

Cost of Community Services Study

Bedford County, Virginia

prepared by
American Farmland Trust

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American Farmland Trust (AFT) is a private, nonprofit conservation organization founded in 1980 to protect our nation's strategic agricultural resources. AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. AFT provides a variety of services to landowners, land trusts, public officials, planners, agricultural agencies and others. Services include Cost of Community Services studies, workshops on farmland protection and estate planning, farmland protection program development and agricultural economic analysis.

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EXECUTIVE SUMMARY

At the request of the Board of Supervisors, American Farmland Trust completed a Cost of Community Services (COCS) study to develop a current understanding of the net fiscal impact of existing land uses in Bedford County, Virginia. The study analyzes revenues and expenditures on a land use basis for fiscal year 2004 (July 1, 2003, to June 30, 2004). It examines revenues by land use and the financial demands of public services (e.g., public safety, government administration, schools, courts, etc.) and shows the cost of providing these services to residential, commercial and agricultural land uses. The study focused on the county budget because it represents revenues and expenditures for the majority of the government services provided to residents living in Bedford County.

The COCS study found that in Bedford County:

- 89 percent of revenue in fiscal year 2004 was generated by residential land uses; 9 percent was generated by commercial/industrial land uses; and 2 percent by agricultural land use;
- 95 percent of county expenditures went to provide services for residential land use compared with 4 percent for commercial/ industrial uses and less than 1 percent for agricultural land use.

In other words, for each \$1 of revenue received from residential properties in Bedford County in fiscal year 2004, the county spent \$1.07 providing services to those lands. For each \$1 from commercial/industrial land uses the county spent 40 cents. For each \$1 received from agricultural land use, the county spent 25 cents providing services.

Residential land created a deficit of \$7.7 million, which was offset by the surplus of the other two land use categories: \$6.7 million from commercial/industrial and \$1.4 million from agricultural land use. The Bedford County COCS findings demonstrate that a balance of land uses is necessary to ensure fiscal stability. While residential development contributes the largest amount of revenue, its net fiscal impact is negative because the total expenditures for that land use exceed the revenues. Commercial development's net

revenues offset the majority of the shortfall while farm and open land’s net revenues contribute the balance.

	Study Findings			
	FY 2004 Actual	Residential	Commercial/Industrial	Agricultural
a) Total revenues	\$ 121,958,773	\$ 108,932,513	\$ 11,111,138	\$ 1,915,122
b) Total expenditures	\$ 121,555,831	\$ 116,650,545	\$ 4,421,794	\$ 483,492
Net contribution (a-b)	\$ 402,942	\$ (7,718,032)	\$ 6,689,344	\$ 1,431,631
Land use ratio*		1.07	0.40	0.25
Percent of revenue		89.32%	9.11%	1.57%
Percent of Expenditure		95.96%	3.64%	0.40%

*Cost for each \$1 of revenue generated

The results of this study provide reliable financial information that demonstrates the importance of agricultural lands to the fiscal stability of Bedford County. It suggests that development of strategies to retain this land base for future agriculture would be a good long-term investment and that:

- Taxes and other revenues from residential development do not cover all the public services residents receive from the county. A balance of land uses, including agricultural lands, is needed to provide adequate revenue to pay for these services.
- As more residential development occurs, an imbalance may grow creating the need for tax increases. The ratio of \$1:00: \$1.07 for residential land use would have been much higher if not for the contribution of over \$35 million of state money for education.
- The ratio of \$1:00: \$.40 for commercial/industrial land is *slightly* higher than the national median for COCS studies. This is partially due to the expenditure of \$1.8 million for economic development, primarily related to industrial park development, in the year studied.

- Agricultural use lands pay more in local tax revenues than these working lands receive in services. Differential property tax programs are justified as a way to provide an incentive to keep land open and in active agricultural use. Even with a reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for residents of Bedford County.

INTRODUCTION

Bedford County

Bedford County consists of 764 square miles in the west-central portion of Virginia known as the Piedmont Plateau. The City of Bedford, the county seat, is located in the heart of the county on the U.S. Route 460 corridor midway between the cities of the Lynchburg to the east and Roanoke to the west. The county's boundaries consist of the Blue Ridge Mountains on the west, the James River on the northeast and Smith Mountain Lake on the south.

The county population was an estimated 63,788 in 2004, an increase of 40 percent from the 1990 census. The number of households increased 38 percent from 17,292 to 23,838 between 1990 and 2000.¹ Much of this growth in population and housing has been on the borders of the county near Roanoke and Lynchburg as well as Smith Mountain Lake, which has seen a large influx of residential development.

While population increased an estimated 19 percent between 1995 and 2004, the budget for county services increased 99 percent. The largest increase in service costs, were \$34.2 million for education, \$7.7 million for health and welfare, and \$5.6 million in debt service.² In comparison, the U.S. inflation (CPI) for the same period was 24 percent.³ Adjusting 1995 dollars for inflation, county expenditures still increased 61 percent.

According to records from the commissioner of revenue, the estimated 430,842 acres of taxable property in the county had a total market value of almost \$4.6 billion in 2004. The breakdown of taxable properties is as follows:

- 102,824 acres of single-family residential property;
- 322 acres of multi-family residential property;
- 2,042 acres of commercial property;

¹ U.S. Census Bureau, 1990, 2000

² County of Bedford Comprehensive Annual Financial Report, Fiscal Year 2004

³ U.S. Department of Labor, Bureau of Labor Statistics

- 177,395 acres of Class 5 (20 to 100 acres) residential and agricultural property;
and
- 148,260 acres of Class 6 (over 100 acres) residential and agricultural property.

