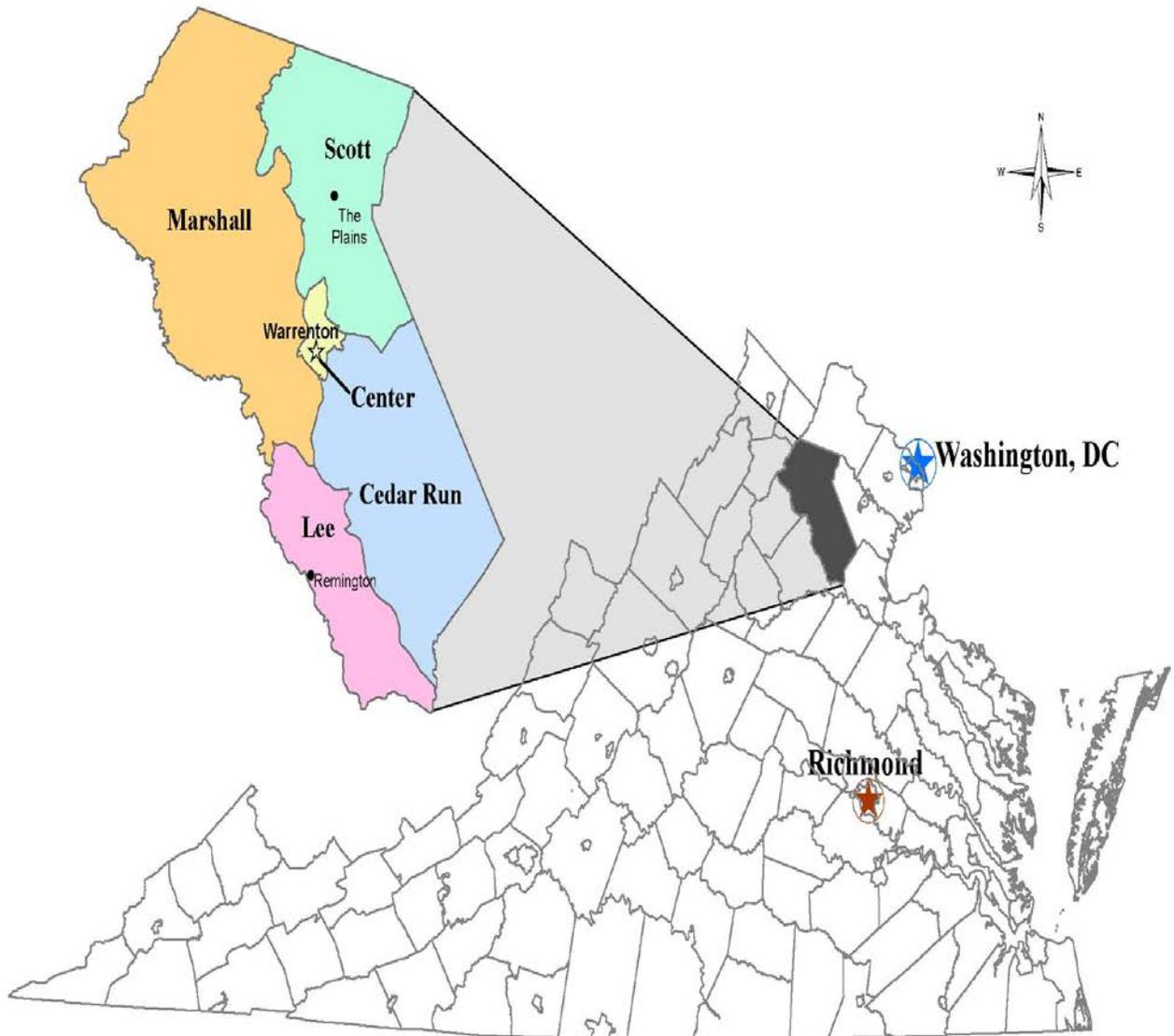


Background Information

County of Fauquier, Virginia



Background Information



The County of Fauquier is located in the north central Piedmont region of Virginia, approximately 40 miles southwest of the nation's capital and approximately 80 miles northwest of Richmond, the state's capital. The County encompasses a land area of approximately 650 square miles. Fauquier County is bordered by the counties of Prince William, Stafford, Culpeper, Warren, Clarke, Loudoun and Rappahannock. The Rappahannock River forms the County's Western border. Interstate 66 runs East-West through the northern portion of the County. In addition, five U.S. primary routes and two state primary routes traverse the County.

Once part of the Northern Neck Proprietary, a vast English land grant held by the 6th Lord Fairfax, Fauquier County was created in 1759 from Prince William County and named for Sir Francis Fauquier, the Colonial Lieutenant Governor at that time.

Originally populated by the Manohoacs, Sioux tribe, and later used as a hunting ground by the Iroquois, Fauquier's first immigrants were of German and English ancestry. Brent Town, the first settlement, was established in 1686 in Southern Fauquier. The first settlement in Northern Fauquier was near The Plains in 1726.

During the American Revolution, many County citizens served in the Continental Army, including Captain John Marshall who would later serve the country as Chief Justice of the U.S. Supreme Court.

