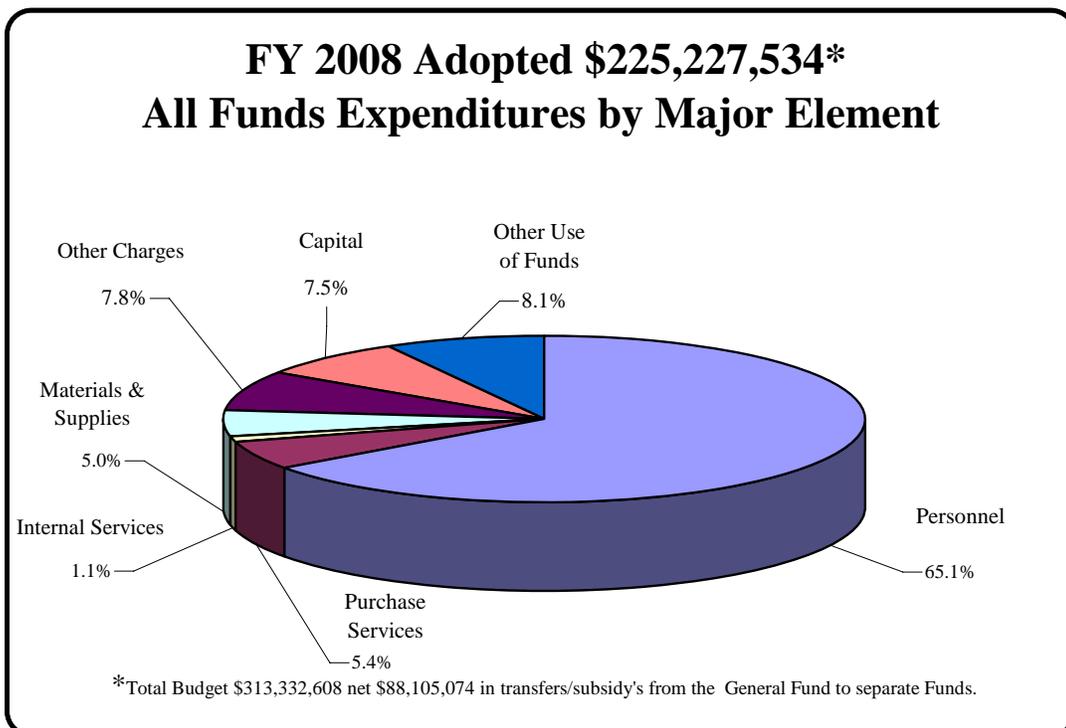
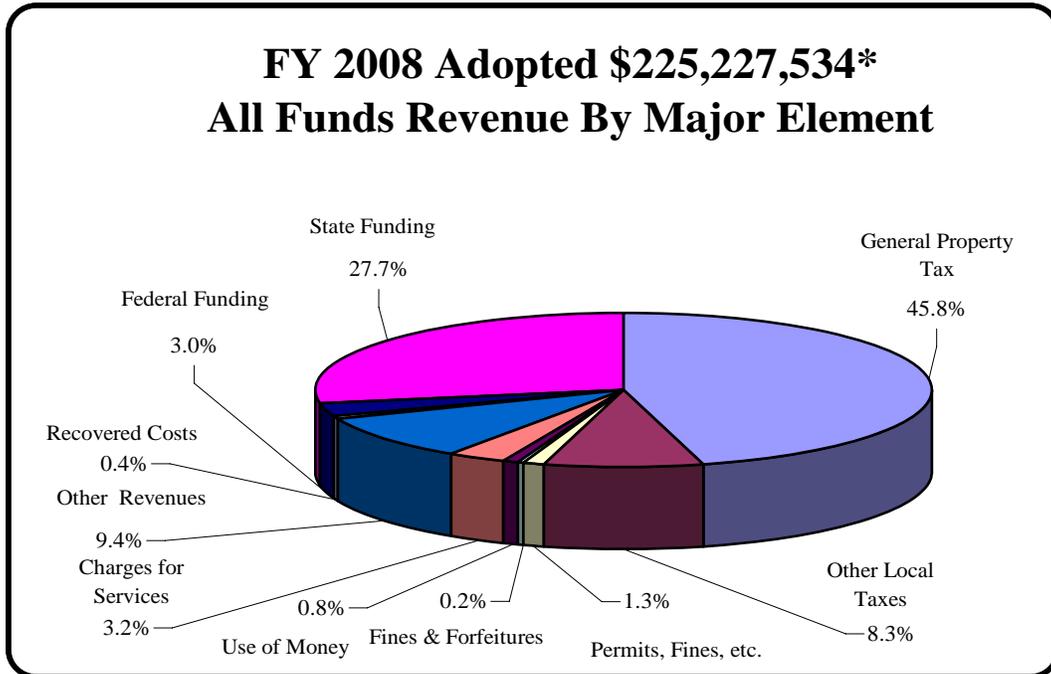


COMBINED REVENUE AND EXPENDITURE ANALYSIS FY 2008 FOR ALL FUNDS

The County's FY 2008 Adopted Budget net of transfers (i.e. transfers between funds) is \$225,227,534. The charts below detail all funds revenue and expenditures by category.



FY 2008 ADOPTED BUDGET

TOTAL ALL FAUQUIER COUNTY FUNDS SCHEDULE

FAUQUIER COUNTY FUNDS SCHEDULE TOTAL ALL FUNDS

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ 76,834,543	\$ 87,179,722	\$ 102,622,434	\$ 103,466,066
Other Local Taxes	15,385,777	17,036,823	17,409,276	18,714,363
Permits, Fees and Licenses	2,230,237	1,939,748	2,874,093	2,877,120
Fines and Forfeitures	486,847	529,420	508,480	508,480
Revenue from the Use of Money / Property	1,720,236	2,601,505	1,806,364	1,737,843
Charges for Services	14,232,093	13,533,810	15,037,838	7,173,629
Miscellaneous	8,530,639	16,357,775	47,343,112	21,178,506
General Fund Transfer/Subsidy	74,902,769	80,849,546	84,370,766	88,105,074
Recovered Costs	326,784	798,731	802,836	868,762
State	52,938,393	56,952,652	60,113,658	62,439,049
Federal	11,195,744	9,660,113	6,832,972	6,263,716
Total Revenues	\$ 258,784,062	\$ 287,439,845	\$ 339,721,829	\$ 313,332,608 *
Expenditures:				
Personal Services	\$ 110,981,672	\$ 121,603,898	\$ 136,642,412	\$ 146,656,478
Purchased Services	11,348,531	15,104,942	12,015,492	12,137,032
Internal Services	1,928,458	2,444,214	2,460,272	2,405,553
Materials and Supplies	12,456,756	12,046,479	10,886,401	11,357,966
Other Charges	14,734,126	17,198,746	17,643,803	17,577,959
Capital Outlay	21,757,907	25,565,468	54,820,922	16,914,840
School Support	67,346,104	72,466,537	80,036,078	86,801,214
Other Use of Funds	20,832,212	20,020,598	25,216,449	19,481,566
Total Expenditures	\$ 261,385,766	\$ 286,450,882	\$ 339,721,829	\$ 313,332,608 *
Net Increase (Decrease) Fund Balance	\$ (2,601,704)	\$ 988,963	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 75,279,703	\$ 72,677,999	\$ 72,936,655	\$ 72,936,655
Fund Balances/Net Assets at end of year	\$ 72,677,999	\$ 73,666,962	\$ 72,936,655	\$ 72,936,655

For changes in Fund Balances/Net Assets between years see separate fund schedules.

* The FY 2008 Adopted Budget is \$225,227,534 which represents the \$313,332,608 net of the General Fund Transfers/Subsidies of \$88,105,074.

GOVERNMENTAL FUNDS SCHEDULE

FAUQUIER COUNTY FUNDS SCHEDULE GOVERNMENTAL FUNDS

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ 76,834,543	\$ 87,179,722	\$ 102,622,434	\$ 103,466,066
Other Local Taxes	15,385,777	17,036,823	17,409,276	18,714,363
Permits, Fees and Licenses	2,212,566	1,921,717	2,874,093	2,858,120
Fines and Forfeitures	486,847	529,420	508,480	508,480
Revenue from the Use of Money / Property	1,639,603	2,467,425	1,806,364	1,732,843
Charges for Services	1,237,248	1,373,608	879,120	783,870
Miscellaneous	8,280,367	15,937,757	47,005,349	13,869,755
General Fund Transfer/Subsidy	74,842,210	80,701,605	84,370,766	88,089,074
Recovered Costs	326,784	798,360	802,836	868,762
State	52,202,838	56,138,092	60,019,887	61,442,761
Federal	6,239,908	6,538,705	5,990,399	6,199,716
Total Revenues	<u>\$ 239,688,691</u>	<u>\$ 270,623,234</u>	<u>\$ 324,289,004</u>	<u>\$ 298,533,810</u>
Expenditures:				
Personal Services	\$ 107,416,698	\$ 117,695,075	\$ 132,073,692	\$ 141,483,398
Purchased Services	7,804,314	11,636,082	8,816,438	9,164,475
Internal Services	1,889,145	2,373,297	2,420,672	2,329,553
Materials and Supplies	9,079,490	8,019,162	6,779,107	7,017,822
Other Charges	14,508,186	16,463,595	17,433,003	17,342,494
Capital Outlay	18,538,601	25,052,426	52,421,322	15,968,459
School Support	67,346,104	72,466,537	80,036,078	86,801,214
Other Use of Funds	20,704,857	19,942,744	24,308,692	18,426,395
Total Expenditures	<u>\$ 247,287,395</u>	<u>\$ 273,648,918</u>	<u>\$ 324,289,004</u>	<u>\$ 298,533,810</u>
Net Increase (Decrease) Fund Balance	<u>\$ (7,598,704)</u>	<u>\$ (3,025,684)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances/Net Assets at beginning of year	<u>\$ 62,075,628</u>	<u>\$ 54,476,924</u>	<u>\$ 50,692,626</u>	<u>\$ 50,692,626</u>
Fund Balances/Net Assets at end of year	<u>\$ 54,476,924</u>	<u>\$ 51,451,240</u>	<u>\$ 50,692,626</u>	<u>\$ 50,692,626</u>

For changes in Fund Balances/Net Assets between years see separate fund schedules.

