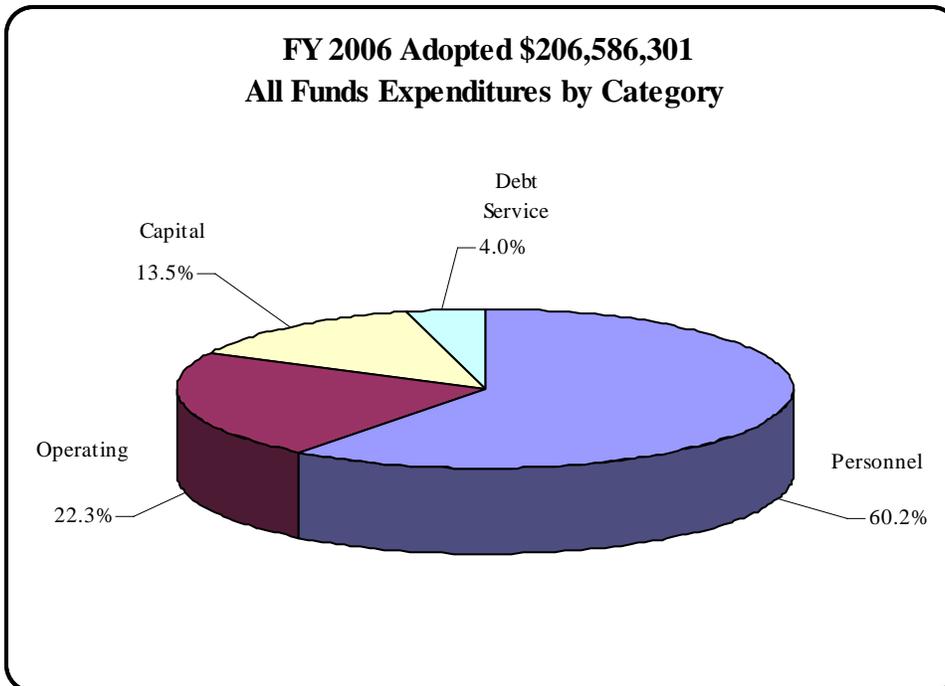
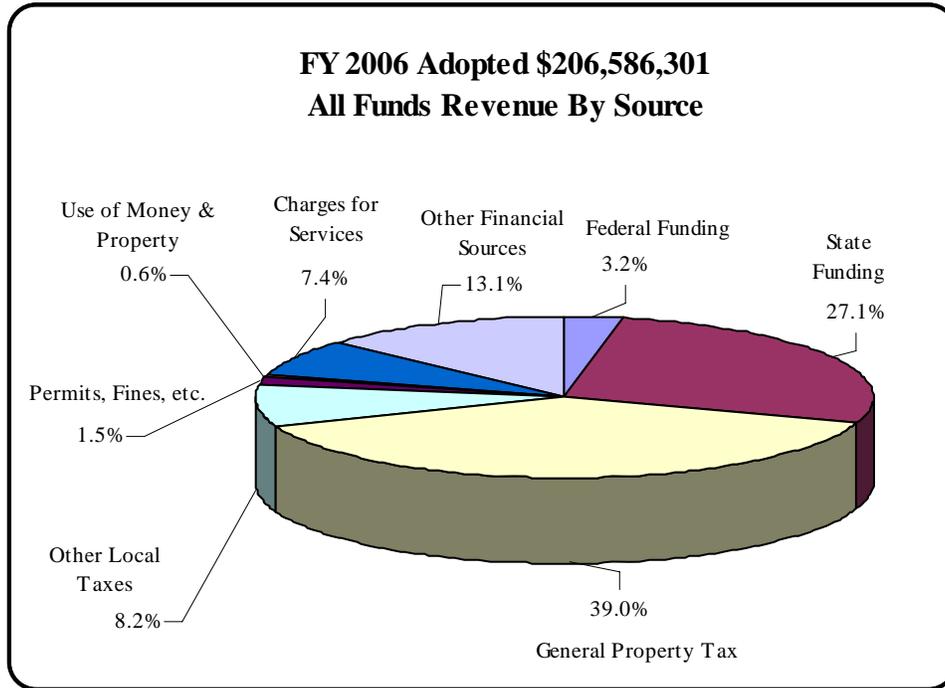


COMBINED REVENUE AND EXPENDITURE ANALYSIS FY 2006 FOR ALL FUNDS

The County's FY 2006 Adopted Budget net of transfers (i.e. transfers between funds) is \$206,586,301. The charts below detail all fund expenditures and revenue by category.



FY 2006 ADOPTED BUDGET

ALL GOVERNMENTAL FUNDS SCHEDULE

	General Fund	Conservation Easement Fund	Joint Communication Fund	Fire and Rescue Fund
Revenues:				
Federal	\$ 2,155,565	0	0	0
State	22,051,334	0	47,820	97,302
Other	97,606,038 *	1,926,000	1,012,024	0
County	0	0	0	2,915,034
Total Revenues	\$ 121,812,937	1,926,000	1,059,844	3,012,336
Expenditures:				
	\$ 121,410,564	1,926,000	1,397,567	3,012,336
Total Expenditures	\$ 121,410,564	1,926,000	1,397,567	3,012,336
Excess (deficiency) of revenues over expenditures	\$ 402,373	0	(337,723)	0
Other financing sources (uses):				
Operating transfers in	\$ 0	0	337,723	0
Operating transfers out	(402,373)	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	0	0	0	0
Total other financing sources (uses)	\$ (402,373)	0	337,723	0
Excess (deficiency) of revenue & other sources over expenditures and other uses	\$ 0	0	0	0
Fund balances at beginning of year	\$ 22,554,376	11,769	39,827	1,543,859
Fund balances at end of year	\$ 22,554,376	11,769	39,827	1,543,859

* See Fund Balance Chart and Revenue Analysis for details.

FY 2006 ADOPTED BUDGET

ALL GOVERNMENTAL FUNDS SCHEDULE

	School Operating Fund	School Textbook Fund	Capital Projects Fund	Total All Govt. Funds
Revenues:				
Federal	\$ 3,530,084	0	0	5,685,649
State	33,765,748	261,925	0	56,224,129
Other	411,500	0	0	100,955,562
County	72,700,491	0	0	75,615,525
	<hr/>			
Total Revenues	\$ 110,407,823	261,925	0	238,480,865
	<hr/>			
Expenditures:	\$ 108,254,653	750,000	24,787,534	261,538,654
	<hr/>			
Total Expenditures	\$ 108,254,653	750,000	24,787,534	261,538,654
	<hr/>			
Excess (deficiency) of revenues over expenditures	\$ 2,153,170	(488,075)	(24,787,534)	(23,057,789)
	<hr/>			
Other financing sources (uses):				
Operating transfers in	\$ 0	0	2,261,534	2,599,257
Operating transfers out	(2,153,170)	0	0	(2,555,543)
Proceeds from indebtedness	0	0	22,526,000	22,526,000
Operating transfers from/to primary government	0	488,075	0	488,075
	<hr/>			
Total other financing sources (uses)	\$ (2,153,170)	488,075	24,787,534	23,057,789
	<hr/>			
Excess (deficiency) of revenue & other sources over expenditures and other uses	\$ 0	0	0	0
	<hr/>			
Fund balances at beginning of year	\$ 1,350	283,694	37,773,109	62,207,984
	<hr/>			
Fund balances at end of year	\$ 1,350	283,694	37,773,109	62,207,984
	<hr/>			

* See Fund Balance Chart and Revenue Analysis for details.