The 2002 Census of Agriculture reported 1,289 farms in Bedford County operating on 199,244 acres of farmland. The average size of farms was 155 acres. The market value of agricultural products sold was \$19.4 million with crop sales accounting for \$3.6 million and livestock sales of \$15.8 million. Bedford County ranks second in beef cow production among Virginia counties.

Cost of Community Service Studies

A COCS study is a case study analysis of the net fiscal impacts of existing land uses on county budgets. It provides a snapshot in time of costs versus revenues based on current land use. Unlike traditional fiscal impact analysis, COCS studies are descriptive—not predictive—and are based on real budgets for a specific community. These analyses show what services private residents receive in return for the taxes they pay to their local and county government and how these costs and revenues relate to land use.

The process of conducting a COCS study is relatively straightforward and easy to understand. Local budgetary information is allocated to major land use categories. The studies rely on budget and financial records and in-depth interviews with local government officials and budget managers to understand how revenues were generated and how appropriations were spent during a recent year. The goal of this COCS study is not to prescribe a course of action but to provide reliable financial data to help Bedford County officials make informed planning decisions and to evaluate strategies to maintain a balance in the distribution of land uses in the future.

AFT developed this low-cost fiscal study to contribute local knowledge to decisions about land use. It is hoped that by using a community's own statistics and financial, land use and economic data, these tools will move public dialogue from speculation to projection—from

emotion to analysis. The results of this COCS study show the average fiscal impacts of Bedford's current land uses.

AFT developed the COCS approach to investigate three common claims often heard at community meetings:

1. Open lands—including working agricultural and forest lands—are an interim land use that should be developed to their “highest and best use”;
2. Agricultural land gets an “unfair” tax break when it is assessed at its actual use value for agriculture instead of at its potential use value for development;
3. Residential development will lower property taxes by increasing the tax base.

While it is true that an acre of land with a new house generates more revenue than an acre of farmland, this tells us little about a community's fiscal stability. In areas where farming and forestry are major industries, it is especially important to consider the real property tax contribution of privately owned natural resource lands. Farm, forests and open lands generate less revenue than residential, commercial or industrial properties, but they require little public expenditure due to the modest demand for infrastructure and public services. COCS studies determine the *net* fiscal impact of land uses in the present by comparing total revenues to total expenditures to ascertain the overall contribution of different land uses.

There are three basic steps in the process of conducting a Cost of Community Services study:

1. Collect data: Obtain relevant reports and other financial records, interview officials, boards and departments.
2. Allocate revenues and expenditures by land use.
3. Analyze data and calculate ratios.

The following section explains how these steps were followed in Bedford County.

COCS METHOD IN BEDFORD COUNTY

Before the study began, researchers contacted public officials to set up interviews, to understand local issues related to budgets, and to define land use categories for the study. After a review of the county property tax classification system three land use categories were defined for this study:

- ***Residential Development*** — property used for dwellings, *including farmhouses*, mobile homes, and rental units.
- ***Commercial and Industrial Development*** — property actively used for business purposes other than agricultural or forestry, including retail and wholesale production and utilities.
- ***Agricultural Land Use*** — all agricultural parcels defined as being in “land use or agricultural” in records provided by the Commissioner of Revenue.

The breakdown of property classifications into land use classes was available from the commissioner of revenue. The property categories used by the county were grouped into the three categories used for this study: residential, commercial and industrial, and agricultural land use. Agricultural land in Bedford within the farmland and open space category is land that falls under Virginia’s agricultural valuation process and therefore is assessed at the value of its current use, rather than at the value of its potential use for development.

Mobile home parks were included in the residential category because of the nature of public service demands. Likewise, taxes from farmhouses were included in the residential category to correspond with services demanded by homeowners separate from the agricultural business. Appendix B shows how land is classified for assessment purposes in Bedford County and how all or a portion of the taxable value of these classes was moved to fit the defined land use categories of this study.

Collect data and conduct interviews

Interviews were scheduled with county officials to obtain relevant information and to collect necessary documents. The Bedford County Comprehensive Annual Financial Report (CAFR) for fiscal year 2004 contains descriptions of services provided by all county departments including: general government; judicial administration; public safety; public works; health and welfare; parks, recreation and culture; and community development. The CAFR was reviewed to gain an understanding of the nature of services provided by county departments. Some of the documents collected and used as a source of data in this research include:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Cash Basis) Governmental Fund, For the Year Ended June 30, 2004;
- Commonwealth of Virginia, Caseload Statistics of the District Courts;
- Virginia Circuit Court, Caseload Reporting System, Report for Bedford County;
- Bedford County Department of Building Inspection Report for Fiscal Year 2004;
- Commissioner of the Revenue, Real Estate Book Summary by State Class;
- Bedford Communications, Number of Calls Report by Department – Complaint (All Units).

Allocate revenues and expenditures by land use

Interviews were conducted to allocate all fiscal year 2004 revenues and expenditures into the three land use categories. Officials were asked to provide records showing how revenue was generated by land use and what land use was served by an expenditure: residential, commercial/industrial, or agricultural use. The next step involved allocating revenues and expenditures to the land use categories based on the information gathered from reports and interviews.

Revenues

Revenues for all services in Bedford County were about \$122 million from a combination of local, state and federal sources. Interestingly, local and non-local (state and federal)

revenues were almost equal. There are three ways that revenues were allocated in this study:

1. Funds directly from local land use were allocated after analysis and research to determine the land use origin, for example, property taxes and fees;
2. Funds provided from outside of the community were allocated by the purpose or land use category that they were intended to serve, for example, education dollars from state and federal were considered residential; and
3. Funds from outside of the community provided to a specific department were allocated to land use based on the department functions as determined in interviews. For example, some funding for road or public safety benefit all property in the county and was allocated by department functions.