Background Information

During the Civil War, the County was frequently traversed by both Northern and Southern armies. The history of the war in Fauquier County is dominated by tales of the escapades of Colonel John S. Mosby, a Partisan Ranger whose unorthodox and highly effective maneuvers would now be called guerrilla warfare. Significant Civil War sites and activities within Fauquier County are included in the Virginia Civil War Trails.

Recovery from devastation to the agricultural economy following the war was helped by the arrival in the early 1900s of several prosperous Northern businessmen who came to fox hunt during the winter months. Their enthusiasm and investments, combined with Virginia's long history of fine horses, established the area as the Hunt Country capital of Virginia. Today, Fauquier County continues those traditions with the annual Upperville Colt and Horse Show, the oldest horse show in the United States, and Virginia Gold Cup races.

The Fauquier County government is organized under the traditional form of government as defined under Virginia law. The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors consists of five members representing the five Magisterial Districts in the County: Center, Lee, Scott, Marshall, and Cedar Run. The Chairman of the Board of Supervisors is elected from within the Board of Supervisors and serves generally for a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to act as the administrative head of the County, who serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board, and directs business and administrative procedures in the County government. An organizational chart of Fauquier County government may be found on page 29.

In Virginia, cities and counties are distinct units of government and do not overlap. Fauquier County includes the Towns of Warrenton, Remington, and The Plains. The towns provide additional services within their corporate limits as authorized by Virginia general statutes. Property in these towns is subject to County taxation.

Because of its proximity to Washington, D.C., Fauquier County has experienced consistent population growth over the past ten years. Despite this population growth, the County remains primarily rural in nature.

Background Information

Description	Indicator
General	
Area	647.5 miles ²
Population (July 2014 estimate)	67,512
County Seat	Town of Warrenton
Median Age (2013)	41.3
Unemployment Rate (April 2015)	4.0%
County Civilian Labor Force (April 2015)	36,356
Per Capita Personal Income (2013)	\$39,600
Median Household Income (2013)	\$88,409
Registered Voters (May 1, 2015)	46,029
Towns and Villages	
Number of Incorporated Towns	3 – Warrenton, Remington, The Plains
Number of Villages	21
Households (2013)	
Total Number of Households	23,130
Family Households	17,208
Non-Family Households	5,922
% of All Households with own children under 18 years	31.2%
Fauquier County Public School System	
Number of Elementary Schools	11
Number of Middle Schools	5
Number of High Schools	3
Number of Alternative Education Schools	1
Number of Regional Governor’s School Affiliations	1
Fall Membership Enrollment (Fall 2014)	11,055
Average Per Pupil Cost (FY 2014 Actual)	\$11,920
Fauquier County Library System	
Number of Facilities	3 Public Libraries & 2 Meeting Facilities
Number of Patrons Registered (June 2014)	39,718
Sheriff’s Office	
Average Response Time (July 2013-June 2014)	13.0 minutes
Fire, Rescue, and Emergency Services	
Number of Fire-only Stations	1
Number of Rescue-only Stations	1
Number of Combined Fire & Rescue Stations	9
Parks and Recreation	
Number of State Parks and Forests	2
Number of County Parks and Recreation Facilities	35
Number of Wildlife Management Areas	3
Total Acres Maintained (Land and Water)	1,008 acres

Background Information

Fauquier County's Top 10 Employers

1. Fauquier County School System	6. Walmart
2. Fauquier Health System	7. Buccaneer Computer Systems Inc.
3. Fauquier County Government	8. Town of Warrenton
4. US Department of Transportation	9. Food Lion
5. McDonald's	10. Airlie Foundation

Source: Virginia Employment Commission.

Fauquier County's Top 10 Real Property Taxpayers

1. Virginia Electric & Power Company	6. Verizon - Virginia Inc.
2. Old Dominion Electric Co-op	7. Fauquier Long-Term Care, LLC
3. Fauquier Medical Center	8. Oak Springs Farm LLC
4. Warrenton Center LLC	9. Rappahannock Electric Co-op
5. Northern Virginia Electric Co-op	10. Northrock Center, LLC

Source: Fauquier County Commissioner of the Revenue.