PROPRIETARY FUND

FAUQUIER COUNTY FUNDS SCHEDULE PROPRIETARY FUND

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	-
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	17,671	18,031	-	19,000
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money / Property	80,633	134,080	-	5,000
Charges for Services	12,994,845	12,160,202	14,158,718	6,389,759
Miscellaneous	250,272	420,018	337,763	7,308,751
General Fund Transfer/Subsidy	60,559	147,941	-	16,000
Recovered Costs	-	371	-	-
State	735,555	814,560	93,771	996,288
Federal	4,955,836	3,121,408	842,573	64,000
Total Revenues	\$ 19,095,371	\$ 16,816,611	\$ 15,432,825	\$ 14,798,798
Expenditures:				
Personal Services	\$ 3,564,974	\$ 3,908,823	\$ 4,568,720	\$ 5,173,080
Purchased Services	3,544,217	3,468,860	3,199,054	2,972,557
Internal Services	39,313	70,917	39,600	76,000
Materials and Supplies	3,377,266	4,027,317	4,107,294	4,340,144
Other Charges	225,940	735,151	210,800	235,465
Capital Outlay	3,219,306	513,042	2,399,600	946,381
School Support	-	-	-	-
Other Use of Funds	127,355	77,854	907,757	1,055,171
Total Expenditures	\$ 14,098,371	\$ 12,801,964	\$ 15,432,825	\$ 14,798,798
Net Increase (Decrease) Fund Balance	\$ 4,997,000	\$ 4,014,647	\$ -	-
Fund Balances/Net Assets at beginning of year	\$ 13,204,075	\$ 18,201,075	\$ 22,244,029	\$ 22,244,029
Fund Balances/Net Assets at end of year	\$ 18,201,075	\$ 22,215,722	\$ 22,244,029	\$ 22,244,029

FY 2008 ADOPTED BUDGET GOVERNMENTAL FUNDS SCHEDULE

FY 2008 ADOPTED BUDGET GOVERNMENTAL FUNDS SCHEDULE

	General Fund	Conservation Easement Fund	Affordable Housing Fund	Fire and Rescue Fund
Revenues:				
General Property Taxes	\$ 97,660,000	\$ 1,476,463	\$ -	\$ 4,329,603
Other Local Taxes	18,714,363	-	-	-
Permits, Fees and Licenses	2,858,120	-	-	-
Fines and Forfeitures	508,480	-	-	-
Revenue from the Use of Money / Property	1,672,843	-	-	60,000
Charges for Services	783,870	-	-	-
Miscellaneous	284,366	303,000	-	-
General Fund Transfer/Subsidy	-	-	230,860	-
Recovered Costs	128,337	-	-	-
State	22,365,234	-	-	173,421
Federal	\$ 2,380,700	\$ -	\$ -	\$ -
Total Revenues	147,356,313	1,779,463	230,860	4,563,024
Expenditures:				
Personal Services	\$ 36,336,445	\$ 40,166	\$ -	\$ 73,259
Purchased Services	6,192,996	26,550	19,825	119,900
Internal Services	652,313	-	-	7,200
Materials and Supplies	2,762,695	-	-	117,100
Other Charges	10,720,624	100	-	2,828,317
Capital Outlay	414,867	-	-	-
School Support	86,801,214	-	-	-
Other Use of Funds	3,475,159	1,712,647	211,035	1,417,248
Total Expenditures	\$ 147,356,313	\$ 1,779,463	\$ 230,860	\$ 4,563,024
Net Increase (Decrease) Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 20,988,481	\$ 2,203,475	\$ 25,978	\$ 1,323,504
Fund Balances/Net Assets at end of year	\$ 20,988,481	\$ 2,203,475	\$ 25,978	\$ 1,323,504

FY 2008 ADOPTED BUDGET GOVERNMENTAL FUNDS SCHEDULE

FY 2008 ADOPTED BUDGET GOVERNMENTAL FUNDS SCHEDULE

	School Operating Fund	School Textbook Fund	Capital Projects Fund	Total All Govt. Funds
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	103,466,066
Other Local Taxes	-	-	-	18,714,363
Permits, Fees and Licenses	-	-	-	2,858,120
Fines and Forfeitures	-	-	-	508,480
Revenue from the Use of Money / Property	-	-	-	1,732,843
Charges for Services	-	-	-	783,870
Miscellaneous	410,000	354,389	12,518,000	13,869,755
General Fund Transfer/Subsidy	86,801,214	-	1,057,000	88,089,074
Recovered Costs	740,425	-	-	868,762
State	38,508,495	395,611	-	61,442,761
Federal	3,819,016	-	-	6,199,716
Total Revenues	\$ 130,279,150	\$ 750,000	\$ 13,575,000	\$ 298,533,810
Expenditures:				
Personal Services	\$ 105,033,528	\$ -	\$ -	141,483,398
Purchased Services	2,805,204	-	-	9,164,475
Internal Services	1,670,040	-	-	2,329,553
Materials and Supplies	3,388,027	750,000	-	7,017,822
Other Charges	3,793,453	-	-	17,342,494
Capital Outlay	1,978,592	-	13,575,000	15,968,459
School Support	-	-	-	86,801,214
Other Use of Funds	11,610,306	-	-	18,426,395
Total Expenditures	\$ 130,279,150	\$ 750,000	\$ 13,575,000	\$ 298,533,810
Net Increase (Decrease) Fund Balance	\$ -	\$ -	\$ -	-
Fund Balances/Net Assets at beginning of year	\$ 1,350	\$ 30,388	\$ 26,119,450	\$ 50,692,626
Fund Balances/Net Assets at end of year	\$ 1,350	\$ 30,388	\$ 26,119,450	\$ 50,692,626

FY 2008 ADOPTED BUDGET

PROPRIETARY FUNDS TOTAL - ALL FUNDS

**FY 2008 ADOPTED BUDGET
PROPRIETARY FUNDS SCHEDULE
TOTAL - ALL FUNDS**

	Airport Operating Fund	Environmental Landfill Fund	School Nutrition Fund	Fleet Maintenance Fund	Total All Prop. Funds	<i>Total All Funds</i>
Revenues:						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,466,066
Other Local Taxes	-	-	-	-	-	18,714,363
Permits, Fees and Licenses	-	19,000	-	-	19,000	2,877,120
Fines and Forfeitures	-	-	-	-	-	508,480
Revenue from the Use of Money / Property	-	5,000	-	-	5,000	1,737,843
Charges for Services	240,790	-	2,998,237	3,150,732	6,389,759	7,173,629
Miscellaneous	41,000	6,929,749	338,002	-	7,308,751	21,178,506
General Fund Transfer/Subsidy	16,000	-	-	-	16,000	88,105,074 *
Recovered Costs	-	-	-	-	-	868,762
State	-	41,000	955,288	-	996,288	62,439,049
Federal	-	-	64,000	-	64,000	6,263,716
Total Revenues	<u>\$ 297,790</u>	<u>\$ 6,994,749</u>	<u>\$ 4,355,527</u>	<u>\$ 3,150,732</u>	<u>\$ 14,798,798</u>	<u>\$ 313,332,608 *</u>
Expenditures:						
Personal Services	\$ 134,019	\$ 1,980,716	\$ 2,200,909	\$ 857,436	\$ 5,173,080	\$ 146,656,478
Purchased Services	17,800	2,768,568	77,000	109,189	2,972,557	12,137,032
Internal Services	-	76,000	-	-	76,000	2,405,553
Materials and Supplies	36,700	215,500	1,997,618	2,090,326	4,340,144	11,357,966
Other Charges	3,600	191,865	10,000	30,000	235,465	17,577,959
Capital Outlay	16,100	796,500	70,000	63,781	946,381	16,914,840
School Support	-	-	-	-	-	86,801,214
Other Use of Funds	89,571	965,600	-	-	1,055,171	19,481,566
Total Expenditures	<u>\$ 297,790</u>	<u>\$ 6,994,749</u>	<u>\$ 4,355,527</u>	<u>\$ 3,150,732</u>	<u>\$ 14,798,798</u>	<u>\$ 313,332,608 *</u>
Net Increase (Decrease) Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances/Net Assets at beginning of year	<u>\$ 17,410,035</u>	<u>\$ 3,989,517</u>	<u>\$ 627,256</u>	<u>\$ 217,221</u>	<u>\$ 22,244,029</u>	<u>\$ 72,936,655</u>
Fund Balances/Net Assets at end of year	<u>\$ 17,410,035</u>	<u>\$ 3,989,517</u>	<u>\$ 627,256</u>	<u>\$ 217,221</u>	<u>\$ 22,244,029</u>	<u>\$ 72,936,655</u>

* The FY 2008 Adopted Budget is \$225,227,534 which represents the \$313,332,608 net of the General Fund Transfers/Subsidy of \$88,105,074.

