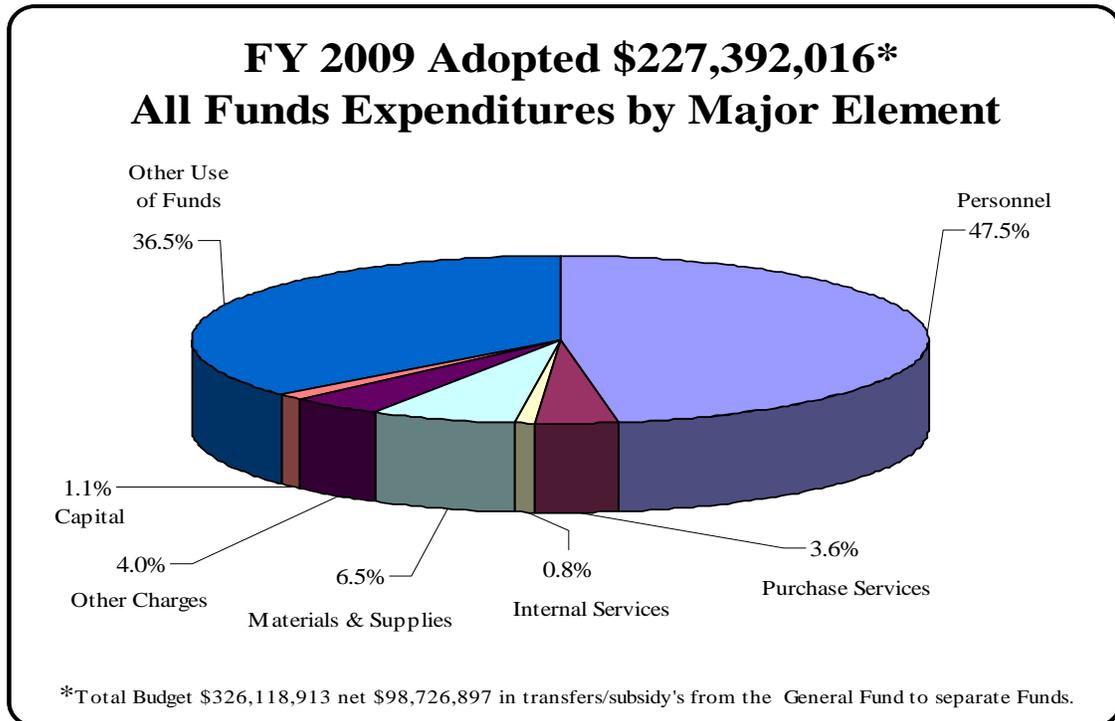
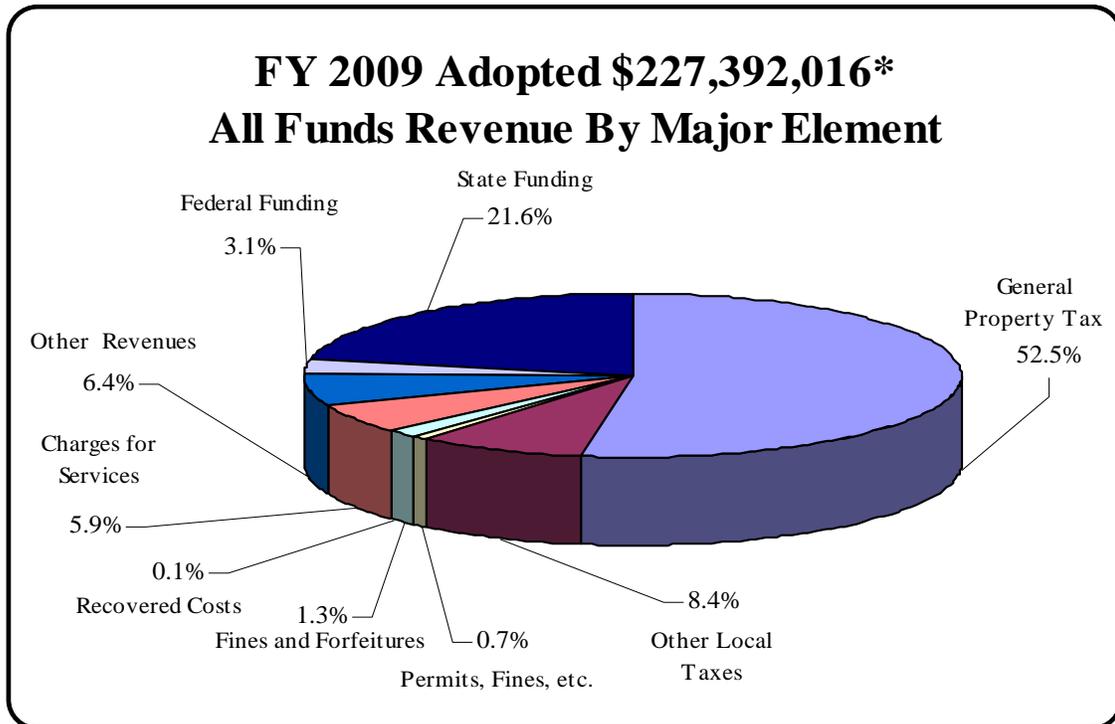


COMBINED REVENUE AND EXPENDITURE ANALYSIS FY 2009 FOR ALL FUNDS

The County's FY 2009 Adopted Budget net of transfers (i.e. transfers between funds) is \$227,392,016. The charts below detail all funds revenue and expenditures by category.



