

FY26-27 General Fund Budget Overview-Other Funds

Within the General Fund there are other funds that are maintained either as Audited Proprietary Funds or as Assigned Funds. These funds are adopted and appropriated by the Board of Supervisors as part of the overall General Fund.

Audited Proprietary Funds within the General Fund include: Piney River Water and Sewer Fund and the Broadband Authority Fund.

Piney River Water and Sewer Fund:

The County owns the portion of the water and sewer system in Piney River, which is operated by the Nelson County Service Authority. This system is typically self-sufficient. Due to multiple equipment failures and repairs within one of the pump stations over the past four years, a full replacement of that pump station has been recommended as soon as possible. A transfer of \$350,000 was included from the General Fund to the Capital Outlay line in the Piney River Water and Sewer fund for this purpose in the FY25 budget. Work totaling \$26,875 was expensed for this purpose in FY25, and the remaining \$323,125 was carried forward to FY26 for the remaining work needed for this project. This project remains ongoing, and none of those budgeted funds have been expensed so far in FY26, so the remaining \$323,125 is being carried forward to FY27. **The FY27 Piney River Water and Sewer Fund budget is balanced at \$526,422;** an increase of \$318,125 or 152.73% from the FY26 projected budget largely due to the carry forward of those pump station repair funds that will not be expensed in FY26. As of March 17, 2026, this system serves 206 total customers. Of this total, 5 are water service only, 101 are sewer service only, and 100 have both water and sewer services. The sewer only base rate per month is \$38.60 (\$29.60 sewer + \$9.00 grinder pump fee). Not all sewer service customers have grinder pumps. The base rate for water only customers is \$29.90 per month. The combined water and sewer base rate per month is \$68.50 (\$29.90 water + \$29.60 sewer + \$9.00 grinder pump fee). On December 16, 2025, the Board approved an ordinance increasing these rates by 7% effective July 1, 2026. The sewer only base rate per month will be \$41.30 (\$31.67 sewer + \$9.63 grinder pump fee). The base rate for water only customers will be \$31.99 per month. The combined water and sewer base rate per month will be \$73.29 (\$31.99 water + \$31.67 sewer + \$9.63 grinder pump fee).

Delinquent accounts are subject to the County's collection policy established in 2016. Accounts considered delinquent are those 90 or more days overdue and have a balance of \$300 or more. Delinquent accountholders are sent notices and given 10 business days to return full payment to avoid legal action. Next steps for accounts remaining 90 days in arrears for which no payment plan has been established, is turn-over to the Treasurer for collection procedures. Accounts considered uncollectible by the Treasurer will have a lien filed with the Circuit Court Clerk against the property to include 8% interest on the delinquent charges until paid in full.

Expenditures:

FY27 expenditures are proposed at **\$526,422**. Notable proposed increases in expenditure projections for FY27 include: Finalizing replacement of the pump station in FY27 estimated at \$323,125, rising cost of postage, and rising costs of customer grinder pump repairs and replacements as the system ages.

Revenues:

FY27 revenues are proposed at **\$526,422**, utilizing a Year Ending Balance of \$336,422 which is attributed to carry-over funds from FY25. Of these, \$323,125 are associated with FY26 unused funds for the pump station replacement, and \$13,297 are general carry-over funds. Even though the rates will be increasing by 7%, collection of water and sewer service fees are anticipated to remain unchanged from FY26 due to the overbudgeting of revenues for FY26 as well as potential ebbs and flows of uncollectible accounts. There have been no transfers from the General Fund needed in FY26 thus far.

Broadband Fund:

Prior to FY21, Nelson County owned and operated a middle mile fiber Broadband network which was Governed by the Nelson County Broadband Authority. In mid-FY20, the fiber network assets were transferred to Central Virginia Services Inc., a subsidiary of Central Virginia Electric Cooperative, as part of their fiber deployment project within their service areas of the County. The County retained ownership of tower and related assets for continued operation. This network is self-sufficient and in FY27 does not require support from the General Fund for operations. **The FY27 Fund budget is**

balanced at \$283,638; an increase of \$10,000 or 3.65% from FY26; largely attributed to reduced expenditure projections for equipment and a healthy fund balance.