FUND BALANCE – GENERAL FUND

Governmental Funds

General Fund	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted
Revenues:				
General Property Taxes	\$ 64,490,211	\$ 67,861,085	\$ 71,181,537	\$ 76,305,625
Other Local Taxes	11,727,145	13,171,286	13,604,600	15,984,000
Permits, Privilege Fees and Regulatory Licenses	1,508,077	1,598,890	2,306,905	2,616,959
Fines and Forfeitures	504,517	504,771	508,350	508,350
Revenue from Use of Money and Property	1,421,527	1,001,428	1,406,241	1,074,325
Charges for Services	1,019,281	1,330,222	745,564	786,920
Miscellaneous	136,119	109,226	26,700	214,030
Recovered Costs	137,727	139,610	114,625	115,829
Intergovernmental:				
Commonwealth	18,412,055	19,798,015	20,572,768	22,051,334
Federal	2,058,211	2,227,715	1,984,872	2,155,565
Total Revenues	\$ 101,414,870	\$ 107,742,248	\$ 112,452,162	\$ 121,812,937
Expenditures:				
Current:				
General Government	\$ 6,625,921	\$ 7,683,813	\$ 8,300,361	\$ 8,931,040
Judicial Administration	2,186,402	2,486,181	2,434,664	2,619,874
Public Safety	8,437,521	8,782,015	9,089,925	12,328,337
Public Works	4,397,446	4,858,767	4,970,486	5,406,289
Health and Welfare	5,787,402	6,498,599	6,889,269	7,812,480
Education	51,019,617	54,471,447	61,917,681	65,310,315
Culture	3,096,652	3,625,418	3,790,188	4,117,078
Community Development	3,280,733	3,573,303	3,957,102	4,313,135
Non - Departmental	523,408	552,652	2,065,253	2,209,942
Debt Service	7,253,882	8,527,642	8,290,085	8,362,074
Total expenditures	\$ 92,608,984	\$ 101,059,837	\$ 111,705,014	\$ 121,410,564
Excess (deficiency) of revenues Over Expenditures	\$ 8,805,886	\$ 6,682,411	\$ 747,148	\$ 402,373
Other financing sources (uses):				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Operating transfers out	(8,399,708)	(6,820,535)	(747,148)	(402,373)
Transfers to proprietary funds	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	0	0	0	0
Total other financing sources (uses)	\$ (8,399,708)	\$ (6,820,535)	\$ (747,148)	\$ (402,373)
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ 406,178	\$ (138,124)	\$ 0	\$ 0
Fund balances beginning year, restated	\$ 22,286,322	\$ 22,692,500	\$ 22,554,376	\$ 22,554,376
Fund balances at end of year	\$ 22,692,500	\$ 22,554,376	\$ 22,554,376	\$ 22,554,376

FUND BALANCE – CONSERVATION EASEMENT FUND

SPECIAL REVENUE FUNDS
CONSERVATION EASEMENT FUND
Established in FY 2005

	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted
Revenues:				
Federal	\$ 0	\$ 0	\$ 0	\$ 0
State	0	0	0	0
Other	0	337,609	150,000	1,926,000
County	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$ <u>0</u>	\$ <u>337,609</u>	\$ <u>150,000</u>	\$ <u>1,926,000</u>
Expenditures:				
	\$ <u>0</u>	\$ <u>834,309</u>	\$ <u>1,338,000</u>	\$ <u>1,926,000</u>
Total Expenditures	\$ <u>0</u>	\$ <u>834,309</u>	\$ <u>1,338,000</u>	\$ <u>1,926,000</u>
Excess (deficiency) of revenues over expenditures	\$ <u>0</u>	\$ <u>(496,700)</u>	\$ <u>(1,188,000)</u>	\$ <u>0</u>
Other financing sources (uses):				
Operating transfers in	\$ 0	\$ 508,469	\$	\$
Operating transfers out	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	0	0	1,188,000	0
	<u>0</u>	<u>0</u>	<u>1,188,000</u>	<u>0</u>
Total other financing sources (uses)	\$ <u>0</u>	\$ <u>508,469</u>	\$ <u>1,188,000</u>	\$ <u>0</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ <u>0</u>	\$ <u>11,769</u>	\$ <u>0</u>	\$ <u>0</u>
Fund balances beginning year, as adjusted	\$ <u>0</u>	\$ <u>0</u>	\$ <u>11,769</u>	\$ <u>11,769</u>
Fund balances at end of year	\$ <u>0</u>	\$ <u>11,769</u>	\$ <u>11,769</u>	\$ <u>11,769</u>

FUND BALANCE – JOINT COMMUNICATIONS FUND

SPECIAL REVENUE FUNDS JOINT COMMUNICATIONS CENTER FUND

	FY 2003	FY 2004	FY 2005	FY 2006
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Revenues:				
Federal	\$ 981	\$ 0	\$ 0	\$ 0
State	167,549	91,372	57,142	47,820
Other	932,432	801,639	951,266	1,012,024
County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$ <u>1,100,962</u>	\$ <u>893,011</u>	\$ <u>1,008,408</u>	\$ <u>1,059,844</u>
Expenditures:				
	\$ <u>1,277,801</u>	\$ <u>1,071,353</u>	\$ <u>1,243,856</u>	\$ <u>1,397,567</u>
Total Expenditures	\$ <u>1,277,801</u>	\$ <u>1,071,353</u>	\$ <u>1,243,856</u>	\$ <u>1,397,567</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(176,839)</u>	\$ <u>(178,342)</u>	\$ <u>(235,448)</u>	\$ <u>(337,723)</u>
Other financing sources (uses):				
Operating transfers in	\$ 128,878	\$ 64,813	\$ 235,448	\$ 337,723
Operating transfers out	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	\$ <u>128,878</u>	\$ <u>64,813</u>	\$ <u>235,448</u>	\$ <u>337,723</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ <u>(47,961)</u>	\$ <u>(113,529)</u>	\$ <u>0</u>	\$ <u>0</u>
Fund balances beginning year, as adjusted	\$ <u>200,777</u>	\$ <u>152,816</u>	\$ <u>39,287</u>	\$ <u>39,827</u>
Fund balances at end of year	\$ <u>152,816</u>	\$ <u>39,287</u>	\$ <u>39,287</u>	\$ <u>39,827</u>

FUND BALANCE – FIRE AND RESCUE FUND

**SPECIAL REVENUE FUNDS
FIRE AND RESCUE FUND**

	FY 2003	FY 2004	FY 2005	FY 2006
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Revenues:				
Federal	\$ 17,841	\$ 334,661	\$ 0	\$ 0
State	93,858	103,777	90,297	97,302
Other	1,175	3,491	581	0
County	<u>3,889,526</u>	<u>4,010,572</u>	<u>4,197,948</u>	<u>2,915,034</u>
Total Revenues	\$ <u>4,002,400</u>	\$ <u>4,452,501</u>	\$ <u>4,288,826</u>	\$ <u>3,012,336</u>
Expenditures:				
	\$ <u>3,653,667</u>	\$ <u>3,810,794</u>	\$ <u>4,288,826</u>	\$ <u>3,012,336</u>
Total Expenditures	\$ <u>3,653,667</u>	\$ <u>3,810,794</u>	\$ <u>4,288,826</u>	\$ <u>3,012,336</u>
Excess (deficiency) of revenues over expenditures	\$ <u>348,733</u>	\$ <u>641,707</u>	\$ <u>0</u>	\$ <u>0</u>
Other financing sources (uses):				
Operating transfers in	\$ 41,452	\$ 0	\$ 0	\$ 0
Operating transfers out	0	(315,620)	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	\$ <u>41,452</u>	\$ <u>(315,620)</u>	\$ <u>0</u>	\$ <u>0</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ <u>390,185</u>	\$ <u>326,087</u>	\$ <u>0</u>	\$ <u>0</u>
Fund balances beginning year, as adjusted	\$ <u>827,587</u>	\$ <u>1,217,772</u>	\$ <u>1,543,859</u>	\$ <u>1,543,859</u>
Fund balances at end of year	\$ <u>1,217,772</u>	\$ <u>1,543,859</u>	\$ <u>1,543,859</u>	\$ <u>1,543,859</u>