FY 2009 ADOPTED BUDGET

TOTAL ALL FAUQUIER COUNTY FUNDS SCHEDULE

FAUQUIER COUNTY FUNDS SCHEDULE TOTAL ALL FUNDS

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ 87,179,722	\$ 101,445,642	\$ 103,466,066	\$ 119,365,720
Other Local Taxes	17,036,823	15,325,605	18,714,363	17,976,200
Permits, Fees and Licenses	1,939,748	2,312,246	2,877,120	2,576,839
Fines and Forfeitures	529,420	526,235	508,480	508,100
Revenue from the Use of Money / Property	2,601,505	4,625,751	1,737,843	1,945,244
Charges for Services	13,533,810	13,511,274	7,173,629	12,966,148
Miscellaneous	16,357,775	49,784,143	21,178,506	3,784,941
General Fund Transfer/Subsidy	80,849,546	89,798,472	88,105,074	98,726,897
Recovered Costs	798,731	321,731	868,762	276,138
State	56,952,652	60,599,888	62,439,049	60,937,066
Federal	9,660,113	8,809,581	6,263,716	7,055,620
Total Revenues	\$ 287,439,845	\$ 347,060,568	\$ 313,332,608	\$ 326,118,913 *
Expenditures:				
Personal Services	\$ 121,603,898	\$ 137,037,588	\$ 146,656,478	\$ 154,844,195
Purchased Services	15,104,942	20,754,540	12,137,032	11,700,452
Internal Services	2,444,214	2,540,776	2,405,553	2,678,638
Materials and Supplies	12,046,479	12,353,646	11,357,966	12,386,904
Other Charges	17,198,746	20,616,806	17,577,959	20,402,174
Capital Outlay	25,565,468	31,591,600	16,914,840	3,714,820
School Support	72,466,537	79,421,537	86,801,214	98,070,037
Other Use of Funds	20,020,598	22,972,214	19,481,566	22,321,693
Total Expenditures	\$ 286,450,882	\$ 327,288,707	\$ 313,332,608	\$ 326,118,913 *
Net Increase (Decrease) Fund Balance	\$ 988,963	\$ 19,771,861	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 72,706,306	\$ 73,695,269	\$ 93,467,130	\$ 93,467,130
Fund Balances/Net Assets at end of year	\$ 73,695,269	\$ 93,467,130	\$ 93,467,130	\$ 93,467,130

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

* The FY 2009 Adopted Budget is \$326,118,913 which represents the \$227,392,016 net of the General Fund Transfers/Subsidies of \$98,726,897.

ALL GOVERNMENTAL FUNDS SCHEDULE

FAUQUIER COUNTY FUNDS SCHEDULE GOVERNMENTAL FUNDS

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ 87,179,722	\$ 101,445,642	\$ 103,466,066	\$ 119,365,720
Other Local Taxes	17,036,823	15,325,605	18,714,363	17,976,200
Permits, Fees and Licenses	1,921,717	2,287,326	2,858,120	2,556,839
Fines and Forfeitures	529,420	526,235	508,480	508,100
Revenue from the Use of Money / Property	2,467,425	4,486,749	1,732,843	1,630,393
Charges for Services	1,373,608	1,299,276	783,870	1,065,404
Miscellaneous	15,937,757	49,134,013	13,869,755	1,812,309
General Fund Transfer/Subsidy	80,701,605	89,793,734	88,089,074	98,710,897
Recovered Costs	798,360	321,582	868,762	268,138
State	56,138,092	59,850,204	61,442,761	60,726,359
Federal	6,538,705	7,076,580	6,199,716	6,044,119
Total Revenues	\$ 270,623,234	\$ 331,546,946	\$ 298,533,810	\$ 310,664,478
Expenditures:				
Personal Services	\$ 117,695,075	\$ 132,415,976	\$ 141,483,398	\$ 149,459,471
Purchased Services	11,636,082	17,716,166	9,164,475	8,973,573
Internal Services	2,373,297	2,459,471	2,329,553	2,560,438
Materials and Supplies	8,019,162	8,262,390	7,017,822	7,653,028
Other Charges	16,463,595	17,944,120	17,342,494	20,162,559
Capital Outlay	25,052,426	31,504,931	15,968,459	2,918,217
School Support	72,466,537	79,421,537	86,801,214	98,070,037
Other Use of Funds	19,942,744	22,779,495	18,426,395	20,867,155
Total Expenditures	\$ 273,648,918	\$ 312,504,086	\$ 298,533,810	\$ 310,664,478
Net Increase (Decrease) Fund Balance	\$ (3,025,684)	\$ 19,042,860	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 54,476,924	\$ 51,451,240	\$ 70,494,100	\$ 70,494,100
Fund Balances/Net Assets at end of year	\$ 51,451,240	\$ 70,494,100	\$ 70,494,100	\$ 70,494,100

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

PROPRIETARY FUND

FAUQUIER COUNTY FUNDS SCHEDULE PROPRIETARY FUND

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	-
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	18,031	24,920	19,000	20,000
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money / Property	134,080	139,002	5,000	314,851
Charges for Services	12,160,202	12,211,998	6,389,759	11,900,744
Miscellaneous	420,018	650,130	7,308,751	1,972,632
General Fund Transfer/Subsidy	147,941	4,738	16,000	16,000
Recovered Costs	371	149	-	8,000
State	814,560	749,684	996,288	210,707
Federal	3,121,408	1,733,001	64,000	1,011,501
Total Revenues	\$ 16,816,611	\$ 15,513,622	\$ 14,798,798	\$ 15,454,435
Expenditures:				
Personal Services	\$ 3,908,823	\$ 4,621,612	\$ 5,173,080	\$ 5,384,724
Purchased Services	3,468,860	3,038,374	2,972,557	2,726,879
Internal Services	70,917	81,305	76,000	118,200
Materials and Supplies	4,027,317	4,091,256	4,340,144	4,733,876
Other Charges	735,151	2,672,686	235,465	239,615
Capital Outlay	513,042	86,669	946,381	796,603
School Support	-	-	-	-
Other Use of Funds	77,854	192,719	1,055,171	1,454,538
Total Expenditures	\$ 12,801,964	\$ 14,784,621	\$ 14,798,798	\$ 15,454,435
Net Increase (Decrease) Fund Balance	\$ 4,014,647	\$ 729,001	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 18,229,382	\$ 22,244,029	\$ 22,973,030	\$ 22,973,030
Fund Balances/Net Assets at end of year	\$ 22,244,029	\$ 22,973,030	\$ 22,973,030	\$ 22,973,030