GOVERNMENTAL FUNDS GENERAL FUND

GOVERNMENTAL FUNDS GENERAL FUND

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ 71,989,371	\$ 82,288,173	\$ 97,011,162	\$ 97,660,000
Other Local Taxes	15,353,297	17,029,823	17,409,276	18,714,363
Permits, Fees and Licenses	2,212,566	1,921,717	2,874,093	2,858,120
Fines and Forfeitures	486,847	529,420	508,480	508,480
Revenue from the Use of Money and Property	1,405,944	2,332,485	1,806,364	1,672,843
Charges for Services	1,231,248	1,331,108	879,120	783,870
Miscellaneous	538,802	180,129	193,002	284,366
General Fund Transfer/Subsidy	-	-	-	-
Recovered Costs	153,812	228,372	135,983	128,337
State	20,459,473	22,035,599	21,718,027	22,365,234
Federal	2,425,806	2,641,482	2,343,957	2,380,700
Total Revenues	\$ 116,257,166	\$ 130,518,308	\$ 144,879,464	\$ 147,356,313
Expenditures:				
Personal Services	\$ 24,728,885	\$ 29,161,905	\$ 31,737,206	\$ 36,336,445
Purchased Services	4,545,168	5,079,583	5,779,778	6,192,996
Internal Services	451,003	658,370	637,595	652,313
Materials and Supplies	2,443,494	2,945,674	2,587,772	2,762,695
Other Charges	8,775,671	9,520,517	10,818,152	10,720,624
Capital Outlay	864,443	732,340	414,042	414,867
School Support	67,346,104	72,466,537	80,036,078	86,801,214
Other Use of Funds	10,455,636	8,166,039	12,868,841	3,475,159
Total Expenditures	\$ 119,610,404	\$ 128,730,965	\$ 144,879,464	\$ 147,356,313
Net Increase (Decrease) Fund Balance	\$ (3,353,238)	\$ 1,787,343	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 22,554,376	\$ 19,201,138	\$ 20,988,481	\$ 20,988,481
Fund Balances/Net Assets at end of year	\$ 19,201,138	\$ 20,988,481	\$ 20,988,481	\$ 20,988,481

Fund Description:

The General Fund supports the costs related to the administration of the Count Government and includes the local support to the School Division.

Significant Issues/Comments:

The operational impact resulting from a significant decrease in new revenue growth. Construction and renovation needs and the escalating costs of goods and materials.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – CONSERVATION EASEMENT

**GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
CONSERVATION EASEMENT**

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ 1,338,001	\$ 1,414,276	\$ 1,350,000	\$ 1,476,463
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	600,000	550,000	500,000	303,000
General Fund Transfer/Subsidy				
Recovered Costs				
State	-	-	-	-
Federal	-	-	-	-
Total Revenues	\$ 1,938,001	\$ 1,964,276	\$ 1,850,000	\$ 1,779,463
Expenditures:				
Personal Services	\$ 21,981	\$ 20,214	\$ 33,764	\$ 40,166
Purchased Services	7,260	14,413	26,550	26,550
Internal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Charges	-	-	100	100
Capital Outlay	-	-	-	-
School Support	-	-	-	-
Other Use of Funds	1,219,103	427,600	1,789,586	1,712,647
Total Expenditures	\$ 1,248,344	\$ 462,227	\$ 1,850,000	\$ 1,779,463
Net Increase (Decrease) Fund Balance	\$ 689,657	\$ 1,502,049	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 11,769	\$ 701,426	\$ 2,203,475	\$ 2,203,475
Fund Balances/Net Assets at end of year	\$ 701,426	\$ 2,203,475	\$ 2,203,475	\$ 2,203,475

Fund Description:

The purpose of this fund is to purchase conservation easements for the purpose of protecting agriculture, providing open space and mitigating the impact of development on the County.

Significant Issues/Comments:

Funding emphasis for FY 2008 will be to obtain matching grants to enhance the purchase of development rights.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – AFFORDABLE HOUSING

**GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
AFFORDABLE HOUSING**

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	-
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	25,978	-	-
General Fund Transfer/Subsidy	-	-	-	230,860
Recovered Costs	-	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Total Revenues	\$ -	\$ 25,978	\$ -	\$ 230,860
Expenditures:				
Personal Services	\$ -	\$ -	\$ -	-
Purchased Services	-	-	-	19,825
Internal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
School Support	-	-	-	-
Other Use of Funds	-	-	-	211,035
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 230,860
Net Increase (Decrease) Fund Balance	\$ 0	\$ 25,978	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 0	\$ 0	\$ 25,978	\$ 25,978
Fund Balances/Net Assets at end of year	\$ 0	\$ 25,978	\$ 25,978	\$ 25,978

Fund Description:

This Fund has been established and funded to serve as seed money for grants and to support initiatives that will increase moderate and lower cost housing.

Significant Issues/Comments:

This Fund is new for FY 2008 and a citizen's committee, supported by County staff, has been formed to aggressively pursue affordable housing opportunities.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – FIRE AND RESCUE

GOVERNMENTAL FUNDS SPECIAL REVENUE FUND FIRE AND RESCUE

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ 3,507,171	\$ 3,477,273	\$ 4,261,272	\$ 4,329,603
Other Local Taxes	32,480	7,000	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	60,000
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
General Fund Transfer/Subsidy	227,500	-	-	-
Recovered Costs	671	28,875	-	-
State	145,267	171,977	162,221	173,421
Federal	131,666	-	-	-
Total Revenues	\$ 4,044,755	\$ 3,685,125	\$ 4,423,493	\$ 4,563,024
Expenditures:				
Personal Services	\$ 1,609,135	\$ 56,473	\$ 46,000	\$ 73,259
Purchased Services	152,900	112,493	123,800	119,900
Internal Services	33,966	1,613	7,200	7,200
Materials and Supplies	278,844	191,208	115,650	117,100
Other Charges	2,211,650	2,891,731	2,769,663	2,828,317
Capital Outlay	76,421	27,830	-	-
School Support	-	-	-	-
Other Use of Funds	141,838	164,133	1,361,180	1,417,248
Total Expenditures	\$ 4,504,754	\$ 3,445,481	\$ 4,423,493	\$ 4,563,024
Net Increase (Decrease) Fund Balance	\$ (459,999)	\$ 239,644	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 1,543,859	\$ 1,083,860	\$ 1,323,504	\$ 1,323,504
Fund Balances/Net Assets at end of year	\$ 1,083,860	\$ 1,323,504	\$ 1,323,504	\$ 1,323,504

Fund Description:

The Fire and Rescue Fund is used to support the County Volunteer Fire and Rescue Association in providing fire protection, emergency medical services and perform related life safety functions.

Significant Issues/Comments:

The primary funding emphasis for FY 2008 is the increase of debt service capacity to address the costs to renovate/ construct facilities at Warrenton, New Baltimore, Remington and Catlett/Calverton.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – SCHOOL OPERATING

**GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SCHOOL OPERATING**

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	259,640	455,659	270,000	410,000
General Fund Transfer/Subsidy	67,346,104	74,005,414	80,036,078	86,801,214
Recovered Costs	172,301	170,927	666,853	740,425
State	31,342,085	33,669,854	37,737,986	38,508,495
Federal	3,682,436	3,875,671	3,646,442	3,819,016
Total Revenues	\$ 102,802,566	\$ 112,177,525	\$ 122,357,359	\$ 130,279,150
Expenditures:				
Personal Services	\$ 80,986,156	\$ 88,371,929	\$ 100,256,722	\$ 105,033,528
Purchased Services	3,027,857	3,187,878	2,886,310	2,805,204
Internal Services	1,404,176	1,713,314	1,775,877	1,670,040
Materials and Supplies	5,135,727	4,091,134	3,325,685	3,388,027
Other Charges	3,519,101	4,049,020	3,845,088	3,793,453
Capital Outlay	575,357	1,286,976	1,978,592	1,978,592
School Support	-	-	-	-
Other Use of Funds	8,154,192	8,718,660	8,289,085	11,610,306
Total Expenditures	\$ 102,802,566	\$ 111,418,911	\$ 122,357,359	\$ 130,279,150
Net Increase (Decrease) Fund Balance	\$ 0	\$ 758,614	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 1,350	\$ 1,350	\$ 1,350	\$ 1,350
Fund Balances/Net Assets at end of year	\$ 1,350	\$ 759,964	\$ 1,350	\$ 1,350

Fund Description:

This Fund accounts for the operations of Fauquier County's public school system.

Significant Issues/Comments:

Funding emphasis for FY 2008 is on recruitment and retainability of staff.