FUND BALANCE – SCHOOL OPERATING FUND

SPECIAL REVENUE FUNDS SCHOOL OPERATING FUND

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Revenues:				
Federal	\$ 2,511,215	\$ 3,047,267	\$ 3,202,146	\$ 3,530,084
State	26,733,526	28,814,228	28,675,613	33,765,748
Other	570,964	643,819	361,298	411,500
County	<u>50,975,251</u>	<u>53,979,324</u>	<u>68,766,968</u>	<u>72,700,491</u>
Total Revenues	<u>\$ 80,790,956</u>	<u>\$ 86,484,638</u>	<u>\$ 101,006,025</u>	<u>\$ 110,407,823</u>
Expenditures:	<u>\$ 80,734,356</u>	<u>\$ 85,215,607</u>	<u>\$ 98,419,827</u>	<u>\$ 108,254,653</u>
Total Expenditures	<u>\$ 80,734,356</u>	<u>\$ 86,456,638</u>	<u>\$ 98,419,827</u>	<u>\$ 108,254,653</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 56,600</u>	<u>\$ 28,000</u>	<u>\$ 2,586,198</u>	<u>\$ 2,153,170</u>
Other financing sources (uses):				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Operating transfers out	(56,600)	(28,000)	(2,586,198)	(2,153,170)
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>\$ (56,600)</u>	<u>\$ (28,000)</u>	<u>\$ (2,586,198)</u>	<u>\$ (2,153,170)</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances beginning year, restated	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>
Fund balances at end of year	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>

FUND BALANCE – SCHOOL TEXTBOOK FUND

**SPECIAL REVENUE FUNDS
SCHOOL TEXTBOOK FUND**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Revenues:				
Federal	\$ 0	\$ 0	\$ 0	0
State	312,418	321,381	250,703	261,925
Other	0	4,434	0	0
County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$ <u>312,418</u>	\$ <u>325,815</u>	\$ <u>250,703</u>	\$ <u>261,925</u>
Expenditures:				
	\$ <u>630,946</u>	\$ <u>633,490</u>	\$ <u>658,531</u>	\$ <u>750,000</u>
Total Expenditures	\$ <u>630,946</u>	\$ <u>633,490</u>	\$ <u>658,531</u>	\$ <u>750,000</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(318,528)</u>	\$ <u>(307,675)</u>	\$ <u>(407,828)</u>	\$ <u>(488,075)</u>
Other financing sources (uses):				
Operating transfers in	\$ 0	\$ 0	\$ 0	0
Operating transfers out	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	<u>462,140</u>	<u>447,757</u>	<u>407,828</u>	<u>488,075</u>
Total other financing sources (uses)	\$ <u>462,140</u>	\$ <u>447,757</u>	\$ <u>407,828</u>	\$ <u>488,075</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ <u>143,612</u>	\$ <u>140,082</u>	\$ <u>0</u>	\$ <u>0</u>
Fund balances beginning year, restated	\$ <u>0</u>	\$ <u>143,612</u>	\$ <u>283,694</u>	\$ <u>283,694</u>
Fund balances at end of year	\$ <u>143,612</u>	\$ <u>283,694</u>	\$ <u>283,694</u>	\$ <u>283,694</u>

FUND BALANCE – CAPITAL PROJECTS FUND

CAPITAL FUNDS
CAPITAL PROJECTS FUND

	FY 2003	FY 2004	FY 2005	FY 2006
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>
Revenues:				
Federal	\$ 344,346	\$ 301,164	\$ 0	\$ 0
State	0	0	0	0
Other	903,138	849,767	0	0
County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$ <u>1,247,484</u>	\$ <u>1,150,931</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures:	\$ <u>17,037,647</u>	\$ <u>27,383,331</u>	\$ <u>3,926,398</u>	\$ <u>24,787,534</u>
Total Expenditures	\$ <u>17,037,647</u>	\$ <u>27,383,331</u>	\$ <u>3,926,398</u>	\$ <u>24,787,534</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(15,790,163)</u>	\$ <u>(26,232,400)</u>	\$ <u>(3,926,398)</u>	\$ <u>(24,787,534)</u>
Other financing sources (uses):				
Operating transfers in	\$ 11,983,208	\$ 8,057,829	\$ 2,354,398	\$ 2,261,534
Operating transfers out	0	(508,469)	0	0
Transfers to proprietary funds	0	0	0	0
Proceeds from indebtedness	1,700,000	12,402,947	1,572,000	22,526,000
Operating transfers from/to primary government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	\$ <u>13,683,208</u>	\$ <u>19,952,307</u>	\$ <u>3,926,398</u>	\$ <u>24,787,534</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ <u>(2,106,955)</u>	\$ <u>(6,280,093)</u>	\$ <u>0</u>	\$ <u>0</u>
Fund balances beginning year, restated	\$ <u>46,160,157</u>	\$ <u>44,053,202</u>	\$ <u>37,773,109</u>	\$ <u>37,773,109</u>
Fund balances at end of year	\$ <u>44,053,202</u>	\$ <u>37,773,109</u>	\$ <u>37,773,109</u>	\$ <u>37,773,109</u>

FY 2006 ADOPTED BUDGET

ALL PROPRIETARY FUNDS SCHEDULE

	Airport Fund	Environmental Landfill Fund	School Nutrition Fund	Fleet Maintenance Fund	Total
Operating Revenues:					
Charges for Services	212,990	9,170,380	2,848,346	2,082,579	14,314,295
Miscellaneous	68,650	178,464	-	-	247,114
Total Operating Revenues	\$ 281,640	\$ 9,348,844	\$ 2,848,346	\$ 2,082,579	\$ 14,561,409
Operating Expenditures:					
Personal services	\$ 69,522	\$ 811,002	\$ 1,434,388	\$ 595,866	2,910,778
Fringe benefits	22,581	246,467	479,831	186,632	935,511
Contractual services	1,000	3,860,566	40,000	43,641	3,945,207
Other operating expenses	223,537	4,521,620	1,801,875	1,256,440	7,803,472
Depreciation	-	-	-	-	-
Total operating expenditures	\$ 316,640	\$ 9,439,655	\$ 3,756,094	\$ 2,082,579	\$ 15,594,968
Operating income (loss)	\$ (35,000)	\$ (90,811)	\$ (907,748)	\$ -	\$ (1,033,559)
Nonoperating revenue (expenses)					
Interest income	\$ -	\$ 66,205	\$ -	\$ -	66,205
Loss on sale of assets	-	-	-	-	-
Commonwealth of Virginia - grants	35,000	24,606	52,245	-	111,851
Federal - grants	-	-	770,534	-	770,534
Interest expense	-	-	-	-	-
Total nonoperating revenues (expenses)	\$ 35,000	\$ 90,811	\$ 822,779	\$ -	\$ 948,590
Income (loss) before transfers	-	-	(84,969)	-	(84,969)
Transfer in	\$ -	\$ -	\$ 84,969	\$ -	\$ 84,969
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 10,012,612	\$ 2,650,703	\$ 358,297	\$ 182,463	\$ 13,204,075
Net assets, end of year	\$ 10,012,612	\$ 2,650,703	\$ 358,297	\$ 182,463	\$ 13,204,075