Local revenues were categorized according to the land use source for that particular item. Property taxes were distributed according to the actual dollars raised based on assessed values after any exemptions. Other local taxes include sales and use, franchise license fee and transient occupancy tax and are generally more commercial in nature. Fees collected by Building Inspection, Natural Resources and Planning departments were distributed according to the type of land use indicated by department financial records. Some examples of residential fees include concession and trip fees for recreation events and donations from the county group home. Tourism revenue was primarily commercial.

Even though sales tax is generated from commercial land use, primarily county residents pay it, with the businesses acting as pass-through agents. It is different than taxes or fees generated by a business out of operating expenses. However, it could also be argued that without commercial establishments, there would be no sales tax revenue in the county. To evaluate the relative residential, commercial and farm contribution to sales tax, the quarterly taxable sales reports for fiscal year 2004 were obtained from the Virginia Department of Taxation. Taxable sales for the county are listed by a two-digit business code. The tax contribution from any business not likely to sell its products to residents was first allocated to commercial land use and subtracted from the total. For example, the machinery, equipment and supplies group (construction, professional equipment, service

establishment equipment) sells, for the most part, to other businesses. Tax revenue from hotels, motels and tourist camps was allocated entirely to the business category because they generally do not provide services to county residents. The remaining sales tax revenue was allocated to all residential and commercial land use categories based on the relative assessed value of these property groups in the county. The result is that both state-reimbursed and local sales tax revenue were attributed to residential (48 percent) and commercial/industrial (52 percent) with a small amount attributed to roadside farm stands. Business purchases by farmers and tangible property used for agricultural production for market are exempt from sales tax.

Funds from the state and federal government were classified according to the type of program that received the income, under the assumption that the revenue is provided to pay for, or at least offset, a specific local service cost. For example, money for social services and education would be allocated to the residential category. State funds for fire and emergency services were divided based on services provided as reported on incident records.

The State of Virginia provides about \$3.2 million in funding to the county to offset the service costs for constitutional officers or elected officials whose positions are established by the Constitution of the Commonwealth or its statutes (commonwealth's attorney, sheriff, commissioner of the revenue, treasurer, medical examiner, registrar, clerk of the court and communications). This "categorical aid" for shared expenses was allocated based on information obtained in the interviews about the relationship of office activities to land use.

Bedford County and the City of Bedford work cooperatively on a number of services including tourism, public works and judicial administration. The city payment to the county for its portion of these services is classified as recovered costs. Since tracking the land use origin of these dollars would have required a separate study of city finances, these revenues of a little over \$940,000 were treated similarly to state funds. That is, they were assigned to land use based on the purpose of the funding. Health and welfare (about

\$489,000), one of the largest portions of shared service costs was allocated to residential land use. The city and county support the local tourism industry by operating a joint tourism department. Payment from the city for this service was allocated to commercial (95 percent) and agriculture land use (5 percent) based on information from the tourism board.

Expenditures

County officials and department heads were interviewed to determine how county expenditures should be allocated to the three land use categories. Department heads gave an overview of their services and identified any reports (dispatch records, permit summaries, organizational charts) and other secondary sources of information. In the interviews, officials were asked which land use benefited from each expense: residential, commercial/industrial, or agricultural land.

Expenditures for the Sheriff's Department, Fire Departments and Emergency Medical Service were allocated based on department functions and records of the incident calls made over the year. Court expenses were allocated according to a review of case file statistics. Several service expenditures were clearly residential, such as health and welfare, parks, libraries and arts programs. Economic development expenditures were for a combination of residential and commercial/industrial land use, but the largest portion (\$1.8 million) was for the initial development of an industrial park. Service expenditures for agricultural land use came primarily from a portion of county administrative services (board of supervisors, treasurer, commissioner of revenue, etc.), public safety (sheriff, fire and EMS) and planning and community development.

Calculation of "Fallback" Percentages

Even after extensive record searches, in a few cases, it was not possible to attribute some line items to specific land use categories. For example, administrative salaries and public buildings serve the entire county in a general capacity. In this situation, a fallback breakdown was applied. It was calculated based on the percentage of **taxes contributed**

from real property for fiscal year 2004 (Appendix B). The land use distribution of these revenues was:

- 90.62 percent from residential development,
- 4.87 percent from commercial and industrial development, and
- 4.51 percent from agricultural land use.

These fallback percentages were used for both revenues and expenditures, but only in cases where line items lacked a clear relationship to land use.

Analyze data and calculate ratios

Once the necessary data were collected and interviews completed, the information was compiled on a spreadsheet. The dollar amount for each line item of the budget was allocated among the three land use categories according to the associated percentage breakdown. The percentages were entered for each line item, and total revenues and expenditures were summed for each of the three land use categories. By comparing total revenues and expenditures in each category, the net surplus or deficit was calculated. The County budget allocations are included in this report as Appendix A. This information is also presented as ratios, showing the actual expenditure for every dollar raised (see table below). The findings were checked for accuracy. Finally, draft findings were sent to the study sponsors for their review and comments. These comments were discussed with the sponsors and incorporated into the final report.

FINDINGS

In fiscal year 2004, Bedford County residential land use generated \$108.9 million in revenues to cover residential land use expenditures of \$116.7million. Comparing revenues to expenditures shows that residential land use had a deficit of \$7.7 million, which was covered by the surplus of \$1.4 million from agricultural land revenues and of \$6.7 million from commercial/industrial development.

