month of May was officially recognized via resolution as Business Appreciation Month.*
- ✚ *Created a Broadband Authority to consider issues pertaining to the planning, development and deployment of Broadband Services in Surry County.*

County Administration

DESCRIPTION

The County Administrator is the chief officer of the County responsible for the daily operations of the County government to include, but not limited to, providing information to the Board of Supervisors and recommending policies to the Board; directing County department heads and other personnel as needed and assisting the

public and citizens of the County upon request. The County Administrator ensures compliance with federal, state and local laws and ordinances and maintains open communication with various sectors of the community.

GOALS & OBJECTIVES

- Provide accurate, timely and precise information to the Board of Supervisors to assist with the decision making process.
- Provide professional and courteous customer service to all citizens of the County.
- Formulate and present policies to the Board consistent with the Board's priorities and overall goals and objectives.
- Adhere to recommended financial policies as established by the Board of Supervisors.
- Work closely with the business community and other citizen groups towards achieving high results in the best interest of the County.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
County Administrator's Office						
Salaries	\$199,356	\$229,269	\$230,617	\$238,208	\$8,939	3.9%
Fringe Benefits	52,664	65,700	61,964	67,775	\$2,075	3.2%
Purchased Services	4,185	3,100	2,496	30,000	\$26,900	867.7%
Operating Expenses	21,970	21,600	14,603	18,700	(\$2,900)	-13.4%
Capital Outlay	<u>0</u>	<u>2,500</u>		<u>500</u>	<u>(\$2,000)</u>	<u>-80.0%</u>
TOTAL	<u>\$278,175</u>	<u>\$322,169</u>	<u>\$309,680</u>	<u>\$355,183</u>	<u>\$33,014</u>	<u>10.2%</u>
Full-time Positions	3	4	4	4	0	
Part-time Positions	0	0	0	0	0	

FY 11 BUDGET HIGHLIGHTS

- ❖ Includes \$30,000 in consultant fees relative to improvements to Water & Sewer Operations (utilities) in the County.

Finance

DESCRIPTION

The Finance Department is responsible for the financial management for the County. This includes establishing and maintaining effective controls over the County's financial activities, providing accurate financial data in a timely manner, coordinating the annual budget and monitoring compliance after adoption. The Finance Department also coordinates work relative to the annual financial audit. Financial information is provided to the Board of Supervisors,

County Administrator, departments and additional users as needed. Functions of the Finance Department include Payroll, Accounts Payable, General Accounting, Purchasing and Procurement compliance and Grants administration. The Director of Finance also serves as the Coordinator of Technology Services for the County and oversees all matters pertaining to the technology infrastructure used to support county operations.

GOALS & OBJECTIVES

- Develop and administer the budget in accordance with GAAP, required codes and County policies
- Monitor the budget for compliance after adoption.
- Develop, maintain and monitor internal control policies and procedures.
- Provide up to date, easily understandable and accurate financial information to foster responsible decision making.
- Improve operational efficiencies for data gathering and financial reporting.
- Maintain standards of professional development.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Finance						
Salaries	\$113,092	\$115,918	\$115,919	\$115,918	\$0	0.0%
Fringe Benefits	28,004	29,717	28,577	29,037	-\$680	-2.3%
Purchased Services	0	0	0	250	\$250	100.0%
Operating Expenses	3,763	6,800	3,330	5,100	-\$1,700	-25.0%
Capital Outlay	<u>1,189</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0.0%</u>
TOTAL	<u>\$146,048</u>	<u>\$152,435</u>	<u>\$147,826</u>	<u>\$150,305</u>	<u>-\$2,130</u>	<u>-1.4%</u>
Full time positions	2	2	2	2	0	
Part-time positions	0	0	0	0	0	

FY 11 BUDGET HIGHLIGHTS

- ❖ None

Prior Year Accomplishments

- ✚ *The County received favorable reviews for its Annual Financial Report for the period ending June 30, 2009. There were no cited or identified material weakness in internal controls or material noncompliance issues relative to the financial statements.*
- ✚ *Finance Department, as a component of Payroll/Benefits Administration, released the first quarterly employee's newsletter.*

Worker's Compensation Insurance

DESCRIPTION

The Personnel & Worker's Compensation budget of General Government Administration consists of the premium the County pays for workers' compensation. The County's workers' compensation program is administered by the Virginia Association of Counties and is renewed on an annual basis. The program is a pooled program open to Virginia local political subdivisions.

GOALS & OBJECTIVES

- Continue to offer effective training mechanisms to prevent workplace accidents.
- Evaluate the County's current and potential insurance carriers and coverage to ensure the best coverage at the most economical costs.

	FY 08-09	FY 09-10	FY 09-10	FY 10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Worker's Compensation						
Worker's Compensation	47,039	55,000	48,233	40,000	-\$8,233	-15.0%
TOTAL	<u>\$47,039</u>	<u>\$55,000</u>	<u>\$48,233</u>	<u>\$40,000</u>	<u>-\$8,233</u>	<u>-15.0%</u>

FY 11 BUDGET HIGHLIGHTS

- ❖ The County switched its worker's compensation carrier effective July 1, 2010 to the Virginia Association of Counties (VACORP) Risk Management Program. Property, auto and worker's compensation insurance is administered under this program. As a result of the change, the County saved \$8,000.

COUNTY ATTORNEY

DESCRIPTION

The County Attorney is appointed by the Board of Supervisors and is responsible for providing legal advice and assistance to the Board, County departments, Commissions and other boards. The

County Attorney advises on many issues to include, but not limited to, personnel, real estate, financial management, ordinances and code issues.

GOALS & OBJECTIVES

- Advise the Board of ordinance/code changes on a timely basis
- Provide meaningful and timely legal advice to the Board, County Administrator and County departments.
- Review, approve and or advise on contracts and other agreements entered into by the County.
- Maintain current knowledge of state laws and guidelines as applies to administration of County operations.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
County Attorney						
Purchased Services	70,720	70,304	70,429	70,304	0	0
Operating Expenses	354	416	0	416	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$71,074</u>	<u>\$70,720</u>	<u>\$70,429</u>	<u>\$70,720</u>	<u>\$0</u>	<u>0.0%</u>

FY 11 BUDGET HIGHLIGHTS

- ❖ None

Commissioner of the Revenue

DESCRIPTION

The Commissioner of Revenue is elected by the citizens every four years and is responsible for the assessment of all real estate in the County and for the maintenance and retention of accurate property records. The Commissioner works with a reassessment firm during assessments. The office prepares information for the Personal Property tax book and provides assessments on all vehicles,

boats, mobile homes, trailers, etc.; and assists the public with preparation of state income tax filing, issues and maintains business licenses, coordinates income tax relief for the elderly, prepares and maintains information for land records and other duties.

GOALS & OBJECTIVES

- To maintain current personal property records using DMV electronic and other resources
- To increase citizen awareness of electronic processes for income tax filing
- To improve efficiency of office by using current technology (i.e. I-filing tax returns)
- To improve classification of personal property as business or personal use
- To promote citizens and other interested party's use of on-line Geographical Information System (GIS) for Real Estate

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Commissioner of Revenue						
Salaries	\$110,835	\$112,996	\$112,771	\$114,143	\$1,147	1.0%
Fringe Benefits	37,593	39,624	38,109	39,024	-\$600	-1.5%
Purchased Services	10,521	8,470	7,039	11,500	\$3,030	35.8%
Operating Expenses	9,753	10,600	8,269	11,000	\$400	3.8%
Capital Outlay	<u>0</u>	<u>1,975</u>	<u>1,976</u>	<u>0</u>	<u>-\$1,975</u>	<u>-100.0%</u>
TOTAL	<u>\$168,702</u>	<u>\$173,665</u>	<u>\$168,164</u>	<u>\$175,667</u>	<u>\$2,002</u>	<u>1.2%</u>
Full time positions	3	3	3	3	0	
Part-time positions	0.5	0.5	0.5	0.5	0	

FY 11 BUDGET HIGHLIGHTS

❖ None

Prior Year Accomplishments

- ✚ *Assisted with the update to the County's comprehensive Codification Project*
- ✚ *Assisted with development and implementation of GIS Online process.*
- ✚ *Increased number of I-file State Income Tax Returns*
- ✚ *Implemented procedures to keep personal property tax records current*

Treasurer

DESCRIPTION

The Treasurer is elected by the citizens every four years and has the responsibility of collecting taxes and other revenue of the County. Tax collection involves the billing and collection of all property taxes and management of delinquent taxes. The office also

sells animal licenses and provides for the cash management and investment of all funds of the County. Effective in 2010, the County decal was eliminated. The cost for the decal will be added to taxpayers' 2010 property tax bill.

GOALS & OBJECTIVES

- Continue to provide courteous and efficient service to citizens.
- Continue to effectively collect all taxes while implementing collection efforts to reduce the amount of delinquent taxes on the books (i.e. DMV stops, outside collection agency).
- Improve the convenience of taxpayers by offering additional payment options internally and externally.
- Continue investment strategies that offer the best return on funds invested.
- Prepares accurate and timely monthly reconciliation in conjunction with the Finance Department.

		FY08-09	FY09-10	FY09-10	FY 10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Treasurer							
Salaries		\$161,744	\$167,870	\$168,399	\$168,611	\$741	0.4%
Fringe Benefits		50,825	53,869	52,313	53,236	-\$633	-1.2%
Purchased Services		4,035	6,350	2,772	2,850	-\$3,500	-55.1%
Operating Expenses		21,473	23,263	20,459	19,813	-\$3,450	-14.8%
Capital Outlay		<u>1,451</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>-\$1,000</u>	<u>-100.0%</u>
TOTAL		<u>\$239,528</u>	<u>\$252,352</u>	<u>\$243,943</u>	<u>\$244,510</u>	<u>-\$7,842</u>	<u>-3.1%</u>
Full time positions		3	3	3	4	1	

FY 11 BUDGET HIGHLIGHTS

- ❖ None.

Prior Year Accomplishments

- ✚ *Improved access to tax information by providing a public computer.*
- ✚ *The office has achieved an award of Accreditation from the State Treasurer's Office.*
- ✚ *The Treasurer and Deputy Treasurers have received certification and Title of Master Governmental Treasurer and Master Governmental Deputy Treasurers respectively.*

Registrar & Electoral Board

DESCRIPTION

The Registrar provides all voter registration services and maintains all voter records. The office is under a three-member Electoral Board. Members of the board are appointed by the Circuit Court to administer election laws and other regulations per directive of the State Board of Elections. The Registrar processes voter registration applications and maintains election

results. The Electoral Board also supervises elections to verify compliance with the law and certifies the results to the State Board of Elections. The Board also appoints election officials.

GOALS & OBJECTIVES

- Continue to provide courteous, friendly and efficient service to citizens.
- Maintain adequate voter records and forms.
- Continue to educate public on voter registration.
- Provide professional development and training to officers of the election.
- Continue efforts to increase number of registered voters and ensure citizen access to registration.

		FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Registrar & Electoral Board							
Salaries		\$63,915	\$61,675	\$56,724	\$60,975	-\$700	-1.1%
Fringe Benefits		11,878	13,333	12,749	13,028	-\$305	-2.3%
Purchased Services		2,143	3,400	1,407	3,425	\$25	0.7%
Operating Expenses		16,024	15,335	9,579	15,110	-\$225	-1.5%
Capital Outlay		<u>0</u>	<u>4,590</u>	<u>4,590</u>	<u>2,300</u>	<u>-\$2,290</u>	<u>-49.9%</u>
TOTAL		<u>\$93,960</u>	<u>\$98,333</u>	<u>\$85,049</u>	<u>\$94,838</u>	<u>-\$3,495</u>	<u>-4.1%</u>
Full time positions		1	1	1	1	0	
Part-time positions		1	1	1	1	0	

FY 11 BUDGET HIGHLIGHTS

- ❖ None

Prior Year Accomplishments

- ✚ *Relocated the Surry Voting Precinct from small area within Registrar's office to the front lobby of the District Courtroom for improved access by citizens.*
- ✚ *Electronic versus manual poll books were implemented thereby improving efficiency in the voting process.*

Computer/Network Services

DESCRIPTION

The Computer/Network Services department provides all technical support services to County departments. The department provides assistance in operating and maintaining various computers, software, peripherals as well as the local area network and internet services. The County's main network system

includes the financial management system, tax assessment, billing and building permits system. The Director of Finance & Information Technology administers the budget.

GOALS & OBJECTIVES

- Provide countywide information technology services to support departmental goals and objectives.
- Ensure the integrity of internal operations to deliver quality information technology products and services Enhance departmental and customer processes to achieve continuous quality improvements in information technology services; centralize functions with departments outside the Government Center complex.
- Research and evaluate new technologies to improve the effectiveness and efficiency of county business processes.
- Maintain technical knowledge and skills in order for staff to deliver optimal information technology solutions to internal and external customers.
- Ensure county expenditures for information technology to produce an acceptable return on investment.

		FY08-09	FY09-10	FY09-10	FY010-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Computer/Network Services							
Salaries		\$31,898	\$34,563	\$34,564	\$34,564	\$1	0.0%
Fringe Benefits		11,369	12,270	12,198	13,247	\$977	8.0%
Purchased Services		46,695	62,050	58,797	66,447	\$4,397	7.1%
Operating Expenses		4,506	14,642	13,109	14,764	\$122	0.8%
Capital Outlay		<u>10,705</u>	<u>1,400</u>	<u>817</u>	<u>26,000</u>	<u>\$24,600</u>	<u>1757.1%</u>
TOTAL		<u>\$105,173</u>	<u>\$124,925</u>	<u>\$119,485</u>	<u>\$155,022</u>	<u>30,097</u>	<u>24.1%</u>
Full time positions		1	1	1	1	0	

FY 11 BUDGET HIGHLIGHTS

- ❖ Funding is included in the amount of \$26,000 to replace aging computers, software and printers and other equipment as needed.

Prior Year Accomplishments

- ✚ *Designed and improved website and presence to provide meaningful and useful information to the citizens of Surry and other interested parties. The web address was also changed to a dot.gov extension, suitable for local government.*
- ✚ *Provided a greater array of assistance to IT users; mechanisms implemented to ensure that all users receive timely response to requests for service.*
- ✚ *Implemented enhanced IT security mechanisms.*



JUDICIAL ADMINISTRATION

	FY 08-09	FY 09-10	FY 09-10	FY 10-11	NET CHANGE	
	<i>Actual Expenditures</i>	<i>Revised Budget</i>	<i>Anticipated Expenditures</i>	<i>Recommended Budget</i>	<i>FY 11 Recommended over FY 10 Revised Dollar (\$) Percent (%)</i>	
Judicial Administration						
Circuit Court	19,985	17,200	9,117	15,875	(1,325)	-7.70%
Combined Court		7,804	5,595	10,746	2,942	37.70%
Clerk of Circuit Court	218,959	239,800	234,568	226,696	(13,104)	-5.46%
Magistrate	337	800	500	775	(25)	-3.13%
Riverside Criminal Justice Agency		14,000	14,000	11,541	(2,459)	-17.56%
Commonwealth Attorney	118,409	124,046	123,422	121,676	(2,370)	-1.91%
Victim Witness Program	17,097	20,000	19,185	20,000	0	0.00%
Legal Aid Justice Center	<u>7,261</u>	<u>7,261</u>	<u>7,261</u>	<u>6,535</u>	<u>(726)</u>	<u>-10.00%</u>
SubTotal	382,048	430,911	413,648	413,844	(17,067)	-3.96%

FY09-10 Budget Amendments:

<i>Dept.</i>	<i>Amount</i>	<i>Purpose</i>
<i>Clerk of Circuit Court -</i>	<i>\$ 4,500</i>	<i>Part-time Clerical</i>
<i>Clerk of Circuit Court -</i>	<i>\$ 8,940</i>	<i>Records preservation grants</i>
<i>Total -</i>	<i>\$13,440</i>	

Court Services

The County Court System consists of the General District Court and the Juvenile & Domestic Relations (J & DR) Court also referred to as the combined court and the Circuit Court.

DESCRIPTION

The Circuit Court budget includes costs for juror payments, judges' office expenses and the County's share of a court administrator housed in Prince

George County and serving all the courts in the 6th Judicial District. These costs are not included in the budget for the Clerk of Circuit Court.