*Prior year fund balance of \$758,614 was carried over primarily for on going maintenance and construction projects. The funding was not included in the FY 2007 Adopted Budget.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – SCHOOL TEXTBOOK

**GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SCHOOL TEXTBOOK**

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	-
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	738,875	497,947	348,347	354,389
General Fund Transfer/Subsidy	-	-	-	-
Recovered Costs	-	630	-	-
State	256,013	260,662	401,653	395,611
Federal	-	-	-	-
Total Revenues	\$ 994,888	\$ 759,239	\$ 750,000	\$ 750,000
Expenditures:				
Personal Services	\$ -	\$ -	\$ -	-
Purchased Services	-	-	-	-
Internal Services	-	-	-	-
Materials and Supplies	1,221,144	786,289	750,000	750,000
Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
School Support	-	-	-	-
Other Use of Funds	-	-	-	-
Total Expenditures	\$ 1,221,144	\$ 786,289	\$ 750,000	\$ 750,000
Net Increase (Decrease) Fund Balance	\$ (226,256)	\$ (27,050)	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 283,694	\$ 57,438	\$ 30,388	\$ 30,388
Fund balances/Net Assets at end of year	\$ 57,438	\$ 30,388	\$ 30,388	\$ 30,388

Fund Description:

This Fund is for the replacement of school textbooks and related material.

Significant Issues/Comments:

For FY 2008 the School Division will continue to replace textbooks in accordance with the State guidelines

GOVERNMENTAL FUNDS

CAPITAL PROJECTS – CAPITAL IMPROVEMENTS

**GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENTS**

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	233,659	134,940	-	-
Charges for Services	6,000	42,500	-	-
Miscellaneous	6,143,050	14,228,044	45,694,000	12,518,000
General Fund Transfer/Subsidy	7,268,606	6,696,191	4,334,688	1,057,000
Recovered Costs	-	369,556	-	-
State	-	-	-	-
Federal	-	21,552	-	-
Total Revenues	\$ 13,651,315	\$ 21,492,783	\$ 50,028,688	\$ 13,575,000
Expenditures:				
Personal Services	\$ 70,541	\$ 84,554	\$ -	\$ -
Purchased Services	71,129	3,241,715	-	-
Internal Services	-	-	-	-
Materials and Supplies	281	4,857	-	-
Other Charges	1,764	2,327	-	-
Capital Outlay	17,022,380	23,005,280	50,028,688	13,575,000
School Support	-	-	-	-
Other Use of Funds	734,088	2,466,312	-	-
Total Expenditures	\$ 17,900,183	\$ 28,805,045	\$ 50,028,688	\$ 13,575,000
Net Increase (Decrease) Fund Balance	\$ (4,248,868)	\$ (7,312,262)	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 37,680,580	\$ 33,431,712	\$ 26,119,450	\$ 26,119,450
Fund balances/Net Assets at end of year	\$ 33,431,712	\$ 26,119,450	\$ 26,119,450	\$ 26,119,450

Fund Description:

The Capital Improvements Fund includes the budgeted first year of the 10 year Capital Improvement Program which is primarily supported by borrowing. Also included are a number of cash funded capital issues such as the replacement of Sheriff's vehicles.

Significant Issues/Comments:

Due to limited funding and to remain with the established limitations on debt service the amount funded was reduced from \$50.0 million in FY 2007 to \$13.6 million in FY 2008. For details see Capital Improvements Fund.

PROPRIETARY FUNDS

ENTERPRISE FUND - AIRPORT

PROPRIETARY FUNDS
ENTERPRISE FUND
AIRPORT

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	122	-	-	-
Charges for Services	199,226	202,621	264,734	240,790
Miscellaneous	67,896	164,877	30,880	41,000
General Fund Transfer/Subsidy	60,559	37,341	-	16,000
Recovered Costs	-	-	-	-
State	660,569	707,508	35,000	-
Federal	4,151,250	2,256,999	-	-
Total Revenues	\$ 5,139,622	\$ 3,369,346	\$ 330,614	\$ 297,790
Expenditures:				
Personal Services	\$ 90,065	\$ 106,419	\$ 119,888	\$ 134,019
Purchased Services	65,077	105,949	107,800	17,800
Internal Services	-	-	3,600	-
Materials and Supplies	53,435	73,407	19,000	36,700
Other Charges	52,228	564,965	33,480	3,600
Capital Outlay	-	-	5,000	16,100
School Support	-	-	-	-
Other Use of Funds	-	-	41,846	89,571
Total Expenditures	\$ 260,805	\$ 850,740	\$ 330,614	\$ 297,790
Net Increase (Decrease) Fund Balance	\$ 4,878,817	\$ 2,518,606	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 10,012,612	\$ 14,891,429	\$ 17,410,035	\$ 17,410,035
Fund balances/Net Assets at end of year	\$ 14,891,429	\$ 17,410,035	\$ 17,410,035	\$ 17,410,035

Fund Description:

This Fund supports the operations of the Warrenton-Fauquier Airport as a reliever airport for Dulles and Ragan international airports.

Significant Issues/Comments:

Major emphasis for FY 2008 will be the County's assumption of fuel and flight line sales operation at the Airport.

PROPRIETARY FUNDS

ENTERPRISE FUND – ENVIRONMENTAL SERVICES

PROPRIETARY FUNDS
ENTERPRISE FUND
ENVIRONMENTAL SERVICES

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	-
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	17,671	18,031	-	19,000
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	79,811	133,124	-	5,000
Charges for Services	7,777,458	6,281,232	8,043,340	6,929,749
Miscellaneous	177,780	255,141	-	-
General Fund Transfer/Subsidy	-	10,600	-	-
Recovered Costs	-	-	-	-
State	22,741	48,633	-	41,000
Federal	-	-	-	-
Total Revenues	\$ 8,075,461	\$ 6,746,761	\$ 8,043,340	\$ 6,994,749
 Expenditures:				
Personal Services	\$ 985,135	\$ 1,271,701	\$ 1,554,944	\$ 1,980,716
Purchased Services	3,332,200	3,168,252	2,922,065	2,768,568
Internal Services	22,566	42,924	36,000	76,000
Materials and Supplies	197,543	399,325	220,500	215,500
Other Charges	138,753	140,617	135,320	191,865
Capital Outlay	3,154,641	430,505	2,308,600	796,500
School Support	-	-	-	-
Other Use of Funds	121,392	77,854	865,911	965,600
Total Expenditures	\$ 7,952,230	\$ 5,531,178	\$ 8,043,340	\$ 6,994,749
Net Increase (Decrease) Fund Balance	\$ 123,231	\$ 1,215,583	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 2,650,703	\$ 2,773,934	\$ 3,989,517	\$ 3,989,517
Fund Balances/Net Assets at end of year	\$ 2,773,934	\$ 3,989,517	\$ 3,989,517	\$ 3,989,517

Fund Description:

This Fund is responsible for operation of the landfill, convenience waste sites and the County's recycling program.

Significant Issues/Comments:

For FY 2008 emphasis will be on the first full year of recycling construction and demolition waste to generate additional revenue and extend the life of the landfill. Leachate and storm water system improvements are also scheduled in preparation for the upcoming closure of the old landfill and expansion of the current landfill.

PROPRIETARY FUNDS

ENTERPRISE FUND – SCHOOL NUTRITION

PROPRIETARY FUNDS
ENTERPRISE FUND
SCHOOL NUTRITION

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	700	956	-	-
Charges for Services	2,825,358	2,909,412	2,881,643	2,998,237
Miscellaneous	-	-	306,883	338,002
General Fund Transfer/Subsidy	-	-	-	-
Recovered Costs	-	371	-	-
State	52,245	58,419	58,771	64,000
Federal	804,586	864,409	842,573	955,288
Total Revenues	\$ 3,682,889	\$ 3,833,567	\$ 4,089,870	\$ 4,355,527
Expenditures:				
Personal Services	\$ 1,796,881	\$ 1,838,952	\$ 2,058,970	\$ 2,200,909
Purchased Services	57,293	69,185	60,000	77,000
Internal Services	-	-	-	-
Materials and Supplies	1,682,172	1,682,640	1,904,900	1,997,618
Other Charges	10,672	7,511	10,000	10,000
Capital Outlay	39,181	57,047	56,000	70,000
School Support	-	-	-	-
Other Use of Funds	5,963	-	-	-
Total Expenditures	\$ 3,592,162	\$ 3,655,335	\$ 4,089,870	\$ 4,355,527
Net Increase (Decrease) Fund Balance	\$ 90,727	\$ 178,232	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 358,297	\$ 449,024	\$ 627,256	\$ 627,256
Fund Balances/Net Assets at end of year	\$ 449,024	\$ 627,256	\$ 627,256	\$ 627,256

Fund Description:

This Fund supports the School Nutrition Program which is dedicated to promoting safe, nutritious and enjoyable meals in a pleasant environment to all students and school personnel.

Significant Issues/Comments:

All meal prices will remain at the FY 2007 level.

PROPRIETARY FUNDS

ENTERPRISE FUND – FLEET MAINTENANCE

PROPRIETARY FUNDS
ENTERPRISE FUND
FLEET MAINTENANCE

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	-
Charges for Services	2,192,803	2,766,937	2,969,001	3,150,732
Miscellaneous	4,596	-	-	-
General Fund Transfer/Subsidy	-	100,000	-	-
Recovered Costs	-	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Total Revenues	\$ 2,197,399	\$ 2,866,937	\$ 2,969,001	\$ 3,150,732
Expenditures:				
Personal Services	\$ 692,893	\$ 691,751	\$ 834,918	\$ 857,436
Purchased Services	89,647	125,474	109,189	109,189
Internal Services	16,747	27,993	-	-
Materials and Supplies	1,444,116	1,871,945	1,962,894	2,090,326
Other Charges	24,287	22,058	32,000	30,000
Capital Outlay	25,484	25,490	30,000	63,781
School Support	-	-	-	-
Other Use of Funds	-	-	-	-
Total Expenditures	\$ 2,293,174	\$ 2,764,711	\$ 2,969,001	\$ 3,150,732
Net Increase (Decrease) Fund Balance	\$ (95,775)	\$ 102,226	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 182,463	\$ 114,995	\$ 217,221	\$ 217,221
Fund Balances/Net Assets at end of year	\$ 86,688	\$ 217,221	\$ 217,221	\$ 217,221

Fund Description:

Fleet maintenance organization for the County and School Division.