Fauquier County's Major Industries

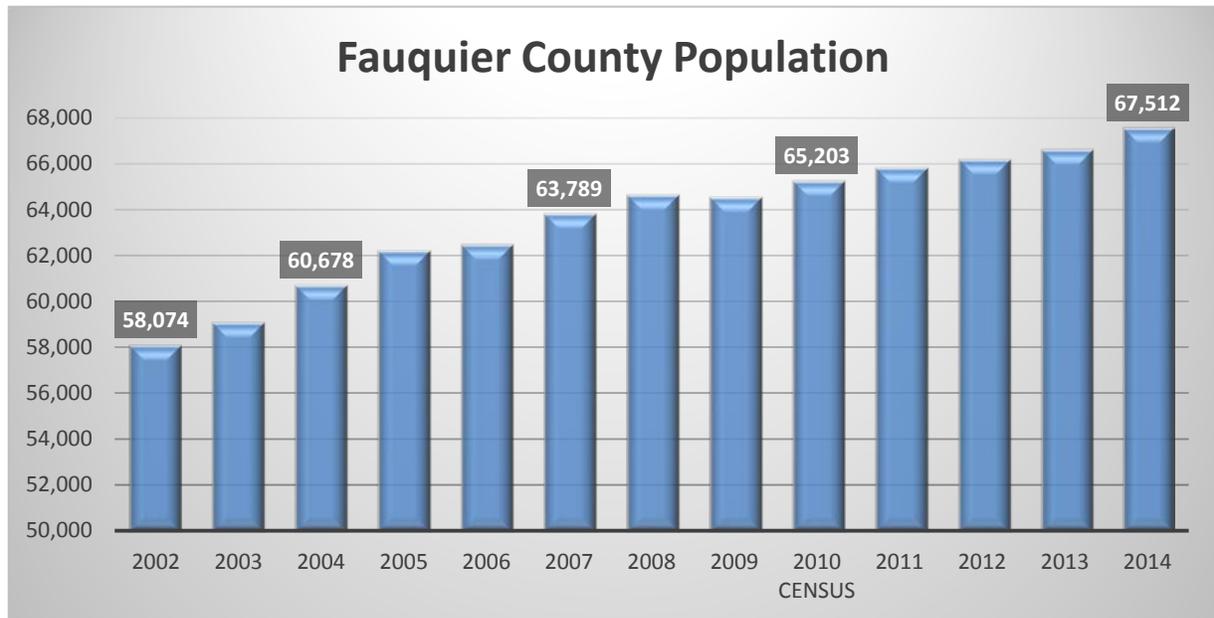
1. Educational services, health care, and social assistance
2. Professional, scientific, management, administrative and waste management services
3. Retail Trade
4. Construction
5. Public Administration
6. Finance and insurance, and real estate and rental leasing
7. Other services, except public administration
8. Manufacturing
9. Arts, entertainment, and recreation, and accommodation and food services
10. Transportation and warehousing, and utilities
11. Agriculture, forestry, fishing and hunting, and mining
12. Information
13. Wholesale trade

Source: United States Census 2013 American Community Survey. Based on civilian employed population 16 years and over.

Background Information

Population

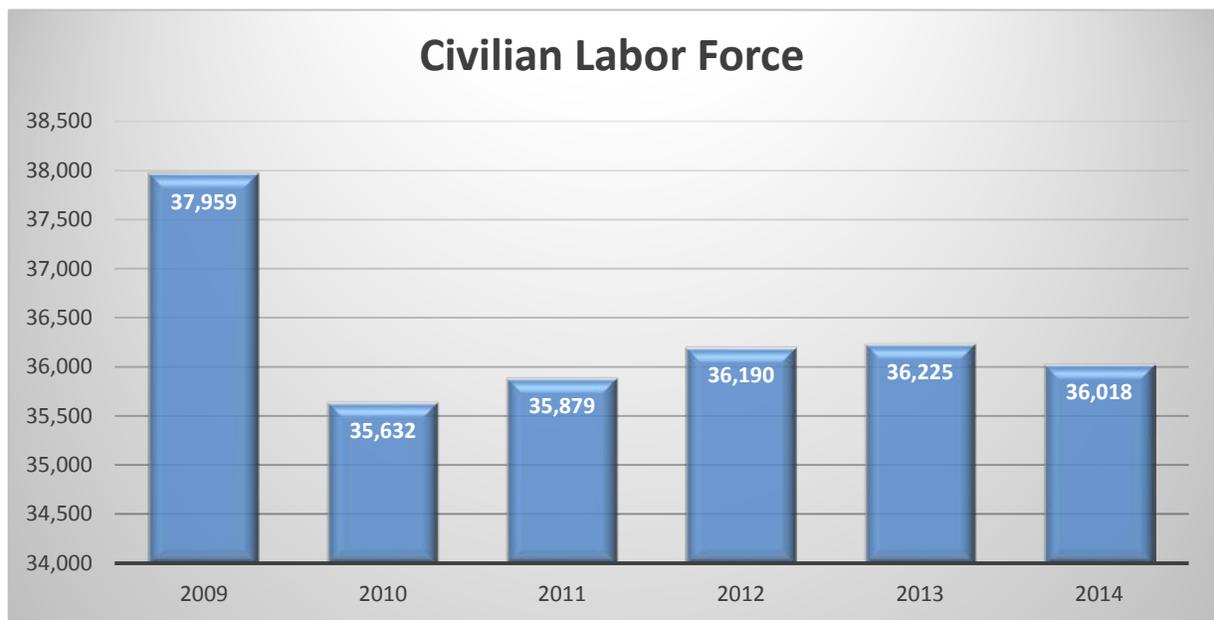
The County's population increased 1.3% annually on average since 2002. While the population slowed near the recession, growth has begun to return to a more normalized annual growth rate.



Source: Weldon Cooper Center for Public Service. University of Virginia. Values as of July 1 per year.

Employment

After falling from 2009 to 2010, the civilian labor force has now stabilized with job availability.