GOALS & OBJECTIVES

- To assist the judges with administrative duties
- Coordinate jury selection process as efficiently as possible

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Circuit Court						
Salary Contribution	\$15,785	\$13,000	\$4,917	\$11,675	(\$1,325)	-10.19%
Purchased Services	0	0	0	0	\$0	0.00%
Operating expenses	4,200	4,200	4,200	4,200	\$0	0.00%
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0.00%</u>
TOTAL	<u>\$19,985</u>	<u>\$17,200</u>	<u>\$9,117</u>	<u>\$15,875</u>	<u>\$6,758</u>	<u>74.13%</u>

DESCRIPTION

The Surry Combined Court is under the direction of the State Supreme Court. The function of the court is to administer justice in a manner that provides access to proceedings, offers timely processing and ensures equality, fairness and integrity. The court is

responsible for indexing all court processes, collecting fines and costs assessed and collecting fees for issuing civil processes. The court hears cases involving juvenile delinquency, traffic violations and domestic cases such as custody and child support.

GOALS & OBJECTIVES

- Provide courteous and prompt service to callers and visitors.
- Enhance office security practices.
- Ensure that the County received maximum fees for related court costs.
- Remain knowledgeable of new State laws that affect the local court system.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Combined Court						
Salaries	\$0	\$0	\$0	\$3,475	\$3,475	100.0%
Fringe Benefits	0	0	0	265	\$265	100.0%
Purchased Services	3,174	4,150	3,343	3,500	\$157	3.8%
Operating Expenses	3,487	3,654	2,252	3,506	\$1,254	34.3%
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0.0%</u>
TOTAL	<u>\$6,661</u>	<u>\$7,804</u>	<u>\$5,595</u>	<u>\$10,746</u>	<u>\$5,151</u>	<u>66.0%</u>

Circuit Court Clerk

DESCRIPTION

The Circuit Court Clerk is primarily responsible for the recordation, preservation and maintenance of all records relating to the people and property of the County. The Clerk performs many duties including administering oaths to government officials and certain appointed persons and issuing marriage licenses and concealed weapon permits. Duties relative to the maintenance of records include the recording of deeds and plats. The Clerk's office is responsible for admitting wills to probate, qualifying

executors and administrators. Administrative court functions include maintaining official court records for civil and criminal cases that are filed with the court, maintaining the dockets of cases pending, issuing subpoenas and summons and coordinating jury duty. The Clerk collects fees annually that are transferred to the County Treasurer and the State. The Clerk of Circuit Court is a constitutional officer elected to an eight year term.

GOALS & OBJECTIVES

- Accurate receipt and recordation of all land instruments.
- Provide efficient, effective and courteous service to all courthouse patrons.
- Improve access to older and more fragile records; preservation of historic record books
- Increase utilization of current technology to enhance office efficiency

	FY08-09	FY09-10	FY09-10	FY 10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Clerk of Circuit Court						
Salaries	\$138,760	\$145,030	\$146,561	\$144,963	-\$67	0.0%
Fringe Benefits	39,599	44,095	43,479	43,683	-\$412	-0.9%
Purchased Services	21,609	20,101	16,991	19,900	-\$201	-1.0%
Operating Expenses	26,925	30,574	27,537	18,150	-\$12,424	-40.6%
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	\$0	0.0%
TOTAL	<u>\$226,893</u>	<u>\$239,800</u>	<u>\$234,568</u>	<u>\$226,696</u>	<u>(\$13,104)</u>	<u>-5.5%</u>
Full time positions	3	3	3	3	0	
Part-time positions	1	1	1	1	0	

FY 11 BUDGET HIGHLIGHTS

None.

Magistrate

DESCRIPTION

The main function of the Office of the Magistrate is to provide an independent review of complaints from the Sheriff's Office and citizens of the County. These complaints are the basis used to determine whether an arrest warrant should be issued. In addition, the Magistrate conducts bail bond hearings and commits

offenders to jail. The County provides a modest amount of funds to support office expenses. Salary expenses are funded by the State.

GOALS & OBJECTIVES

- Continue to provide professional and courteous service to all needing assistance and services from the office.
- Continued education for all magistrates on current judicial procedures.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Actual	Budget	Budget	Change \$	Change %
Magistrate						
Operating Expenses	555	800	691	776	(24)	-3.0%
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0%
TOTAL	<u>\$555</u>	<u>\$800</u>	<u>\$691</u>	<u>\$776</u>	<u>(\$24)</u>	<u>-3.0%</u>

DESCRIPTION

The Riverside Criminal Justice Agency serves the jurisdictions of Prince George, Hopewell and Surry. The agency's goal is to enhance public safety by providing alternatives to the courts for offenders who are in need of supervision but may not require institutional custody. The agency provides pretrial

services to judicial officers/magistrates to help them make more informed bond decisions and provide supervision to those released on bond. Without the assistance of pre-trial services offenders would be jailed at the cost of taxpayers.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Riverside Criminal Justice						
Agency Contribution	<u>14,403</u>	<u>14,000</u>	<u>14,000</u>	<u>11,541</u>	<u>(2,459)</u>	<u>-17.6%</u>
TOTAL	<u>\$14,403</u>	<u>\$14,000</u>	<u>\$14,000</u>	<u>\$11,541</u>	<u>(\$2,459)</u>	<u>-17.6%</u>

Commonwealth's Attorney

DESCRIPTION

The Commonwealth's Attorney office is responsible for providing Surry County and the Commonwealth of Virginia with legal representation in the prosecution of criminal, traffic and County violations in the Circuit, General District and Juvenile Domestic Relations Courts. Legal advice is provided to all local and state law enforcement agencies investigating matters in the County. The Commonwealth's Attorney office

participates in the Victim/Witness Program administered by the State Department of Criminal Justice Services. The program provides assistance and services to victims of crimes and violence in the County. The grant is fully funded by the State. The Commonwealth's Attorney is a constitutional officer elected every four years.

GOALS & OBJECTIVES

- Continue to successfully prosecute drug related and other serious offenses effectively.
- Continue to protect the rights of people before the court (defendants, witnesses, etc.).

		FY08-09	FY09-10	FY09-10	FY 10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Commonwealth's Attorney							
Salaries		\$75,814	\$78,787	\$78,787	\$78,787	\$0	0.0%
Fringe Benefits		26,181	27,767	26,612	27,297	(\$470)	-1.7%
Purchased Services		11,621	11,722	11,723	11,202	(\$520)	-4.4%
Operating Expenses		4,793	5,100	5,632	3,890	(\$1,210)	-23.7%
Capital Outlay		<u>0</u>	<u>668</u>	<u>668</u>	<u>500</u>	(\$168)	-25.1%
TOTAL		<u>\$118,409</u>	<u>\$124,044</u>	<u>\$123,422</u>	<u>\$121,676</u>	<u>-\$2,368</u>	<u>-1.9%</u>
Victim Witness							
Salaries		\$15,882	\$17,500	\$17,822	\$17,822	\$0	0.0%
Fringe Benefits		\$1,215	\$1,350	\$1,363	\$1,363	\$0	0.0%
Operating Expenses		<u>\$40</u>	<u>\$1,150</u>	<u>\$0</u>	<u>\$0</u>	\$0	0.0%
TOTAL		<u>\$17,137</u>	<u>\$20,000</u>	<u>\$19,185</u>	<u>\$19,185</u>	<u>\$ -</u>	<u>0.0%</u>
Full time positions		2	2	2	2	0	
Grant Position		1	1	1	1	0	

FY 11 BUDGET HIGHLIGHTS

- ❖ None

Legal Aid Justice

DESCRIPTION

The County provides an annual contribution to support the services provided by the Legal Aid Justice Center. The mission of the Center is to create and develop comprehensive responses to the problems facing poverty using innovative legal advocacy,

community education and client involvement. Emphasis is placed on the unmet legal needs of underserved segments of the client community.

GOALS & OBJECTIVES

- Continue to offer free quality legal representation to all eligible clients.
- Build partnerships and collaborate efforts with other service providers, local government and community groups.
- Continue to train staff and educate clients.

			FY08-09 Actual	FY09-10 Budget	FY09-10 Actual	FY 10-11 Budget	Net Change \$	Net Change %
Legal Aid Justice Center								
Contribution			7,261	7,261	7,050	6,535	-\$515	-7.1%
TOTAL			<u>\$7,261</u>	<u>\$7,261</u>	<u>\$7,050</u>	<u>\$6,535</u>	<u>-\$515</u>	<u>-7.1%</u>



PUBLIC SAFETY ADMINISTRATION

	<u>Actual Expenditures</u>	<u>Amended Budget</u>	<u>Actual Expenditures</u>	<u>Adopted Budget</u>	<u>FY 11 Adopted over FY 10 Budget</u>	
					<u>Dollar (\$)</u>	<u>Percent (%)</u>
Sheriff	1,373,078	1,306,714	1,192,955	1,282,920	(23,794)	-1.82%
Emergency Services	118,629	265,738	207,882	203,590	(62,148)	-23.39%
Fire & Rescue Agencies:						
Claremont Fire Dept.	52,676	55,050	55,050	48,100	(6,950)	-12.62%
Dendron Fire Dept.	53,726	53,301	53,301	48,500	(4,801)	-9.01%
Surry Fire Dept.	54,776	66,152	66,152	54,000	(12,152)	-18.37%
Surry Rescue Squad	54,000	54,000	54,000	54,000	0	0.00%
Chesterfield County Med-Flight	0	500	500	500	0	0.00%
Surry Fire Dept: Recovery Funds		1,404	1,404	0	(1,404)	0.00%
Medical Transport Services	332,880	332,880	332,880	332,880	0	0.00%
State Forestry	8,971	12,766	12,766	12,796	30	0.23%
E911 Communications	25,097	55,000	38,647	48,700	(6,300)	-11.45%
Crater Youth Detention	45,462	45,000	48,821	47,950	2,950	6.56%
Care of Adult Prisoners	166,759	165,429	129,138	145,000	(20,429)	-12.35%
Animal Control	83,828	130,805	100,191	104,322	(26,483)	-20.25%
Building Official	<u>122,301</u>	<u>107,933</u>	<u>118,757</u>	<u>122,861</u>	<u>14,928</u>	<u>13.83%</u>
SubTotal	2,492,183	2,652,672	2,412,444	2,506,119	(146,553)	-5.52%

FY09-10 Budget Transfers and Amendments:

<u>Dept.</u>	<u>Amount</u>	<u>Purpose</u>
Claremont Fire Dept. -	\$ 5,450	Fire Program Grant Funds
Surry Fire Dept. -	\$ 5,450	Fire Program Grant Funds
Dendron Fire Dept.	\$ 5,540	Fire Program Grant Funds
Surry Volunteer Rescue-	\$ 7,651	4-for-Life Grant Funds
Surry Fire Dept.	\$ 1,404	Federal Recovery Funds (Nor'easter)
Emergency Services -	\$13,165	Fire Program Training Grant
Emergency Services-	\$50,000	Radiological Preparedness Grant
Building Official -	\$12,000	Transfer from Contingency
State Forestry -	<u>\$ 2,525</u>	Funds needed to cover required contribution
Total -	\$103,095	

Sheriff

DESCRIPTION

Law enforcement in the County is provided by the Sheriff's Office. The Sheriff provides preventive patrol through community policing, responds to calls for service, arrests suspected offenders, promotes traffic safety, combats drug related activities, and conducts criminal investigations. The Sheriff is also responsible for courthouse security during trials and the processing of civil court papers. In addition, the Sheriff's Office is responsible for the Emergency 911 Operations in the County. The dispatcher's office is the 911 answering point for all departments and

citizens of the County where all 911 and non-emergency calls are received, processed and dispatched appropriately. Radio dispatch for Animal Control is also handled by the Sheriff's office during non-working hours. The mission of the office is to protect and serve the citizens and property of Surry County. The Sheriff's Office applies for and receives grants each year to include the Highway Safety Mini Grant and Local Law Enforcement Block Grant. The Sheriff is a constitutional officer elected to a term of four years.

GOALS & OBJECTIVES

- Continue selective and DUI enforcement and to promote seat belt safety.
- Provide effective policing and ensure continued public safety.
- Continue to target illegal drug activity.
- Continue community policing by patrolling neighborhoods and communicating with the public.

		FY 08-09	FY 09-10	FY 09-10	FY 10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Sheriff							
Salaries		\$794,561	\$874,700	\$820,778	\$843,202	-\$31,498	-3.6%
Fringe Benefits		\$249,409	\$277,180	\$247,518	\$276,975	-\$205	-0.1%
Purchased Services		\$21,616	\$24,000	\$10,764	\$47,942	\$23,942	99.8%
Operating Expenses		\$101,329	\$103,475	\$88,368	\$90,868	-\$12,607	-12.2%
Capital Outlay/Grants	A	\$206,163	\$27,359	\$25,527	\$23,933	-\$3,426	-12.5%
TOTAL		<u>\$1,373,078</u>	<u>\$1,306,714</u>	<u>\$1,192,955</u>	<u>\$1,282,920</u>	<u>(\$23,794)</u>	<u>-2.0%</u>
Full time positions		22	23	22	22	-1	

A – FY 09 the Sheriff's Dept. received a \$140,566 federal grant from the Dept. of Homeland Security under the Buffer Zone Protection Program and a Lynx grant for computer upgrades in the amount of \$16,000.

FY 11 BUDGET HIGHLIGHTS

- ❖ Funding in the amount of \$26,000 has been incorporated in the budget for contractual services (courthouse security).

Prior Year Accomplishments

- ✚ *Participated in the Safe & Sober Program with the Virginia State Police aimed to reduce the number of motor vehicle crash fatalities state-wide.*
- ✚ *Dispatchers received re-certification status from the State of Virginia*
- ✚ *Continued training and development in the area of emergency response*

Emergency Services

DESCRIPTION

The budget for the Department of Emergency Services is a small part of the entire emergency operations for the County. This budget includes funding for the coordinator's salary, administrative support and certain operating expenses. Additions to the budget occur upon receipt of grants from the Virginia Department of Emergency Management (VDEM) or the Federal Emergency Management Association (FEMA) and more recently, the Department of Homeland Security. Costs associated

with disasters are channeled through this department to track expenditures and reimbursements. The Parks & Recreation Director serves as the Deputy Coordinator of Emergency Services. A member of the Board of Supervisors serves as the Director. The County Administrator serves as the Deputy Director. The Asst. County Administrator is the Coordinator and is the liaison between the County and the State Department of Emergency Management.

GOALS & OBJECTIVES

- Coordinate all emergency services drill activity in a manner acceptable by the Nuclear Regulatory Commission.
- Stay abreast of all issues affecting Emergency Operations in the County and inform participatory agencies and organizations on emergency matters.
- Work closely with VDEM, local fire and rescue agencies and Dominion Virginia Power to adequately prepare for future disasters and training exercises.
- Provide training to applicable staff on emergency procedures and guidelines.

		FY 08-09	FY 09-10	FY 09-10	FY 10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Emergency Services							
Salaries		\$41,971	\$89,713	\$81,557	\$81,557	(\$8,156)	-9.09%
Fringe Benefits		\$8,140	\$25,521	\$21,810	\$23,636	(\$1,885)	-7.39%
Purchased Services		\$38,864	\$59,231	\$52,688	\$65,500	\$6,269	10.58%
Operating Expenses		\$8,791	\$15,166	\$14,977	\$30,897	\$15,731	103.73%
Grants		\$18,718	\$74,007	\$36,049	\$0	(\$74,007)	-100.00%
Capital Outlay		\$2,851	\$2,100	\$1,407	\$2,000	(\$100)	-4.76%
TOTAL		<u>\$119,335</u>	<u>\$265,738</u>	<u>\$208,488</u>	<u>\$203,590</u>	<u>(\$4,898)</u>	<u>-1.84%</u>
Full Time Positions		1	3	2	2	-1	

FY 11 BUDGET HIGHLIGHTS

- ❖ Position of Operations and Training Specialist was eliminated in the FY11 budget; this position was not filled in FY10.

Prior Year Accomplishments

- ✚ *The Dept. of Emergency Services was awarded Radiological Preparedness Grant Funds in the amount of \$50,000 and a Fire Services Grant in the amount of \$13,246. Funds are used to assist the County in emergency preparedness and response (i.e. equipment and training).*

Fire & Rescue

DESCRIPTION

The Fire and Rescue budget consists primarily of contributions made to the Surry, Dendron and Claremont Volunteer Fire Departments, the Surry Rescue Squad and the State Department of Forestry. The amounts contributed to each organization are made on an annual basis. The County also provides paid rescue squad services noted as an operating expense. The County receives funds from the State

Department of Fire Programs, which are equally disbursed to the three volunteer fire departments in the County. Four for Life funds used to defray the cost of ambulance services are remitted to the County from the Office of Medical Services and disbursed to the volunteer rescue squad.

		FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Fire & Rescue							
Claremont VFD		\$52,676	\$55,051	\$55,051	\$48,100	(\$6,951)	-12.6%
Surry VFD		54,776	58,501	58,501	54,000	(\$4,501)	-7.7%
Dendron VFD		53,726	53,301	53,301	48,500	(\$4,801)	-9.0%
Surry Volunteer Rescue Squad		54,000	54,000	54,000	54,000	\$0	0.0%
Chesterfield County Med-Flight		0	500	500	500	\$0	0.0%
Grant Funding		13,240	9,054	9,054	0	(\$9,054)	-100.0%
Dept. of Forestry		<u>8,971</u>	<u>12,766</u>	<u>12,766</u>	<u>12,796</u>	<u>\$30</u>	<u>0.2%</u>
TOTAL CONTRIBUTIONS		237,389	243,173	243,173	217,896	(25,277)	-10.4%
Operating Expenses		332,880	332,880	332,552	332,880	0	0.0%
TOTAL		<u>\$570,269</u>	<u>\$576,053</u>	<u>\$575,725</u>	<u>\$550,776</u>	<u>(25,277)</u>	<u>-4.4%</u>

FY 11 BUDGET HIGHLIGHTS

❖ None

Care of Prisoners

DESCRIPTION

The budget for the Care of Prisoners includes prisoner housing and care for adults and youth detainees. The County participates in a Regional Jail operation. Adults sentenced by Surry Courts to serve jail time are housed at Riverside

Regional Jail. The County pays a per-diem cost per day for housing. Juveniles are housed at the Crater Juvenile Detention Center. The County pays an annual cost to support facility expenses in addition to a rate per day for services.

	FY08-09	FY09-10	FY09-10	FY 10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Adult & Youth Care						
Care of Adult Prisoners	\$166,759	\$165,429	\$129,128	\$145,000	(\$20,429)	-12.3%
Youth Detention	<u>\$45,462</u>	<u>\$45,000</u>	<u>\$48,821</u>	<u>\$47,950</u>	\$2,950	6.6%
TOTAL	<u>\$212,221</u>	<u>\$210,429</u>	<u>\$177,949</u>	<u>\$192,950</u>	<u>(\$17,479)</u>	<u>-8.3%</u>

Animal Control

DESCRIPTION

Surry County Animal Control is responsible for the public safety and health of the County as it pertains to the control of unsupervised domestic animals. Animal Control is also responsible for enforcing county and state animal control laws. The officer directly assists citizens with domestic animals and livestock issues

while promoting the humane care and treatment of all animals. The County operates a shelter, which cares for and secures impounded stray animals. Animals involved with possible exposure to rabies are handled through the health department.

GOALS & OBJECTIVES

- Promote owner responsibility in regards to the proper care of animals and applicable county and state laws
- Continue to hold rabies vaccination clinics and increase participation.
- Improve the response time to calls for service or complaints.
- Continue to maintain pound facility in a manner acceptable by the State Department of Health.
- Provide training and professional development opportunities to staff.

	FY 08-09	FY 09-10	FY 09-10	FY 10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Animal Control						
Salaries	\$34,520	\$63,058	\$54,024	\$54,850	(\$8,208)	-13.0%
Fringe Benefits	10,678	21,647	16,115	20,822	(\$825)	-3.8%
Purchased Services	616	3,100	0	2,400	(\$700)	-22.6%
Operating Expenses	27,442	40,792	27,260	20,450	(\$20,342)	-49.9%
Capital Outlay	11,474	5,500	2,792	5,800	\$300	5.5%
TOTAL	<u>\$84,730</u>	<u>\$134,097</u>	<u>\$100,191</u>	<u>\$104,322</u>	<u>(\$29,775)</u>	<u>-22.2%</u>
Full time positions	1	2	2	2	0	
Part-time positions	1	1	1	0	-1	

FY 11 BUDGET HIGHLIGHTS

❖ None

Prior Year Accomplishments

- ✚ *Animal Control received a favorable inspection from the State Department of Agriculture and Consumer Services for maintenance, care and upkeep of animals and facility; the office cited significant improvements from prior inspections.*
- ✚ *Significantly increased the number of residents obtaining required County licenses for animals.*

Building Official

DESCRIPTION

The Building Official's office assures that all buildings constructed in the County conform to safety and health requirements as mandated by the Virginia Uniform Statewide Building Code. The office accepts permit applications, reviews applications for compliance and issues permits for the proposed work. Site visits are performed at various stages of

completion to ensure that construction proceeds in compliance with approved plans and that structural, electrical, mechanical and plumbing work is compliant with applicable code requirements. The department issues a certificate of occupancy after successful completion of construction.

GOALS & OBJECTIVES

- Educate public on requirements for obtaining permits and constructing buildings.
- Increase enforcement of safety code violations.
- Continue to provide timely review of permit applications.
- Increase general inspections to ensure permit compliance.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Building Official						
Salaries	\$85,883	\$80,512	\$80,512	\$82,701	\$2,189	2.7%
Fringe Benefits	28,827	28,721	28,340	27,861	-\$860	-3.0%
Purchased Services	517	900	887	1,100	\$200	22.2%
Operating Expenses	6,818	9,290	7,782	8,700	-\$590	-6.4%
Capital Outlay	<u>256</u>	<u>510</u>	<u>336</u>	<u>2,500</u>	<u>\$1,990</u>	<u>390.2%</u>
TOTAL	<u>\$122,301</u>	<u>\$119,933</u>	<u>\$117,857</u>	<u>\$122,862</u>	<u>\$2,929</u>	<u>2.5%</u>
Full time positions	2	2	2	2	0	

FY 10 BUDGET HIGHLIGHTS

- ❖ None

E911 Communications

DESCRIPTION

The E911 Communications budget was established in FY 09 to replace the E911 Fund. Due to the state's restructuring of the E911 tax, a separate fund is not required. Expenditures for the communications budget include telephone cost, E911 address

maintenance, acquisition of street signs, repairs to emergency generators, and maintenance and repair issues associated with dispatch related equipment.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
E911 Communications						
E911 Services	\$25,157	\$55,000	\$38,647	\$48,700	(\$6,300)	-11.5%
TOTAL	<u>\$25,157</u>	<u>\$55,000</u>	<u>\$38,647</u>	<u>\$48,700</u>	<u>(\$6,300)</u>	<u>-11.5%</u>



PUBLIC WORKS ADMINISTRATION

	<i>FY 08-09</i>	<i>FY 09-10</i>	<i>FY 09-10</i>	<i>FY 10-11</i>	<i>NET CHANGE</i>	
	<i>Actual Expenditures</i>	<i>Adopted Budget</i>	<i>Actual Expenditures</i>	<i>Adopted Budget</i>	<i>FY 11 Adopted over FY 10 Adopted</i>	
					<i>Dollar (\$)</i>	<i>Percent (%)</i>
<u>Public Works</u>						
Sanitation	494,559	568,576	485,015	491,776	(76,800)	-13.51%
Maintenance	<u>526,796</u>	<u>615,169</u>	<u>405,146</u>	<u>563,019</u>	<u>(52,150)</u>	<u>-8.48%</u>
SubTotal	1,021,355	1,183,745	890,161	1,054,795	(128,950)	-10.89%

Sanitation Division

DESCRIPTION

The Sanitation Division of Public Works is primarily responsible for waste collection and disposal in the County. The County operates collection sites with on-site attendants where residents may dispose of household waste and recyclable items. Businesses are not allowed to dispose of waste at these sites. Citizens are encouraged to dispose of household

waste, white goods and yard debris at the collection sites. An additional manned site is planned to begin operating in FY 11. All of the County's waste is transported to an operable landfill outside the County for a per tonnage fee. The Sanitation Division also provides waste collection services to businesses who utilize County dumpsters for a monthly fee.

GOALS & OBJECTIVES

- Educated public regarding proper disposal of debris.
- Continue to dispose of waste as efficiently as possible.
- Maintain county waste facilities in pleasant manner.
- Respond to citizens in a professional manner.
- Increase the recycling services available to County residents.

	FY 08-09 Actual	FY 09-10 Budget	FY 09-10 Actual	FY 10-11 Budget	Net Change \$	Net Change %
Sanitation						
Salaries	\$191,848	\$204,974	\$186,838	\$171,043	(\$33,931)	-19.8%
Fringe Benefits	30,760	48,502	35,678	41,433	(\$7,069)	-17.1%
Purchased Services	164,375	215,000	154,112	190,000	(\$25,000)	-13.2%
Operating Expenses	107,576	97,600	108,387	86,800	(\$10,800)	-12.4%
Capital Outlay	<u>0</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>	<u>\$0</u>	<u>0.0%</u>
TOTAL	<u>\$494,559</u>	<u>\$568,576</u>	<u>\$485,015</u>	<u>\$491,776</u>	<u>(\$76,800)</u>	<u>-13.5%</u>
Full time positions	3	3	2	3	0	
Part-time positions	7	7	7	7	0	

FY 11 Budget Highlights

- ❖ The position of Sanitation Supervisors was combined with the Director of Public Works position included in the Maintenance Budget.

Prior Year Accomplishments

- ✚ *Ongoing efforts to improve solid waste management in the County resulted in 10% decrease in the cost of disposing solid waste.*
- ✚ *The County contracted with a private company to provide residential pick up services for citizens at a nominal cost; this helped to reduce the amount of trash disposed of at unmanned locations.*
- ✚ *The closing of green box collection sites throughout the County has aesthetically improved the condition of the surrounding properties and resulted in a reduction in the amount of waste transported in from non residential parties.*

Maintenance Division

DESCRIPTION

The Maintenance Division of Public Works is primarily responsible for the maintenance and operations of the County's buildings and grounds to include but not limited to general housekeeping, electrical, mechanical and plumbing work and lawn care maintenance. Some of these services are contracted to companies specializing in the services if needed. The budget of the department includes payment for property, general liability and auto insurance. The

division is also responsible for fleet management of the County's vehicles. Maintenance services performed for occupied buildings in the County includes the Government Center, Surry Health Department, Head Start facility, Animal Pound, Parks & Recreation center, the Circuit Courthouse, Surry and Claremont Libraries and other County owned land and buildings.

GOALS & OBJECTIVES

- To keep buildings safe and accessible to all employees, users and citizens.
- To promote safety in the workplace.
- To continue and improve upon preventive maintenance practices.
- Maintain working equipment needed to respond to requests in a timely manner.

	FY 08-09 Actual	FY 09-10 Budget	FY 09-10 Actual	FY 10-11 Budget	Net Change \$	Net Change %
Maintenance						
Salaries	\$154,677	\$168,600	\$121,468	\$169,924	\$1,324	0.8%
Fringe Benefits	60,183	65,219	43,956	61,487	-\$3,732	-5.7%
Purchased Services	18,676	29,000	9,981	24,000	-\$5,000	-17.2%
Operating Expenses	277,333	342,350	229,741	277,608	-\$64,742	-18.9%
Capital Outlay/Repairs	<u>15,927</u>	<u>10,000</u>	<u>0</u>	<u>30,000</u>	\$20,000	200.0%
TOTAL	<u>\$526,796</u>	<u>\$615,169</u>	<u>\$405,146</u>	<u>\$563,019</u>	<u>-\$52,150</u>	<u>-8.5%</u>
Full time positions	6	6	6	6	0	
Part-time positions	0	0	0	0	0	

FY 11 BUDGET HIGHLIGHTS

- ❖ The position of Building & Grounds Supervisor was consolidated with the Sanitation Supervisors position in the Sanitation Division to create a Public Works Operations Supervisor.

Prior Year Accomplishments

- ✚ *Efforts to improve the management of the County's buildings and grounds resulted in significant savings operationally. Actual operating expenditures for FY10 were over 20% less than the prior year.*



EDUCATION, HEALTH & WELFARE ADMINISTRATION

Health, Education and Welfare encompasses many of the educational and health/welfare program related agencies which the County supports via local contributions. Each year, all agencies and organizations must submit a written request to the County for funding support. Information is gathered on the services that the agency provides to the County to assist staff with its decision to fund the request.

	FY 08-09	FY 09-10	FY 09-10	FY 10-11	NET CHANGE	
	<i>Actual Expenditures</i>	<i>Amended Budget</i>	<i>Actual Expenditures</i>	<i>Adopted Budget</i>	<i>FY 11 Adopted over FY 10 Budget Dollar (\$)</i>	<i>Percent (%)</i>
<u>Education, Health & Welfare</u>						
Health Department	232,027	206,281	206,281	206,281	0	0.00%
Surry Free Clinic	5,000	7,500	7,500	6,000	(1,500)	-20.00%
District 19-Community Services Bd.	56,867	56,867	56,867	56,867	0	0.00%
State & Local Hospitalization		5,591	0	0	(5,591)	-100.00%
Genieve Shelter	2,500	3,500	3,500	3,150	(350)	-10.00%
Central VA Health Planning Agency	350	350	350	315	(35)	-10.00%
SSG Improvement Association	30,000	29,604	29,604	29,604	0	0.00%
Crater Area Agency on Aging	1,148	1,148	1,148	1,033	(115)	-10.02%
Office On Youth	155,720	175,008	168,382	166,871	(8,137)	-4.65%
VJCCA	14,967	15,425	15,326	15,425	0	0.00%
Virginia State University	4,000	0	0	0	0	0.00%
John Tyler Community College	<u>1,205</u>	<u>1,100</u>	<u>1,100</u>	<u>990</u>	<u>(110)</u>	<u>-10.00%</u>
SubTotal	503,784	502,374	490,058	486,536	(15,838)	-3.15%

FY09-10 Budget Transfers and Amendments:

<i>Dept.</i>	<i>Amount</i>	<i>Purpose</i>
<i>Office on Youth -</i>	<i>\$ 2,447</i>	<i>Donations/proceeds from various activities</i>

Education, Health & Welfare Agencies and Organizations

- ❖ The **Surry Health Department** is a division of the Crater Health District. The agency provides a variety of programs and services aimed at assessing the health needs of individuals, families and communities in the areas of family, women's and children health and disease management. The department also addresses the overall health and environmental issues that affect the public. The health department provided services to 981 Surry County residents in FY 2009. Citizens seeking well permits should contact the Health Department. The County share of the total operating cost is 45%. The State provides the remaining 55%. For more information, contact the Surry Health Department at (757) 294-3185.
- ❖ The **Surry Free Clinic** is a non-profit clinic that operates on Monday evening of each week and is staffed by volunteer doctors and support staff. It provides free medical, dental, medication acquisition, eye care and chronic disease management counseling services to income qualified persons from Surry, Isle of Wight and Sussex. Its vision is to see the quality of life within the communities it serves improve through comprehensive quality medical care for all uninsured adults who meet the qualification guidelines of the clinic. Services were provided to 284 Surry residents in FY 2009. The clinic operates on donated funds from individuals, churches, businesses, local government contributions and state grants. The clinic is housed in the Surry Health Department with space and utilities donated by the County and the Health Department. For more information, contact the Clinic at (757) 294-0132.
- ❖ The **District 19 Community Services Board** is a multi-jurisdictional, community-based agency whose mission is to improve the quality and productivity of the lives of individuals who experience, or are at risk of experiencing, mental disabilities and/or substance abuse. The primary objective of the agency is to provide quality community-based services in the least restrictive setting to people in need by providing tools to improve their total overall level of functioning often resulting in personal growth and empowerment. The service population may include adults with serious mental illness, children and adolescents with severe emotional disturbance as well as other consumers in need of mental health, mental retardation or substance abuse services. The Surry Office is located inside the Surry Health Department. For more information, contact the Surry office at 757-294-0037 or visit the website at www.d19csb.com.
- ❖ The **Geneive Shelter** provides a safe and supportive environment for Victims of Domestic Violence by providing emergency shelter, food, clothing, transportation, short-term & crisis counseling, case management, support groups, medical and health services, daycare assistance, housing and employment assistance and therapeutic recreation for victims of domestic violence. The County makes an annual contribution to assist victims from the County who may be in need of the services provided. In FY 09, services were provided to 12 Surry citizens. For more information contact 757-925-4365.
- ❖ The **Central Virginia Health Planning Agency** is a private, non-profit corporation governed by regional representatives of health care consumers and providers. Specifically, the CVHPA:
 - Provides comprehensive, reliable and objective health related data and information
 - Provides professional health planning assistance to assess community needs, support health improvement initiatives, and analyzes health issues
 - Shares information about local, state, and national health-related developments and resources to support informed decision-making
 - Promotes community participation in health decisions
 - Supports collaborative partnerships to improve the health of Virginians

The County provides local support in addition to nine other localities. For more information, the CVHPA website can be accessed at www.cvhpa.org

Education, Health & Welfare Agencies and Organizations

- ❖ The Improvement Association serves the communities of Surry, Sussex, Brunswick, Emporia, Dinwiddie, Greensville, Hopewell and Prince George. The County provides support to the Head Start Program, a federal program for preschool children mostly between the ages of three and five years old from low income families. The Head Start Program is operated by local non-profit organizations. Children who attend participate in a variety of educational activities, receive free medical and dental care, have healthy meals and snacks and enjoy playing indoors and outdoors in a safe setting. Head Start provides children with activities that help them grow mentally, socially, emotionally and physically. Funding from the County also provides support to other programs funded by the agency.
- ❖ The Crater Department Area on Aging (CDAAA) receives support primarily through the Older Americans Act but also via contributions for donations and localities to support the programs and services offered by the agency. The agency provides services to the population of 60 years or older and serves as an advocate for this age group. Services include but are not limited to adult day care, senior citizen employment, volunteer programs, transportation, housing programs, health insurance counseling and legal services assistance. The agency helped serve 129 residents in Surry County in FY 2009. A representative from the County serves on the agency's Board of Directors.
- ❖ The County provides a contribution to support the programs and services offered by John Tyler Community College. Funding provided by jurisdictions in the vicinity of the college is used to support various programs offered by the College which aid in developing well-rounded students and provide additional opportunities to students as they progress. JTCC assisted 43 Surry County residents in FY 2009. Requested funding from the college is based on locality population, real estate property taxes collected and enrollment.