FY 2009 ADOPTED BUDGET GOVERNMENTAL FUNDS SCHEDULE

FY 2009 ADOPTED BUDGET GOVERNMENTAL FUNDS SCHEDULE

	General Fund	Conservation Easement Fund	Affordable Housing Fund	Fire and Rescue Fund
Revenues:				
General Property Taxes	\$ 113,597,036	\$ 1,349,667	\$ -	\$ 4,419,017
Other Local Taxes	17,976,200	-	-	-
Permits, Fees and Licenses	2,556,839	-	-	-
Fines and Forfeitures	508,100	-	-	-
Revenue from the Use of Money / Property	1,600,915	-	-	29,478
Charges for Services	1,065,404	-	-	-
Miscellaneous	272,372	-	-	-
General Fund Transfer/Subsidy	-	-	230,860	-
Recovered Costs	130,138	-	-	-
State	22,167,512	-	-	188,950
Federal	\$ 2,360,906	\$ -	\$ -	\$ -
Total Revenues	162,235,422	1,349,667	230,860	4,637,445
Expenditures:				
Personal Services	\$ 37,406,745	\$ 118,608	\$ -	\$ 73,259
Purchased Services	5,865,100	43,292	19,825	126,300
Internal Services	731,198	-	-	7,200
Materials and Supplies	3,108,492	-	-	124,200
Other Charges	12,587,707	5,351	-	2,889,553
Capital Outlay	663,308	-	-	-
School Support	98,070,037	-	-	-
Other Use of Funds	3,802,835	1,182,416	211,035	1,416,933
Total Expenditures	\$ 162,235,422	\$ 1,349,667	\$ 230,860	\$ 4,637,445
Net Increase (Decrease) Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 19,565,973	\$ 2,228,651	\$ 284,531	\$ 2,228,599
Fund Balances/Net Assets at end of year	\$ 19,565,973	\$ 2,228,651	\$ 284,531	\$ 2,228,599

FY 2009 ADOPTED BUDGET

GOVERNMENTAL FUNDS SCHEDULE

FY 2009 ADOPTED BUDGET GOVERNMENTAL FUNDS SCHEDULE

	School Operating Fund	School Textbook Fund	Capital Projects Fund	Total All Govt. Funds
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	119,365,720
Other Local Taxes	-	-	-	17,976,200
Permits, Fees and Licenses	-	-	-	2,556,839
Fines and Forfeitures	-	-	-	508,100
Revenue from the Use of Money / Property	-	-	-	1,630,393
Charges for Services	-	-	-	1,065,404
Miscellaneous	1,223,798	316,139	-	1,812,309
General Fund Transfer/Subsidy	98,070,037	-	410,000	98,710,897
Recovered Costs	138,000	-	-	268,138
State	37,936,036	433,861	-	60,726,359
Federal	3,683,213	-	-	6,044,119
Total Revenues	\$ 141,051,084	\$ 750,000	\$ 410,000	\$ 310,664,478
Expenditures:				
Personal Services	\$ 111,860,859	\$ -	\$ -	149,459,471
Purchased Services	2,919,056	-	-	8,973,573
Internal Services	1,822,040	-	-	2,560,438
Materials and Supplies	3,670,336	750,000	-	7,653,028
Other Charges	4,679,948	-	-	20,162,559
Capital Outlay	1,844,909	-	410,000	2,918,217
School Support	-	-	-	98,070,037
Other Use of Funds	14,253,936	-	-	20,867,155
Total Expenditures	\$ 141,051,084	\$ 750,000	\$ 410,000	\$ 310,664,478
Net Increase (Decrease) Fund Balance	\$ -	\$ -	\$ -	-
Fund Balances/Net Assets at beginning of year	\$ 738,293	\$ 919	\$ 45,447,134	\$ 70,494,100
Fund Balances/Net Assets at end of year	\$ 738,293	\$ 919	\$ 45,447,134	\$ 70,494,100

FY 2009 ADOPTED BUDGET

PROPRIETARY FUNDS TOTAL - ALL FUNDS

**FY 2009 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	\$ -	\$ -	\$ -	\$ -	\$ -	119,365,720
Other Local Taxes	-	-	-	-	-	17,976,200
Permits, Fees and Licenses	-	20,000	-	-	20,000	2,576,839
Fines and Forfeitures	-	-	-	-	-	508,100
Revenue from the Use of Money / Property	298,651	15,000	1,200	-	314,851	1,945,244
Charges for Services	-	5,629,975	3,065,591	3,205,178	11,900,744	12,966,148
Miscellaneous	506,904	1,082,900	382,828	-	1,972,632	3,784,941
General Fund Transfer/Subsidy	16,000	-	-	-	16,000	98,726,897 *
Recovered Costs	-	-	8,000	-	8,000	276,138
State	133,280	17,000	60,427	-	210,707	60,937,066
Federal	-	-	1,011,501	-	1,011,501	7,055,620
Total Revenues	\$ 954,835	\$ 6,764,875	\$ 4,529,547	\$ 3,205,178	\$ 15,454,435	\$ 326,118,913 *
Expenditures:						
Personal Services	\$ 194,714	\$ 1,768,421	\$ 2,509,707	\$ 911,882	\$ 5,384,724	\$ 154,844,195
Purchased Services	21,500	2,562,500	50,690	92,189	2,726,879	11,700,452
Internal Services	4,200	114,000	-	-	118,200	2,678,638
Materials and Supplies	474,250	267,250	1,902,050	2,090,326	4,733,876	12,386,904
Other Charges	15,000	177,515	12,100	35,000	239,615	20,402,174
Capital Outlay	144,822	521,000	55,000	75,781	796,603	3,714,820
School Support	-	-	-	-	-	98,070,037
Other Use of Funds	100,349	1,354,189	-	-	1,454,538	22,321,693
Total Expenditures	\$ 954,835	\$ 6,764,875	\$ 4,529,547	\$ 3,205,178	\$ 15,454,435	\$ 326,118,913 *
Net Increase (Decrease) Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 17,875,533	\$ 4,205,119	\$ 702,445	\$ 189,933	\$ 22,973,030	\$ 93,467,130
Fund Balances/Net Assets at end of year	\$ 17,875,533	\$ 4,205,119	\$ 702,445	\$ 189,933	\$ 22,973,030	\$ 93,467,130

* The FY 2009 Adopted Budget is \$227,392,016 which represents the \$326,118,913 net of the General Fund Transfers/Subsidy of \$98,726,897.