Findings for Bedford are presented in the table below. The first two rows of the table show the total dollar amounts allocated to each land use for revenues and expenditures. The third row shows the net dollar impact on the budget for each land use. This was determined by

comparing the revenues generated with the expenditures for services provided. The next row of the table presents this same information in ratio form. This is a clear way to see how much each land use costs for each dollar of revenue that it generates for the county services.

The final land use ratios show the costs required per \$1 of revenue generated in fiscal year 2004. For each \$1 of revenue received from residential properties in Bedford County, the county spent \$1.07 providing services to those lands. For each \$1 from commercial/industrial land uses, the county spent 40 cents, and for each \$1 received from agricultural land use, the county spent 25 cents providing services.

Table: Study Findings

	FY 2004 Actual	Residential	Commercial/ Industrial	Agricultural
a) Total revenues	\$ 121,958,773	\$ 108,932,513	\$ 11,111,138	\$ 1,915,122
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Percent of revenue		89.32%	9.11%	1.57%
Percent of Expenditure		95.96%	3.64%	0.40%

*Cost for each \$1 of revenue generated

DISCUSSION

COCS studies provide a baseline of information to help local officials and citizens make informed land use decisions. They offer the benefit of hindsight to see the effect of development patterns to date. They also demonstrate the fiscal importance of privately owned land in agricultural or other open space uses.

The purpose of a COCS study is to determine the net fiscal contribution of working and open lands so these lands may be duly considered in the planning process, not to recommend one type of land use over another. Because the studies are descriptive, they should not be used to predict the impact of a single development or to project future costs of services created by new development. COCS studies are not designed to judge the value of one land use over another or to compare one type of new development to another.

The results of this study provide reliable financial information that demonstrates the importance of agricultural lands to the fiscal stability of Bedford County. It suggests that development of strategies to retain this land base for future agriculture would be a good long-term investment and that:

- Taxes and other revenues from residential development do not cover all the public services residents receive from the county. A balance of land uses, including agricultural lands, is needed to provide adequate revenue to pay for these services.
- As more residential development occurs, an imbalance may grow creating the need for tax increases. The ratio of \$1:00: \$1.07 for residential land use would have been much higher if not for the contribution of over \$35 million of state money for education.
- The ratio of \$1:00: \$.40 for commercial/industrial land is *slightly* higher than the national median for COCS studies. This is partially due to the expenditure of \$1.8 million for economic development, primarily related to industrial park development, in the year studied.
- Agricultural use lands pay more in local tax revenues than these working lands receive in services. Differential property tax programs are justified as a way to provide an incentive to keep land open and in active agricultural use. Even with a

reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for residents of Bedford County.

The findings of this study show the fiscal benefits that result from open and agricultural lands and factual information to help residents understand the delicate fiscal balance between the costs of public services and the revenues generated for them. This information should be useful for county leaders and residents when faced with land use decisions now and in the future. In addition to helping maintain fiscal balance, agricultural and open lands help sustain Bedford County's economy and rural character, and help shape the overall quality of life in the region.

APPENDICES

A. Allocation of Revenues and Expenditures

B. Property Tax and Fallback Calculation

REVENUES	FY 04 Actual	Residential	Commercial/ Industrial	Agricultural
LOCAL SOURCES				
General Property Taxes				
Real property taxes	\$ 27,224,983	\$ 24,671,280	\$ 1,325,857	\$ 1,227,847
Public service corporation taxes	\$ 1,467,730	\$ -	\$ 1,467,730	\$ -
Personal property taxes (local remitt.)	\$ 7,068,692	\$ 5,917,121	\$ 897,363	\$ 254,208
Machinery & tools taxes	\$ 2,074,996	\$ -	\$ 2,074,996	\$ -
Merchants capital taxes	\$ 125,736	\$ -	\$ 125,736	\$ -
Mobile home taxes	\$ 204,163	\$ 204,163	\$ -	\$ -
Penalties & interest	\$ 573,058	\$ 462,343	\$ 88,480	\$ 22,235
Total General Property Taxes	\$ 38,739,358	\$ 31,254,907	\$ 5,980,162	\$ 1,504,289
Other Local Taxes				
Local sales and use taxes	\$ 2,586,855	\$ 1,245,286	\$ 1,338,223	\$ 3,346
Consumer utility taxes	\$ 1,533,275	\$ 1,455,078	\$ 78,197	\$ -
Franchise license taxes	\$ 479,801	\$ -	\$ 479,801	\$ -
Motor vehicle licenses	\$ 1,424,279	\$ 1,351,641	\$ 72,638	\$ -
Bank stock taxes	\$ 46,985	\$ -	\$ 46,985	\$ -
Taxes on recordings and wills	\$ 876,534	\$ 794,315	\$ 42,687	\$ 39,532
Transient occupancy tax	\$ 237,287	\$ -	\$ 237,287	\$ -
Meals tax	\$ 908,896	\$ -	\$ 908,896	\$ -
E-911 tax	\$ 659,235	\$ 625,614	\$ 33,621	\$ -
Total Other Local Taxes	\$ 8,753,148	\$ 5,471,934	\$ 3,238,337	\$ 42,878
Permits, Fees and Licenses				
Animal licenses	\$ 13,816	\$ 13,816	\$ -	\$ -
Building permits	\$ 524,157	\$ 399,371	\$ 124,786	\$ -
Other permits and licenses	\$ 56,708	\$ 53,816	\$ 2,892	\$ -
Planning permits and fees	\$ 192,385	\$ 173,653	\$ 13,882	\$ 4,850
Total Permits, Fees and Licenses	\$ 787,066	\$ 640,656	\$ 141,560	\$ 4,850
Fines & Forfeitures	\$ 209,378	\$ 198,699	\$ 10,678	\$ -
Revenue - Use of Money & Property				
Revenue from use of money	\$ 322,297	\$ 249,232	\$ 62,558	\$ 10,507
Revenue from use of property	\$ 57,162	\$ 57,162	\$ -	\$ -
Total Use of Money & Property	\$ 379,459	\$ 306,394	\$ 62,558	\$ 10,507
Charges for Services				
Court costs	\$ 378,871	\$ 371,445	\$ 3,864	\$ 3,561
Commonwealth's attorney fees	\$ 2,100	\$ 1,959	\$ 141	\$ -
Law enforcement & traffic control	\$ 46,843	\$ 44,454	\$ 2,389	\$ -
County attorney fees	\$ 4,305	\$ 3,902	\$ 210	\$ 194
Comprehensive services	\$ 920,789	\$ 920,789	\$ -	\$ -
Recreation fees	\$ 1,462	\$ 1,462	\$ -	\$ -
Tournament Fees - Youth	\$ 724	\$ 724	\$ -	\$ -
Other	\$ 6,125	\$ 6,125	\$ -	\$ -
Tuition Sponsored Fire Trng	\$ 1,845	\$ 1,845	\$ -	\$ -
Total Charges for Services	\$ 1,363,064	\$ 1,352,705	\$ 6,604	\$ 3,756
Other Revenues	\$ 369,553	\$ 332,574	\$ 30,732	\$ 6,247