FUND BALANCE – AIRPORT FUND

PROPRIETARY FUNDS AIRPORT ENTERPRISE FUND

	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted
Operating Revenues:				
Charges for Services	146,646	189,279	387,015	212,990
Miscellaneous	-	-	34,048	68,650
Total Operating Revenues	\$ 146,646	\$ 189,279	\$ 421,063	\$ 281,640
Operating Expenditures:				
Personal services	\$ 16,308	\$ 43,529	\$ 67,560	\$ 69,522
Fringe benefits	3,100	7,037	19,623	22,581
Contractual services	91,278	75,794	1,285,460	1,000
Other operating expenses	19,731	32,970	1,797,505	223,537
Depreciation	51,159	48,286	-	-
Total operating expenditures	\$ 181,576	\$ 207,616	\$ 3,170,148	\$ 316,640
Operating income (loss)	\$ (34,930)	\$ (18,337)	\$ (2,749,085)	\$ (35,000)
Non-operating revenue (expenses)				
Interest income	\$ 1,751	\$ 993	\$ 2,000	-
Loss on sale of assets	-	-	-	-
Commonwealth of Virginia - grants	227,262	247,283	677,085	35,000
Federal - grants	258,705	2,942,186	2,070,000	-
Interest expense	-	-	-	-
Total non-operating revenues (expenses)	\$ 487,718	\$ 3,190,462	\$ 2,749,085	\$ 35,000
Income (loss) before transfers	452,788	3,172,125	-	-
Transfer in	\$ 38,642	\$ 40,866	\$ -	\$ -
Change in net assets	\$ 491,430	\$ 3,212,991	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 6,284,503	\$ 6,799,621	\$ 10,012,612	\$ 10,012,612
Net assets, end of year	\$ 6,775,933	\$ 10,012,612	\$ 10,012,612	\$ 10,012,612

FUND BALANCE – ENVIRONMENTAL SERVICES FUND

PROPRIETARY FUNDS ENVIRONMENTAL SERVICES FUND

	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted
Operating Revenues:				
Charges for Services	5,934,606	6,296,432	5,636,205	9,170,380
Miscellaneous	32,194	181,399	165,597	178,464
Total Operating Revenues	\$ 5,966,800	\$ 6,477,831	\$ 5,801,802	\$ 9,348,844
Operating Expenditures:				
Personal services	\$ 638,755	\$ 716,892	\$ 715,368	\$ 811,002
Fringe benefits	176,967	202,880	185,057	246,467
Contractual services	2,702,445	3,464,000	3,706,521	3,860,566
Other operating expenses	551,878	1,418,021	1,265,562	4,521,620
Depreciation	-	309,586	-	-
Total operating expenditures	\$ 4,070,045	\$ 6,111,379	\$ 5,872,508	\$ 9,439,655
Operating income (loss)	\$ 1,896,755	\$ 366,452	\$ (70,706)	\$ (90,811)
Non-operating revenue (expenses)				
Interest income	\$ 16,267	\$ 20,489	\$ 46,100	\$ 66,205
Loss on sale of assets	-	-	-	-
Commonwealth of Virginia - grants	26,423	32,996	24,606	24,606
Federal - grants	1,207	-	-	-
Interest expense	(156,476)	(130,762)	-	-
Total non-operating revenues (expenses)	\$ (112,579)	\$ (77,277)	\$ 70,706	\$ 90,811
Income (loss) before transfers	1,784,176	289,175	-	-
Transfer in	\$ -	\$ 6,669	\$ -	\$ -
Change in net assets	\$ 1,784,176	\$ 295,844	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 426,956	\$ 2,211,132	\$ 2,650,703	\$ 2,650,703
Net assets, end of year	\$ 2,211,132	\$ 2,506,976	\$ 2,650,703	\$ 2,650,703

FUND BALANCE – SCHOOL NUTRITION FUND

PROPRIETARY FUNDS SCHOOL NUTRITION ENTERPRISE FUND

	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted
Operating Revenues:				
Charges for Services	2,302,848	2,628,448	2,817,932	2,848,346
Miscellaneous	-	-	-	-
Total Operating Revenues	\$ 2,302,848	\$ 2,628,448	\$ 2,817,932	\$ 2,848,346
Operating Expenditures:				
Personal services	\$ 1,296,497	\$ 1,339,698	\$ 1,378,704	\$ 1,434,388
Fringe benefits	352,676	361,437	434,872	479,831
Contractual services	35,518	37,165	53,000	40,000
Other operating expenses	1,340,847	1,667,925	1,734,198	1,801,875
Depreciation	-	-	-	-
Total operating expenditures	\$ 3,025,538	\$ 3,406,225	\$ 3,600,774	\$ 3,756,094
Operating income (loss)	\$ (722,690)	\$ (777,777)	\$ (782,842)	\$ (907,748)
Non-operating revenue (expenses)				
Interest income	\$ 573	\$ 362	\$ -	\$ -
Loss on sale of assets	-	-	-	-
Commonwealth of Virginia - grants	46,282	48,076	48,000	52,245
Federal - grants	636,952	731,029	734,842	770,534
Interest expense	-	-	-	-
Total non-operating revenues (expenses)	\$ 683,807	\$ 779,467	\$ 782,842	\$ 822,779
Income (loss) before transfers	(38,883)	1,690	-	(84,969)
Transfer in	\$ 56,600	\$ 80,839	\$ -	\$ 84,969
Change in net assets	\$ 17,717	\$ 82,529	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 257,727	\$ 275,444	\$ 357,973	\$ 357,973
Net assets, end of year	\$ 275,444	\$ 357,973	\$ 357,973	\$ 357,973

FUND BALANCE – FLEET MAINTENANCE FUND

PROPRIETARY FUNDS FLEET MAINTENANCE FUND

	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted
Operating Revenues:				
Charges for Services	1,693,002	1,936,560	1,824,700	2,082,579
Miscellaneous	-	-	-	-
Total Operating Revenues	\$ 1,693,002	\$ 1,936,560	\$ 1,824,700	\$ 2,082,579
Operating Expenditures:				
Personal services	\$ 450,844	\$ 485,336	\$ 573,320	\$ 595,866
Fringe benefits	129,331	138,873	174,459	186,632
Contractual services	103,107	120,005	43,641	43,641
Other operating expenses	1,049,735	1,190,010	1,033,280	1,256,440
Depreciation	-	20,438	-	-
Total operating expenditures	\$ 1,733,017	\$ 1,954,662	\$ 1,824,700	\$ 2,082,579
Operating income (loss)	\$ (40,015)	\$ (18,102)	\$ -	\$ -
Non-operating revenue (expenses)				
Interest income	\$ -	\$ -	\$ -	-
Loss on sale of assets	(20,700)	-	-	-
Commonwealth of Virginia - grants	-	-	-	-
Federal - grants	-	-	-	-
Interest expense	-	-	-	-
Total non-operating revenues (expenses)	\$ (20,700)	\$ -	\$ -	\$ -
Income (loss) before transfers	(60,715)	(18,102)	-	-
Transfer in	\$ -	\$ -	\$ -	\$ -
Change in net assets	\$ (60,715)	\$ (18,102)	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 261,280	\$ 200,565	\$ 182,463	\$ 182,463
Net assets, end of year	\$ 200,565	\$ 182,463	\$ 182,463	\$ 182,463