GOVERNMENTAL FUNDS GENERAL FUND

GOVERNMENTAL FUNDS GENERAL FUND

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ 82,288,173	\$ 95,764,590	\$ 97,660,000	\$ 113,597,036
Other Local Taxes	17,029,823	15,325,605	18,714,363	17,976,200
Permits, Fees and Licenses	1,921,717	2,287,326	2,858,120	2,556,839
Fines and Forfeitures	529,420	526,235	508,480	508,100
Revenue from the Use of Money and Property	2,332,485	1,916,192	1,672,843	1,600,915
Charges for Services	1,331,108	1,237,891	783,870	1,065,404
Miscellaneous	180,129	398,938	284,366	272,372
General Fund Transfer/Subsidy	-	-	-	-
Recovered Costs	228,372	237,053	128,337	130,138
State	22,035,599	22,212,729	22,365,234	22,167,512
Federal	2,641,482	3,085,349	2,380,700	2,360,906
Total Revenues	\$ 130,518,308	\$ 142,991,908	\$ 147,356,313	\$ 162,235,422
 Expenditures:				
Personal Services	\$ 29,161,905	\$ 33,594,774	\$ 36,336,445	\$ 37,406,745
Purchased Services	5,079,583	5,148,645	6,192,996	5,865,100
Internal Services	658,370	774,400	652,313	731,198
Materials and Supplies	2,945,674	2,617,011	2,762,695	3,108,492
Other Charges	9,520,517	10,225,876	10,720,624	12,587,707
Capital Outlay	732,340	423,602	414,867	663,308
School Support	72,466,537	79,421,537	86,801,214	98,070,037
Other Use of Funds	8,166,039	12,208,571	3,475,159	3,802,835
Total Expenditures	\$ 128,730,965	\$ 144,414,416	\$ 147,356,313	\$ 162,235,422
 Net Increase (Decrease) Fund Balance				
	\$ 1,787,343	\$ (1,422,508)	\$ 0	\$ 0
 Fund Balances/Net Assets at beginning of year				
	\$ 19,201,138	\$ 20,988,481	\$ 19,565,973	\$ 19,565,973
 Fund Balances/Net Assets at end of year				
	\$ 20,988,481	\$ 19,565,973	\$ 19,565,973	\$ 19,565,973

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 measurable decrease in new revenue growth and the escalating costs of fuel and other goods. Other concerns include the possibility of further State funding reductions.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – CONSERVATION EASEMENT

**GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
CONSERVATION EASEMENT**

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ 1,414,276	\$ 1,356,892	\$ 1,476,463	\$ 1,349,667
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	550,000	500,000	303,000	-
General Fund Transfer/Subsidy	-	-	-	-
Recovered Costs	-	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Total Revenues	\$ 1,964,276	\$ 1,856,892	\$ 1,779,463	\$ 1,349,667
Expenditures:				
Personal Services	\$ 20,214	\$ 33,076	\$ 40,166	\$ 118,608
Purchased Services	14,413	19,683	26,550	43,292
Internal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Charges	-	-	100	5,351
Capital Outlay	-	-	-	-
School Support	-	-	-	-
Other Use of Funds	427,600	1,778,957	1,712,647	1,182,416
Total Expenditures	\$ 462,227	\$ 1,831,716	\$ 1,779,463	\$ 1,349,667
Net Increase (Decrease) Fund Balance	\$ 1,502,049	\$ 25,176	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 701,426	\$ 2,203,475	\$ 2,228,651	\$ 2,228,651
Fund Balances/Net Assets at end of year	\$ 2,203,475	\$ 2,228,651	\$ 2,228,651	\$ 2,228,651

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 2009 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 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 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	23,935	-	-
General Fund Transfer/Subsidy	-	289,000	230,860	230,860
Recovered Costs	-	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Total Revenues	\$ 25,978	\$ 312,935	\$ 230,860	\$ 230,860
Expenditures:				
Personal Services	\$ -	\$ -	\$ -	-
Purchased Services	-	54,382	19,825	19,825
Internal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
School Support	-	-	-	-
Other Use of Funds	-	-	211,035	211,035
Total Expenditures	\$ 0	\$ 54,382	\$ 230,860	\$ 230,860
Net Increase (Decrease) Fund Balance	\$ 25,978	\$ 258,553	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 0	\$ 25,978	\$ 284,531	\$ 284,531
Fund Balances/Net Assets at end of year	\$ 25,978	\$ 284,531	\$ 284,531	\$ 284,531

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:

For FY 2009 a citizen's committee, supported by County staff, will aggressively pursue affordable housing opportunities.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – FIRE AND RESCUE

**GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
FIRE AND RESCUE**

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ 3,477,273	\$ 4,324,160	\$ 4,329,603	\$ 4,419,017
Other Local Taxes	7,000	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	60,000	29,478
Charges for Services	-	-	-	-
Miscellaneous	-	49,207	-	-
General Fund Transfer/Subsidy	-	-	-	-
Recovered Costs	28,875	4,067	-	-
State	171,977	173,421	173,421	188,950
Federal	-	-	-	-
Total Revenues	\$ 3,685,125	\$ 4,550,855	\$ 4,563,024	\$ 4,637,445
Expenditures:				
Personal Services	\$ 56,473	\$ 30,845	\$ 73,259	\$ 73,259
Purchased Services	112,493	132,823	119,900	126,300
Internal Services	1,613	644	7,200	7,200
Materials and Supplies	191,208	132,267	117,100	124,200
Other Charges	2,891,731	3,095,688	2,828,317	2,889,553
Capital Outlay	27,830	84,881	-	-
School Support	-	-	-	-
Other Use of Funds	164,133	168,612	1,417,248	1,416,933
Total Expenditures	\$ 3,445,481	\$ 3,645,760	\$ 4,563,024	\$ 4,637,445
Net Increase (Decrease) Fund Balance	\$ 239,644	\$ 905,095	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 1,083,860	\$ 1,323,504	\$ 2,228,599	\$ 2,228,599
Fund Balances/Net Assets at end of year	\$ 1,323,504	\$ 2,228,599	\$ 2,228,599	\$ 2,228,599

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 2009 is continue support of the renovation/construction of facilities at Warrenton, New Baltimore, Remington and Catlett/Calverton.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – SCHOOL OPERATING

GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SCHOOL OPERATING

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	11,617	-	-
Charges for Services	-	-	-	-
Miscellaneous	555,929	2,416,451	410,000	1,223,798
General Fund Transfer/Subsidy	74,005,414	79,599,191	86,801,214	98,070,037
Recovered Costs	70,657	80,425	740,425	138,000
State	33,669,854	37,071,352	38,508,495	37,936,036
Federal	3,875,671	3,949,951	3,819,016	3,683,213
Total Revenues	\$ 112,177,525	\$ 123,128,987	\$ 130,279,150	\$ 141,051,084
 Expenditures:				
Personal Services	\$ 88,371,929	\$ 98,653,919	\$ 105,033,528	\$ 111,860,859
Purchased Services	3,187,878	2,996,513	2,805,204	2,919,056
Internal Services	1,713,314	1,684,427	1,670,040	1,822,040
Materials and Supplies	4,091,134	4,738,622	3,388,027	3,670,336
Other Charges	4,049,020	4,353,729	3,793,453	4,679,948
Capital Outlay	1,286,976	2,100,093	1,978,592	1,844,909
School Support	-	-	-	-
Other Use of Funds	8,718,660	8,623,355	11,610,306	14,253,936
Total Expenditures	\$ 111,418,911	\$ 123,150,658	\$ 130,279,150	\$ 141,051,084
Net Increase (Decrease) Fund Balance	\$ 758,614	\$ (21,671)	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 1,350	\$ 759,964	\$ 738,293	\$ 738,293
Fund Balances/Net Assets at end of year	\$ 759,964	\$ 738,293	\$ 738,293	\$ 738,293

Fund Description:

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

Significant Issues/Comments:

Funding emphasis for FY 2009 is opening Kettle Run High School and Greenville Elementary School.