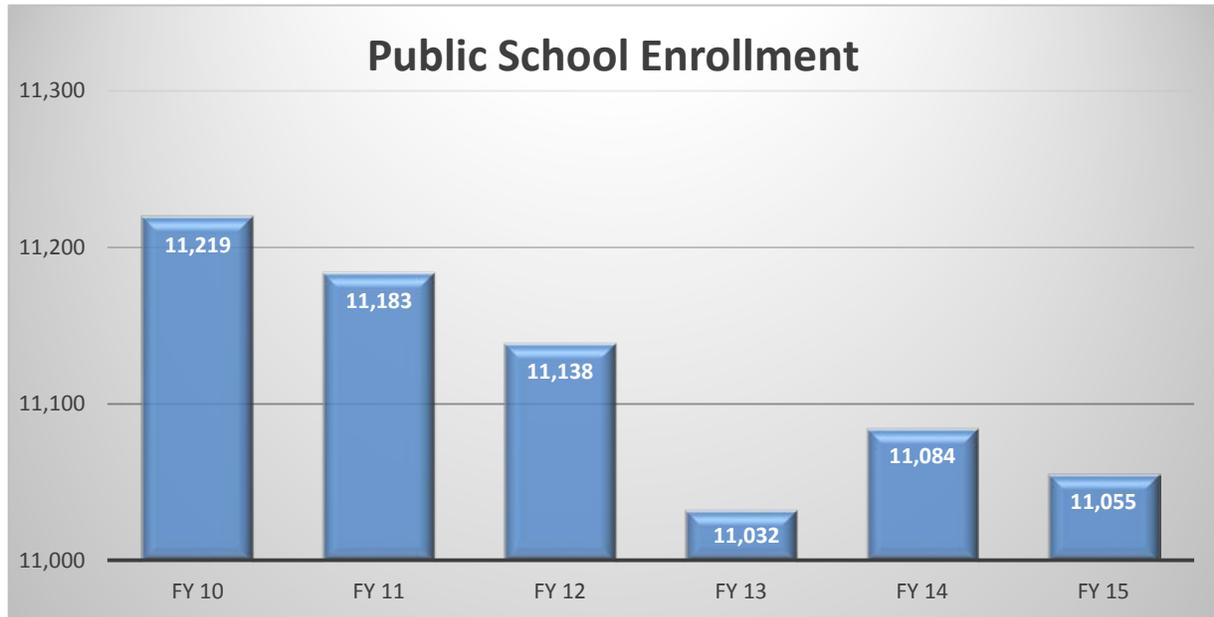


Source: Virginia Employment Commission.

Background Information

Public School Enrollment

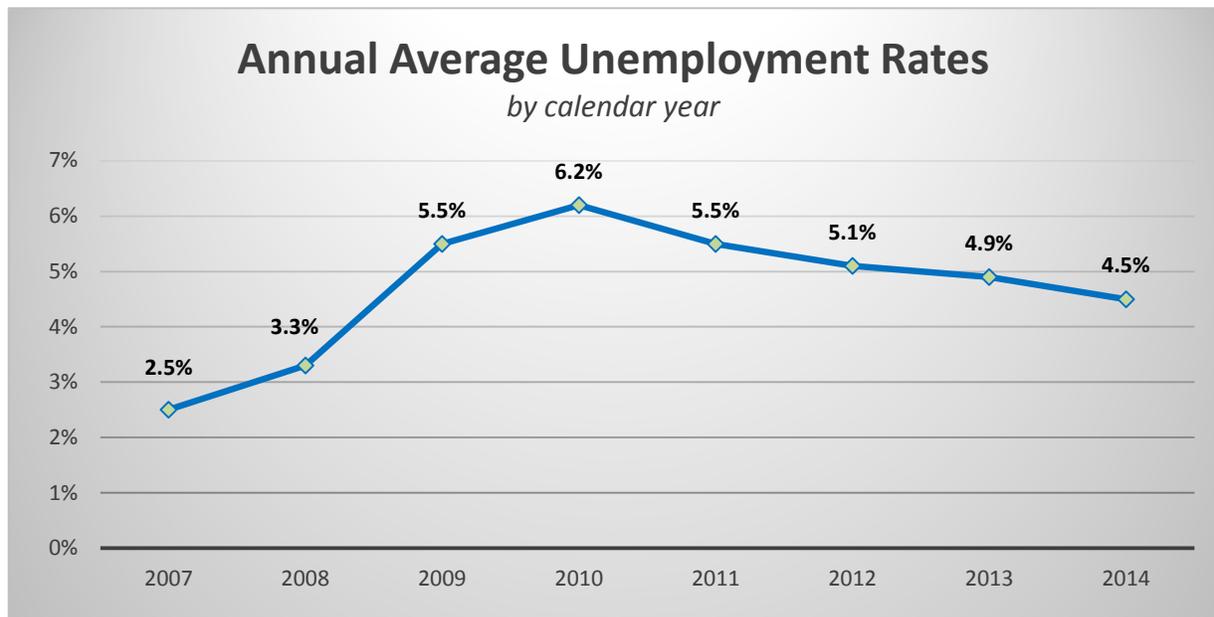
Public School Enrollment has slowly declined since 2010. The School Division projects an enrollment reduction of 6.6% to 10,330 students in the next ten years through to 2025, with slower population growth trends than the early 2000s.



Source: Fauquier County Public Schools Annual Report and Ten-Year Enrollment Projection Report. Figures based on annual fall membership.

Unemployment

Unemployment has continued to fall over the last three years and remains below the national and state averages.