Significant Issues/Comments:

The cost of fuel and repair parts will have a significant impact on fleet operations.

*Restatement of net assets due to inventory adjustment.

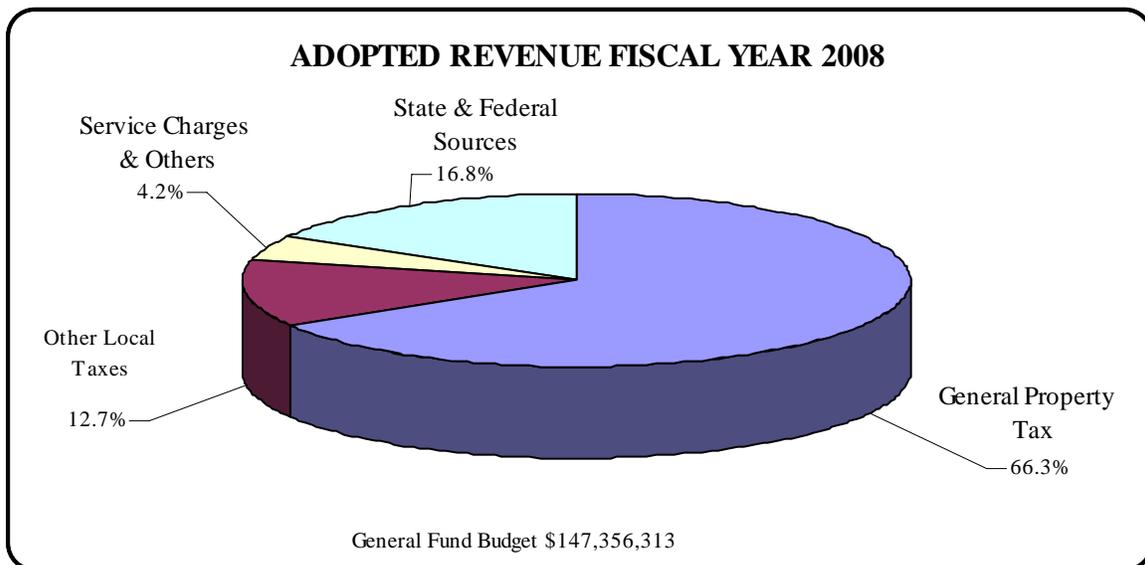
REVENUE ANALYSIS

General Fund

General Fund revenue is divided into four major categories. These include (1) General Property Taxes, (2) Other Local Taxes, (3) Service Charges Others, (4) State and Federal Sources.

General Property Tax comprises the largest element of General Fund revenue at 67.0 percent. This is the same percentage relationship as in FY 2007. Funding from local sources accounts for the majority (83.4 percent) of the projected revenue, while State and Federal funding provides 16.8 percent of the total. This breakdown of revenue sources is similar to other jurisdictions in the Commonwealth.

<u>Function</u>	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted	Increase (Decrease) Amount	FY 2008 Budget as % of Total
General Property Tax	\$ 71,989,371	\$ 82,288,173	\$ 97,011,162	\$ 97,660,000	\$ 648,838	66.3%
Other Local Taxes	15,300,221	16,958,780	17,409,276	18,714,363	1,305,087	12.7%
Service Charges Other	6,082,295	6,594,270	6,397,042	6,236,016	(161,026)	4.2%
State & Federal Sources	22,885,279	24,677,081	24,061,984	24,745,934	683,950	16.8%
Total	\$ 116,257,166	\$ 130,518,304	\$ 144,879,464	\$ 147,356,313	\$ 2,476,849	100.0%



REVENUE ANALYSIS

General Comments:

A Revenue Committee comprised of key financial staff, projects FY 2008 revenues utilizing information submitted by the various departments and agencies. The Committee includes the County Treasurer, Commissioner of the Revenue, Directors of Finance and Budget, School Budget Officer, Deputy County Administrator, the Assistant School Superintendent for Administration, and other supporting staff members. Members are responsible for detailed review and analysis of all revenue related issues throughout the year and make the final recommendations on revenue during the budget process. The Revenue Committee has 130 years of combined experience in budget preparation and revenue estimation. Various methods are used by the Revenue Committee and staff to project revenue.

The primary method of estimation used is trend analysis. While this entails a number of variations, the basic elements used are: review of prior years' and current year revenue receipts, consideration of factors that affected them, evaluation of local and national economic forecasts, the impact of pertinent legislation and an understanding of the governing body's goals and priorities.

Some revenues, such as from the Commonwealth of Virginia and Federal government, are determined by fixed allocations or ratios. For example, the State Compensation Board allocates funding to Constitutional Offices based on the number of authorized positions, average salary costs and other related expenses; State and Federal funding to the Department of Social Services and Office of Comprehensive Services is estimated by a funding ratio related to the type and quantity of service provided.

State funding for the School Division is based primarily on a formula approved by the General Assembly. This methodology uses student Average Daily Membership (ADM) in determining the bulk of State school funding. Locally, the only significant factor to consider is the accuracy of the State's estimate of the local School District's ADM. A March 31st ADM is used in this funding computation.

Total General Fund Revenues for FY 2008 reflect an increase of 1.7 percent, (\$ 2.5 million), compared with the FY 2007 Adopted Budget amount. Approximately \$1.5 million of this growth resulted from the transfer of the Warrenton/Fauquier Joint Communication Center's budget and supporting revenue from a separate fund to the General Fund. The net \$1.2 million in new County revenue is the smallest increase in over 15 years.

REVENUE ANALYSIS

GENERAL PROPERTY TAXES:

	FY 2005	FY 2006	FY 2007	FY 2008	Increase (Decrease)	
	Actual	Actual	Adopted	Adopted	Amount	%
Real Estate Tax	\$ 50,718,071	\$ 60,477,611	\$ 72,178,700	\$ 70,600,000	\$ (1,578,700)	-2.2%
Public Service	3,594,622	2,242,923	3,500,000	3,850,000	350,000	10.0%
Personal Property Tax	14,703,465	16,921,305	18,956,504	21,085,000	2,128,496	11.2%
Delinq Real Estate Tax	964,406	1,014,052	914,958	500,000	(414,958)	-45.4%
Delinq Personal Prop Tax	651,650	299,823	300,000	450,000	150,000	50.0%
Penalties	842,674	1,013,632	811,000	825,000	14,000	1.7%
Interest	514,483	318,827	350,000	350,000	0	0.0%
Total	\$ 71,989,371	\$ 82,288,173	\$ 97,011,162	\$ 97,660,000	\$ 648,838	0.7%

DESCRIPTION: General property taxes are levied on the assessed value of real and personal property owned by businesses, individuals, and public service corporations. Assessments of real property (land, buildings, and improvements) are conducted on a quadrennial basis with the results maintained by the Commissioner of the Revenue. The last assessment was in FY 2006. The real property tax rate for tax year 2007 is \$0.60 per \$100 of assessed value, plus an additional special levy of \$0.035 per \$100 for support of fire and rescue operations, and \$0.01 for the Conservation Easement Program. There is also a special levy in the village of Marshall of \$0.005 for the payment of street lighting.

Personal property includes vehicles, mobile homes, aircraft, trailers, boats, and machinery and tools. The personal property tax rate on vehicles is \$4.65 per \$100 of assessed value. A special personal property classification (created in tax year 1992) for handicapped-equipped vehicles remains at the 2005 rate of \$.05 per \$100 of assessed value. A classification for volunteer fire and rescue members' personal vehicles was created in 1997. This rate also remains at the 2006 rate of \$.25 per \$100 of the assessed value. Beginning in tax year 2006, the tax rate on aircraft was reduced to \$0.001 per \$100 of assessed value.

Taxes for real property are due on June 5th and December 5th of each year. Personal property tax is due October 5th of each year.

PROJECTION: In projecting the real property assessment tax base, the Commissioner of the Revenue must determine the following factors: the previous year's tax base, the value of the land in the County's land use program, the impact of the tax relief for the elderly program, and an estimate of new construction for the upcoming year. The Commissioner of the Revenue relies primarily on new growth estimates from the Community Development Department, as well as information from the towns, to project new construction values.