GOVERNMENTAL FUNDS

SPECIAL REVENUE – SCHOOL TEXTBOOK

GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SCHOOL TEXTBOOK

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 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	497,948	351,749	354,389	313,884
General Fund Transfer/Subsidy	-	-	-	-
Recovered Costs	630	37	-	-
State	260,662	392,702	395,611	436,116
Federal	-	-	-	-
Total Revenues	\$ 759,240	\$ 744,488	\$ 750,000	\$ 750,000
Expenditures:				
Personal Services	\$ -	\$ -	\$ -	\$ -
Purchased Services	-	-	-	-
Internal Services	-	-	-	-
Materials and Supplies	786,290	773,957	750,000	750,000
Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
School Support	-	-	-	-
Other Use of Funds	-	-	-	-
Total Expenditures	\$ 786,290	\$ 773,957	\$ 750,000	\$ 750,000
Net Increase (Decrease) Fund Balance	\$ (27,050)	\$ (29,469)	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 57,438	\$ 30,388	\$ 919	\$ 919
Fund balances/Net Assets at end of year	\$ 30,388	\$ 919	\$ 919	\$ 919

Fund Description:

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

Significant Issues/Comments:

For FY 2009 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 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	134,940	2,558,940	-	-
Charges for Services	42,500	57,983	-	-
Miscellaneous	14,228,044	45,397,135	12,518,000	-
General Fund Transfer/Subsidy	6,696,191	9,905,543	1,057,000	410,000
Recovered Costs	369,556	-	-	-
State	-	-	-	-
Federal	21,552	41,280	-	-
Total Revenues	\$ 21,492,783	\$ 57,960,881	\$ 13,575,000	\$ 410,000
Expenditures:				
Personal Services	\$ 84,554	\$ 103,362	\$ -	\$ -
Purchased Services	3,241,715	9,364,120	-	-
Internal Services	-	-	-	-
Materials and Supplies	4,857	533	-	-
Other Charges	2,327	268,827	-	-
Capital Outlay	23,005,280	28,896,355	13,575,000	410,000
School Support	-	-	-	-
Other Use of Funds	2,466,312	-	-	-
Total Expenditures	\$ 28,805,045	\$ 38,633,197	\$ 13,575,000	\$ 410,000
Net Increase (Decrease) Fund Balance	\$ (7,312,262)	\$ 19,327,684	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 33,431,712	\$ 26,119,450	\$ 45,447,134	\$ 45,447,134
Fund balances/Net Assets at end of year	\$ 26,119,450	\$ 45,447,134	\$ 45,447,134	\$ 45,447,134

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 minimize any tax rate increase to support the opening of Kettle Run and Greenville Elementary Schools only funding for the Sheriff's vehicle replacement plan was included for FY 2009. Due to the slowing economy it is expected that capital outlay will be limited during the next two years.

PROPRIETARY FUNDS

ENTERPRISE FUND - AIRPORT

PROPRIETARY FUNDS ENTERPRISE FUND AIRPORT

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	-	-	-	298,651
Charges for Services	202,621	283,402	240,790	-
Miscellaneous	164,877	157,351	41,000	506,904
General Fund Transfer/Subsidy	37,341	4,738	16,000	16,000
Recovered Costs	-	-	-	-
State	707,508	651,453	-	133,280
Federal	2,256,999	818,982	-	-
Total Revenues	\$ 3,369,346	\$ 1,915,926	\$ 297,790	\$ 954,835
Expenditures:				
Personal Services	\$ 106,419	\$ 155,348	\$ 134,019	\$ 194,714
Purchased Services	105,949	42,784	17,800	21,500
Internal Services	4,089	3,560	3,600	4,200
Materials and Supplies	69,318	139,279	36,700	474,250
Other Charges	564,965	1,109,197	-	15,000
Capital Outlay	-	-	16,100	144,822
School Support	-	-	-	-
Other Use of Funds	-	260	89,571	100,349
Total Expenditures	\$ 850,740	\$ 1,450,428	\$ 297,790	\$ 954,835
Net Increase (Decrease) Fund Balance	\$ 2,518,606	\$ 465,498	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 14,891,429	\$ 17,410,035	\$ 17,875,533	\$ 17,875,533
Fund balances/Net Assets at end of year	\$ 17,410,035	\$ 17,875,533	\$ 17,875,533	\$ 17,875,533

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 2009 will be expansion of the safety corridor around the Airport.

PROPRIETARY FUNDS

ENTERPRISE FUND – ENVIRONMENTAL SERVICES

PROPRIETARY FUNDS
ENTERPRISE FUND
ENVIRONMENTAL SERVICES

	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	18,031	24,920	19,000	20,000
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	133,124	137,687	5,000	15,000
Charges for Services	6,281,232	6,087,868	6,929,749	5,629,975
Miscellaneous	251,151	492,710	-	1,082,900
General Fund Transfer/Subsidy	10,600	-	-	-
Recovered Costs	-	-	-	-
State	48,633	38,394	41,000	17,000
Federal	-	-	-	-
Total Revenues	\$ 6,742,771	\$ 6,781,579	\$ 6,994,749	\$ 6,764,875
Expenditures:				
Personal Services	\$ 1,271,701	\$ 1,642,933	\$ 1,980,716	\$ 1,768,421
Purchased Services	3,168,252	2,805,644	2,768,568	2,562,500
Internal Services	42,924	56,752	76,000	114,000
Materials and Supplies	535,952	334,467	215,500	267,250
Other Charges	430,505	1,533,722	191,865	177,515
Capital Outlay	-	-	796,500	521,000
School Support	-	-	-	-
Other Use of Funds	77,854	192,459	965,600	1,354,189
Total Expenditures	\$ 5,527,188	\$ 6,565,977	\$ 6,994,749	\$ 6,764,875
Net Increase (Decrease) Fund Balance	\$ 1,215,583	\$ 215,602	\$ 0	\$ 0
Fund Balances/Net Assets at beginning of year	\$ 2,773,934	\$ 3,989,517	\$ 4,205,119	\$ 4,205,119
Fund Balances/Net Assets at end of year	\$ 3,989,517	\$ 4,205,119	\$ 4,205,119	\$ 4,205,119