REVENUES	FY 04 Actual	Residential	Commercial/ Industrial	Agricultural
Recovered Costs				
City of Bedford - shared services	940,321.78	\$ 795,917	\$ 126,323	\$ 18,082
Bedford public library	\$ 32,000	\$ 32,000	\$ -	\$ -
Tri-County lake commission	\$ 2,000	\$ 2,000	\$ -	\$ -
Group home	\$ 90,000	\$ 90,000	\$ -	\$ -
Nursing home	\$ 88,095	\$ 88,095	\$ -	\$ -
Total Recovered Costs	\$ 1,152,417	\$ 1,008,012	\$ 126,323	\$ 18,082
Total Revenue from Local Sources	\$ 51,753,443	\$ 40,565,880	\$ 9,596,954	\$ 1,590,608
STATE GOVERNMENT				
Non-Categorical Aid-State				
Personal property taxes (state remitt.)	\$ 5,716,219	\$ 4,784,981	\$ 725,668	\$ 205,570
A.B.C. profits	\$ 104,189	\$ -	\$ 104,189	\$ -
Wine taxes	\$ 77,316	\$ -	\$ 77,316	\$ -
Rental tax (passenger car)	\$ 33,322	\$ -	\$ 33,322	\$ -
Mobile home titling tax	\$ 204,476	\$ 204,476	\$ -	\$ -
Recordation taxes	\$ 120,439	\$ 109,142	\$ 5,865	\$ 5,432
Railroad rollin stock taxes	\$ 128,182	\$ -	\$ 128,182	\$ -
Total Non-Categorical Aid-State	\$ 6,384,144	\$ 5,098,599	\$ 1,074,543	\$ 211,001
Shared Expenses (Categorical)				
Commonwealth Attorney	\$ 351,114	\$ 327,589	\$ 23,525	\$ -
Sheriff	\$ 1,979,877	\$ 1,837,722	\$ 109,091	\$ 33,064
Commissioner of Revenue	\$ 168,456	\$ 152,655	\$ 8,204	\$ 7,597
Treasurer	\$ 143,811	\$ 130,321	\$ 7,004	\$ 6,486
Medical Examiner	\$ 930	\$ 930	\$ -	\$ -
Registrar/ Electoral Board	\$ 45,690	\$ 45,690	\$ -	\$ -
Clerk of Court	\$ 361,066	\$ 353,989	\$ 3,683	\$ 3,394
Communications	\$ 112,275	\$ 100,127	\$ 9,004	\$ 3,144
Total Shared Expenses (Cat.)	\$ 3,163,219	\$ 2,949,023	\$ 160,511	\$ 53,685
Categorical Aid - Other				
Social services	\$ 1,582,747	\$ 1,582,747	\$ -	\$ -
Comprehensive services	\$ 1,700,916	\$ 1,700,916	\$ -	\$ -
School resource officer	\$ 32,198	\$ 32,198	\$ -	\$ -
Div child support enf. grant	\$ (10,468)	\$ (10,468)	\$ -	\$ -
Emergency medical services (EMS)	\$ 32,082	\$ 31,363	\$ 613	\$ 106
Fire funds	\$ 90,080	\$ 76,307	\$ 7,378	\$ 6,396
Wildfire hazard mitigation	\$ 1,851	\$ -	\$ -	\$ 1,851
Homeland defense equipment	\$ 57,996	\$ 52,556	\$ 2,824	\$ 2,616
Victim witness coordinator	\$ 58,499	\$ 58,499	\$ -	\$ -
Domestic violence - grants	\$ 50,658	\$ 50,658	\$ -	\$ -
VJCCA - returned	\$ 67,145	\$ 67,145	\$ -	\$ -
Domestic violence - shelter grant	\$ 62,131	\$ 62,131	\$ -	\$ -
VA DT HCD - share shelter grant	\$ 8,338	\$ 8,338	\$ -	\$ -
VA ABC Board coalition grant	\$ 1,400	\$ -	\$ 1,400	\$ -
Detention alternative	\$ 25,833	\$ 25,833	\$ -	\$ -
Wireless E-911 grant	\$ 80,363	\$ 76,265	\$ 4,099	\$ -
Water quality grant	\$ 73,383	\$ 66,499	\$ 3,574	\$ 3,310
Circuit court security camera grant	\$ 19,530	\$ 19,147	\$ 199	\$ 184
Records preservation grant	\$ 225,215	\$ 216,004	\$ 9,099	\$ 113