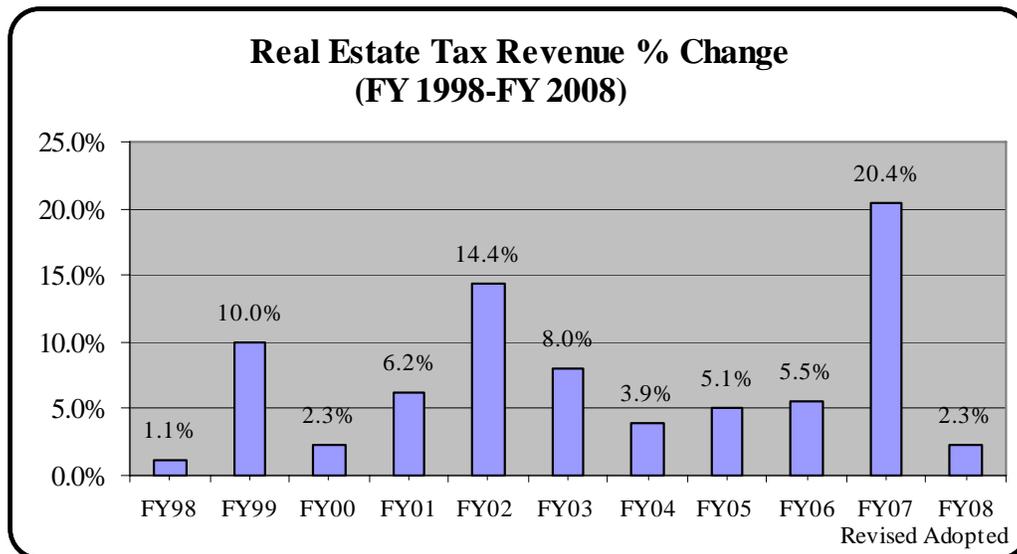
Personal property assessments are estimated by the Commissioner of the Revenue based upon projected growth estimates, historical trends, and market values of personal property. Beginning January 1, 1996, the County implemented a system to prorate personal property assessments at the time vehicles are bought and sold.

REVENUE ANALYSIS

In Fiscal Year 2008, at the adopted tax rates, General Property Tax represents 66.3 percent of General Fund Revenues. In FY 2007 it represented 67.0 percent of total General Fund Revenues.

Real Estate Revenue: The County anticipates receiving \$ 74.9 million in real estate taxes, including tax payments from Public Service properties and delinquent taxes in FY 2008. This represents a decrease of 2.2 percent compared to FY 2007 Adopted Budget estimates. At 51.7 percent of the total General Fund, Real Estate revenue is the largest source of revenue in the County budget. Support of the tax relief for the elderly and disabled program was stabilized with income level at \$58,000, combined financial net worth at \$440,000 and the exclusion of income of a relative residing in the home is \$10,000. This program is one of the most generous in the Commonwealth. For FY 2008 real property revenue is based on the following:

- 2.6 percent increase in the net taxable value of all taxable real property for CY 2007
- FY 2008 tax relief estimate of \$1.6 million
- Collection rate of 98.3 percent



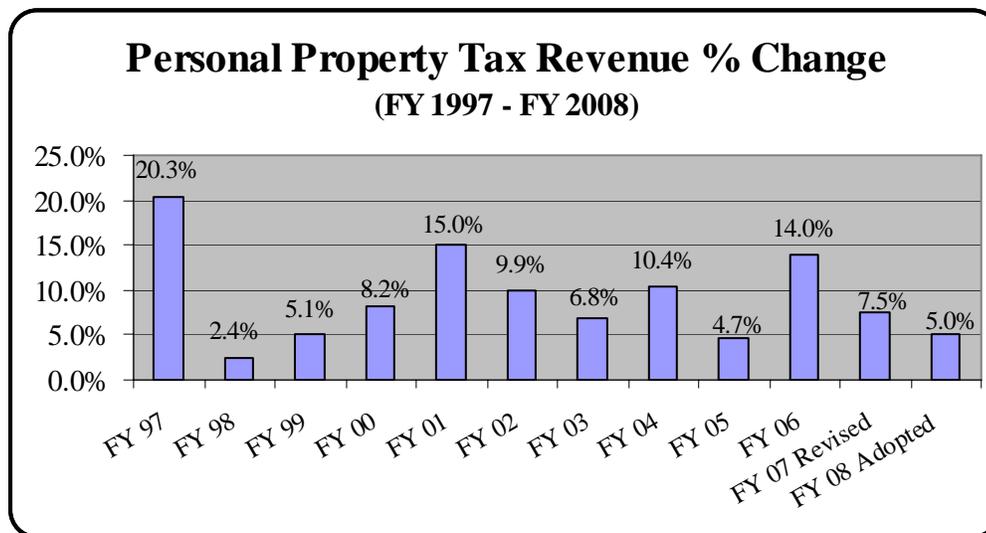
The significant increase in FY 2007 was the result of the CY 2006 reassessment of real estate.

REVENUE ANALYSIS

Personal Property Revenue: Personal Property Taxes are projected to generate \$ 34.7 million in receipts for FY 2008. This estimate assumes an increase of 6.5 percent, (approximately \$2.1 million) over the FY 2007 amount of \$ 32.6 million. For FY 2008, the personal property tax rates remain at the FY 2007 levels. This year's estimate anticipates a slightly reduced growth year due to the slowing in real estate expansion and an increased depreciation rate for vehicles currently being taxed.

As indicated previously, this amount includes State funding support under the Personal Property Tax Relief Act (PPTRA). Beginning in FY 2007 the General Assembly limited tax relief support for all jurisdictions. Fauquier County funding was fixed at \$13.7 million and will remain at that level indefinitely, resulting in a shrinking proportionate level of relief as the tax base grows in the coming fiscal years.

The Commissioner of the Revenue prorates personal property.



Personal Property Taxes are estimated based on the assumption of a collection rate of 94.9 percent.

Delinquent Taxes: The County estimates the collection of approximately \$.9 million in delinquent taxes during FY 2008. Projections are based on revenue history of prior years, the economic climate, and the strong emphasis of the County Treasurer and County Attorney in collecting delinquent taxes. These active collection procedures have reduced the percentage of delinquent tax over the past several years.

REVENUE ANALYSIS

SERVICE CHARGES & OTHERS:

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted	Increase (Decrease) Amount	%
Permits, Fees, and Licenses						
Zoning and Inspection Fees	2,205,732	1,915,098	2,366,000	2,365,000	(1,000)	0.0%
Other	6,834	6,619	7,000	7,700	700	10.0%
Fines and Forfeitures	486,847	529,420	508,480	508,480	0	0.0%
Use of Money and Property	1,405,944	2,332,485	1,806,364	1,672,843	(133,521)	-7.4%
Charges for Services						
Excess Fees	419,920	521,701	600,000	500,000	(100,000)	-16.7%
Parks & Recreation Fees	460,243	456,074	501,093	485,420	(15,673)	-3.1%
Library Fees	62,176	57,452	60,000	57,000	(3,000)	-5.0%
Other	288,909	295,881	219,120	226,870	7,750	3.5%
Recovered Costs	153,812	228,372	135,983	128,337	(7,646)	-5.6%
Miscellaneous	591,878	251,168	193,002	284,366	91,364	47.3%
Total	\$ 6,082,295	\$ 6,594,270	\$ 6,397,042	\$ 6,236,016	\$ (161,026)	-2.5%

DESCRIPTION:

PERMITS, FEES AND LICENSES: The majority of permits under this category are development related. Building permit revenues are estimated based upon projections of new households, commercial, and industrial establishments in the County. Another component of this category, animal licenses, is estimated proportionally with population growth. Other Revenue represents funds received for permit fees or licenses not specifically identified above.

FINES AND FORFEITURES: These revenues are collected by the Courts, and are designed to penalize and deter behaviors detrimental to the health, safety and welfare of the citizens of Fauquier County. Court fines and forfeitures are related to the costs of holding court and processing court records and papers. Traffic fines include fees for violations such as driving under the influence (DUI) and speeding, as well as non-moving violations such as defective equipment.

USE OF MONEY AND PROPERTY: Revenue from the Use of Money is principally generated through the investments of funds. The County Treasurer is responsible for the County's investment program. Based upon projected cash flow, the Treasurer can determine the amount of funds for investment over the fiscal year. Funds are invested in securities as outlined in the Virginia Public Deposits Acts and the Code of Virginia. Investments primarily consist of certificates of deposit, treasury bills, securities and the Virginia State Treasurer's Local Government Investment Pool.

REVENUE ANALYSIS

CHARGE FOR SERVICE: When revenues collected and forwarded to the State by the Clerk of the Circuit Court exceed the amount required for departmental operations, the surplus is returned to the County is accounted as Excess Fees. Charges for Parks and Recreation include recreation activity fees and park concession and admission fees. Library fees are charged in regard to use of the Public Library facilities. Other Charges include Planning and Community Development sale of publications, maps, surveys, rezoning fees, and site plan review fees. Revenues in this category are developed based upon historical trends and projected increases in general population or changes in client groups.

RECOVERED COSTS: The revenue generated from this category includes funding from organizations and agencies outside the general government for services provided to them. An example is jail inmate boarding for other jurisdictions.

MISCELLANEOUS REVENUE: Various revenues in the County's General Fund that do not fit any other revenue classification, nor do they have a common theme, are included in Miscellaneous Revenue.

PROJECTIONS:

This category of revenue is anticipated to generate \$6.2 million in FY 2008, a decrease of approximately \$161,000, or 2.5 percent below the FY 2007 budget amount. Projections in this category are primarily based on prior year's history for these sources, development projections, funds estimated to be available for investment, and anticipated interest rates. Despite the rise in interest rates less money will be available to invest for FY 2008 resulting in a decrease in the revenue from this element. Also an estimated decrease in Excess Fee revenue is the result of slowing home sales.