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 2009 emphasis will be on the 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 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Revenues:				
General Property Taxes	\$ -	\$ -	\$ -	-
Other Local Taxes	-	-	-	-
Permits, Fees and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Revenue from the Use of Money and Property	956	1,315	-	1,200
Charges for Services	2,909,412	2,992,144	2,998,237	3,065,591
Miscellaneous	-	-	338,002	-
General Fund Transfer/Subsidy	-	-	-	382,828
Recovered Costs	371	149	-	8,000
State	58,419	59,837	64,000	60,427
Federal	864,409	914,019	955,288	1,011,501
Total Revenues	\$ 3,833,567	\$ 3,967,464	\$ 4,355,527	\$ 4,529,547
 Expenditures:				
Personal Services	\$ 1,838,952	\$ 2,026,410	\$ 2,200,909	\$ 2,509,707
Purchased Services	69,185	84,537	77,000	50,690
Internal Services	-	-	-	-
Materials and Supplies	1,682,640	1,698,910	1,997,618	1,902,050
Other Charges	7,511	10,240	10,000	12,100
Capital Outlay	57,047	72,178	70,000	55,000
School Support	-	-	-	-
Other Use of Funds	-	-	-	-
Total Expenditures	\$ 3,655,335	\$ 3,892,275	\$ 4,355,527	\$ 4,529,547
 Net Increase (Decrease) Fund Balance				
	\$ 178,232	\$ 75,189	\$ 0	\$ 0
 Fund Balances/Net Assets at beginning of year				
	\$ 449,024	\$ 627,256	\$ 702,445	\$ 702,445
 Fund Balances/Net Assets at end of year				
	\$ 627,256	\$ 702,445	\$ 702,445	\$ 702,445

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 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 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	2,766,571	2,848,584	3,150,732	3,205,178
Miscellaneous	280	69	-	-
General Fund Transfer/Subsidy	100,000	-	-	-
Recovered Costs	86	-	-	-
State	-	-	-	-
Federal	-	-	-	-
Total Revenues	\$ 2,866,937	\$ 2,848,653	\$ 3,150,732	\$ 3,205,178
Expenditures:				
Personal Services	\$ 691,751	\$ 796,921	\$ 857,436	\$ 911,882
Purchased Services	125,474	105,409	109,189	92,189
Internal Services	27,993	20,993	-	-
Materials and Supplies	1,871,945	1,918,600	2,090,326	2,090,326
Other Charges	22,058	19,527	30,000	35,000
Capital Outlay	25,490	14,491	63,781	75,781
School Support	-	-	-	-
Other Use of Funds	-	-	-	-
Total Expenditures	\$ 2,764,711	\$ 2,875,941	\$ 3,150,732	\$ 3,205,178
Net Increase (Decrease) Fund Balance	\$ 102,226	\$ (27,288)	\$ -	\$ -
Fund Balances/Net Assets at beginning of year	\$ 114,995	\$ 217,221	\$ 189,933	\$ 189,933
Fund Balances/Net Assets at end of year	\$ 217,221	\$ 189,933	\$ 189,933	\$ 189,933

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.

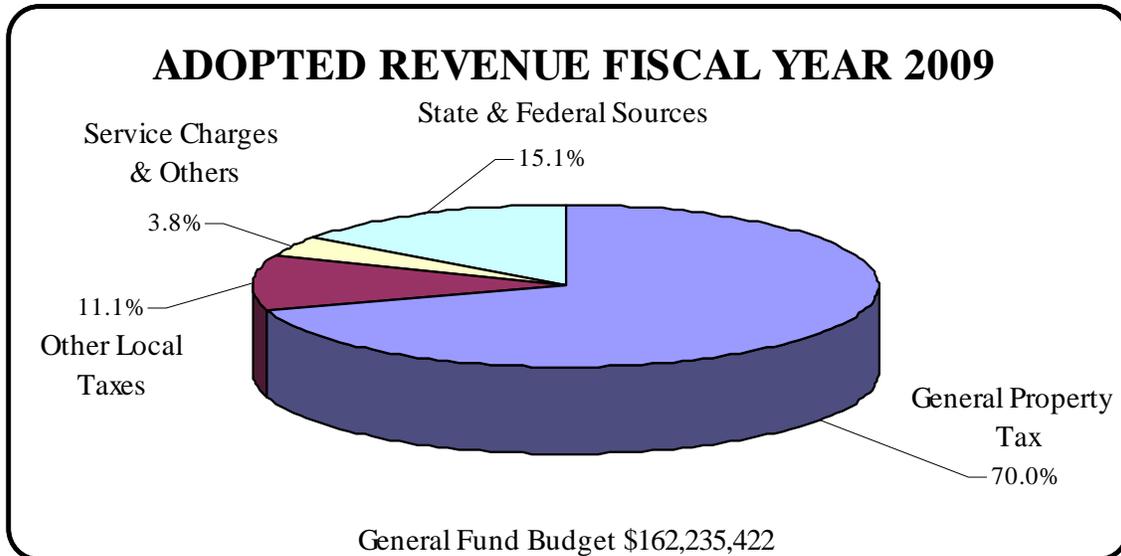
REVENUE ANALYSIS

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 70.0 percent. This is an increase of three (3) percent from the FY 2008 amount. Funding from local sources, accounts for the majority (84.9 percent) of the projected revenue, while State and Federal funding provides 15.1 percent of the total. This breakdown of revenue sources is similar to other jurisdictions in the Commonwealth.