Expenditures:

FY27 Expenditures are proposed to be \$283,638 with a Contingency Reserve of \$236,638. All expenditure categories have seen decreases in the last two years due to the Authority's expenses only being related to maintaining its wireless network operations (towers). Not including the Contingency, operational expenditures are anticipated to be \$47,000.

The Contingency Reserve of \$236,638 consists of carry-over of the unspent FY26 Contingency of \$226,638 and Carry-Over of \$10,000 in anticipated FY26 Revenues > Expenditures.

Revenues:

FY27 Revenues are proposed to be \$283,638, utilizing a Year-Ending Balance of \$123,638. Network Access Charges and Fiber and Tower leases (including colocation charges) are expected to remain stable. Not including the Year-Ending Balance, FY27 operational revenues are anticipated to be \$160,000.

Assigned Funds within the General Fund include: Debt Service Fund, Capital Fund, School Textbook Fund, and School Cafeteria Fund.

Debt Service Fund:

The County pays principal and interest for both County and School related debt out of the Debt Service Fund. A corresponding transfer from the General Fund to the Debt Service Fund is made at the beginning of each Fiscal Year in order to facilitate these payments. **Total School and County debt service payments for FY27 will be \$3,615,340 and total debt balances at the beginning of FY27 will be \$37,585,000.** Total Debt Service payments for FY27 are an increase of \$558,560 or 18.3% from FY26 payments. The FY27 Debt Service Fund contains Debt Service Reserve of \$3,328,649. This reserve includes an additional \$159,916 from Debt Service Fund balance as reported in the FY25 audit.

The FY27 payments for County Debt Service total \$1,762,723, an increase of \$271,968 or 18.2% from FY26. This net increase is associated with the start of principal and interest payments on the DSS Building Project. **County debt balances at the beginning of FY27 total \$13,960,000** and consist of debt for the 2013 and 2015 additions/renovations for the Judicial/Sheriff/Courts wing and the Circuit Court/Administration areas of the County Courthouse, the 2018 Nelson Memorial Library Expansion project, the Larkin property Lease Revenue Bond Anticipation Note, and the DSS Building Project.

The FY27 payments for School Debt Service total \$1,852,617, a net increase of \$286,592 or 18.3% from FY26 largely due to the first full year of interest payments for the VPSA bond issued for the NCHS Renovation Project. **School debt balance at the beginning of FY27 is \$23,625,000**, consisting of the 2012 VPSA loan balance of \$1,670,000 (Middle and High School renovation – refinanced in FY21) and the full \$21,955,000 balance of the 2025 VPSA bond (NCHS Renovation Project).

Capital Fund:

The Capital Fund was created to segregate larger capital projects from the General Fund. It currently provides a holding place for **capital reserves of \$300,500**, which has been set-aside by the Board of Supervisors for remediating the building envelope at Tye River Elementary School if needed.

Expenditures:

FY27 Expenditures are proposed to be \$14,223,910 including the Capital Reserve of \$300,500. Also included are expenditures related to the NCHS and DSS projects which were financed through VPSA and VRA bonds, respectively. Expenditures related to the NCHS Project are estimated at \$8,909,269 and expenditures related to the DSS Building Project are estimated at \$5,014,141 for FY27.

Revenues:

FY27 Revenues are proposed to be \$14,223,910, utilizing a Year-Ending Balance of \$300,500. Also included are bond proceeds related to the permanent financing of the NCHS and DSS projects.

This fund as it currently exists has been by accounting standards an "assigned" balance within the General Fund and therefore not considered when calculating unassigned General Fund Balance.

Should this fund not be appropriated in FY27, these funds would become unassigned within the General Fund Balance.

School Textbook Fund:

Shannon Irvin, Assistant Superintendent, has requested an appropriation of the FY27 School Textbook Fund in the amount of \$241,085 inclusive of \$24,000 in Textbook Fund balance as of March 17, 2026.

The FY27 School Textbook Fund is balanced at **\$241,085**, a decrease of \$315,783 from FY26 or 56.7% from FY26. Expenditures are anticipated to be \$241,085 in School Textbook Payments and Related Technologies with Revenues being primarily a supplement from School Operations of \$217,085 and anticipated FY26 Carryover Funds of \$24,000.

School Cafeteria Fund:

Ms. Irvin has requested an appropriation of the Cafeteria Fund balance of **\$537,411**. **This fund is proposed to be appropriated pending any adjustments as requested with \$537,411** in Food Services Equipment expenditures.