REVENUES	FY 04 Actual	Commercial/		
		Residential	Industrial	Agricultural
VA Commission of Arts	\$ 5,000	\$ 5,000	\$ -	\$ -
Juror reimbursement	\$ 24,157	\$ 24,157	\$ -	\$ -
Other funds, miscellaneous	\$ (1,430)	\$ (1,430)	\$ -	\$ -
Total Categorical Aid - State	\$ 4,187,625	\$ 4,143,866	\$ 29,185	\$ 14,574
Rental of property - social services	\$ 15,821	\$ 15,821	\$ -	\$ -
Medicaid intergovernmental	\$ 1,565,088	\$ 1,565,088	\$ -	\$ -
Recovered costs - ss maint.	\$ 5,274	\$ 5,274	\$ -	\$ -
	\$ 1,586,183	\$ 1,586,183	\$ -	\$ -
Total Revenue Commonwealth	\$ 15,321,170	\$ 13,777,671	\$ 1,264,238	\$ 279,261
FEDERAL GOVERNMENT				
Payment in lieu of taxes	\$ 28,800	\$ 26,099	\$ 1,403	\$ 1,299
Categorical aid:				
Social services	\$ 3,146,276	\$ 3,146,276	\$ -	\$ -
School resource officers	\$ 26,284	\$ 26,284	\$ -	\$ -
Sheriff - DMV Grants	\$ 28,477	\$ 27,025	\$ 1,452	
Local law enforcement block grant	\$ 9,953	\$ 9,445	\$ 508	\$ -
DEA overtime reimbursement	\$ 11,496	\$ 11,496	\$ -	\$ -
Internet crimes grant	\$ 474,171	\$ 474,171	\$ -	\$ -
Bulletproof vest grant	\$ 1,806	\$ 1,677	\$ 100	\$ 30
COPS more grant	\$ 24,838	\$ 24,838	\$ -	\$ -
School resource officer IV grant	\$ 25,682	\$ 25,682	\$ -	\$ -
Domestic preparedness	\$ 174,931	\$ 158,522	\$ 8,519	\$ 7,889
Justice funds	\$ 43,858	\$ 42,889	\$ 601	\$ 368
DCJS one time special request grant	\$ 752	\$ 752	\$ -	\$ -
Domestic violence - grants	\$ 7,649	\$ 7,649	\$ -	\$ -
Federal Shelter support	\$ 4,226	\$ 4,226	\$ -	\$ -
T-21 enhancement grant	\$ 221,928	\$ -	\$ 210,831	\$ 11,096
Rental of property - social services	\$ 109,529	\$ 109,529	\$ -	\$ -
Recovered costs - ss cap indirect	\$ 135,542	\$ 135,542	\$ -	\$ -
Total Federal Government	\$ 4,476,198	\$ 4,232,101	\$ 223,413	\$ 20,683
GENERAL FUND TOTAL	\$ 71,579,611	\$ 58,601,751	\$ 11,086,009	\$ 1,891,851
School Fund				
Revenue from use of money & prop.	\$ 16,888	\$ 16,888	\$ -	\$ -
Charges for services	\$ 2,382,022	\$ 2,382,022	\$ -	\$ -
Recovered costs	\$ 5,549,921	\$ 5,549,921	\$ -	\$ -
Other	\$ 345,286	\$ 345,286	\$ -	\$ -
County of Bedford				
Textbooks	\$ 733,722	\$ 733,722		
Capital projects	\$ 515,998	\$ 467,597	\$ 25,129	\$ 23,272
Commonwealth of VA	\$ 35,875,815	\$ 35,875,815	\$ -	\$ -
Federal government	\$ 4,959,510	\$ 4,959,510	\$ -	\$ -
School Fund Total	\$ 50,379,162	\$ 50,330,761	\$ 25,129	\$ 23,272
TOTAL REVENUES	\$ 121,958,773	\$ 108,932,513	\$ 11,111,138	\$ 1,915,122