Virginia Juvenile Community Crime Control Act

DESCRIPTION

The purpose of the Virginia Juvenile Community Crime Control Act is to provide alternatives to secure incarceration. It is a cooperative program between the state and the county and provides a balanced, community-based system of services, programs and sanctions for juvenile offenders. VJCCA programs and services allow youth to remain in the community

where they will face appropriate consequences for their actions. Funding is provided by the State with local contributing funds provided by the County. The programs are administered by court services in conjunction with the Office on Youth.

	FY 08-09 Actual	FY 09-10 Budget	FY 09-10 Actual	FY 10-11 Budget	Net Change \$	Net Change %
Virginia Juvenile Crime Control						
Operating expenses	\$14,967	\$15,425	\$15,346	\$14,525	-\$900	-5.8%
TOTAL	<u>\$14,967</u>	<u>\$15,425</u>	<u>\$15,346</u>	<u>\$14,525</u>	<u>-\$900</u>	-5.9%



PARKS, RECREATION & CULTURE

	FY 08-09	FY 09-10	FY 09-10	FY 10-11	NET CHANGE	
	<i>Actual Expenditures</i>	<i>Amended Budget</i>	<i>Anticipated Expenditures</i>	<i>Recommended Budget</i>	<i>FY 11 Recommended over FY 10 Adopted Dollar (\$)</i>	<i>Percent (%)</i>
<u>Parks, Recreation & Cultural</u>						
Parks & Recreation	352,749	376,983	366,414	358,919	(18,064)	-4.79%
Parks & Recreation Fund	28,996	38,681	39,326	35,356	(3,325)	-8.60%
Regional Library	112,325	99,874	99,874	108,588	8,714	8.72%
Williamsburg Area Transit	37,000	25,000	25,000	25,000	0	0.00%
Surry County Tourism	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>(6,000)</u>	<u>-100.00%</u>
SubTotal	537,070	546,538	536,614	527,863	(18,675)	-3.42%

FY09-10 Budget Transfers and Amendments:

<u>Dept.</u>	<u>Amount</u>	<u>Purpose</u>
<i>Parks & Recreation -</i>	<i>\$ 163</i>	<i>Donation Received</i>
<i>Parks & Recreation Fund-</i>	<i>\$10,907</i>	<i>Proceeds from Trips Sponsored</i>

Parks & Recreation

DESCRIPTION

The Department of Parks & Recreation provides and promotes leisure services to the citizens of Surry County. The Department specifically offers or is involved with hobby programs, senior citizens activities, youth programs, athletic leagues, bus trips and special events. It is the mission of the Surry County Parks & Recreation to promote, advocate and provide diversified, safe and affordable programs and activities for all citizens. Activities of the Department include: the Summer Recreation Program, July 4th Fireworks Event, Adult Softball League, Youth

Football, soccer and basketball, cheerleading camp, arts & crafts and ballet classes to just to name of few.

The Parks & Recreation Fund is primarily a self-supporting fund operated with funds collected for building/shelter rental, program fees and fees collected for participating in other activities.

The Surry County Parks & Recreation facility is located off Colonial Trail West at 205 Enos Farm Drive.

GOALS & OBJECTIVES

- To make capital improvements to the park.
- Continue to provide safe and diversified activities and programs.
- Promote citizen input regarding the types of programs offered.

		FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Parks & Recreation							
Salaries		\$225,924	\$248,410	\$248,664	\$231,276	-\$17,388	-7.0%
Fringe Benefits		72,390	78,200	75,680	75,783	\$103	0.1%
Purchased Services		3,267	3,510	3,126	4,960	\$1,834	58.7%
Operating Expenses		49,327	45,863	34,537	44,900	\$10,363	30.0%
Capital Outlay		<u>1,841</u>	<u>1,000</u>	<u>0</u>	<u>2,000</u>	<u>\$2,000</u>	<u>0.0%</u>
TOTAL		<u>\$352,749</u>	<u>\$376,983</u>	<u>\$362,007</u>	<u>\$358,919</u>	<u>-\$3,088</u>	<u>-0.8%</u>
Full time positions		6	6	6	6	0	
Part-time positions* Part-time positions are primarily utilized for the Summer Program.							

FY 11 BUDGET HIGHLIGHTS

- ❖ The 7% reduction in salaries in FY11 is attributed to a reduction in the County's funding to operate the Summer Program. The program will be conducted in collaboration with the Surry County Office on Youth utilizing funding sources from federal programs.

Blackwater Regional Library

DESCRIPTION

The Surry and Claremont Public libraries are a division of the Blackwater Regional Library. The County provides a contribution to support the operations of each branch. The mission of the library is to provide a variety of library resources and access to innovative technologies to improve the quality of life and meet the informational, educational and cultural interests of the community and patrons it

serves. The resources on hand promote education and literacy, community enrichment and cultural diversity.

		FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Regional Library							
Library		111,325	99,874	99,874	108,588	\$8,714	8.7%
TOTAL		<u>\$111,325</u>	<u>\$99,874</u>	<u>\$99,874</u>	<u>\$108,588</u>	<u>\$8,714</u>	<u>8.7%</u>

Williamsburg Area Transit

DESCRIPTION

On January 18, 2007, VDOT approved a Demonstration Grant of \$112,000 to assist Surry County and Williamsburg Area Transport (WAT) as partners to provide rural bus transportation between Surry County and the greater Williamsburg area. The State's interest is to reduce congestion at State Routes 10 and 31, limit Scotland Ferry space needs, and provide a seamless connection between Surry County with public transit to the greater Williamsburg area. In FY09, the County committed \$37,000 to continue this service to residents. The FY11 budget of \$25,000 represents 13% of the total cost to provide

service 310 days per year, three round trips daily (four during the summer). The majority of the funds (75%) come from federal rural transit funding and state funds.

The purpose of the transit service is aimed at providing rural public transportation to improve the quality of life for residents in the County; it provides commuting options for employment and supports the County's comprehensive plan.

		FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
		Actual	Budget	Actual	Budget	Change \$	Change %
Williamsburg Area Transit							
WAT		37,000	25,000	25,000	25,000	\$0	0.0%
TOTAL		<u>\$37,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$0</u>	<u>0.0%</u>

Tourism Bureau

DESCRIPTION

The Surry County Tourism Bureau is a non-profit organization whose mission is to provide a structure in which to increase tourism to Surry County through promotion of the County and through businesses in the County. Its members consist of professionals, businesses and individuals in the County who provide marketing and tourism development skills.

The publication and distribution of the County's brochure is one of the projects coordinated by the Bureau. Some of the goals and objectives of the Bureau include:

- Promotion of historic sites, attractions, businesses and restaurants to increase revenue.
- Increase marketing with new and increased brochure design and distribution.
- Provide information services to citizens and visitors.
- The website for the Bureau is www.toursurryva.com

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Tourism Bureau						
Contribution	9,000	9,000	6,450	0	-\$6,450	-100.0%
TOTAL	<u>\$9,000</u>	<u>\$9,000</u>	<u>\$6,450</u>	<u>\$0</u>	<u>-\$6,450</u>	<u>-100.0%</u>

FY11 Budget Highlights

- ❖ The Tourism Bureau had sufficient funding available from prior year contributions to cover the cost of marketing through FY11; no funding was requested for FY11.



PLANNING & COMMUNITY DEVELOPMENT

	FY 08-09	FY 09-10	FY 09-10	FY 10-11	NET CHANGE	
	<i>Actual Expenditures</i>	<i>Adopted Budget</i>	<i>Actual Expenditures</i>	<i>Recommended Budget</i>	<i>FY 11 Recommended over FY 10 Adopted Dollar (\$) Percent (%)</i>	
<u>Community Development</u>						
Planning	293,736	308,828	295,160	301,639	(7,189)	-2.33%
Sussex County Dept. of Housing	0	5,000	5,000	0	(5,000)	-100.00%
Wetlands	245	575	172	500	(75)	-13.04%
Board of Zoning Appeals	2,032	3,575	3,045	3,200	(375)	-10.49%
Planning Commission	7,561	8,750	7,097	9,750	1,000	11.43%
Transportation Safety Commission	750	2,850	350	1,500	(1,350)	-47.37%
BHAR	0	250	200	200	(50)	-20.00%
Economic Development	38,941	77,329	46,635	59,939	(17,390)	-22.49%
Crater Small Business Dev. Center	1,500	1,500	1,500	0	(1,500)	-100.00%
Southeast Rural Community Asst. Proj.	2,000	2,000	2,000	0	(2,000)	-100.00%
Southampton Roads RC & D	3,000	1,500	1,500	1,350	(150)	-10.00%
Soil & Water Conservation District	9,000	9,000	9,000	8,100	(900)	-10.00%
VPI-Cooperative Extension	<u>78,046</u>	<u>80,033</u>	<u>74,208</u>	<u>68,950</u>	<u>(11,083)</u>	<u>-13.85%</u>
SubTotal	436,811	501,190	445,867	455,128	(46,062)	-9.19%

FY09-10 Budget Transfers and Amendments:

<u>Dept.</u>	<u>Amount</u>	<u>Purpose</u>
<i>Economic Development -</i>	<i>\$ 30,000</i>	<i>Transfer from Contingency for ODEC related expenses; less than \$9,000 was spent</i>

Dept. of Planning & Community Development

DESCRIPTION

The Dept. of Planning & Community Development provides staff support to the Planning Commission and the Board of Supervisors, including reviewing and providing recommendations on all land use matters presented to the Commission and the Board. The Department also provides staff support to the Board of Zoning Appeals and the Historic Architecture and Review Board. The Department reviews plans of development for compliance with various County

ordinances and is responsible for enforcement of the County's subdivision and zoning ordinances.

The primary goal of the Department is to protect the County's natural resources and quality of life by developing and recommending growth management strategies with emphasis on sound land use development practices. The department enforces property maintenance code requirements for the safety and welfare of the citizens of Surry.

GOALS & OBJECTIVES

- To effectively coordinate public hearings and prepare required documents for applicants seeking rezoning, conditional use and special exception permits.
- To continue to provide exceptional staff support to the Planning Commission, Board of Zoning and Wetland Boards.
- To continue to administer and enforce the Chesapeake Bay Act Regulations.

	FY 08-09 Actual	FY 09-10 Budget	FY 09-10 Actual	FY 10-11 Budget	Net Change \$	Net Change %
Planning Department						
Salaries	\$193,780	\$202,938	\$202,941	\$202,938	\$0	0.00%
Fringe Benefits	65,730	68,689	66,118	67,684	-\$1,005	-1.46%
Purchased Services	7,405	11,661	5,838	9,100	-\$2,561	-21.96%
Contributions	11,326	13,776	11,867	11,867	-\$1,909	-13.86%
Operating Expenses	10,410	10,566	7,612	10,050	-\$516	-4.88%
Capital	0	599	599	0	\$0	0.00%
Grant Expenses	5,085	1,855	185	0	-\$1,855	-100.00%
TOTAL	<u>\$293,736</u>	<u>\$310,084</u>	<u>\$295,160</u>	<u>\$301,639</u>	<u>-\$7,846</u>	<u>-2.5%</u>
Full time positions	3	5	5	5	0	

Prior Year Accomplishments

- ✚ Completed implementation of approximately 90% of the Elberon Heights Comprehensive Grant. Includes rehabilitation of eight homes; wastewater pump station construction and lateral connections for a maximum of 15 units.
- ✚ Commenced effort in partnership with architects to update the Surry County Land Development Ordinance.
- ✚ Provided assistance to a qualified resident under the Indoor Plumbing Rehabilitation Program which substantially improved the residents quality of life
- ✚ Provided support to the Town of Dendron in respect to the land use applications by Old Dominion Electric Cooperative to site a coal fired power plant in the Town and its boundaries.
- ✚ Completed the review and update of various land development ordinances (i.e. flood zone, storm water and Chesapeake Bay Preservation). Maintained ongoing departmental operations within the required timeframes and with a 90% concurrence rate between staff recommendations and actions by the Planning Commission and Board of Supervisors.

Planning Boards & Commissions

DESCRIPTION

The Department of Planning has oversight over various boards and commissions that handle certain planning and community development related activities. They include the following:

Planning Commission

The Planning Commission considers matters regarding rezoning, conditional use permit applications, amendments to the Zoning and Subdivision Ordinances and makes recommendations for approval or denial to the Board of Supervisors. The Commission also works with the Director of Planning and Community Development in the development of the county's Comprehensive Plan. The commission consists of eleven members, two from each of the five magisterial districts in the county and a member of the Board of Supervisors. The Board of Supervisors appoints members to the Commission for a four-year term. The Commission conducts monthly meetings in addition to joint meetings with the Board of Supervisors on matters requiring Board action.

Board of Zoning Appeals

The Board of Zoning Appeals consists of five members, one from each district in the county. The Judge of the Circuit Court appoints members. The Board hears and decides requests for variances from specific requirements of the county's zoning ordinance. The Board also hears and decides appeals of decisions made by the Planning Director in enforcing the provisions of the zoning ordinance. The Board meets monthly to conduct business matters.

Historic Architectural Review Board

The Board of Historic Architect and Review consists of five citizens appointed by the Board of Supervisors who have demonstrated knowledge of and interest in the preservation of historical architectural landmarks. The Board reviews and decides on applications for Certificates of Approval in designated Historic Preservation Districts and makes recommendations to the Board of Supervisors for establishment of additional districts or modifications to existing districts. The Board meets on an "as need" basis.

Wetlands Board

The Wetlands Board is primarily responsible for the protection of the natural resources, which are essential for the production of inland wildlife, waterfowl and flora within the County. The Board reviews all requests for wetland applications for compliance with the Wetland Ordinance and recommends amendments to the ordinance. The Board administers and enforces the Subdivision and Erosion Sediment Control Ordinance. The Board consists of five members from each of the magisterial districts in the County whom are appointed by the Board of Supervisors. The Board meets on an "as need" basis.

			FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
			Actual	Budget	Actual	Budget	Change \$	Change %
Boards & Commissions								
Salaries (Member compensation)			7,625	7,550	6,552	8,000	\$450	6.0%
Purchased Services			1,080	2,250	1,750	1,750	-\$500	-22.2%
Operating Expenses			<u>1,186</u>	<u>3,250</u>	<u>862</u>	<u>1,750</u>	<u>-\$1,500</u>	<u>-46.2%</u>
TOTAL			<u>\$9,891</u>	<u>\$13,050</u>	<u>\$9,164</u>	<u>\$11,500</u>	<u>(\$1,550)</u>	<u>-11.9%</u>

Economic Development

DESCRIPTION

The mission of the Department of Economic Development is to grow and support existing and new businesses in an effort to expand the business tax revenue and decrease reliance on the residential tax base for County revenues. Currently, the County Administrator functions as the Economic Development Director. The budget contains funding to support agencies that assist the County to promote Surry as an ideal location for businesses. This includes Virginia Gateway Region, a regional organization whose mission is to market and promote localities for business expansion and growth opportunities. The County provides an annual contribution to the agency to support this mission.

GOALS & OBJECTIVES

- Advocate for economic issues within the County for the business community
- Continue to develop and maintain positive working relationship between the County and the business community.
- Build awareness of Surry as a great place for business through marketing and promotional activities, advertising and special events
- To provide useful information for the development process: sites, buildings, utilities
- Promote the county as a tourism destination

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Economic Development						
Purchased Services	6,225	8,000	7,825	7,000	(1,000)	-12.5%
Operating Expenses	1,162	33,050	7,531	11,660	(21,390)	-64.7%
Contributions (Agencies)	<u>31,551</u>	<u>31,279</u>	<u>31,279</u>	<u>41,279</u>	<u>10,000</u>	<u>32.0%</u>
TOTAL	<u>\$38,938</u>	<u>\$72,329</u>	<u>\$46,635</u>	<u>\$59,939</u>	<u>(\$12,390)</u>	<u>-17.1%</u>

Planning & Community Development Agencies

Descriptions

Peanut Soil and Water Conservation District services the counties of Surry and Isle of Wight and the City of Suffolk. The District provides services primarily to the agriculture community in cooperation with the Virginia Resources Conservation Service. It writes conservation plans, administers the Virginia Agricultural Best Management Practices Cost Share program and provides advice on soil erosion and water quality programs. It administers educational programs with Surry Schools aimed at natural soil and water conservation.

The **Hampton Roads Planning District Commission** services 16 jurisdictions in the Hampton Roads Region. It was established to encourage and facilitate local government cooperation and state-local cooperation in addressing on a regional basis problems of greater than local significance.

The HRPDC mission is to:

- serve as a forum for local and elected officials and chief administrators to deliberate and decide issues of regional importance;
- provide the local governments and citizens of Hampton Roads credible and timely planning, research and analysis on matters of mutual concern; and
- provides leadership and offer strategies and support services to other public and private, local and regional agencies, in their efforts to improve the region's quality of life.

The HRPDC serves as a resource of technical expertise to its member local governments. It provides assistance on local and regional issues pertaining to Economics, Physical and Environmental Planning, Emergency Management, and Transportation. For more information visit: www.hrpdc.org.

The **Crater Planning District Commission** is comprised of 11 local governments in south central Virginia. The major focus of the Commission's Work program is economic, industrial and small business development, reflecting the priorities which have been established by the member localities. Another important work area involves environmental issues, in response to local needs. These include: Chesapeake Bay Preservation Act - local ramifications, air quality standards and solid waste management. The Commission also addresses regional transportation issues and assists localities in their transportation planning efforts. For more information visit: www.craterpdc.org.

Virginia's Gateway Region exists to enhance the economic development opportunities for the cities of Colonial Heights, Hopewell and Petersburg, and the counties of Chesterfield, Dinwiddie, Prince George, Surry and Sussex. Virginia's Gateway Region is a private, nonprofit organization that is publicly and privately funded to facilitate new business opportunities, work with existing businesses, advance resources that will enhance the economic viability of the region and foster regional cooperation among the public and private entities that are involved in economic development activities. For more information visit: www.gatewayregion.com

South Hampton Roads Resource Conservation & Development Council is a volunteer organization whose mission is to equip its member jurisdictions with leadership, training, capacity building, opportunities and resources to better enable them to achieve community goals. The goals of each council in the Tidewater area are specific to the needs of the community. For instance, the agency received grants aimed at improving the Chesapeake Bay. They also worked with Isle of Wight County to promote the plastic bag recycling project. The council plans to seek grant funds from the National Wildlife Foundation Chesapeake Bay Stewardship Fund to assist Chippokes State Park with creating erosion control structures to reduce soil loss.

Virginia Cooperative Extension

DESCRIPTION Extension is the local arm of the Virginia Polytechnic Institute and State University and Virginia State University, and operates in cooperation with the United States Department of Agriculture. Educational programs in Agriculture and Natural Resources (ANR), Family and Consumer Sciences (FCS), 4-H Youth Development & Community Viability (CV) promote positive community and personal development for citizens and help to protect and enhance the environment. Extension staff works diligently to provide research-based information to citizens through seminars, classes, workshops, camps, media releases, newsletters and other programs.

GOALS & OBJECTIVES

- To inform and educate the agriculture and business community via workshops, tours, training events, newsletters and news articles of new production practices, economic and environmentally safe production practices in agriculture.
- To develop youth leadership in school age children through 4-H programs.
- To empower citizens to make the best use of resources to improve their standard of living in health, nutrition, parenting and financial management.
- To develop youth and adults working with those youth to realize their full potential-becoming effective, contributing citizens through participation in research-based, hands-on educational experiences.
- To continue in-school and after school enrichment programs to provide educational, leadership and citizenship opportunities for school age children.
- Continue community based 4-H programs by actively recruiting, training and involving volunteers.
- To improve the fiscal/nutrition education skills of low income residents through workshops, classes, demonstrations and resource material.

	FY08-09	FY09-10	FY09-10	FY10-11	Net	Net
	Actual	Budget	Actual	Budget	Change \$	Change %
Cooperative Extension						
Salaries	\$53,440	\$53,037	\$49,980	\$47,176	-\$5,861	-11.1%
Fringe Benefits	17,368	18,696	16,240	15,274	-\$3,422	-18.3%
Operating Expenses	7,235	7,700	7,406	6,500	-\$1,200	-15.6%
Capital Outlay	<u>688</u>	<u>600</u>	<u>582</u>	<u>0</u>	<u>-\$600</u>	<u>-100.0%</u>
TOTAL	<u>\$78,731</u>	<u>\$80,033</u>	<u>\$74,208</u>	<u>\$68,950</u>	<u>-\$11,083</u>	<u>-13.8%</u>

FY 11 Budget Highlights

- The position of Shared Family and Consumer Services Agent was eliminated from the FY11 budget.

Prior Year Accomplishments

- ✦ *Provided in school environmental program for 2nd-4th graders; program provided in conjunction with the Peanut Soil & Water Conservation District.*
- ✦ *Coordinated in-school program promoting food and nutrition.*
- ✦ *4-H awarded \$1,200 grant for participants attending State 4-H Congress; 23 youth participated in which three elected to State Cabinet*
- ✦ *The Agriculture Division participated in the Steering Committee to address changes in Comprehensive Plan and Zoning ordinances and conducted successful Land Use Planning Education meeting with county residents and staff.*
- ✦ *Family Consumer & Sciences, in cooperation with Greensville County, secured a State Department of Social Services grant for \$50,000 to provide classes for parents of children birth to age six, to improve parenting skills with an overall goal of reducing child abuse and maltreatment.*
- ✦ *Conducted Healthy Weights for Healthy Kids program at the Elementary and Middle Schools to increase awareness of food guide pyramid, nutritional standards and health choices for a healthier lifestyle.*



Vision Statement

(as noted in the School System Budget Document)

The "Vision" for Surry County Public Schools through the combined efforts of students, parents, community and staff is to provide a safe, healthy, learning environment that prepares all students to be competitive and productive citizens in a highly technical and global society.

SCHOOL FUND

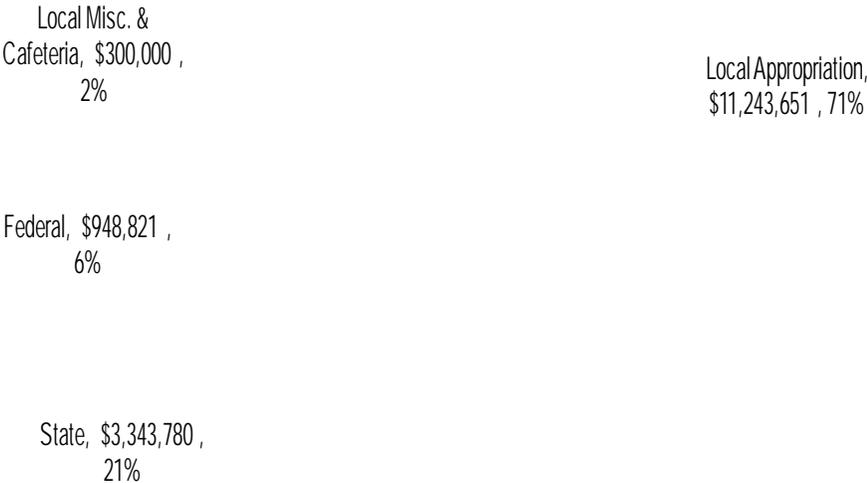
Revenue and Expenditure Breakdown

DESCRIPTION

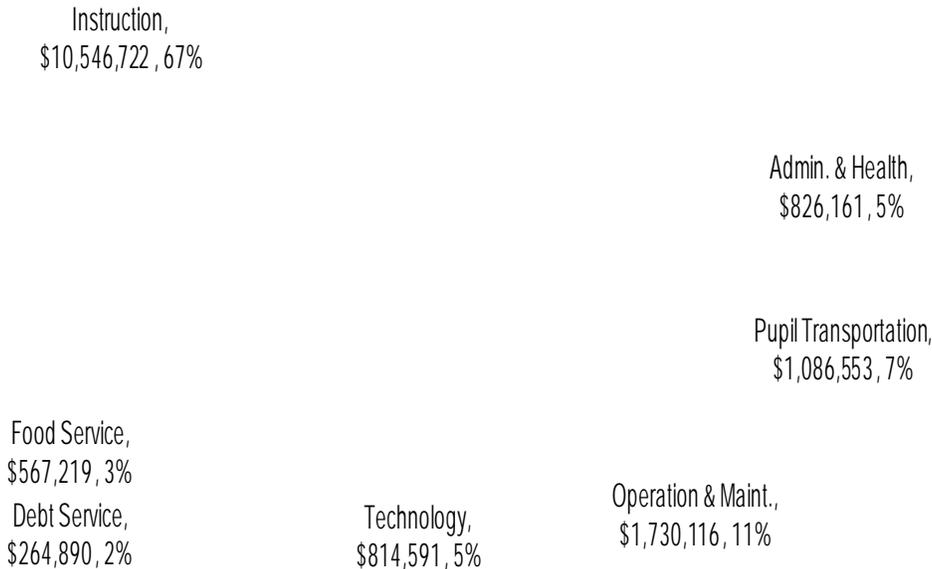
The Board of Supervisors appropriates funds for the operation of the School System. It is the responsibility of the Superintendent and the School Board to develop an annual budget reflecting the needs of the school division. The budget is transmitted to the County Administrator and the Board of Supervisors each year. Details of the FY 11 School System Budget are available in a separate document maintained by the School Board. The allocation to the School System for FY 11 is \$15,836,252. The graphs below depict the revenue by source and the expenditure plan by category.



FY 11 Revenue by Source



FY 11 Expenditures by Category



School Fund Revenue Analysis

Revenue for the School Fund is divided into four categories: 1) State Aid from the Commonwealth, 2) Federal Aid from the federal government, 3) Local Cafeteria sales & miscellaneous receipts and 4) the local appropriation from the County. Local funding of the School's budget is determined by the availability of general fund resources. These funds aid in the regular operation of schools including the local share of the Standards of Quality (SOQ). Surry, like many school divisions, provides funding in excess of the required state match for SOQ funding. Additional local funds are appropriated for debt service, technology improvements and other projects. The FY11 local share represents a reduction of \$450,000 (3.8%) over the FY10 adopted appropriation. State funding decreased by \$628,000 over the FY10 budget. Of this amount \$253,000 was one-time stimulus funds included in last fiscal year's budget. Budget amendments and transfers during FY10 were as follows:

<i>Category</i>	<i>Adopted Budget</i>	<i>Amend 1 10/1/2009</i>	<i>Amend 2 1/8/2010</i>	<i>Amend 3 3/4/2010</i>	<i>Amend 4 5/20/2010</i>	<i>Transfer 5/20/2010</i>	<i>Amend 5 7/1/2010</i>	<i>Amended Budget</i>
Technology	885,622							885,622
Instruction	10,918,676	199,999		336,005		(470,000)		10,984,680
Admin. & Health	887,048							887,048
Pupil Transport	1,246,100			75,000		(30,000)		1,291,100
Oper. & Maint.	1,892,249				16,598	160,000		2,068,847
Food Services	628,899			13,320		(75,000)	40,630	607,849
Debt Service	334,198							334,198
Capital	0		240,000			415,000		655,000
Total Budget	16,792,792	199,999	240,000	424,325	16,598	(415,000)	465,922	17,714,344

<i>Revenue Category</i>	<i>Adopted Budget</i>	<i>Amend 1</i>	<i>Amend 2 1/8/2010</i>	<i>Amend 3 3/4/2010</i>	<i>Amend 4 5/20/2010</i>	<i>Transfer 5/20/2010</i>	<i>Amend 5 7/1/2010</i>	<i>Amended Budget</i>
State	3,972,236			7,905	-39,897			3,940,244
Federal	826,904	199,999		416,420	56,495		40,630	1,540,448
Local Cafeteria	0							0
Local Misc.	300,000							300,000
Local Approp.	11,693,652		240,000					11,933,652
Total Budget	16,792,792	199,999	240,000	424,325	16,598		40,630	17,714,344

SOURCE OF AMENDMENT

- #1 - Century 21st learning grant
- #2 - Board of Supervisors approved carryover from FY09
- #3 - Additional state and federal revenue beyond adopted projections
- #4 - Adjustments to state revenue based on ADM and additional federal revenue
- #5 - USDA funds for food service commodities

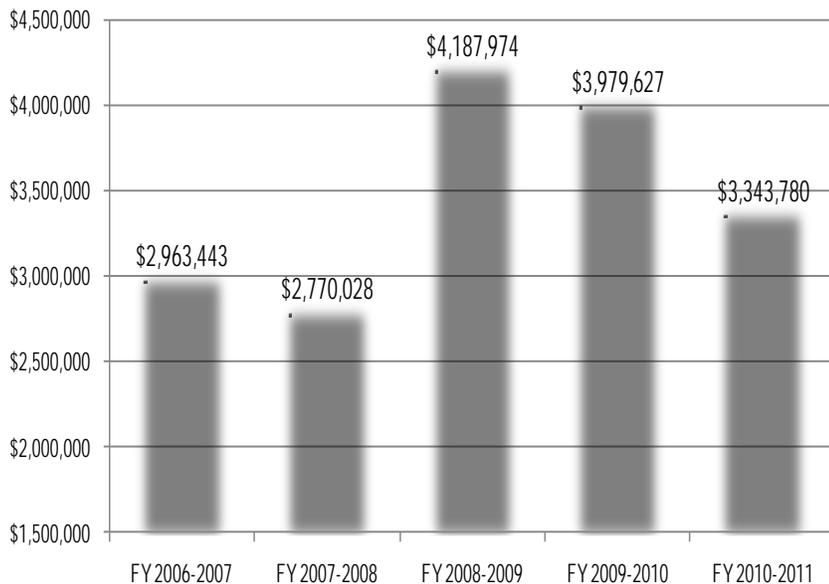
School Fund Revenue Analysis

State Aid

State Aid includes these primary categories: (1) sales tax distribution - 1% of all sales tax is returned to localities for education based on the locality's school age population; (2) Standards of Quality – funds are distributed to a locality based on the locality's ability to pay (composite index). This index is applied to various revenue accounts to insure an equitable distribution of state funds to all school districts and (3) State Categorical Funds – these funds offset specific services provided by the locality. The primary sources in addition to the share of the state sales tax include basic school aid, school construction funds, lottery proceeds, technology funds and fringe benefit reimbursement. Table 1 below shows the amount received from the Commonwealth of Virginia for aid to schools for Fiscal Years 07, 08, and 09. FY10 represents the estimated actual and FY11 is the projection.