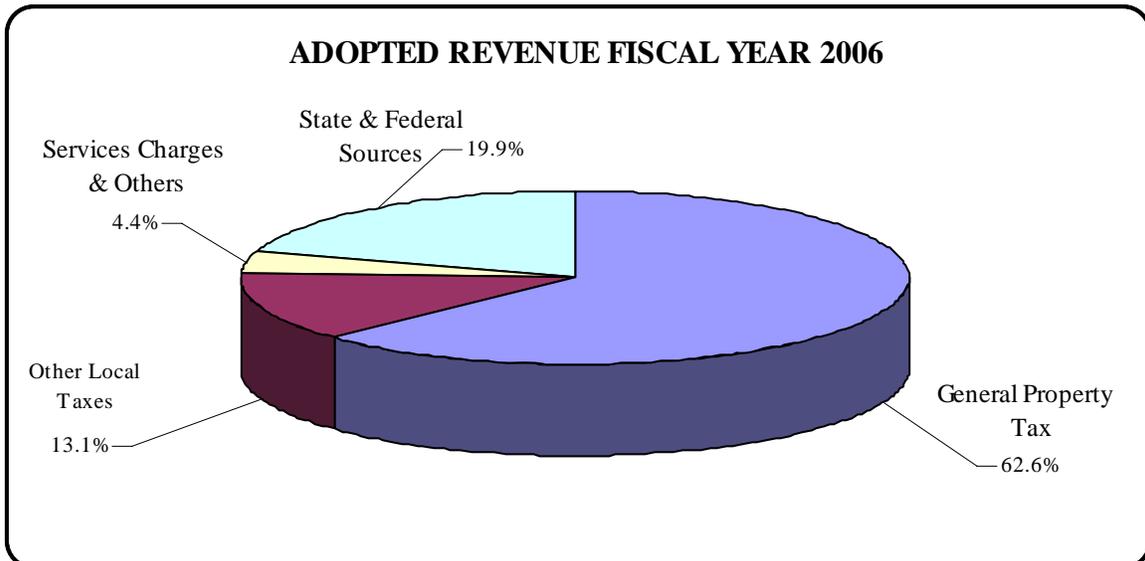
REVENUE ANALYSIS

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 62.6 percent. This is a decrease from the FY 2005 adopted amount of 63.3 percent. This is primarily due to the accounting treatment of the State Personal Property Tax Relief. Local Funding accounts for the substantial majority of the projected revenue at 80.1 percent, while State and Federal funding makes up 19.9 percent of the total General Fund Revenue. This breakdown of revenue sources is similar to other jurisdictions in the Commonwealth due to the inability of local governments to tax income.

<u>Function</u>	<u>FY 2003</u> <u>Actual</u>	<u>FY 2004</u> <u>Actual</u>	<u>FY 2005</u> <u>Adopted</u>	<u>FY 2006</u> <u>Adopted</u>	<u>Increase</u> <u>(Decrease)</u> <u>Amount</u>	<u>FY 2006</u> <u>Budget as</u> <u>% of Total</u>
General Property Tax	\$ 64,490,212	\$ 67,861,086	\$ 71,181,537	\$ 76,305,625	\$ 5,124,088	62.6%
Other Local Taxes	11,727,144	13,171,285	13,604,600	15,984,000	2,379,400	13.1%
Service Charges Other	4,370,284	5,954,157	5,108,385	5,316,413	208,028	4.4%
State & Federal Sources	20,469,705	22,028,394	22,557,640	24,206,899	1,649,259	19.9%
Total	\$ 101,057,345	\$ 109,014,922	\$ 112,452,162	\$ 121,812,937	\$ 9,360,775	100.0%



REVENUE ANALYSIS

General Comments:

A Revenue Committee consisting of key financial staff projects FY 2006 revenues utilizing information submitted by the various departments and agencies. This Committee includes the County Treasurer, Commissioner of the Revenue, Directors of Finance and Budget, School Budget Officer, the Deputy County Administrator and other supporting staff members. These participants are responsible for detail 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 91 years of combined budget preparation and revenue estimation experience. 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, an evaluation of local and national economic forecasts, the impact of any pertinent legislation and an understanding of the governing body's goals and priorities.

Some revenues such as from the State and Federal government are determined by fixed allocations or ratios. As an example, the State Compensation Board allocates funding to Constitutional Offices and the Sheriff's Office 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 is another example.

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

Total General Fund Revenues for FY 2006 reflect an increase of 8.3 percent, or \$9.4 million compared with the FY 2005 Adopted Budget amount. The total FY 2006 tax rates will remain at the FY 2005 level. Positive economic factors including new residential and commercial construction, car and home purchases and a low unemployment rate have spurred revenue growth in the region. Of the increase, \$5.1 million, will be generated from General Property Tax elements, primarily Real Estate Tax revenue from new construction. These factors are expected to stimulate revenue from sales tax, development fees such as for zoning and inspection and related recording of document fees.

REVENUE ANALYSIS

State revenue for FY 2006 was estimated based on a general review of the budget adopted by the General Assembly only a few weeks prior to County budget being adopted. Improved economic conditions in the State resulted in basically positive results for the County with the School Division estimated to receive an additional \$5.0 million and the General County Government receiving \$1.5 million. This is the largest State funding increase in several years.

A major future funding issue resulting from the General Assembly's budget actions that was not as positive was capping support to the Personal Property Tax Relief Program. The specific details of implementation have not been identified at this time. Based on a general understanding of the intent, in the future State revenue to this program would be fixed at the FY 2006 level. This action could result in a significant loss of future revenue to Fauquier County and possibly require an increase in the Personal Property Tax Rates.

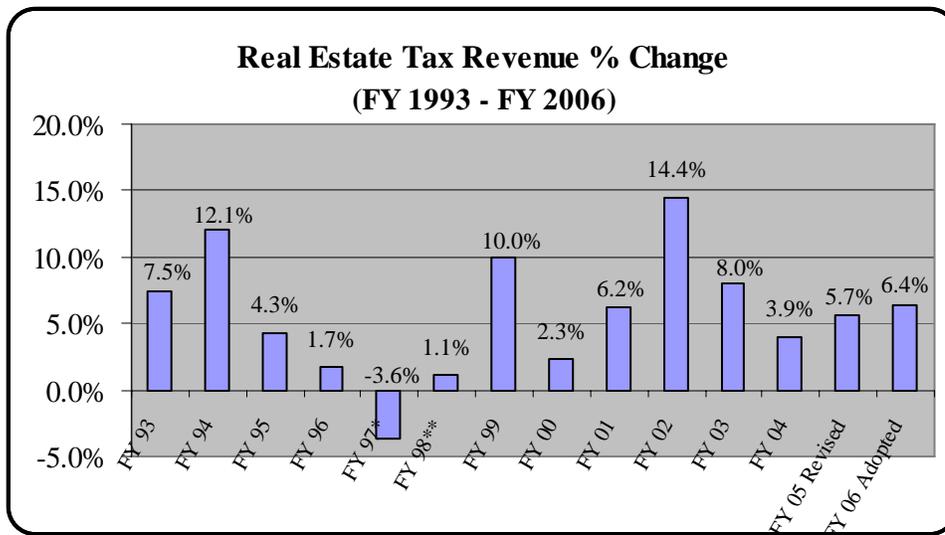
Note: Beginning in FY 2004 an adjustment was made to reflect the personal property tax reimbursed by the State under the Personal Property Tax Relief Act in the State revenue line. In prior years it had been shown in the personal property line under general property taxes. For simplicity in discussion, the narrative comments on personal property tax includes both revenue elements.