Source: Virginia Employment Commission.

Background Information

New Housing Starts

While annual values have experienced year-over-year average increases of 27% since FY 2010, a 9% year-to-date decrease in FY 2015 was observed as compared to the same period in FY 2014. This trend is similar to the region with a slight slowdown in the latter part of 2014.



¹Fiscal Year 2015 data through April 2015.

Source: Fauquier County Department of Community Development.

Foreclosures

Foreclosure filings have now returned to a pre-recession level. As a percentage of filings, foreclosures continue to decline from an average of 17.0% in 2008 to 4.2% in 2014.



Source: Clerk of the Circuit Court.

Background Information

Real Property Assessed Values

Fauquier County reassesses real property on a quadrennial basis. The latest reassessment, effective January 1, 2014, reflected increased property values and growth within the real property tax base due to the conversion of two entities from tax exempt status to taxable. Increases in the tax years between reassessments are reflective of adjustments due to growth in residential development and improvements, and other various adjustments.



¹Reassessment year.

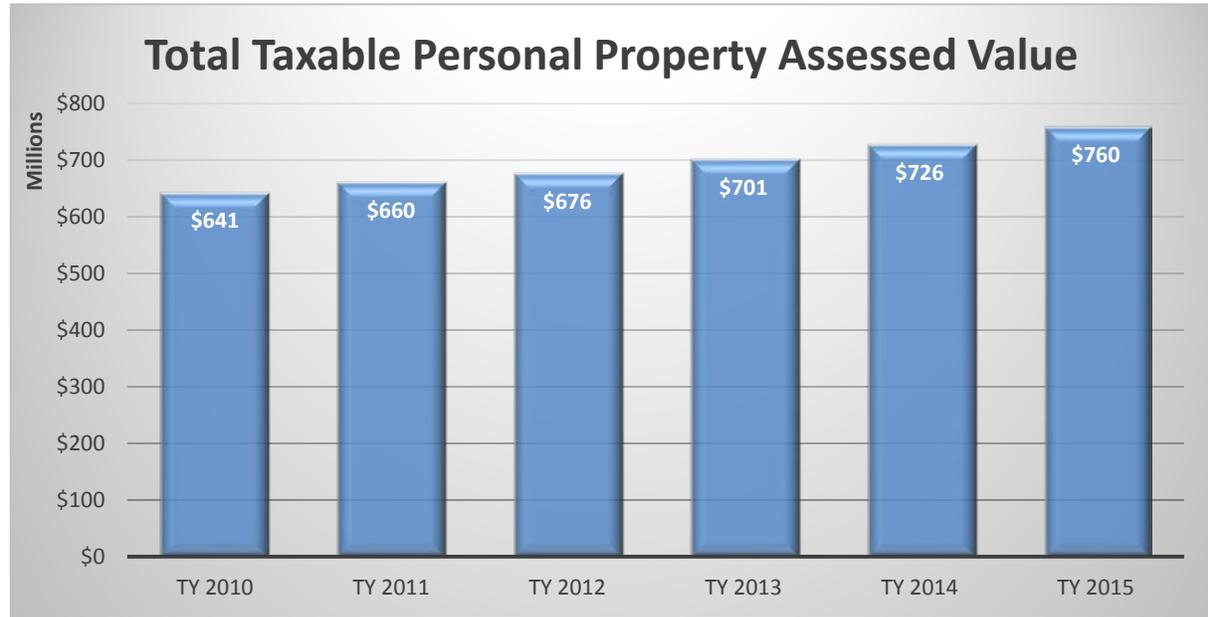
²In TY 2014 & TY 2015, two tax exempt entities, Fauquier Hospital and VHEDA, sold the majority of their holdings which converted the real property of these entities to taxable status. Given this fact, the annual increase in taxable value is not fully attributable to growth. Fauquier Hospital's conversion was fully realized in TY 2014 and the VHEDA holdings were fully realized in TY 2015.

Source: Fauquier County Commissioner of the Revenue. Assessed Values includes residential, commercial, agricultural, and public service.

Background Information

Personal Property Assessed Values

Fauquier County reassesses personal property on an annual basis. Personal property values continue to increase due to new vehicle purchases with higher valuations and minimal depreciation to the existing stock.



Source: Fauquier County Commissioner of the Revenue.

FY 2016 Budget Process

Fauquier County's annual budget is prepared and fulfills the requirements of the Commonwealth of Virginia including those requirements outlined in Section 15.2-2500 of the Code of Virginia. The County's annual budget, by requirement of the Commonwealth of Virginia, must be balanced wherein available revenues and appropriated fund balance equal estimated expenditures for the fiscal year.

Fauquier County initiates its annual operating budget process through a formal meeting with constitutional officers, department heads and support staff in September of each year, with budget requests submitted to the Office of Management and Budget for review in the subsequent months. The County Administrator and the Office of Management and Budget meet with departments to review submissions and new requests in November and December. In addition, the County conducts the Capital Improvement Program planning in conjunction with the operating budget process. Once departments submit their capital projects requests, an internal staff committee with the County Administrator meets with the departments to discuss capital project submissions.