<u>Function</u>	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted	Increase (Decrease) Amount	FY 2009 Budget as % of Total
General Property Tax	\$ 82,288,171	\$ 95,764,594	\$ 97,660,000	\$ 113,597,036	\$ 15,937,036	70.0%
Other Local Taxes	16,958,786	15,325,604	18,714,363	17,976,200	(738,163)	11.1%
Service Charges & Others	6,637,603	6,603,086	6,236,016	6,133,768	(102,248)	3.8%
State & Federal Sources	24,677,083	25,298,624	24,745,934	24,528,418	(217,516)	15.1%
Total	\$ 130,561,643	\$ 142,991,908	\$ 147,356,313	\$ 162,235,422	\$ 14,879,109	100.0%



REVENUE ANALYSIS

General Comments:

A Revenue Committee comprised of key financial staff, projects FY 2009 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 2009 reflect an increase of 10.1 percent, (\$ 14.9 million), compared with the FY 2008 Adopted Budget amount. Approximately \$ 14.4 million of this growth resulted from an increase of the real estate tax rate by \$0.12 per \$100 of assessed value. This rate change was implemented primarily to support the costs related to opening Kettle Run High School and Greenville Elementary. In addition approximately \$.4 million of the increase is from a fee for service ambulance billing program designed to support the County's initial 24-hour emergency service operations. Net of these adjustments revenue growth was less than \$100,000, the smallest amount of increase in over 20 years.

REVENUE ANALYSIS

GENERAL PROPERTY TAXES:

	FY 2006	FY 2007	FY 2008	FY 2009	Increase (Decrease)	
	Actual	Actual	Adopted	Adopted	Amount	%
Real Estate Tax	\$ 60,477,610	\$ 68,680,602	\$ 70,600,000	\$ 85,797,036	\$ 15,197,036	21.5%
Public Service	2,242,923	4,029,212	3,850,000	3,850,000	0	0.0%
Personal Property Tax	16,921,304	20,256,752	21,085,000	21,580,000	495,000	2.3%
Delinq Real Estate Tax	1,014,052	1,012,740	500,000	745,000	245,000	49.0%
Delinq Personal Prop Tax	299,823	618,303	450,000	450,000	0	0.0%
Penalties	1,013,632	801,173	825,000	825,000	0	0.0%
Interest	318,827	365,812	350,000	350,000	0	0.0%
Total	\$ 82,288,171	\$ 95,764,594	\$ 97,660,000	\$ 113,597,036	\$ 15,937,036	16.3%

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 2008 is \$0.72 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.

In estimating 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.

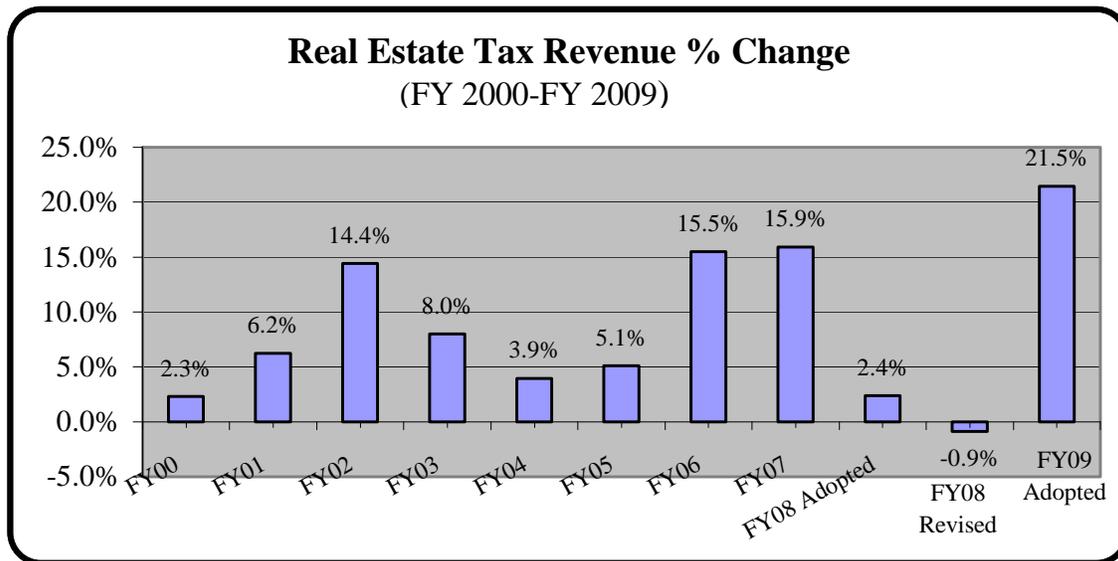
Personal property assessments are estimated by the Commissioner of the Revenue based upon projected growth estimates, historical trends, and market values of personal property. Beginning January 1, 1996, the County implemented a system to prorate personal property assessments at the time vehicles are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

REVENUE ANALYSIS

PROJECTION:

Real Estate Revenue: The County anticipates receiving \$ 90.4 million in real estate taxes, including tax payments from Public Service properties and delinquent taxes in FY 2009. This represents an increase of 20.4 percent compared to the FY 2008 Adopted Budget estimate. As previously indicated this increase is primarily due to the \$0.12 tax rate increase to support opening the two new schools. At 55.7 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 2009 real property revenue is based on the following:

- 1.7 percent increase in the net taxable value of all taxable real property for CY 2008
- FY 2009 tax relief estimate of \$2.38 million
- Collection rate of 97.5 percent



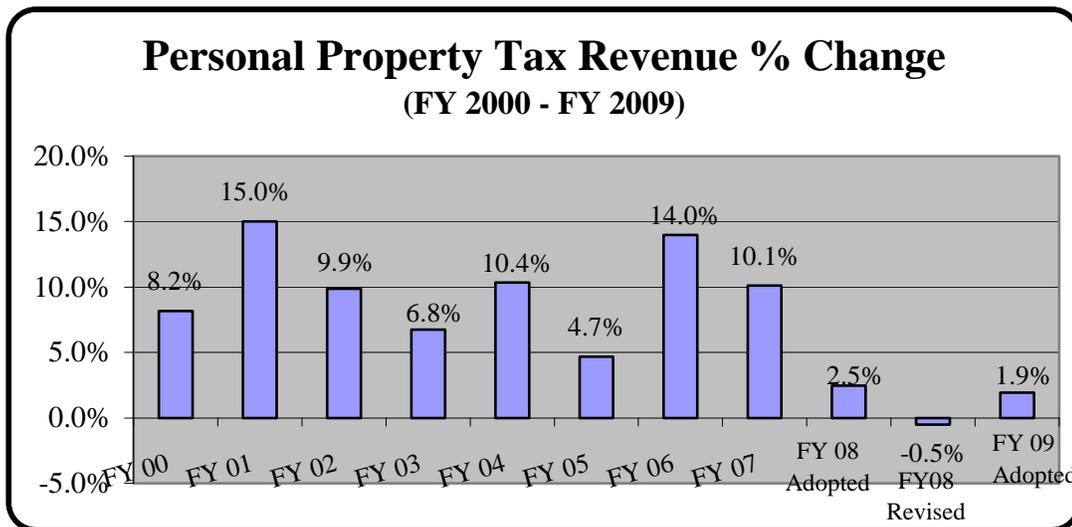
CY 2006 (FY 2006 – FY 2007) increase in real estate revenue reflects the impact of the last quadrennial assessment of property. The impact of sub prime mortgage failures and the resulting slowing of construction, beginning in FY 2007, had a measurable impact in FY 2008 and is expected to continue into FY 2009. Minimal growth in normal real estate tax revenue and the need to open two new schools resulted in the increased tax rate. It should be noted that the next quadrennial assessment of property will be in CY 2010 and could, for the first time, see a decrease in property values.