REVENUE ANALYSIS

GENERAL PROPERTY TAXES:

- Real Estate Revenue:*** Real estate revenues are estimated using the assessment of all taxable real property for the current calendar year and projecting the taxable real property for the upcoming year. From 1993 to 2005 the average increase in taxable real property revenue was 5.7 percent. During this time frame there were three reassessments of real property. The County reassesses all real property once every four years. The next reassessment will occur in 2006. In FY 2006, projected building growth, completion of the second peak power generating station and improved collection rates are key elements in the estimated 6.4 percent revenue increase over the FY 2005 revised amounts. The County anticipates receiving \$59.1 million in real estate taxes, including tax payments from Public Service properties and delinquent taxes in FY 2006. At 53.3 percent of the General Fund revenue is the largest source of revenue in the County Budget. For FY 2006 the real estate tax rate will remain at \$.925 per \$100 of assessed value and the special Fire and Rescue Levy will be \$0.045 and the Conservation Easement Levy at \$0.02. Also for FY 2006 the level of qualification for Tax Relief for the Elderly remains at the maximum State authorized amounts. The FY 2006 real property revenue is based on the following:
 - 4.1 percent increase in the net taxable value of all taxable real property for CY 2005*;
 - 4.0 percent increase in the net taxable value of all taxable real property for CY 2006*;
 - FY 2005 tax relief estimate of \$927,995.
 - Collection rate of 98.3 percent.
- Excludes Public Service assessed property.



The negative growth reflected in FY 1997 was the result of accrual adjustments by the County auditors.** In FY 1998 the County implemented twice yearly tax collections. Real estate revenue in that year totaled \$54,404,340. For comparative purpose of this chart the amount has been reduced by the \$17,400,000 initial impact of this accounting adjustment.

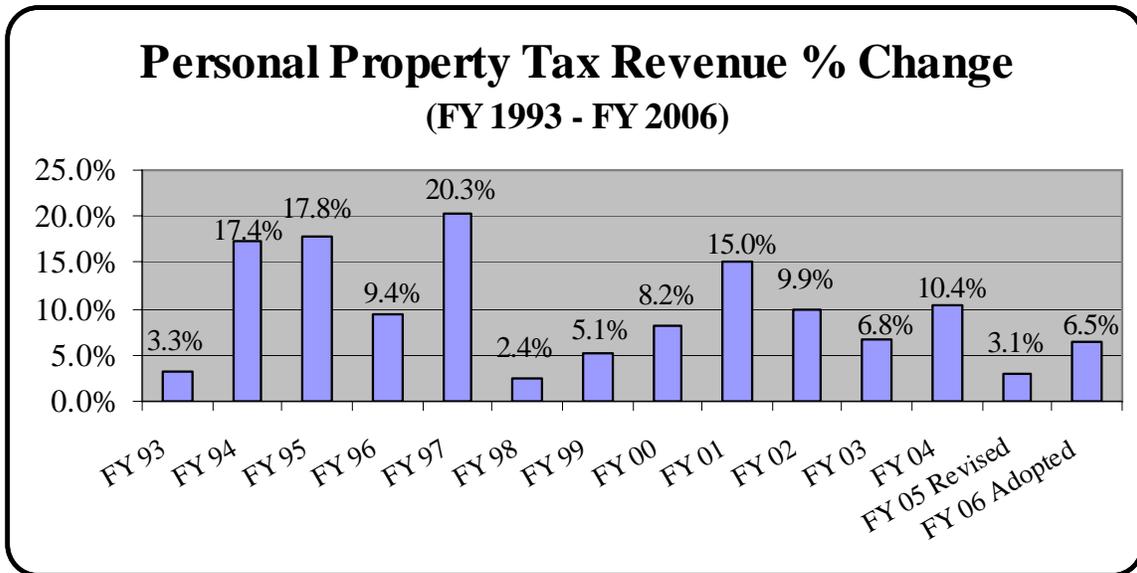
REVENUE ANALYSIS

- Personal Property Revenue:** Personal Property Taxes are projected to generate \$ 28.6 million in receipts for FY 2006. This estimate assumes an increase of 2.1 percent, or approximately \$586,000 over the FY 2005 Adopted Budget amount of \$28.0 million. For FY 2006 the personal property tax rates remain at the FY 2005 level.

After several years of steady increases, this revenue category is expected to achieve limited growth for FY 2006. Offsetting the gains from the purchase of more new vehicles, due to low or no interest rates and improved collection rates, was the devaluation in automobile values. In FY 2005 The National Automobile Dealers Association (NADA), whose guides are used to assess vehicle values when determining Personal Property Tax bills, significantly decreased vehicle values.

As indicated previously this amount includes State funding support under the Personal Property Tax Relief Act (PPTRA). The General Assembly has indicated it will limit future fund support for PPTRA to the FY 2006 level. However at this time the procedures and details are still being reviewed. This action has become a volatile issue within the State and the entire issue may change when the State legislative meets to develop the FY 2007 budget.

The Commissioner of the Revenues 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 to collect approximately \$1.3 million in delinquent taxes during FY 2006. Projections are based on revenue history of prior years, the

REVENUE ANALYSIS

Economic climate and the strong emphasis of the County Treasurer and County Attorney in collecting taxes. These active collection procedures have continued to reduce the percentage of delinquent tax over the past several years.

Overall total General Property Taxes are estimated to be approximately \$76.3 million in FY 2006. This is a \$4.3 million increase from the FY 2005 revised amount, and as previously stated, is primarily due to new construction associated with residential growth, addition of a power generating plant and the slowing of Personal Property Tax revenue with the devaluation in automobile values by NADA.

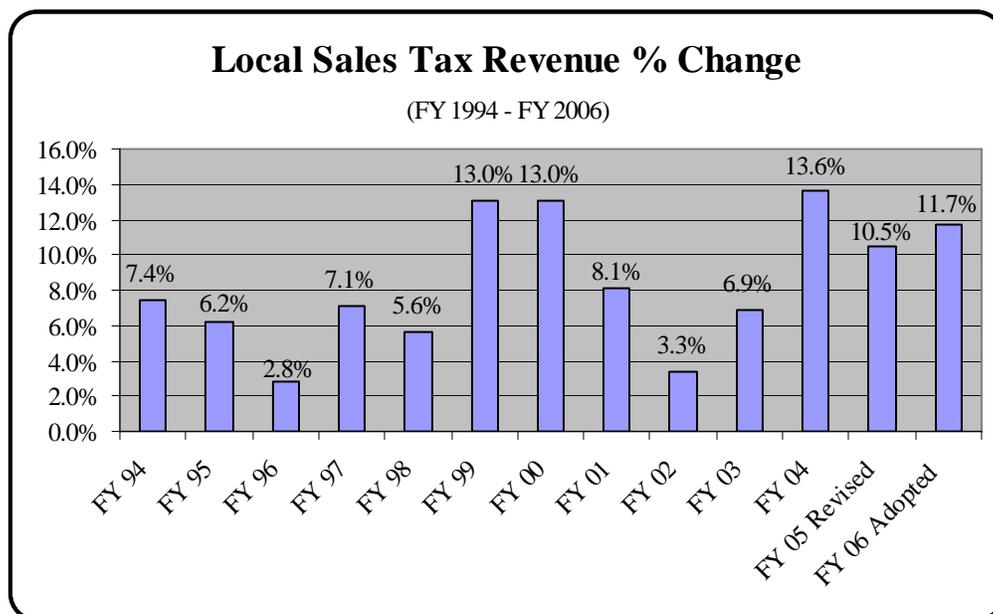
SERVICE, CHARGES & OTHERS: This category of revenue is anticipated to generate \$5.3 million in FY 2006, an increase of approximately \$208,000, or 4.1 percent over the FY 2005 budget. Included in this category are charges for service, permits, fees and licenses, fines and forfeitures and results from the use of money and property. Projections are primarily based on prior year's history for these sources, development projections, estimated funds available to be invested and anticipated interest rates. Continued low interest rates and a smaller amount of funds to invest resulted in a projected 23.6 percent decrease in the Use of Money and Property revenue from the FY 2005 level. The Treasurer is responsible for the County's investment program. Funds are invested in securities as outlined in the Virginia Public Deposits Acts and the Code of Virginia. Investment tools primarily consist of certificates of deposit, treasury bills and the Virginia State Treasurer's Investment Pool.