The County Administrator's proposed Capital Improvement Program is released at the end of January each year to both the Board of Supervisors and Planning Commission, as statutorily required by the Code of Virginia. The County Administrator's proposed operating budget is released by the end of February of each year to the Board of Supervisors.

The Board of Supervisors provide preliminary direction for the annual budget process through various standing committees. In addition, the Board of Supervisors for the FY 2015 budget process implemented a two-year or biennial budget plan. The Board of Supervisors hold budget work sessions in March and April, as needed, to meet with departments and agencies to discuss new requests, changes in federal or state program mandates, and to understand various challenges faced by these entities. The Board also holds an annual joint work session with the School Board to discuss the School Division's operating and capital requests. The Board, by statutory requirement, holds at least one public hearing on the budget, capital improvement program, and advertised tax rates to gain citizen input at least seven days in advance of the adoption of the budget and tax rates.

In years of reassessment, every four years, the Board is statutorily required to hold a public hearing if the assessments will increase more than one percent and the tax rate is not lowered to a level equivalent to the prior year's assessment. After the annual public hearing the Board conducts a final work session to facilitate any recommended changes in the proposed budget for adoption. The adoption of the budget, tax rates, and capital improvement program is held at the last work session of the budget process.

While the Board of Supervisors has implemented a biennial budget process, the Code of Virginia requires an annual budget process, budget public hearing, and the adoption and appropriation of the annual budget and tax rates. Given this statutory requirement, the second year of the biennial budget is considered a draft fiscal plan or a commitment of the Board of Supervisors for that fiscal year with adjustments only relative to revenue revisions, federal or state mandated requirements, or emergencies. The Board of Supervisors formally adopts the second budget year through the same statutorily mandated process the following year by holding a public hearing, adopting and appropriating the annual budget, and setting tax rates.

FY 2016 Budget Process

The following calendar provides key dates and agenda items from the FY 2016 budget process:

Date	Agenda Item
August 27, 2014	FY 2016-2020 CIP and County Asset Replacement instructions distributed to departments
September 10, 2014	FY 2016 Operating Budget and FY 2016-2020 Five Year Operational Plan Kickoff
October 3, 2014	FY 2016-2020 CIP & Asset Replacement submissions due to Management & Budget
October 10, 2014	FY 2016 Draft Budget Adjustments (Newly Mandated or Service Delivery Failures) due
November 2014	Meetings with departments - FY 2016 Change Requests and CIP/Asset Replacement requests
November 10, 2014	Superintendent's Proposed Capital Improvement Program Presented to School Board
January 26, 2015	Superintendent's Proposed FY 2016 Operating Budget presented to School Board
January 29, 2015	County Administrator's Proposed FY 2016-2020 CIP Presented to Planning Commission & Board of Supervisors
February 9, 2015	FPIC work session on proposed FY 2016-2020 CIP
February 19, 2015	County Administrator's Proposed FY 2016 Budget Presented to Board of Supervisors
March 3 - 10, 2015	Board of Supervisors' Budget Work Sessions
March 10, 2015	Board of Supervisors' Public Hearing on FY 2016 Proposed Budget, TY 2015 Tax Rates, & CIP
March 19, 2015	Board of Supervisors' Adoption of FY 2016 Budget, Tax Rates & CIP
April 13, 2015	School Board Adoption of the FY 2016 School Division Budget
July 1, 2015	Beginning of FY 2016 and Implementation of FY 2016 Adopted Budget

Basis of Budgeting

Basis of Budgeting

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles, as applied to governmental units. Annual appropriation resolutions and budgets are adopted for the governmental and proprietary funds discussed in the following section. Governmental accounting activities are directed toward ensuring effective expenditure control and budgetary compliance. All appropriations are legally controlled at the department level for the General Fund and County proprietary funds, while School Division funds are appropriated at the fund level and allocated by the School Board. All annual appropriations, aside from the Capital Improvement Fund, County and School Division Asset Replacement Funds, and the Utility Fund, lapse at the end of the fiscal year, unless otherwise specified in the annual appropriations resolution. The annual appropriations resolution specifies that grant appropriations and certain projects may be continued into the following year until the expiration of the grant or completion of the project. Consistent with State requirements and County policy, the Board of Supervisors adopts an annual budget that balances overall expenditures with projected revenue. The County employs the same financial principles for budgeting and accounting purposes.

Budget Appropriation and Adjustment Process

The Board of Supervisors adopts an annual fiscal plan and appropriations resolution that sets the funding levels for each fund. The appropriation of funding may be allocated on a time-based frequency, as allowed by the Code of Virginia, including monthly, quarterly, or an annual appropriation. The Board's fiscal policies authorize the County Administrator to accept and appropriate certain non-recurring revenue that is below specified threshold amounts, such as grants, insurance recoveries, and other miscellaneous revenues, and to approve transfers of appropriations and estimated revenues between departments and agencies. Approval by the Board of Supervisors is required for all other changes to aggregate appropriations or estimated revenues that fall outside the supplemental appropriation guidelines set forth in the Board's fiscal policies.

Changes to appropriations are accomplished through the budget adjustment process. Budget adjustments that do not require Board of Supervisors approval by policy are approved by the Director of Management and Budget and the County Administrator, subject to sufficient justification. Budget adjustments that change appropriations or estimated revenues at the fund level and require the Board of Supervisors' approval are submitted to the Board of Supervisors' Finance Committee for recommendation for full Board of Supervisors approval.