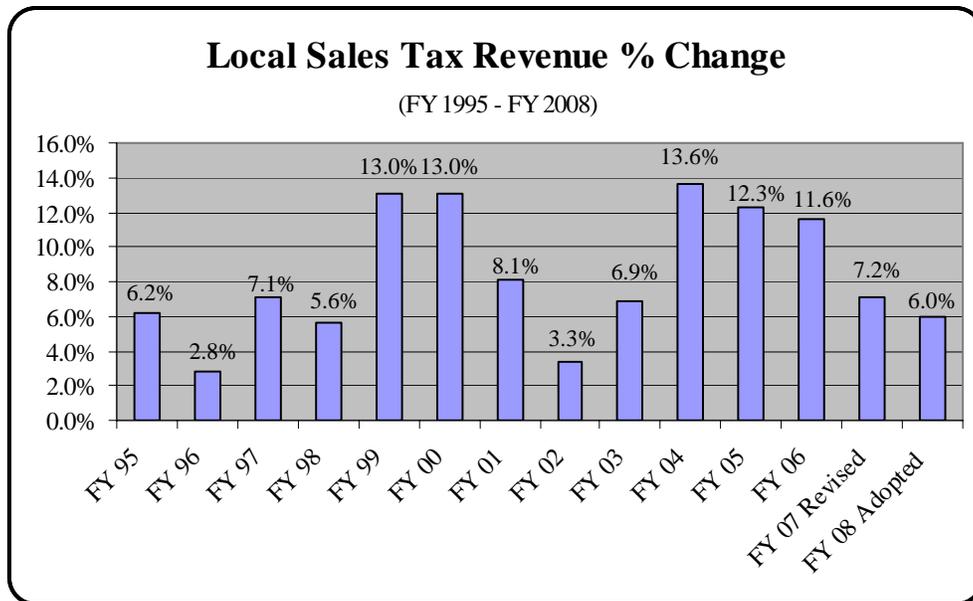
OTHER LOCAL TAXES:

	FY 2005	FY 2006	FY 2007	FY 2008	Increase (Decrease)	%
	Actual	Actual	Adopted	Adopted	Amount	
Local Sales and Use Tax	\$ 6,605,989	\$ 7,372,629	\$ 8,000,000	\$ 8,374,000	\$ 374,000	4.7%
Utility Tax	2,720,151	3,069,766	2,950,000	4,519,363	1,569,363	53.2%
Utility Consumption Tax	171,138	178,001	170,000	170,000	0	0.0%
Motor Vehicle Fee	1,421,448	1,440,165	1,521,000	1,800,000	279,000	18.3%
BPOL Tax	1,287,192	1,439,180	1,500,000	1,500,000	0	0.0%
Cable TV Franchise	150,078	181,249	155,000	0	(155,000)	-100.0%
Bank Stock Tax	172,551	205,655	173,000	200,000	27,000	15.6%
Recording Tax	2,771,674	2,974,115	2,820,000	2,030,000	(790,000)	-28.0%
Transient Occupancy Tax	0	98,024	120,276	121,000	724	0.6%
Total	\$ 15,300,221	\$ 16,958,784	\$ 17,409,276	\$ 18,714,363	\$ 1,305,087	7.5%

REVENUE ANALYSIS

DESCRIPTION:

LOCAL SALES AND USE TAXES: The State collects and distributes the local one (1) percent Optional Sales and Use Tax. Actual distributions made to Fauquier County are based on taxes collected in the County.



Sales tax revenue has shown a slowing in growth over the past two years.

UTILITY TAX:

Communications Tax: The Telecommunications Tax reform passed by the 2006 General Assembly became effective January 2007. It will have a full year fiscal effect for FY2008. The new taxing structure replaced the local consumer utility tax previously levied by the county on land line telephone service, mobile phone service, E911 service and the cable franchise fee. These local taxes were combined into a statewide communications tax levied at a rate of 5%. The tax is administered by the Department of Taxation. The revenue from this tax is remitted to the county monthly. In addition to the consolidation of these local levies the state levy also includes satellite television service which was not previously taxed locally.

Local Utility Consumer Tax: The Utility Consumer's tax is a tax levied by the County. It is collected by the electric and gas utility companies and remitted to the County from residential, industrial, and commercial users. The current rate for residential users of electric and gas service is 20 percent of the first \$15 of each bill. The rate for commercial and industrial users is 10 percent of each bill.

REVENUE ANALYSIS

Local Consumption Tax: Effective in tax year 2001, the legislature enacted the Electric and Gas Utility Consumption Tax. It provided for a state administered tax of which a portion is remitted to the county. The rates are established by the state under Title 58.1, Chapter 29. The local ordinance was revised to reflect this change in October 2000. This tax is in lieu of a BPOL tax on the electric and gas utility companies.

CABLE TELEVISION FRANCHISE TAX: Combined with the Utility Tax for FY 2008.

MOTOR VEHICLE REGISTRATION FEE: In FY 2007 vehicle decals were eliminated and a \$25 per vehicle and \$15 for motorcycle administrative fee was implemented.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE (BPOL) tax is a gross receipts tax in lieu of a Merchant's Capital Tax. By July 1st each year, businesses with gross receipts greater than \$100,000 are required to pay the BPOL tax. In 1999, the BPOL taxes were eliminated for businesses with gross receipts under \$100,000. BPOL rates, established by the Board of Supervisors, are on a sliding scale based on gross receipts from the prior year. In FY 2001, rates were adjusted for equalization with the Town of Warrenton. In FY 2002, BPOL taxes on gas and electric companies were eliminated and replaced with a consumption tax pursuant to Title 58.1, Chapters 29 and 29.1 Code of Virginia.

BANK STOCK TAXES: The Bank Stock Tax revenues are collected in accordance with Section 58.1-1210 of the Code of Virginia (1950) as amended. These revenues are collected from a tax levied on shareholders by the State at the rate of \$1.00 per \$100 of net taxable capital. Eighty (80) percent of these funds are distributed to the locality where the bank is located and twenty (20) percent to the State. With higher deductions for owned property due to the reassessment this revenue is expected to decline somewhat from the FY 2007 level.

RECORDATION TAXES: Recordation Taxes are levied on deeds, deeds of trust, mortgages, leases and contracts. These revenues are collected by the Clerk of the Circuit Court and remitted to the County. The fees charged for recording these documents are based on the amount of the transaction (i.e. sales price).

TRANSIENT OCCUPANCY TAX: Approved by the Board of Supervisors in FY 2006, this is a 2 percent lodging tax levied by the County on room rentals within the County. This tax does not include the towns, which have separate occupancy taxes. Revenue projections are based on review of BPOL receipts, as well as economic factors including projected growth in facilities and tourism.

REVENUE ANALYSIS

PROJECTION:

For FY 2008 approximately \$18.7 million in revenue is anticipated to be generated within this category. This amount represents an increase of \$1.3 million or 7.5 percent from the FY 2007 Budget amount. This increase is primarily due to the movement of the Warrenton/Fauquier Joint Communication program, along with its supporting utility tax revenue, from a separate fund to the General Fund. The additional revenue is reflected in the Utility Tax element. Other elements affecting this revenue category include:

Utility Tax:

Based on the Commonwealth's action in combining various elements of this tax and the unknown of what the County would actually receive this revenue element was unchanged for FY 2008. As previously indicated the increase is due to the transfer of the Warrenton/Fauquier Joint Communication to the General Fund along with supporting revenue.

Sales Tax: Local sales tax is estimated to be \$8.4 million in FY 2008, an increase of \$374,000 from the FY 2007 Adopted Budget. After averaging 12.5 percent growth for the past three years the slowing of construction and home sales and their effect on related business has resulted in a limited growth projection for FY 2008. Sales tax projections are based on prior history, planned business expansion and the overall economic climate of the region.

Recording Tax and Fees: Tax levied on deeds, mortgages, leases and contracts is projected to drop sharply (28.0 percent) due to the effect of decreased home sales. The FY 2008 projected revenue is \$2.0 million, down from a previous two year average of \$2.8 million. Projections are based on prior revenue history and expected impact of building development.

Business, Professional and Occupational Licenses (BPOL): Major school construction during FY 2008 is projected to offset the impact of slowing new home construction. Revenue projection for FY 2008 is estimated at the FY 2007 Adopted Budget level of \$1.5 million.

STATE AND FEDERAL:

	FY 2005 Actual	FY 2006 Actual	FY 2007 Adopted	FY 2008 Adopted	Increase (Decrease) Amount	%
State Non-Categorical Aid	\$ 692,465	\$ 688,814	\$ 174,184	\$ 288,475	\$ 114,291	65.6%
State Shared Expenses	4,423,106	4,637,390	4,510,256	5,108,781	598,525	13.3%
State Welfare/At Risk Programs	2,006,014	1,919,637	2,184,433	2,103,907	(80,526)	-3.7%
State Other Categorical Aid	723,315	773,411	1,189,658	1,204,575	14,917	1.3%
State PPTRA*	12,614,573	14,016,347	13,659,496	13,659,496	0	0.0%
Federal	2,425,806	2,641,482	2,343,957	2,380,700	36,743	1.6%
Total	\$ 22,885,279	\$ 24,677,081	\$ 24,061,984	\$ 24,745,934	\$ 683,950	2.8%

* Personal Property Tax Relief Act which was fixed at \$13,659,496 beginning in FY 2007.