EXPENDITURES	FY 04 Actual	Residential	Commercial/ Industrial	Agricultural
General Fund				
Government Administration				
Board of Supervisors	\$ 146,393	\$ 132,661	\$ 7,129	\$ 6,602
County administration	\$ 514,512	\$ 466,251	\$ 25,057	\$ 23,204
County Attorney	\$ 147,200	\$ 138,917	\$ 5,362	\$ 2,921
Auditor	\$ 59,550	\$ 53,964	\$ 2,900	\$ 2,686
Commissioner of Revenue	\$ 424,353	\$ 384,548	\$ 20,666	\$ 19,138
Treasurer	\$ 425,747	\$ 329,230	\$ 82,637	\$ 13,879
Fiscal management	\$ 317,764	\$ 287,958	\$ 15,475	\$ 14,331
Information systems	\$ 200,403	\$ 181,605	\$ 9,760	\$ 9,038
Electoral Board	\$ 54,766	\$ 54,766	\$ -	\$ -
Registrar	\$ 75,012	\$ 75,012	\$ -	\$ -
Subtotal Administration	\$ 2,365,699	\$ 2,104,912	\$ 168,986	\$ 91,801
Judicial Administration				
Circuit Court	\$ 72,484	\$ 68,375	\$ 2,133	\$ 1,976
District Court	\$ 9,014	\$ 8,634	\$ 381	\$ -
Magistrate	\$ 1,880	\$ 1,880	\$ -	\$ -
Juvenile and Dom. Rel. Dist. Court	\$ 17,928	\$ 17,928	\$ -	\$ -
Clerk of the Circuit Court	\$ 589,095	\$ 577,549	\$ 6,009	\$ 5,537
Judgement suits preservation	\$ 15,516	\$ 14,881	\$ 627	\$ 8
Victim witness coordinator	\$ 74,865	\$ 74,865	\$ -	\$ -
Law library	\$ 7,343	\$ 7,043	\$ 297	\$ 4
Other court services	\$ 9,773	\$ 9,373	\$ 395	\$ 5
Commonwealth's Attorney	\$ 476,809	\$ 444,843	\$ 31,965	\$ -
Total Courts	\$ 1,274,706	\$ 1,225,370	\$ 41,806	\$ 7,529
Public Safety				
Sheriff	\$ 4,147,492	\$ 3,849,549	\$ 228,606	\$ 69,337
School resource officer	\$ 69,773	\$ 69,773	\$ -	\$ -
Internet crimes grant	\$ 440,227	\$ 440,227	\$ -	\$ -
Volunteer fire companies	\$ 617,090	\$ 522,737	\$ 50,540	\$ 43,813
Volunteer rescue squads	\$ 669,896	\$ 654,890	\$ 12,795	\$ 2,211
Other Fire and rescue services	\$ 145,911	\$ 123,602	\$ 11,950	\$ 10,360
Blue Ridge regional jail	\$ 893,520	\$ 851,614	\$ 21,757	\$ 20,149
Juvenile court services	\$ 58,730	\$ 58,730	\$ -	\$ -
VJCCA	\$ 95,601	\$ 95,601	\$ -	\$ -
Juvenile secure detention	\$ 324,941	\$ 324,941	\$ -	\$ -
Building inspector	\$ 422,454	\$ 321,867	\$ 100,586	\$ -
Animal control	\$ 200,181	\$ 200,181	\$ -	\$ -
Medical examiner	\$ 1,750	\$ 1,750	\$ -	\$ -
Emergency services	\$ 542,602	\$ 483,893	\$ 43,517	\$ 15,193
Communications center	\$ 1,005,151	\$ 896,394	\$ 80,613	\$ 28,144
Transportation safety committee	\$ 1,191	\$ 1,062	\$ 95	\$ 33
Subtotal Public Safety	\$ 9,636,510	\$ 8,896,810	\$ 550,460	\$ 189,240
Public Works				
Refuse collection	\$ 3,274,716	\$ 3,274,716	\$ -	\$ -
Maintenance - buildings & grounds				
Housekeeping	\$ 310,745	\$ 281,597	\$ 15,133	\$ 14,015
General properties	\$ 628,348	\$ 569,409	\$ 30,601	\$ 28,339
Central garage	\$ 52,956	\$ 47,989	\$ 2,579	\$ 2,388
Total Public Works	\$ 4,266,765	\$ 4,173,710	\$ 48,313	\$ 44,741

EXPENDITURES	Commercial/			
	FY 04 Actual	Residential	Industrial	Agricultural
Health & Welfare	\$ 12,133,931	\$ 12,133,931	\$ -	\$ -
Education - Community College	\$ 1,397	\$ 1,397	\$ -	\$ -
Parks, Recreation, Cultural				
Recreation department	\$ 951,012	\$ 951,012	\$ -	\$ -
Cultural enrichment	\$ 99,356	\$ 99,356	\$ -	\$ -
Contribution to regional library	\$ 975,815	\$ 975,815	\$ -	\$ -
Total Parks, Rec, Cultural	\$ 2,026,183	\$ 2,026,183	\$ -	\$ -
Community Development				
Planning commission	\$ 57,590	\$ 46,788	\$ 10,159	\$ 643
Community development	\$ 514,813	\$ 418,250	\$ 90,817	\$ 5,746
GIS	\$ 163,912	\$ 148,537	\$ 7,983	\$ 7,392
Board of appeals	\$ 8,117	\$ 6,594	\$ 1,432	\$ 91
Economic development	\$ 183,533	\$ -	\$ 183,533	\$ -
Joint city/county economic development	\$ 553,857	\$ -	\$ 553,857	\$ -
Local & state chamber of commerce	\$ 7,125	\$ -	\$ 7,125	\$ -
Tourism	\$ 269,810	\$ -	\$ 256,319	\$ 13,490
Public service authority	\$ 12,466	\$ 12,466	\$ -	\$ -
Total Community Development	\$1,771,225	\$ 632,636	\$1,111,226	\$27,363
Environmental Management				
Erosion & sediment control	\$ 129,923	\$ 50,839	\$ 79,084	\$ -
Storm water management	\$ 40,024	\$ 15,661	\$ 24,363	\$ -
Soil and water conservation district	\$ 15,000	\$ 13,593	\$ 731	\$ 677
Tri-County lake adm. comm.	\$ 104,659	\$ 104,659	\$ -	\$ -
Total Environmental Management	\$ 289,606	\$ 184,752	\$ 104,177	\$ 677
Cooperative Extension Program				
VPI & SU Extension Office	\$ 44,368	\$ 29,906	\$ -	\$ 14,462
Cannery	\$ 24,452	\$ 24,452	\$ -	\$ -
Total Cooperative Extension	\$ 68,820	\$ 54,358	\$ -	\$ 14,462
Debt Service				
Principal retirement	\$ 5,180,907	\$ 5,107,857	\$ 37,821	\$ 35,230
Interest and other fiscal charges	\$ 3,670,591	\$ 3,618,836	\$ 26,795	\$ 24,960
Bond issuance expenses	\$ 5,350	\$ 2,949	\$ 2,353	\$ 48
Bond issuance fees	\$ 4,106	\$ 2,264	\$ 1,806	\$ 37
Arbitrage	\$ 145,832	\$ 80,390	\$ 64,136	\$ 1,306
Total Debt Service	\$9,006,787	\$ 8,812,295	\$132,911	\$61,581