Fund Structure and Uses

Fauquier County's budget is organized on a fund basis, with each fund considered a separate accounting and reporting entity. Fund types consist of the Governmental Funds (General Fund, School Division Operating Fund, Capital Improvement Fund, Debt Service Fund, and Non-major Governmental Funds) and the Proprietary Funds (Fleet Maintenance, Landfill, Airport and Health Insurance).

Governmental Funds

Governmental funds are accounted for using modified accrual accounting and are budgeted on the same basis. Under modified accrual accounting, revenue is considered available when deemed collectible during the current period. Similarly, expenditures are recorded at the time liabilities are incurred. The modified accrual basis is consistent with generally accepted accounting principles (GAAP).

Most of the County's financial activities are financed through the governmental funds. The County's budget contains eleven distinct governmental funds. These funds embody appropriation decisions regarding the allocation of resources among programs and expenditure type (personnel, operating, capital, and debt service). Some of the funds are attached to specific revenue sources and designated for a specific purpose, while others are more wide-ranging. Each fund is specifically reviewed and appropriated by the Board of Supervisors during its annual budget process.

The following funds are categorized as governmental funds:

General Fund

The General Fund is the primary operating fund for all non-education governmental activities. The General Fund is supported by a combination of local tax revenue, fees, charges for service and outside grant funding. Most other governmental functions, such as education, are supported by a transfer from the General Fund.

School Division Operating Fund

The School Division Operating Fund is the primary fund for all education-related governmental activities. The majority of revenue to the School Division Operating Fund comes from a transfer from the County's General Fund. In addition, the School Division Operating Fund is supported by aid from the State and Federal governments, as well as various charges for service. The School Board has direct control over the allocation of resources within this fund, as well as the non-major educational funds. The Board of Supervisors provides a lump sum appropriation to the fund to finance the School Division's operations.

Fund Structure and Uses

Capital Improvement Fund

The Capital Improvement Fund provides for the acquisition, construction or total replacement of physical facilities using a combination of cash funding and debt financing. The Capital Improvement Fund, along with the Utility Fund, provides the mechanism for implementing the Board of Supervisors' adopted Capital Improvement Program.

Debt Service Fund

The Debt Service Fund was established in FY 2011 to provide for the payment of debt service on municipal debt issued to construct facilities. The Debt Service Fund is appropriated by the Board of Supervisors as part of the annual budget process, representing the long-term financing costs resulting from the policy decisions made by the Board of Supervisors and the School Board as expressed by the Capital Improvement Program.

Non-major Governmental Funds

This category consists of funds that are dedicated for a specific purpose and generally minor in scale compared with the larger major governmental funds. The Non-major Governmental Funds category includes the following:

1. Affordable Housing Fund – This fund supports the County's efforts to increase opportunities for work force housing. The Affordable Housing Fund is supported by a transfer from the General Fund.
2. Ambulance Revenue Fund – This fund was established by the Board of Supervisors in FY 2008 to implement the County's ambulance revenue recovery program. Revenue generated from the County's ambulance fee supports career and volunteer emergency medical service expenses.
3. Asset Replacement Funds - The asset replacement funds were established by the Board of Supervisors in FY 2011. The County maintains separate asset replacement funds for the General Government and the School Division. The Asset Replacement Funds provide for the financing of major maintenance and systems replacement, renovations and major asset replacements, principally through the accumulation of cash funding and various grants.
4. Conservation Easement Service District Fund – This fund was established by the Board of Supervisors to administer the County's purchase of development rights program. The PDR program is funded by a dedicated real estate tax levy.
5. Volunteer Fire and Rescue Association Fund (VFRA) – This fund supports expenditures for the County's volunteer fire and rescue system. The VFRA Fund is supported by a dedicated real estate tax levy. Revenue from the levy is transferred to volunteer companies to subsidize the cost of operations and to the Capital Improvement Fund to support ongoing facility improvement needs.
6. Non-major School Division Funds – The School Nutrition Fund, Textbook Fund, and Regional Governor's School have been established as separate entities for accounting purposes, and are subsidized by a combination of outside grants, fees and a transfer from the School Operating Fund.

Fund Structure and Uses

Proprietary Funds

The proprietary fund category includes four funds that either account for specific self-funded business enterprises or the provision of internal services to other governmental units. The proprietary funds employ a full accrual accounting method, where revenue is recognized on the date of occurrence and expenditures in the accounting period during which a liability is incurred. All proprietary funds are reviewed and appropriated by the Board of Supervisors during the annual budget process. The following funds are categorized as proprietary funds:

1. Internal Service Funds – Internal service funds are used to account for goods or services provided by one department or agency to another governmental unit on a cost reimbursement basis. The County maintains two internal service funds: Fleet Maintenance and Health Insurance.

2. Enterprise Funds – Enterprise funds house activities that are financed and operated as self-supporting activities. The County maintains enterprise funds for the landfill and the Warrenton-Fauquier Airport.