Table 1

**State Revenue Sources
Current & Last Five Fiscal Years**



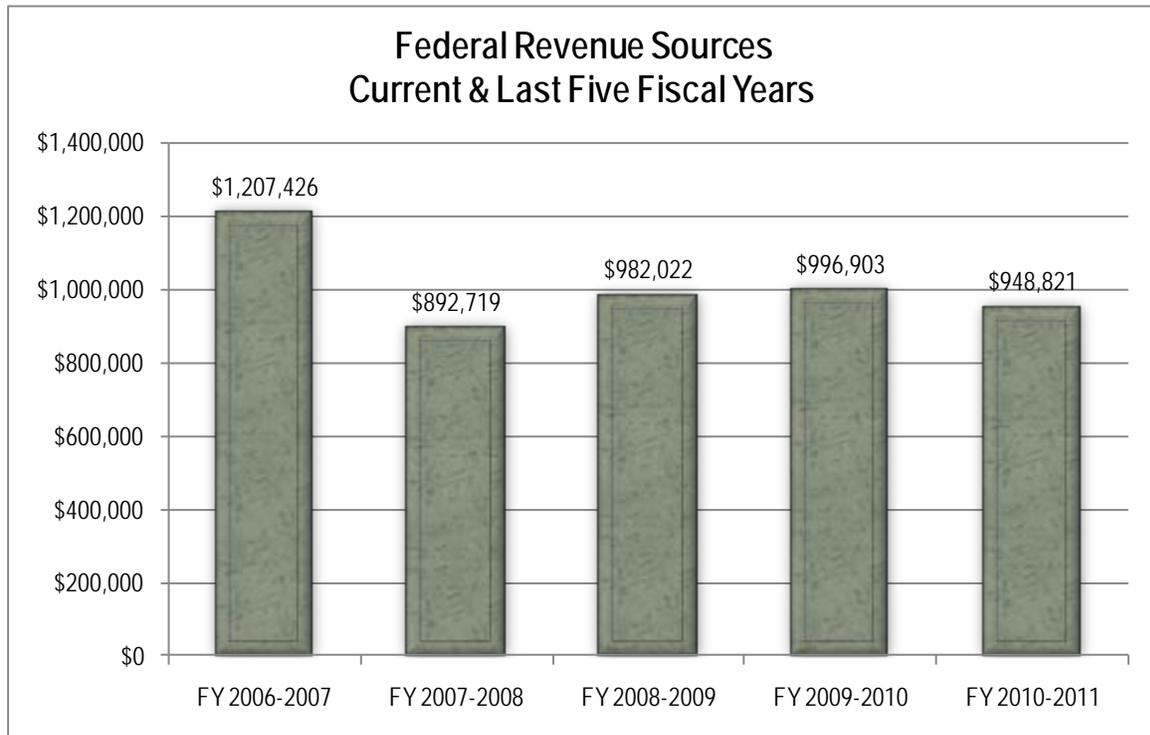
FY 11 PROJECTED STATE REVENUE	
Adult Ed	2,280
At Risk 4 Yr. Old	0
At Risk SOQ Payments	49,674
Basic School aid	1,315,293
Career & Technical Ed	3,294
Teacher Mentor Grant	1,077
Fringe benefits	136,457
GED Funding (ISAEP)	7,859
Gifted & talented	12,687
Homebound	517
Primary Class Size (Reduced K-3)	52,135
Reading intervention and assistance	5,551
Remedial education	43,136
Remedial Summer School	17,712
VA Preschool Initiative	117,000
Regular Foster Care	63,067
School Food	10,953
Share of State sales tax	877,559
SOL Algebra Readiness	5,689
Special Ed	160,140
English as a second language	329
Composite Index Hold Harmless	214,805
Technology	128,000
Textbook payments	14,813
Vocational Ed - SOQ	103,753
Total	3,343,780

School Fund Revenue Analysis

Federal Aid

Primary sources of revenue from the Federal government for school programs include the Consolidated Federal Grant "No Child Left Behind", Title VIB Special Education Funds and School Food Programs. Collectively these sources account for 86% of the total federal revenue for the School Fund. Other miscellaneous federal programs and grants make up the remaining 14%. FY 11 budget assumes a small decline in federal resources from the FY 10 budget. Table 2 below shows the amount received from the Federal Government for aid to schools for Fiscal Years 07, 08, and 09. FY10 represents the estimated actual and FY11 is the projection.

Table 2



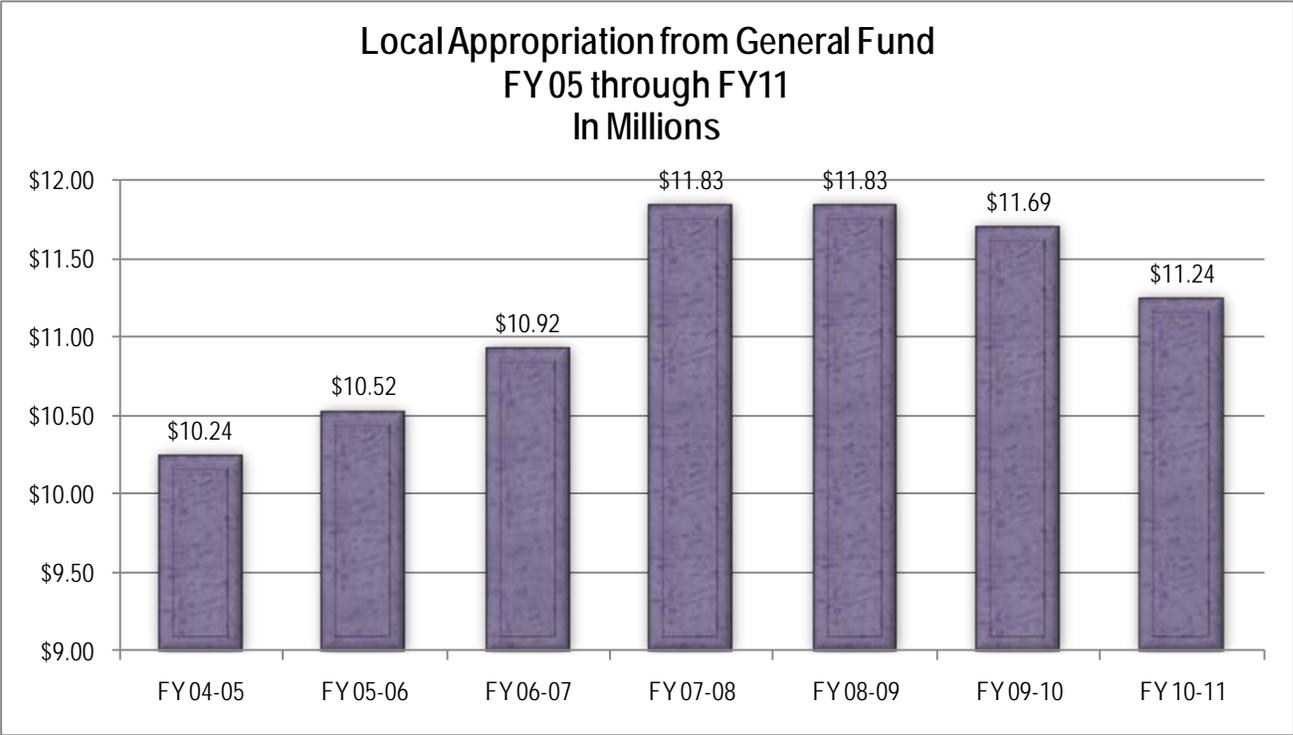
FY 2011 PROJECTION FROM FEDERAL SOURCES

Title I	230,000
Title II - Technology Part D	5,500
Title VIB-Special Ed	239,352
Title IV-Safe & Drug Free Schools	3,400
Vocational Ed- Perkins	20,021
JROTC	57,348
E-Rate	50,000
Class Reduction Size Grant	60,000
Title VIB-Special Ed -pre-school	8,200
School Food Programs	275,000
Total	948,821

School Fund Revenue Analysis

The local appropriation from the General Fund to the School Fund accounts for 71% of the total funding needed for school operations. The amount allocated also accounts for an estimated 61% of the County's total general property tax collection. Since FY 04, the budgeted local appropriation for schools has increased by \$1.0 million from \$10.24 million to \$11.24 million. Table 3 shows the amount allocated from the General Operating Fund for local funding to schools for FY 05 through FY 10 and the projected amount for FY 11. This excludes additional appropriations made during fiscal years to reflect funding allotted for capital expenditures and debt service appropriations included in the General Fund for school construction projects.

Table 3



Charges for Service & Local Miscellaneous Receipts

Charges for service and miscellaneous receipts account for the remaining revenue for the School Fund. These sources include revenue from the sale of cafeteria meals. These funds are allocated to the School Cafeteria Fund. Other revenue comes from sale of school surplus property, donations and other miscellaneous sources. FY 11 budget assumptions reflect no increase in revenue from the sale of cafeteria meals.



*Adopted
Five Year Capital Improvement Plan*

FY 2011-2015



County of Surry, Virginia
Fiscal Years 2011-2015
Adopted Capital Improvement Plan

FY2011-2015 Project Expenditures by Category	
General Administration	\$ 2,010,000
Maintenance of Public Facilities	\$ 2,305,000
Public Safety	\$ 6,310,000
Parks, Recreation & Culture	\$ 9,500,000
Road Improvements	\$ 250,000
Grand Total: Project Expenditures	<u>\$ 20,375,000</u>
FY2011-2015 Revenue Sources	
General Fund Operating Revenue	\$ 505,000
Transfer from General Fund Balance	\$ 610,000
Total General Fund Revenues	\$ 1,115,000
Other Revenues	
General Obligation Bond Proceeds	\$ 15,120,000
Lease Financing	\$ 890,000
Intergovernmental-State Grant Funds	\$ 1,000,000
Total Other Revenue Sources	<u>\$ 2,250,000</u>
	\$ 19,260,000
Grand Total: Project Revenues	<u>\$ 20,375,000</u>

**Surry County Planning
Commission**

Eddie Brock
Thomas S. Hardy
Gabrielle Clark
Misty Furr
Kevin Monahan
Kenneth Holmes
Theodore Lunsford
Giron Wooden
Paul Cheatham
John Stokes

Reginald O. Harrison
**Board of Supervisors
Representative**

Tyrone W. Franklin
County Administrator
Rhonda R. Mack
**Director of Planning &
Community Development**

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INTERESTED IN LEARNING ABOUT THE
STATUS OF AN EXISTING PROJECT?
CALL 757-294-5271

Introduction

Capital Improvement Programming is a method of planning for the effective and efficient provision of public facilities, infrastructure improvements, major maintenance requirements, and acquisition of property and equipment. The first year of the *Capital Improvement Program (CIP)* represents the County Administrator's proposal to the Board of Supervisor as the Capital Improvement Budget.

A five-year CIP allows the Board of Supervisors and citizens an opportunity to view both the five-year capital construction and infrastructure maintenance needs of the County and Surry County Public Schools. Viewing these needs enables the County to better plan a financing strategy for capital improvements and annual operating requirements. A five-year CIP also allows for programming of multi-year projects.

What is a CIP?

Each locality establishes its own criteria for capital improvement projects. For, the County of Surry, a capital improvement project has a cost in excess of \$30,000 and a life expectancy of at least five years. Although the CIP is a means of implementing the recommendations of the County's Comprehensive Plan, proposed projects are not limited to those listed in the plan. Projects pertaining to the renovation, maintenance and/or construction of public facilities, equipment purchases and land acquisition for public use are included in the capital improvement program. All projects included in the CIP are classified in six categories: General Government Administration, Public Works, Public Safety, Road Maintenance, Parks & Recreation Improvements and Education.

Guiding Principles

Basic principles are used to help shape the Capital Improvement Program. These principles include, but are not limited to developing a balanced capital plan that funds projects in a variety of program areas which meet the highest priority needs; ensuring the CIP will be the platform for development in the County and business community and preserving the existing tax base. To further guide the CIP decision-making process, projects to be included in the CIP are evaluated on the degree to which they meet the following objectives:

- ✓ Meet a legal obligation or federal or state mandate
- ✓ Outside funding is available through a match of federal or state funding
- ✓ Address health concerns, safety or emergency needs
- ✓ Produce positive community impact and garners broad community support
- ✓ Meet prior commitments
- ✓ Can be funded within the parameters of established debt financial policies

Benefits of Capital Improvement Programming

The principal benefit of Capital Improvement Programming is that it requires the County to plan its capital needs in concert with available financing over a five-year period. This process contributes to a responsible fiscal policy. Other benefits of Capital Improvement Programming include:

- ✓ Fostering a sound and stable financial program over a five-year period given a set of revenue and expenditure assumptions based on current economic trends;
- ✓ Coordinating various County improvements so that informed decisions can be made and joint programs initiated among County departments in an effort to avoid duplication;
- ✓ Enabling private businesses and citizens to have some assurances as to when certain public improvements will be undertaken so they can plan more efficiently and effectively;
- ✓ Focusing on the goals and needs of the community through the provision of new facilities and infrastructure improvements;
- ✓ Evaluating annually the infrastructure needs of the County to provide for the public health and safety of the citizens of the County; and
- ✓ Providing a logical process for assigning priorities to the various projects based on their overall importance to the County.

CIP Process & Discussions

The annual CIP process commences during the normal budget proceedings. Suggested projects normally come from county departments, administrative staff and the Board of Supervisors. A CIP committee is composed of the County Administrator, Assistant County Administrator, Director of Finance & Information Technology, Parks & Recreation and Planning & Community Development. These positions are inclusive to the areas of economic development, public works, public safety and information technology which are integral departments to the CIP process. A preliminary planning session is conducted to review the current year's Capital Budget and Five Year CIP; subsequent meetings follow. Adjustments may be necessary based on priority, funding, legal requirements and other factors. Newly requested projects are reviewed and placed in the proposed CIP in accordance with established criteria.

Once a consensus has been reached on a recommended list of projects, an annual schedule for the current and next four fiscal years is developed for each project along with the proposed funding sources. This is the County's first year in which the proposed list will be forwarded to the Surry County Planning Commission for review, approval and recommendation to the Board of Supervisors.

The Board of Supervisors conducts a public hearing at which time the recommended CIP is presented. After all public comments have been received and discussion satisfied, the CIP is then adopted. This is normally done in conjunction with the hearing and adoption of the annual operating budget. The first year of the CIP is incorporated into the County Administrator's Recommended Budget as the Capital Improvement Budget for the upcoming fiscal year.

Capital Improvement Program Timeline

Month	Subject
January ~ February	CIP Process Begins; CIP Committee Meeting
March	CIP Planning Session with Board of Supervisors (BOS)
April	Planning Commission Reviews and Approves CIP; Recommendation sent to BOS
May	Public Hearing is Held on the Proposed CIP
May ~ June	Adoption by the BOS

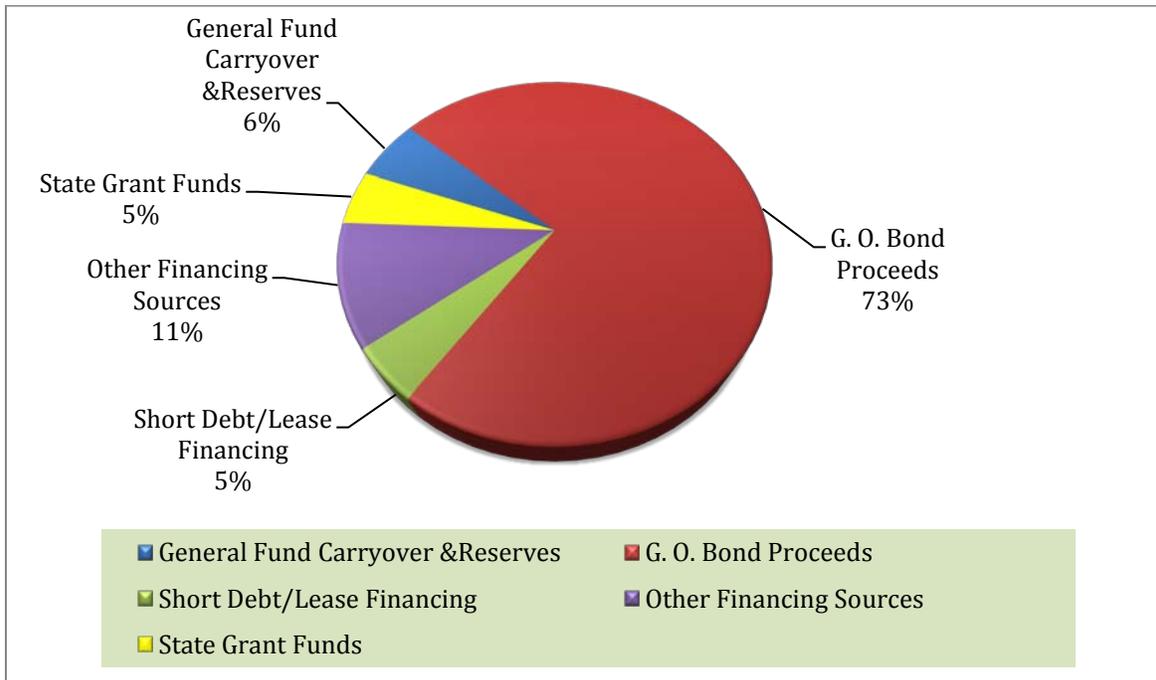
The Board of Supervisors holds budget planning work sessions for the specific purposes of identifying capital project needs in the County. This CIP is a document dedicated to a process designed to identify both the capital improvement needs and priorities of the County over a five-year period in conjunction with projected funding levels and the Board of Supervisor's vision and principles. Actual programming of projects is dependent upon the financial resources available. Funding constraints may preempt the actual inclusion of projects in the current CIP but may be listed as priorities for funding should resources become available. While every need is not addressed, the CIP intends to serve as a critical planning tool and a good foundation for future decision making.