For FY 2006 the bulk of the revenue growth in this category, 77.6 percent, is from development related fees.

OTHER LOCAL TAXES: For FY 2006 approximately \$16.0 million in revenue is anticipated to be generated within this category. This amount represents an increase of \$2.4 million or 17.5 percent from the FY 2005 Budget. Major elements of this category are:

- **Sales Tax:** Local sales tax is estimated to be \$7.3 million in FY 2005, an increase of \$860,000 from the FY 2005 Adopted Budget. New businesses and the improving economy are expected to significantly improve sales tax revenue for FY 2006. Sales tax projections are based on prior history, planned business expansion and the overall economic climate of the region.

REVENUE ANALYSIS



- Utility Taxes:** This tax is levied on all telephone, electric and gas service purchased by County residents. The County anticipates receipts for FY 2006 to increase 11.3 percent to \$3.0 million. Primary reason for this revenue growth is expanding use of cell phones by county residents.
- Recording Tax and Fees:** Tax levied on deeds, mortgages, leases and contracts have risen sharply in recent years due to population growth and low interest rates. The FY 2006 projected revenue is \$2.6 million or a 73.5 percent increase over the FY 2005 adopted amount. Projections are based on prior revenue history and expected growth in building development.
- Business, Professional and Occupational Licenses (BPOL):** In FY 1999 and FY 2001 the BPOL taxes were adjusted to encourage businesses to move to the County and those located here to remain. Business growth quickly has offset the impact of these adjustments with BPOL revenue projected to increase .5 percent to approximately \$1.0 million for FY 2006.
- State and Federal:** Revenue in this category is projected to be \$24.2 million for FY 2006. This is a 7.3 percent increase or \$1.6 million over the FY 2005 adopted amount. The bulk of the increase is from projected growth from the State's Personal Property Tax Relief Act. The remaining growth is primarily from expansion of State and Federal funding of Social Services and Comprehensive Services related programs. This includes foster child care, family preservation, adult abuse prevention, and at risk youth and family needs.

REVENUES – GENERAL PROPERTY TAXES

REVENUES – GENERAL PROPERTY TAXES

GENERAL FUND					Increase	
<u>General Property Taxes</u>	FY 2003	FY 2004	FY 2005	FY 2006	(Decrease)	%
	Actual	Actual	Adopted	Adopted	Amount	
Real Estate Tax	\$ 46,779,148	\$ 48,996,890	\$ 49,690,007	\$ 54,394,000	\$ 4,703,993	9.5%
Public Service	3,215,824	2,667,542	4,201,000	4,665,000	464,000	11.0%
Personal Property Tax	12,109,573	13,595,485	14,859,717	14,891,625	31,908	0.2%
Delinq Real Estate Tax	897,696	976,574	850,000	850,000	0	0.0%
Delinq Personal Prop Tax	379,890	478,801	425,813	450,000	24,187	5.7%
Penalties	758,920	803,414	755,000	755,000	0	0.0%
Interest	349,161	342,380	400,000	300,000	(100,000)	-25.0%
Total	\$ 64,490,212	\$ 67,861,086	\$ 71,181,537	\$ 76,305,625	\$ 5,124,088	7.2%

DESCRIPTION: General property taxes are levied on the assessed value of real and personal property owned by business, individuals and public service corporations. Assessments of real property (land, buildings, and improvements) are conducted quadrennial with the results maintained by the Commissioner of the Revenue. The real property tax rate for tax year 2005 is \$0.945 per \$100 of assessed value plus an additional special levy of \$0.045 per \$100 for support of fire and rescue operations and \$0.02 for the Conservation Easement Program.

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 tax year special personal property classification created in tax year 1992 for handicapped equipped vehicles has a 2005 rate of \$.05 per \$100 of assessed value. An additional classification for volunteer fire and rescue personnel vehicles was created in 1997. The rate set for tax year 2005 is \$.25 per \$100 of the 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 Board adopted a system to prorate personal property assessments at the time vehicles are bought and sold.

In Fiscal Year 2006, at the adopted tax rates, General Property Tax represents 62.6 percent of General Fund Revenues. In FY 2005 it represented 63.3 percent.

REVENUES – OTHER LOCAL TAXES

<u>OTHER LOCAL TAXES</u>	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Increase (Decrease) Amount	%
Local Sales and Use Tax	\$ 5,176,688	\$ 5,884,564	\$ 6,400,000	\$ 7,260,000	\$ 860,000	13.4%
Utility Tax	2,412,306	2,785,601	2,650,000	2,950,000	300,000	11.3%
Utility Consumer Tax	167,471	167,831	187,000	170,000	(17,000)	-9.1%
Motor Vehicle Licenses	1,340,223	1,387,281	1,405,000	1,450,000	45,000	3.2%
BPOL Tax	1,051,059	1,113,241	1,000,000	1,050,000	50,000	5.0%
Cable TV Franchise	136,093	71,739	140,000	155,000	15,000	10.7%
Bank Stock Tax	152,803	164,334	152,600	164,000	11,400	7.5%
Recording Tax	1,290,501	1,599,694	1,510,000	2,620,000	1,110,000	73.5%
Transient Occupancy Tax	0	0	160,000	165,000	5,000	3.1%
Total	\$ 11,727,144	\$ 13,174,285	\$ 13,604,600	\$ 15,984,000	\$ 2,374,400	17.5%

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

UTILITY TAX:

Consumer Tax: The Utility Consumer's tax is a tax levied by the County. It is collected by the utility companies and remitted to the County from residential, industrial and commercial users of electric, gas and telephone services. This tax was amended in 1996 by ordinance to include cellular and mobile radio communications systems. In 2000 it was further amended to incorporate State law changes that converted taxing of gas and electric companies to a consumption tax. The local ordinance was revised October 2000.

The current rate for residential users of telephone service is 20 percent of the first \$15 of each telephone bill. The rate for commercial and industrial users of telephone services is 10 percent of each telephone bill.

License Tax: The revenues collected are remitted to the County from the telephone companies on an annual basis. One-half percent (.5 percent) of the utility company's gross receipts are remitted. Each telephone company files a report with the Commissioner of the Revenue.

MOTOR VEHICLE LICENSES: The Motor Vehicle License revenues are collected in accordance with Section 46.1-65 of the Code of Virginia (1950) as amended. The rates for Fiscal Year 2004 are \$25 dollars for vehicle decals and \$15 for motorcycles.

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

REVENUES – OTHER LOCAL TAXES

a tax levied on shareholders by the State at the rate of \$1.00 per \$100 of net taxable capital and distributed 80 percent to the locality where the bank is located and 20 percent to the State. With the expansion of bank branches in the County this revenue is expected to increase significantly for FY 2006.

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 size of the transaction (i.e. sales price). The large number of home purchases and refinancing is projected to continue to grow in FY 2006 and increase revenue from related document processing.