County Fund Structure				
Funds by Fund Type				
Fund Name	Major Governmental Funds	Non-major Governmental Funds	Internal Service Funds	Enterprise Funds
General Fund	✓			
School Division Operating Fund	✓			
Capital Improvement Fund	✓			
Debt Service Fund	✓			
Affordable Housing Fund		✓		
Ambulance Revenue Fund		✓		
County Asset Replacement Fund		✓		
School Division Asset Replacement Fund		✓		
Conservation Easement Service District Fund		✓		
Volunteer Fire & Rescue Association Fund (VFRA Fund)		✓		
School Division Nutrition Fund		✓		
School Division Textbook Fund		✓		
Regional Governor's School Fund		✓		
Fleet Maintenance Fund			✓	
Health Insurance Fund			✓	
Landfill Enterprise Fund				✓
Warrenton-Fauquier Airport Enterprise Fund				✓

Fund Structure and Uses

County Fund/Function/Department Structure	
Fund Name	Function/Department(s)
Governmental Funds	
General Fund	<p>General Government</p> <ul style="list-style-type: none"> ➤ <i>Board of Supervisors</i> ➤ <i>Commissioner of Revenue</i> ➤ <i>County Administration</i> ➤ <i>County Attorney</i> ➤ <i>Finance</i> ➤ <i>Geographic Info Systems</i> ➤ <i>Human Resources</i> ➤ <i>Independent Auditor</i> ➤ <i>Information Technology</i> ➤ <i>Management & Budget</i> ➤ <i>Registrar</i> ➤ <i>Treasurer</i> <p>Judicial Administration</p> <ul style="list-style-type: none"> ➤ <i>Adult Court Services</i> ➤ <i>Circuit Court</i> ➤ <i>Clerk of Circuit Court</i> ➤ <i>Commissioner of Accounts</i> ➤ <i>Commonwealth's Attorney</i> ➤ <i>General District Court</i> ➤ <i>Juvenile & Domestic Relations Court</i> ➤ <i>Magistrates</i> <p>Public Safety</p> <ul style="list-style-type: none"> ➤ <i>Fire, Rescue, and Emergency Management</i> ➤ <i>Juvenile Detention and Probation</i> ➤ <i>Sheriff's Office</i> <p>Public Works</p> <ul style="list-style-type: none"> ➤ <i>Environmental Services – Convenience Sites</i> ➤ <i>General Services</i> <p>Health and Welfare</p> <ul style="list-style-type: none"> ➤ <i>Community Services Board</i> ➤ <i>Public Health</i> ➤ <i>Social Services</i> <p>Culture</p> <ul style="list-style-type: none"> ➤ <i>Library</i> ➤ <i>Lord Fairfax Community College</i> ➤ <i>Parks and Recreation</i> <p>Community Development</p> <ul style="list-style-type: none"> ➤ <i>Agricultural Development</i> ➤ <i>Community Development</i> ➤ <i>Contributions</i> ➤ <i>Cooperative Extension</i> ➤ <i>Economic Development</i> ➤ <i>John Marshall Soil and Water Conservation District</i> ➤ <i>Planning Commission/Board of Zoning Appeals/Architectural Review Board</i> <p>Non-Departmental</p>
School Division Operating Fund	School Division

Fund Structure and Uses

Fund Name	Function/Department(s)
Governmental Funds (cont'd)	
Capital Improvement Fund	Capital Improvement Program <ul style="list-style-type: none"> ➤ <i>County departments</i> ➤ <i>School Division</i> ➤ <i>Volunteer Fire and Rescue Association</i> ➤ <i>Fauquier County Water and Sanitation Authority</i> ➤ <i>Warrenton-Fauquier Airport</i>
Debt Service Fund	County Government and School Division
Affordable Housing Fund	General Government <ul style="list-style-type: none"> ➤ <i>Board of Supervisors</i> ➤ <i>County Administration</i> Community Development <ul style="list-style-type: none"> ➤ <i>Contributions/Nonprofit Agencies</i>
Ambulance Revenue Fund	Public Safety <ul style="list-style-type: none"> ➤ <i>Department of Fire, Rescue, and Emergency Management</i> ➤ <i>Volunteer Fire and Rescue Association</i> ➤ <i>Finance Department</i>
County Asset Replacement Fund	County Asset Replacement Plan <ul style="list-style-type: none"> ➤ <i>County Government</i>
School Division Asset Replacement Fund	School Division
Conservation Easement Service District Fund	Community Development <ul style="list-style-type: none"> ➤ <i>Agricultural Development</i>
Volunteer Fire & Rescue Association Fund	Public Safety <ul style="list-style-type: none"> ➤ <i>Department of Fire, Rescue, and Emergency Management</i> ➤ <i>Volunteer Fire and Rescue Association</i>
School Division Nutrition Fund	School Division
School Division Textbook Fund	School Division
Regional Governor's School Fund	School Division
Internal Service Funds	
Fleet Maintenance Fund	Public Works <ul style="list-style-type: none"> ➤ <i>General Services</i>
Health Insurance Fund	County Government and School Division
Enterprise Funds	
Landfill Enterprise Fund	Public Works <ul style="list-style-type: none"> ➤ <i>Environmental Services</i>
Warrenton-Fauquier Airport Enterprise Fund	Warrenton-Fauquier Airport