Financial Advisor

The Board of Supervisors retained a financial advisor in FY 05-06 to work with County staff to 1) review, make recommendations for changes and/or develop fiscal policies for the County, 2) develop a long range funding plan that addresses the County's capital needs and 3) prepare the County for anticipated debt levels and ratios over the life of the CIP and beyond.

FY 2011-2015 Funding Sources

Each project in the FY 2011-2015 Capital Improvement Plan is coupled with one or more funding sources. Revenues that the County utilizes come from the following sources: proceeds from general obligation bonds, general fund reserves, federal and state government grants and lease financing agreements.



General Obligation Bonds

The issuance of bonds is a method used by many localities to fund capital projects. Bond issuances are governed by state laws and regulations. A loan is issued to the County on the basis of credit worthiness by demonstrating the current level of debt, revenue and savings or county reserves in exchange for the promise to repay the loan with interest. The repayment of the bond is usually long-term, 15 or 20 years. Typically, government regulations require that the proceeds from bonds issues be expended on one-time capital projects within a certain time frame after the issuance. Bond proceeds have been used to finance school projects such as the renovation to the high school. The level of debt that the County incurs is governed by Board approved financial policies.

Contributions from the General Fund

The General Fund receives taxes and fees including real estate and personal property taxes which are collected to support the general operation of the County. Where current financial policies do not dictate a certain percentage of use of estimated General Fund revenues each year for the Capital Budget, a certain amount of funds are allotted based on the availability of prior year reserves. In other words, funds that remain unspent from the operating budget from year to year may be used to finance certain capital projects on a pay as you go basis. This has enabled the County to pay for certain projects as solid waste management facilities, landfill closure activities, technology improvements, governmental studies and planning related updates.

Federal and State Government

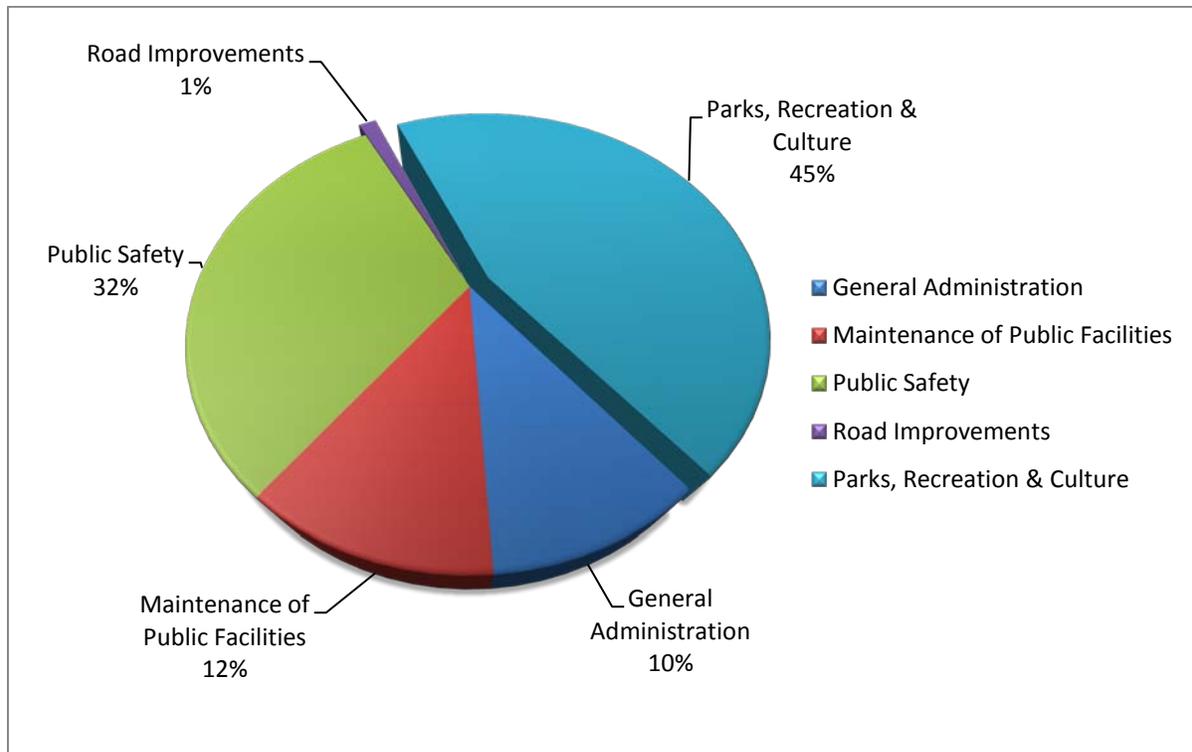
The federal and state government provide funding primarily in the arena of state and federal supported grants. In Surry's case, for example, state funds will be used to support the broadband initiative. In the past, state and/or federal funds have been used to support community improvement programs and

enterprise activities (i.e. water and sewer improvements). It is important to note that funding received from these sources *may* require a local match from the County.

Lease Financing Agreements

Leasing Financing is a solution that is used when cost effective financing is sought for equipment and other fixed assets. This alternative allows the lessee, in this case, Surry County, to preserve capital and reduce borrowing capacity because it offers (1) 100% financing, (2) favorable tax treatment, (3) low to no closing costs and (4) lower monthly payments than traditional borrowing. This financing alternative is subject to all the local and state laws and regulations. The County has recently utilized lease financing agreements to acquire funding for public safety equipment and for the renovation of the government center and circuit courthouse.

FY2011-2015 EXPENDITURE CATEGORIES



Capital Budget for Fiscal Year 2011

<u>FY2011 Project Expenditures by Category</u>	
Broadband Project	\$ 900,000
Solid Waste Management Collection	\$ 255,000
Solid Waste Equipment Purchase	\$ 150,000
Recreation Center Improvements	\$ 50,000
Sanitary System Improvements	\$ 600,000
Public Safety-E911 Center Upgrades	\$ 640,000
Grand Total: Project Expenditures	<u>\$ 2,595,000</u>
<u>FY2011 Revenue Sources</u>	
<i>General Fund Operating Revenue</i>	
Assigned Fund Balance	\$ 505,000
Total General Fund Revenues	\$ 505,000
<i>Other Revenues</i>	
State Grant	\$ 850,000
Federal Grant	\$ 600,000
Other Financing Source	\$ 640,000
Total Other Revenue Sources	\$ 2,090,000
Grand Total: Project Revenues	<u>\$ 2,595,000</u>

Capital Budget Descriptions for Fiscal Year 2011

Broadband Project..... \$900,000

Supports funding for the County's current Broadband initiative to deploy high speed internet to Surry County. The Surry County Middle Mile Broadband Initiative seeks to connect the community to an existing Network Virginia source of internet access carried over an all fiber network servicing multiple municipal buildings, schools, two health care providers, emergency medical providers, and local businesses. Funds will engineer and build the proposed fiber infrastructure and towers and connect facilities. It would also allow for high speed communications between schools, municipal facilities and other users or wide area networks independent of the Internet.

Solid Waste Management Collection..... \$255,000

The initial scope of this projection included the construction of three solid waste convenience collection centers to be located strategically throughout the County. The Pineview Site off of Route 40 was completed in FY09. The sites are used by the general public for disposal of household waste, bulky waste, tires and recyclable materials. As a result many of the unmanned, green box sites have been removed. FY11 funding includes the addition of a third site in the County at a location to be determined. Included in this amount is \$30,000 to improve the sanitary infrastructure at the Pineview Site.

Solid Waste Equipment..... \$150,000

Due to the acquisition and development of a third manned solid waste convenience site, a roll off truck is needed to accommodate this project. The current truck is 10 years old and is costly to repair and maintain.

Communication Center Equipment Upgrade..... \$640,000

Projects include the replacement of E911 Dispatch equipment (radio and computer aided dispatch/CAD system). The current equipment is outdated and is no longer support by Verizon and Motorola. Of this amount, \$190,000 is for the replacement of the phone system.

Sanitary/Wastewater Improvements..... \$600,000

Project includes the upgrade of the County's current wastewater treatment facility. It is anticipated that the current facility will exceed the required wastewater treatment limits.

Road Improvements..... \$ 50,000

Funding is allocated in the amount of \$50,000 to fund a portion of the Route 31 Ferry Project or other projects as recommended by the Board of Supervisors.

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM SUMMARY

CAPITAL IMPROVEMENT PROGRAM

FISCAL YEARS 2011 through 2015

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Grand Total	Total ST/LT Debt	Total Local	Grants & Other Sources
GENERAL GOV'T ADMINISTRATION									
Technology Improvements			\$ 250,000	\$ 200,000	\$ 100,000	\$ 550,000	\$ 250,000	\$ 300,000	
Broadband Project	\$ 900,000	\$ 500,000				\$ 1,400,000	\$ 500,000	\$ 200,000	700,000
Comprehensive Plan Update		\$ 60,000	\$ -	\$ -		\$ 60,000		\$ 60,000	
Total General Administration	\$ 900,000	\$ 560,000	\$ 250,000	\$ 200,000	\$ 100,000	\$ 2,010,000	750,000	560,000	700,000
FACILITY MAINTENANCE									
Waste Management Collection	\$ 255,000		\$ -	\$ -	\$ -	\$ 255,000	\$ -	\$ 255,000	
Solid Waste Equipment	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ -	
Surry Sewer Expansion	\$ 600,000	\$ 650,000		\$ -	\$ -	\$ 1,250,000			1,250,000
Facility Restoration/Stabilization		\$ 150,000				\$ 150,000		\$ 150,000	
Warehouse Garage			\$ 500,000		\$ -	\$ 500,000	\$ 500,000	\$ -	
Total Public Works	\$ 1,005,000	\$ 800,000	\$ 500,000	\$ -	\$ -	\$ 2,305,000	\$ 650,000	\$ 405,000	\$ 1,250,000
ROAD IMPROVEMENTS									
Highway Revenue Sharing	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000	-	\$ 150,000	100,000
Total Road Improvements	\$ 50,000	\$ 250,000	\$ -	\$ 150,000	\$ 100,000				
PUBLIC SAFETY									
Communication Center Upgrade	\$ 640,000					\$ 640,000	\$ 490,000		\$ 150,000
Building Improvement		\$ 100,000				\$ 100,000	\$ 100,000		
Equipment		\$ 525,000	\$ 1,195,000	\$ 1,250,000	\$ 2,600,000	\$ 5,570,000	\$ 5,670,000		
Total Public Safety	\$ 640,000	\$ 625,000	\$ 1,195,000	\$ 1,250,000	\$ 2,600,000	\$ 6,310,000	\$ 6,260,000	\$ -	\$ 150,000
PARKS, RECREATION & CULTURE									
Visitor & Welcome Center	\$ -	\$ -	\$ -		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		
Surry Library Expansion	\$ -		\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000		
James River Waterfront Access					\$ 1,000,000	\$ 1,000,000			\$ 1,000,000
Recreation Center Improvements		\$ -	\$ 2,500,000	\$ 2,500,000	\$ -	\$ 5,000,000	4,950,000	50,000	\$ 50,000
TOTAL PARKS & RECREATION	\$ -	\$ -	\$ 5,000,000	\$ 2,500,000	\$ 2,000,000	\$ 9,500,000	8,450,000	50,000	\$ 1,050,000
EDUCATION									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			-
TOTAL ALL PROJECTS	\$ 2,595,000	\$ 2,035,000	\$ 6,995,000	\$ 4,000,000	\$ 4,750,000	\$ 20,375,000	\$ 16,110,000	\$ 1,165,000	\$ 3,250,000

Appendix A – Revenue Classification Descriptions
Appendix B – Glossary
Appendix C – Table of Authorized Positions

SUPPLEMENTAL STATISTICS

Appendix A Revenue Descriptions

General Property Taxes

Real Estate Tax - The real estate tax is \$.73 per \$100 of assessed value of real property, which is defined as land and improvements including buildings and other structures. Real property taxes are levied in October with payments due on December 5th.

Public Service Corporation Tax - The public service corporation tax is the real estate and personal property tax rate for companies that provide utilities for the public. The County receives an annual report from the State Corporation Commission dictating property values of such companies.

Personal Property Tax - The personal property tax is \$4.00 per \$100 of assessed value of personal property, which includes motor vehicles, boats and trailers.

Mobile Home Titling Tax - The mobile home tax is a tax on mobile homes in the County that are not on permanent foundations. If the mobile home is on a permanent foundation on land of the owner, then it is classified as real estate.

Machinery & Tools Tax - The machinery and tools tax is tax on machinery and tools used in manufacturing, mining, processing, and radio/television broadcasting. The cost of the machinery and tools tax is \$1.00 per \$100 of assessed value.

Delinquent Taxes - The County considers taxes to be delinquent as of December 6th of the next fiscal year after the assessment of the property.

Penalties and Interest - Penalties and interest are charges assessed for paying taxes after the due date. Penalties are 10% of the tax and interest is accumulated at a 10% annual rate.

Other Local Taxes

Local Sales & Use Tax - The County received 1% of the Commonwealth's 4.5% sales tax on all local sales which is collected by merchants and remitted through the State to the County. This sales tax is also remitted to the Towns.

Consumer Utility Tax - The consumer utility tax is applied to all telephone, gas, and electric service recipients residing within the County. The statewide tax is collected by the state and distributed to the County on a monthly basis.

Business License Fees - These fees are based upon gross receipts and the tax rate imposed varies according to category. Anyone conducting a business with gross receipts over \$1,000.00 may be required to obtain a business license. Out-of-county contractors with a total of over \$25,000.00 gross receipts in Surry County may be required to obtain a business license. Payment is due on or before March 1 of the license tax year.

Utility Franchise License Tax - The utility franchise license tax is a tax on telephone and telegraph companies providing telephone or telegraph communications in the County. These companies must remit a license tax equal to ½ of 1% of the gross receipts of the previous year. This tax is due by January 31 of the license tax year.

Appendix A Revenue Descriptions

Motor Vehicle License Tax – The motor vehicle license tax is a tax on all vehicles housed in the County. The cost of the license is included on the taxpayer's annual tax bill.

Recordation Tax – The Clerk of the Circuit Court's Office collects local recordation taxes authorized by the Code of Virginia. Amounts collected are based on the amount of consideration or amount of obligation.

Tax on Wills – The Virginia code authorizes localities to impose a tax on the probate of wills in an amount equal to one-third of the amount of the state recordation tax. The state tax rate is 10 cents per every one hundred dollars of value. The Clerk of the Circuit Court collects this tax.

Permits, Fees, and Licenses

Animal Licenses – Fees are collected for animal licenses in the amount of six dollars for individual license fees.

Planning Permits & Fees – The planning permits & fees charged include all land use application fees and charges for service and materials such as documents for sale.

Building Permits – Fees are collected to defray the costs of conducting code compliance plan reviews and field inspections of the construction of buildings and structures. These costs also include the associated administrative costs.