REVENUE ANALYSIS

DESCRIPTION:

STATE NON-CATEGORICAL AID: These revenues are raised by the Commonwealth and shared with the County. Ratios, rate, and distribution formulas are subject to change each year by the General Assembly. Alcoholic Beverage Control (ABC) revenues represent two-thirds of the net profits of the ABC Commission and are distributed quarterly to counties based upon the 2000 census. Wine tax revenues are also distributed based on the 2000 census and a percent ratio established annually by the State. Mobile Home Titling taxes are three (3) percent of the price of the sale. Each of these sources is outlined in the State Code. After two years of reductions, this revenue Category is projected to increase based on State estimates.

STATE SHARED EXPENSES: Shared Expenses revenue represents the funding for constitutional officers and is determined by the State Compensation Board on an annual basis. Each year the constitutional officers prepare a proposed budget for the State Compensation Board's consideration. The amount of funding in this category is primarily generated by services attributed to population growth, and supported by the State such as staffing the Sheriff's Office.

STATE WELFARE & AT-RISK PROGRAMS: This is State funding for Social Services and the Comprehensive Services Act (CSA) for at-risk youth and their families. The purpose of the CSA program is for State and local agencies, parents, and private service providers to work in collaboration to address the needs of at-risk youth and their families. The Director of Social Services projects departmental revenue each year using estimates received from State and Federal agencies. The CSA program manager estimates that element of revenue based on the operational impact of projected caseload and the State's fifty-fourth (54) percent share of agreed upon expenses.

STATE CATEGORICAL AID: The remainder of the revenues noted under State Sources are designated for specific purposes in the County. These revenues are projected by recipient departments and agencies based upon the latest information available from State agencies.

STATE PERSONAL PROPERTY TAX RELIEF ACT (PPTRA): In FY 1998, the Commonwealth of Virginia adopted a Personal Property Relief Act with the intent to shift the entire personal property tax burden from the citizens to the State within five years. In FY 2006, the State supported 70 % of the personal property tax on personal vehicles costing \$20,000 or less. However, the expanding cost to maintain this program prevented the State from meeting that goal, and beginning in FY 2007, the level of support to the County was capped at \$13.7 million. This action has resulted in the shift of the tax burden back to County citizens. In FY 2007 the relief for qualifying vehicles was 61 percent.

FEDERAL REVENUE: Funding from the Federal government is primarily to support community social programs. Revenue projections are based on operational and fiscal agreements with the Federal government and the local jurisdiction to provide specific services.

REVENUE ANALYSIS

PROJECTION:

Revenue in this category is estimated to be \$24.7 million for FY 2008. This amount reflects a small increase of 2.8 percent from the for FY 2007 amount of \$24.7 million. As previously stated, the capping of the personal property tax relief was a key factor in this limited

SEPARATE FUNDS

Governmental Funds

Special Revenue Funds

Special Revenue Funds are revenues from various sources that legally must be used for specified services. These funds include; Affordable Housing, School Operating, School Textbook, Volunteer Fire and Rescue Services, Conservation Easement Service Levy (Purchase of Development Rights) and the Capital Improvements Fund.

Affordable Housing:

This Fund is being established in FY 2008 to address housing issues in the County. The purpose of the Fund is to serve as seed money for grants in support of initiatives that will increase affordable housing options. Funding is provided by the County Board of Supervisors through a transfer/subsidy from the General Fund.

School Operating:

This fund reflects revenues and expenditures related to the operations of the County's public school system. The primary sources of revenue, exclusive of transfers from the General Fund, are basic school aid payments from the Commonwealth and educational program grants. Details on revenue support are provided in the School Operating Fund section of the Budget.

School Text Book:

This fund is used to account for the purchase of student text books supported by State revenue and a transfer from the School Operating Fund. The total funding for replacement of text books is \$750,000 annually.

Volunteer Fire and Rescue:

The Volunteer Fire and Rescue Companies receive primary revenue support from a special Fire and Rescue Levy of \$0.035 per \$100 value of assessed real estate. A small amount of State revenue is also provided for fire related programs. With the downturn in new construction and its impact on related real estate revenues, this Fund was impacted in a manner similar to the General Fund,

Conservation Easement Service District:

The Conservation Easement Service District Fund is supported primarily from a special levy of \$0.01 per \$100 value of assessed real estate. Additional funding is generated by donations and from roll-back taxes when the use of land no longer qualifies for an open space exemption.

REVENUE ANALYSIS

tax rate. As with all funds supported by real estate revenue the downturn in new construction affected this Fund accordingly.

Capital Improvement Fund:

The Capital Fund accounts for financial resources used for the purchase of capital items and the acquisition, design, development, renovation, and/or construction of capital facilities. The bulk of revenue supporting this fund comes from bond proceeds with the remaining revenue a cash transfer from the General Fund. Due to limited new revenue and the need to provide additional funds to the School Division, cash funding to this Fund was reduced from the FY 2007 level of \$4.3 million to \$1.1 million. Bond funding was determined on need and the Board of Supervisors' limitation for debt service not to exceed 10 percent of budgeted General Fund revenue.

Proprietary Funds

Enterprise Fund

Enterprise Funds are used to account for activities that are financed and operated much like businesses. Fauquier County's Landfill, Airport, Fleet Maintenance, and School Nutrition program are enterprise funds.

Environmental Services (Landfill):

This Fund accounts for the operations of the County landfill that includes solid waste and construction demolition and debris disposal and operating the County recycling programs. Tipping fees paid for each ton of waste are the primary revenue source. For FY 2008 there is a reduction in revenue due to the one time bond supported purchasing of major equipment items in FY 2007. This equipment is used for a new program to recycle demolition and debris waste. Also with the decline in the rate of new building construction, demolition and debris tonnage and related revenue is projected to decrease. Revenue projections are primarily based on prior years' revenue history, economic conditions and any planned program changes.

Airport:

The Airport Fund accounts for operations of the County Airport. The majority of this Fund's revenue is from State and Federal grants for capital projects. Local support is limited to revenue from Business License fees, Real Estate, Maintenance Fees, and Personal Property tax related to the airport. Income from the rental of facilities and the sale of fuel support operating costs. Revenue projections similar to other enterprise funds are primarily based on prior years' revenue history, economic conditions and any planned program changes.

School Nutrition Program:

The primary source of funding for this program is through the sale of school meals. Additional State and Federal revenue is also received, which provides for free and reduced meals for eligible children. Revenue is projected based on estimates of the number of student and adults purchasing meals and those qualifying for free and reduced meals.

REVENUE ANALYSIS

Internal Service Fund

Fleet Maintenance:

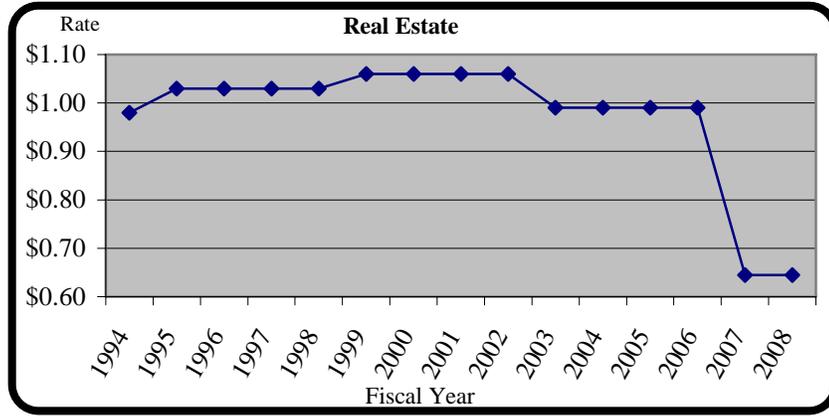
This Fund reflects operations of the County's garage. It receives revenue through charges to local public agencies and County departments for vehicle repairs and fuel. Revenue is estimated on historical spending and the economic conditions of the area. Fuel prices are the major factor in projected revenue.



PROPERTY TAX RATE COMPARISON

Real Property Tax Rates

Fiscal Year	Rate \$
1991	0.83
1992	0.88
1993	0.93
1994	0.98
1995	1.03
1996	1.03
1997	1.03
1998	1.03
1999	1.06
2000	1.06
2001	1.06
2002	1.06
2003	0.99
2004	0.99
2005	0.99
2006	0.99
2007	0.645
2008	0.645



Personal Property Tax Rates

Fiscal Year	Motor Vehicles	Airplanes	Machinery and Tools	Handicapped Equipment	Campers/ Trailers/ Boats	Fire & Rescue
FY 1990	\$ 3.95	\$ 1.50	\$ 3.55	\$ -	\$ -	\$ -
FY 1991	\$ 4.00	\$ 1.50	\$ 4.00	\$ -	\$ -	\$ -
FY 1992	\$ 4.00	\$ 1.50	\$ 4.00	\$ -	\$ -	\$ -
FY 1993	\$ 4.20	\$ 1.50	\$ 4.20	\$ -	\$ -	\$ -
FY 1994	\$ 4.50	\$ 1.50	\$ 4.50	\$ -	\$ -	\$ -
FY 1995	\$ 4.90	\$ 1.50	\$ 4.90	\$ -	\$ -	\$ -
FY 1996	\$ 4.80	\$ 1.50	\$ 4.80	\$ -	\$ -	\$ -
FY 1997	\$ 4.70	\$ 1.50	\$ 4.70	\$ 0.05	\$ 1.50	\$ -
FY 1998	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 1999	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2000	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2001	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2002	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2003	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2004	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2005	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2006	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2007	\$ 4.65	\$ 0.001	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2008	\$ 4.65	\$ 0.001	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25