TRANSIT OCCUPANCY TAX: Approved by the Board of Supervisors in FY 2006. This is a 2 percent lodging tax levied by the County on room rental within the County. This tax does not include the towns, which have separate occupancy taxes. Revenue is based on review of BPOL receipts factoring in economic conditions including projected growth in facilities and tourism

	FY 2003	FY 2004	FY 2005	FY 2006	Increase	
<u>SERVICE CHARGE & OTHERS</u>	Actual	Actual	Adopted	Adopted	(Decrease)	%
Permits, Fees, and Licenses						
Zoning and Inspection Fees	1,497,650	1,590,058	1,812,225	2,108,866	296,641	16.4%
Other	10,429	9,041	7,000	7,000	0	0.0%
Fines and Forfeitures	504,517	504,772	508,350	508,350	0	0.0%
Use of Money and Property	1,421,526	1,001,429	1,406,241	1,074,325	(331,916)	-23.6%
Charges for Services						
Excess Fees	394,869	486,583	550,000	500,000	(50,000)	-9.1%
Parks & Recreation Fees	0	177,529	487,680	501,093	13,413	2.8%
Library Fees	61,773	62,876	60,000	60,000	0	0.0%
Other	169,535	262,756	135,564	226,920	91,356	67.4%
Recovered Costs	137,728	139,610	114,625	115,829	1,204	1.1%
Miscellaneous	172,257	1,719,503	26,700	214,030	187,330	701.6%
Total	\$ 4,370,284	\$ 5,954,157	\$ 5,108,385	\$ 5,316,413	\$ 208,028	4.1%

PERMITS, FEES AND LICENSES: The revenues generated in this category are those associated with the collection of 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 and commercial and industrial establishments in the County. Animal licenses are estimated proportionally with population growth. Cable Franchise fees are revenues received from a franchise granted for the operation of a cable television service. The fee is equal to 5 percent of the franchise's gross receipts. Other Revenue represents funds received for permit fees or licenses not specifically identified in the categories already listed.

FINES AND FORFEITURES: These revenue sources are collected by the Courts, and are designed to deter behavior contrary 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 violations for driving while intoxicated (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

REVENUES – SERVICES CHARGES & OTHERS

investment program. Based upon projected cash flow availability, the Treasurer can determine the amount of funds for investment over the fiscal year.

CHARGES FOR SERVICES: Excess Fees consist of revenues collected by the Clerk of the Circuit Court and returned by the State to the County because they were in excess of the amount needed to operate the Clerk's Office. 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 includes 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 classifications, nor do they have a common theme.



REVENUES – STATE & FEDERAL

<u>STATE & FEDERAL SOURCES</u>	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Increase (Decrease) Amount	%
State Non-Categorical Aid	\$ 233,812	\$ 230,816	\$ 222,707	\$ 225,421	\$ 2,714	1.2%
State Shared Expenses	4,150,414	4,182,166	4,143,970	4,663,470	519,500	12.5%
State Welfare/At Risk Programs	1,558,889	1,750,709	1,860,495	2,254,281	393,786	21.2%
State Other Categorical Aid	1,175,240	1,152,333	1,176,135	1,184,787	8,652	0.7%
State PPTRA*	11,293,699	12,475,597	13,169,461	13,723,375	553,914	4.2%
Federal	2,057,651	2,236,773	1,984,872	2,155,565	170,693	8.6%
Total	\$ 20,469,705	\$ 22,028,394	\$ 22,557,640	\$ 24,206,899	\$ 1,649,259	7.3%

* Personal Property Tax Relief Act

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 Alcoholic Beverage Control Commission and are distributed quarterly to counties, based upon the 1990 census. Wine tax revenues are also distributed based on the 1990 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 the 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 consideration. FY 2006 reflects the improved State economic climate with a 12.5 percent increase in funding support for constitutional officer's operations. The Sheriff's Office will receive the bulk (64.6 percent) of this growth in State revenue. 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 revenue is the amount of State revenue received to fund 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 concerns of at-risk youth and their families. The Director of Social Services projects the Social Services 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 54 percent share of agreed on expenses. Again, favorable economic conditions resulted in increased support to these programs for FY 2006. A 21.2 percent increase of approximately \$400,000 is projected to support welfare and at risk issues.

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 the State agencies.

REVENUES – STATE & FEDERAL

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 personal property tax burden from the citizens to the State within five years. The expanding cost to maintain this program has prevented the State from meeting that initial goal. For FY 2006 the State has indicated the level of support will be below the intended 70 percent level for vehicles costing \$20,000 or less. As mentioned previously the State is considering capping the amount of revenue under PPTRA.

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.



REVENUES – OTHER FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources of revenue that legally must be used for specific services. These funds include School Operating, School Textbook, Capital Fund, Joint Communications and Fire and Rescue Services.

School Operating Fund:

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.

School Text Book Fund:

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.

Joint Communications Fund:

This Fund supports the emergency communications system for the County. Primary revenue support is derived from a \$3.00 monthly tax on each telephone line. Additional revenue is received from the State and a transfer from the General Fund to offset a portion of the cost of dispatcher salaries.

Volunteer Fire and Rescue Funds:

The Volunteer Fire and Rescue Companies receive primary revenue support from a special Fire and Rescue Levy of \$0.045 per \$100 of assessed real estate. A small amount of State revenue is also provided for fire related programs.

Conservation Easement Service District Fund

The Conservation Easement Service District Fund is supported primarily from a special levy of \$0.02 per \$100 of assessed real estate. Additional funding is revenue generated by roll-back taxes on land currently in special use tax categories which no longer qualifies for the special tax and donations.

Capital Funds

Capital Funds are used to account 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.

Enterprise Funds

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.

REVENUES – OTHER FUNDS

Environmental Services Fund (Landfill):

This Fund accounts for the operations of the County landfill that includes the handling of solid waste and operating the County recycling program. Tipping fees paid for each ton of waste primarily generate revenue. A special program for demolition and debris waste continues to provide a significant source of revenue for FY 2006.

Airport Fund:

The Airport Fund accounts for operations of the County Airport. The majority of this Fund's revenue is supported through State and Federal grants for capital projects. Local support is limited to revenue from Business License fees, Real Estate and Personal Property tax related to the airport. Income rental of facilities and the sale of fuel support operating costs.

Fleet Maintenance Fund:

This Fund reflects operations of the County's garage. It receives its revenue through charges to local public agencies and County departments for vehicle repairs and fuel.

School Nutrition Program Fund:

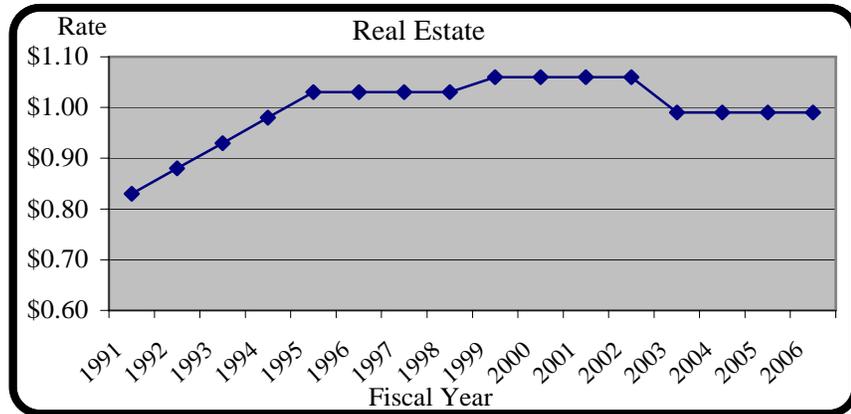
The primary source of funding support is through the sale of school meals. Additional State and Federal revenue is also received to provide free and reduced meals for eligible children.



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



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