Mechanical Permits – Fees are collected to defray the cost of conducting code compliance plan reviews and field inspections of mechanical installations such as HVAC systems, gas installations and fire protections systems. These costs also include the associated administrative costs.

Electrical Permits – Fees are collected to defray the costs of conducting code compliance plan reviews and field inspections of electrical installations and alarm systems. These costs also include the associated administrative costs.

Plumbing Permits – Fees are collected to defray the costs of conducting code compliance plan reviews and field inspections of plumbing installations. These costs also include the associated administrative costs.

Fines and Forfeitures

Court Fines & Forfeitures – Fines are assessed for violations of county criminal ordinances and are paid to the County. The Circuit Court transmits money collected in the General District courts in addition to money collected in the Circuit Courts.

Courthouse Maintenance Fees – The locality is authorized by the Virginia Code to assess a fee for maintenance of the court.

Appendix A Revenue Descriptions

Use of Property and Money

Interest on Investments – Interest is collected on monies that the County has deposited in financial institutions.

Rental Income – Rental Income is revenue received from the Health Department and the Social Services Department for the County office space that the departments occupy. Other minor rental revenues are received in this category.

Charges for Services

Circuit Court: Excess Fees – The Clerk of the Circuit Court's Office collects clerk's fees for every transaction. Monthly the expenditures authorized by the State Compensation Board are subtracted from the Clerk's fees collected. Two-thirds of the amount of clerk's fees collected in excess of authorized expenditures is remitted to the County. The remaining one-third is paid to the state.

Circuit Court Law Library Fees – Localities are authorized by Virginia Code to impose an assessment in civil actions in an amount not to exceed \$4.00. These revenues are used to update the law library of the County.

E911 Service Fees – The County has established an Enhanced 911 Service Fee of \$2.49 per telephone service for all wire line residential and business telephones in the County. The fee is collected by local telephone service providers and is applied to individual telephone bills. By law, 100% of the fees collected go to directly support the County's E-911 emergency response system program.

Recovered Costs

Administrative Reimbursements – The County Administrator and other offices may charge for duplication and fax services. Revenues for these charges are recorded here.

Riverside Regional Jail – Revenues are received from the Riverside Regional Jail in exchange for services of County departments such as information technology, finance, human resources, etc.

Sheriff Forfeiture State and Federal - Due to the Sheriff's Office participation in local narcotics investigations and state and federal task forces, it is eligible to receive funds seized from narcotics enterprises and applicable criminal endeavors. Funds received from these programs can only be expended on non-budgeted items with a direct correlation to law enforcement.

Health Department Settlement – The County funds 45% of the Health Department expenditures. The appropriate amount is given to the Health Department and at the end of the fiscal year, any funds that have not been expended are returned to the County.

Non-Categorical State Aid

Personal Property- State Share – As part of the State's tax relief program, localities were required to classify the reimbursement from the State as non-categorical state aid.

Personal Property- State Share – As part of the State's tax relief program, localities were required to classify the reimbursement from the State as non-categorical state aid.

State Share of Local Offices

The State Compensation Board provides funding for the various departments with constitutional officers to provide for the cost of salaries and benefits, and office expenses. The County supplements these funds.

Local Aid Payment to State

The 2008 Appropriations Act required a \$50 million reduction in state aid from localities based on the budgetary shortfalls at the State level under Governor Kaine in FY 09 and 10; this reduction has continued for FY11.

Appendix A Revenue Descriptions

Categorical State Aid

Social Services: Public Assistance – The Social Services Department receives state funding for a variety of purposes, including assistance for needy families.

Juvenile Court Services: Youth & Family Services – The County receives revenues as a result of the Virginia Juvenile Community Crime Control Act (VJCCCA). This grant increases funding for community based juvenile justice programs.

Commonwealth's Attorney: Victim Witness – State funding in the form of a victim witness program grant is provided through the Virginia Department of Criminal Justice Services. They receive much of their funding from federal grants. The funding is based on victim caseload data.

Emergency Communications State Cellular Tax (E911 Wireless Funds) – The emergency communications state cellular tax is collected by the State and is applied for annually through the State Wireless 911 Board. Funding is used to supplement local salary funding as well as the cost of training and equipment used for wireless 911.

Sheriff: DMV Highway Safety – The Sheriff's Office received a grant from the Department of Motor Vehicles. This funds overtime costs related to saturation patrols for traffic concerns and DUI checkpoints.

Emergency Medical Services: Four for Life – The Four for Life revenues consist of \$4 of each automobile registration that is earmarked for emergency Medical Services. A percentage established by the State is sent back to the locality each year.

Fire Program Funds – Fire programs revenue is funds provided by the State for the training of volunteer and firefighters. These funds are distributed based on a percentage established by the State from funds received for fire insurance.

Categorical Federal Aid

Local Law Enforcement Block Grant – The Sheriff's Office participates in the Local Law Enforcement Block Grant funding program. This is a formula based grant that awards funds based on factors such as population and crime rate. Funds received this year are enhancing the search and rescue function of the office.

Victim Witness Program (Commonwealth's Attorney): Justice – State funding in the form of a victim witness program grant is provided through the Virginia Department of Criminal Justice Services. They receive much of their funding from federal grants. The funding is based on victim caseload data reported by the County's office.

Social Services: Public Assistance– The Social Services Department receives federal funding for a variety of purposes, including assistance for needy families.

Miscellaneous

Miscellaneous Refunds – Miscellaneous refunds represent revenues received by departments for administrative charges such as documents sold or copying charges.

Insurance Recoveries – Insurance recoveries represent revenues received as a result of insurance claim proceeds.

Sale of Assets – The Sale of Assets is revenue from proceeds of assets that have been sold by the County.

Appendix B Glossary

Accrual Basis	A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.
Appropriation	A legal authorization of the Board of Supervisors to incur obligations and to make expenditures for specific purposes.
Assessed Valuation	The valuation set upon real estate and certain personal property as a basis for levying property taxes.
Assessment Ratio	The ratio at which the tax rate is applied to the tax base.
Asset	Resources owned or held by a government, which have monetary value.
Assigned Fund Balance	Reflects the county's need or intended use of resources. This typically will reflect the county's "assignment" of fund balance for use to fund the operating or capital budgets
Balance Sheet	The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date.
Base Budget	Cost of continuing the existing levels of service in the current budget year.
Bond	A long-term promise to pay. It is a promise to repay a specified amount of money (the face value of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.
General Obligation Bond	This type of bond is backed by the full faith, credit, and taxing power of the government.
Bond Refinancing	The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.
Budget	A plan of financial activity for a specific period of time indicating all planned revenues and expenses for the budget period.
Budgetary Basis	This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual. The County utilizes the GAAP basis.
Budget Calendar	The schedule of key dates which a government follows in the preparation and adoption of the budget.
Budgetary Control	The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Appendix B Glossary

Capital Improvements	Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life.
Capital Improvement Budget (CIB)	A plan for capital expenditures to be incurred in the budget year to meet short-term capital needs arising.
Capital Improvements Program (CIP)	A five-year plan for capital outlay to be incurred each year over five years to meet capital needs arising from the government's long-term needs.
Capital Outlay	Fixed assets which have a value of \$5,000 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.
Cash Basis	A basis of accounting in which transactions are recognized only when cash is increased or decreased.
Committed Fund Balance	Consists of the self imposed limitations in accordance with established policies. In this case, 25% of general operating expenditures is classified as the "committed" portion of the County's total fund balance.
Constitutional Officer	Refers to the officers or agencies directed by elected officials (Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer) whose positions are established by the Constitution of the Commonwealth of Virginia or its statutes.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Contractual Services	Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.
Debt Service	The cost of paying principal and interest on borrowed money according to a Pre-determined payment schedule.
Deficit	The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.
Department	The based organizational unit of government which is functionally unique in its delivery of service.
Depreciation	Expiration in the service life of capital assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.
Disbursement	The expenditure of monies from an account.

Appendix B Glossary

Distinguished Budget	A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budgets.
Encumbrance	The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.
Enterprise Fund	A fund to account for operations financed and operated similar to a private business where the cost of providing a good or service is recovered primarily through user charges.
Expenditure	The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.
Fiscal Year	A twelve-month period (July 1 – June 30) designated as the operating fund for accounting and budgeting purposes in an organization.
Fixed Assets	Assets of long-term character that are continued to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
Fringe Benefits	Contributions made for the government's share of costs for Social Security and the various medical and life insurance plans.
FTE	Full-time equivalent staff, considering all staff members, including full-time and part-time employees.
Function	A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (public safety for example).
Fund	A fiscal entity with revenues and expenses, which are segregated for the purpose of carrying out a specific purpose or activity.
Fund Balance	The excess of the assets of a fund over its liabilities, reserves, and carryover.
GAAP	Generally accepted accounting principles. Uniform minimum standards for financial accounting and recording.
General Fund	The general operating fund of the County.
Grants	A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.
Infrastructure	The physical assets of a government (streets, water, sewer, parks, buildings).
Levy	To impose taxes for the support of government activities.

Appendix B Glossary

Line-item Budget	A budget prepared along departmental lines that focuses on what is to be bought.
Materials and Supplies	Expendable materials and operating supplies necessary to conduct departmental operations.
Objective	Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.
Obligation	Amounts to which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.
Operating Revenue	Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.
Operating Expenses	The cost for personnel, materials, and equipment required for a department to function.
P & I	Principal and interest.
Performance Measure	Data collected to determine how effective or efficient a program is in achieving its objectives.
Personal Services	Expenditures for salaries, wages, and fringe benefits of an employee.
Prior-Year-Encumbrances	Obligations from previous fiscal years in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.
Program	A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.
Reserve	An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.
Resolution	A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.
Resources	Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.
Revenue	Sources of income financing the operations of government.

Appendix B Glossary

Service Level	Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.
SNAP	Virginia State Non Arbitrage Program
Source of Revenue	Revenues are classified according to their source or point of origin.
Tax Levy	The result product when the tax rate per one hundred dollars is multiplied by the tax base.
Taxes	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of all people.
Transfers In/Out	Amounts transferred from one fund to another to assist in financing the services for the recipient government.
Unassigned Fund Balance	This refers to the funds remaining from the prior year ,which are available for appropriation and expenditure in the current year; the excess of what has been committed and assigned.
User Charges	The payment of a fee for direct receipt of a public service by the party who benefits from the service.
VPASA	Virginia Public School Authority, which was created by the General Assembly in 1962 for the purpose of supplementing the existing method of capital programs for public schools.
Workload Indicator	A unit of work to be done (permits issued).

Appendix C Table of Authorized Positions

Department	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY11 Adopted
County Administration	3	3	3	3
Finance	2	2	2	2
Commissioner of the Rev.	3	3	3	3
Treasurer	3	4	4	4
Registrar	1	1	1	1
Information Technology	0	1	1	1
Total General Government	12	14	14	14
Clerk of Circuit Court	3	3	3	3
Commonwealth's Attorney	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total Judicial Administration	5	5	5	5
Sheriff	22	22	23	22
Animal Control	1	2	2	2
Emergency Services	1	2	3	2
Building Inspections	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total Public Safety	27	28	30	28
Sanitation Division	3	3	3	3
Maintenance Division	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total Public Works	9	9	9	9
Office on Youth	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total Education, Health & Welfare	3	3	3	3
Parks & Recreation	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total Parks, Recreation & Culture	6	6	6	6
Planning	5	5	5	5
Economic Development	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Community Development	5	5	5	5
TOTAL FULL TIME POSITIONS	67	70	72	70

This table reflects permanent, full-time positions and excludes the Board of Supervisors, part-time personnel, Social Services and Cooperative Extension, which is funded by the State. The number of part-time, seasonal and temporary employees may vary depending on fluctuations in workload.

Supplemental Statistics

Statement of Net Assets June 30, 2009

	Primary Government		Component Unit	
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Cash and cash equivalents	\$15,887,689	\$49,949	\$15,937,638	\$436,011
Receivable (net of allowance for uncollectibles):				
Taxes receivable	741,870		\$741,870	
Accounts receivable	9,248	5,340	\$14,588	
Due from other governmental units	472,727		\$472,727	842,820
Capital assets (net of accumulated depreciation):			\$0	
Land	685,158	3,636	\$688,794	158,330
Buildings and system	4,162,943	6,932,300	\$11,095,243	8,604,387
Machinery and equipment	2,127,846	89,994	\$2,217,840	2,109,056
Infrastructure			\$0	
Construction in progress	<u>12,996,584</u>	<u>-</u>	<u>\$12,996,584</u>	<u>737,776</u>
Total assets	<u>\$37,084,065</u>	<u>7,081,219</u>	<u>44,165,284</u>	<u>\$12,888,380</u>
LIABILITIES				
Accounts payable	\$1,282,333	28,201	\$1,310,534	\$55,970
Accrued liabilities	-	-	-	1,204,454
Deferred revenue	2,615	-	2,615	
Accrued interest payable	372,188	1,484	373,672	
Due to other governmental units	647,864		647,864	
Long-term liabilities:			-	
Due within one year	1,226,492	51,393	1,277,885	9,186
Due in more than one year	<u>21,685,819</u>	<u>1,006,924</u>	<u>22,692,743</u>	<u>95,272</u>
Total liabilities	\$25,217,311	\$1,088,002	\$26,305,313	\$1,364,882
NET ASSETS				
Invested in capital assets, net of related debt	\$1,240,925	\$ 5,967,613	\$7,208,538	\$11,609,549
Restricted for: Future capital projects	-	-	\$0	-
Unrestricted (deficit)	<u>10,625,829</u>	<u>25,604</u>	<u>\$10,651,433</u>	<u>(86,051)</u>
Total net assets	\$11,866,754	\$5,993,217	\$17,859,971	\$11,523,498
Total Liabilities and Net Assets	<u>\$37,084,065</u>	<u>\$7,081,219</u>	<u>\$44,165,284</u>	<u>\$12,888,380</u>

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Debt to Assessed Value	Bonded Debt per Capita
2000	6,145	1,908,544,074	5,741,274	5,741,274	0.30%	934
2001	6,829	1,783,947,569	4,943,575	4,943,575	0.28%	724
2002	6,829	1,950,254,770	4,180,000	4,180,000	0.21%	612
2003	6,829	1,827,004,318	3,455,000	3,455,000	0.19%	506
2004	6829	1,917,415,023	2,865,000	2,865,000	0.15%	420
2005	6829	1,774,496,242	2,305,000	2,305,000	0.13%	338
2006	6829	1,996,220,981	1,860,000	1,860,000	0.09%	272
2007	6829	1,720,811,814	16,445,000	16,445,000	0.96%	2408
2008	6829	2,406,312,051	16,055,000	16,055,000	0.67%	2351
2009	6829	2,413,263,750	18,650,000	18,650,000	0.77%	2731

(1) Tayloe Institute at the University of Virginia 1990 Census and Weldon Cooper Center for Public Service for 2000 Census.

(2) From Table 6

(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, and compensated absences.

Supplemental Statistics

<u>Year</u>	<u>Per Capita Income (1)</u>	<u>Rate of Growth</u>
2008	31,340	4.10%
2007	30,203	8.60%
2006	27,801	5.80%
2005	26,287	5.30%
2004	24,968	1.58%
2003	23,082	4.68%
2002	22,058	0.00%
2001	22,049	3.79%
2000	21,243	9.00%
1999	19,440	2.09%
1998	19,032	-3.88%

(1) Bureau of Economic Analysis
 State Average for 2008= \$43,874

County of Surry, Virginia Demographic Statistics

<u>Population(1)</u>	<u>Median Age</u>	<u>Median Family Income(2)</u>	<u>School Enrollment(3)</u>
7089	39.4	52,004	1,017

(1) - Estimate- US Census
 (2) - Census Bureau
 (3) - Dept. of Education (Fall Membership Aug., 2010)

Supplemental Statistics

County of Surry, Virginia Unemployment Rate

Surry County's unemployment rate is at its highest in the ten year period shown and exceeds that of the State of Virginia which is 6.7%.

<u>Year</u>	<u>Rate(1)</u>	<u>State of VA</u>
2000	5.5%	
2001	5.3%	
2002	6.0%	
2003	6.3%	
2004	4.7%	
2005	4.6%	
2006	3.4%	
2007	3.4%	
2008	4.4%	3.9%
2009	7.4%	6.7%

(1) Bureau of Labor Statistics - Annual Rate