EXPENDITURES	FY 04 Actual	Residential	Commercial/ Industrial	Agricultural
Capital Projects				
General government	\$ 97,394	\$ 88,258	\$ 4,743	\$ 4,392
Judicial administration	\$ 3,200	\$ 2,900	\$ 156	\$ 144
Public safety	\$ 799,365	\$ 771,384	\$ 22,025	\$ 5,957
Public works	\$ 493,076	\$ 451,793	\$ 25,103	\$ 16,181
Education	\$ 109,010	\$ 109,010	\$ -	\$ -
Parks, recreation and cultural	\$ 808,334	\$ 419,871	\$ 369,040	\$ 19,423
Community & economic develop.	\$ 2,837,286	\$ 994,437	\$ 1,842,849	\$ -
Total Capital Projects	\$ 5,147,665	\$ 2,837,652	\$ 2,263,915	\$ 46,098
Total Expenditures General Fund	\$ 47,989,294	\$ 43,084,008	\$ 4,421,794	\$ 483,492
Public Schools	\$ 73,566,537	\$ 73,566,537	\$ -	\$ -
TOTAL, ALL EXPENDITURES	\$ 121,555,831	\$ 116,650,545	\$ 4,421,794	\$ 483,492

Study Findings		Residential	Commercial/ Industrial	Agricultural
Revenue for Services	\$ 121,958,773	\$ 108,932,513	\$ 11,111,138	\$ 1,915,122
Expenditures for Services	\$ 121,555,831	\$ 116,650,545	\$ 4,421,794	\$ 483,492
Revenues minus expenditures	\$ 402,942	\$ (7,718,032)	\$ 6,689,344	\$ 1,431,631
Land Use Ratio*		1.07	0.40	0.25
Percent of revenue		89.32%	9.11%	1.57%
Percent of expenditure		95.96%	3.64%	0.40%

APPENDIX B: Real Property Assessed Value

Property Class	Acres	Market Value		Use Value	Improvements	Total Value - Market & Land
		Land				
Class 02 - 0 to 20 acres	102,824	949,109,200			2,598,976,494	3,548,085,694
Land Use (agricultural)	20,385	60,588,200	14,788,500		66,472,100	81,260,600
Remaining residential	82,438	888,521,000			2,532,504,394	3,421,025,394
COCS Study						
Residential		888,521,000	-		2,532,504,394	3,421,025,394
Residential value in land use		-	-		59,824,890	59,824,890
Agricultural		-	14,788,500		6,647,210	21,435,710
Class 03 - Residential (multi-family)	322	2,614,300			10,045,200	12,659,500
Land Use (agricultural)	157	443,500	56,400		26,500	
Remaining residential	165	2,170,800			10,018,700	12,189,500
COCS Study						
Residential		2,170,800	-		10,018,700	12,189,500
Residential value in land use		-	-		23,850	23,850
Agricultural		-	56,400		2,650	59,050
Class 04 - Commercial & Industrial	2,041	48,995,600			157,547,000	206,542,600
Land Use (agricultural)	434	824,500	372,500		1,087,900	
Remaining commercial & indust.	1,607	48,171,100			156,459,100	204,630,200
COCS Study						
Commercial		48,171,100	-		156,459,100	204,630,200
Agricultural		-	372,500		1,087,900	1,460,400
Class 05 - Agric. 20 to 100 acres	177,395	335,647,211			201,250,100	536,897,311
Land Use (agricultural)	130,932	248,166,611	57,326,000		122,107,300	
Remaining residential & open	46,463	87,480,600			79,142,800	166,623,400
COCS Study						
Residential		43,740,300	-		79,142,800	122,883,100
Residential value in land use		-	5,732,600		109,896,570	115,629,170
Commercial		-	-		-	-
Agricultural		43,740,300	51,593,400		12,210,730	107,544,430
Class 06 - Agric. over 100 acres	148,260	229,856,000			60,833,200	290,689,200
Land Use (agricultural)	132,074	203,519,300	45,402,300		46,516,000	
Remaining residential & open	16,186	26,336,700			14,317,200	40,653,900
COCS Study - Assessed Values						
Residential		13,168,350	-		14,317,200	27,485,550
Residential value in land use		-	4,540,230		41,864,400	46,404,630
Commercial		-	-		-	-
Agricultural		13,168,350	40,862,070		4,651,600	58,682,020
Total Residential	145,253	1,004,509,100			2,635,983,094	
Total Comm. & Indust.	1,607	48,171,100			156,459,100	
Total Agricultural	283,982	513,542,111			236,209,800	
Totals	430,842	1,566,222,311	190,489,100		3,028,651,994	4,594,874,305

COCS Study - Value After Exemptions		Land Use %	Residential /Commercial %	Residential/ Farm & Open %
Residential	3,583,583,544			
Residential value in land use	221,882,540			
Residential (minus land use)	3,805,466,084	90.62%	94.90%	95.26%
Commercial & Industrial	204,630,200	4.87%	5.10%	
Agricultural	189,181,610	4.51%	0.00%	4.74%
Total Taxable Value	4,199,277,894	100.00%	100.00%	100.00%