REVENUE ANALYSIS

- Personal Property Revenue:** Personal Property Taxes are projected to generate \$ 35.2 million in receipts for FY 2009. This estimate assumes an increase of 1.4 percent, (approximately \$.5 million) over the FY 2008 amount of \$ 34.7 million. For FY 2009, the personal property tax rates remain at the FY 2008 levels.

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.



After two years (FY 2006 – FY 2007) of double digit increases the slowing economy resulted in a significant decrease in the revised FY 2008 growth projection with further limited growth estimated for FY 2009. As a result of the current economic down turn fewer new cars are being purchased and the value of current vehicles continue to depreciate. Taxes are estimated based on the assumption of a collection rate of 94.9 percent.

Delinquent Taxes: The County estimates the collection of approximately \$ 1.2 million in delinquent taxes during FY 2009. 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 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted	Increase (Decrease) Amount	%
Permits, Fees, and Licenses						
Zoning and Inspection Fees	1,915,098	2,027,776	2,350,000	2,000,000	(350,000)	-14.9%
Other	6,619	259,549	7,700	22,300	14,600	189.6%
Fines and Forfeitures	529,420	526,235	508,480	508,100	(380)	-0.1%
Use of Money and Property	2,332,485	1,933,837	1,672,843	1,600,915	(71,928)	-4.3%
Charges for Services						
Excess Fees	521,701	368,731	500,000	350,000	(150,000)	-30.0%
Parks & Recreation Fees	456,074	500,120	485,420	534,539	49,119	10.1%
Library Fees	57,452	58,334	57,000	60,000	3,000	5.3%
Ambulance Billing	0	0	0	434,906	434,906	100.0%
Other	295,881	309,058	226,870	220,498	(6,372)	-2.8%
Recovered Costs	228,372	184,545	128,337	130,138	1,801	1.4%
Miscellaneous	251,168	105,469	284,366	272,372	(11,994)	-4.2%
Total	\$ 6,594,270	\$ 6,273,654	\$ 6,221,016	\$ 6,133,768	\$ (87,248)	-1.4%

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. New for FY 2009 is Ambulance Billing revenue initiated to offset the costs of an initial 24-hour emergency service program. 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.

PROJECTION:

This category of revenue is anticipated to generate \$6.3 million in FY 2009, an increase of \$60,000 or 1.0 percent above the FY 2008 budget amount. However, net of the increase for the new ambulance billing program this category actually decreased \$732.00. This is the second consecutive year of projected decreases in revenue from this category. The decrease in Permits and Fees and Excess Fees are directly related to the significant slowing of new construction and home sales which are not expected to improve until late in FY 2009. The decrease in Use of Money and Property revenue is primarily the result of lower interest rates. This revenue element is also expected to improve towards the end of FY2009. The new Ambulance Billing program is estimated based on the operations of similar programs implemented by neighboring jurisdictions.

OTHER LOCAL TAXES:

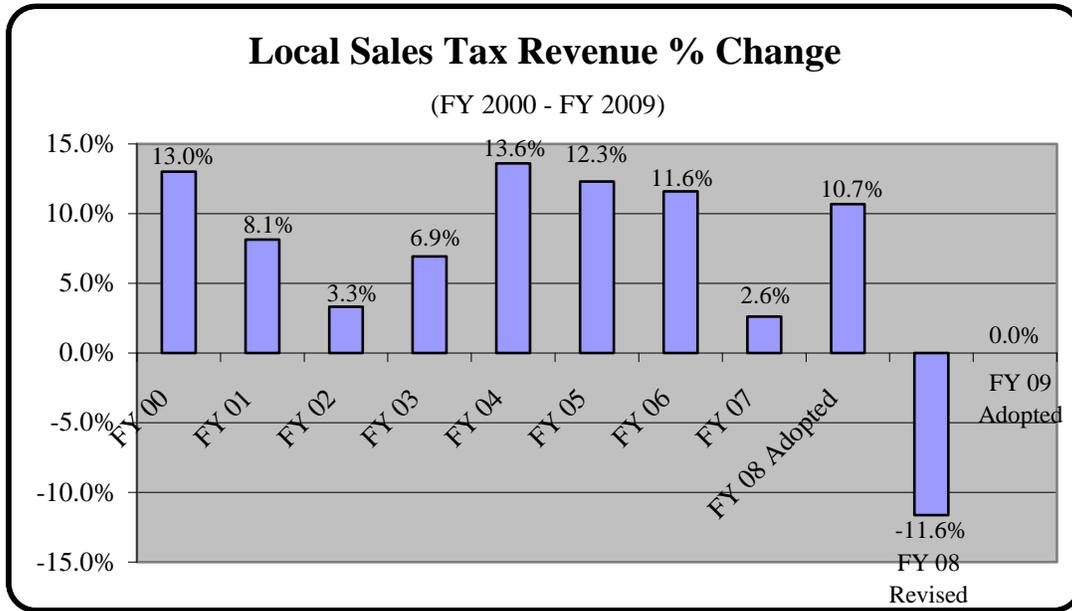
	FY 2006	FY 2007	FY 2008	FY 2009	Increase (Decrease)	
	Actual	Actual	Adopted	Adopted	Amount	%
Local Sales and Use Tax	\$ 7,372,629	\$ 7,565,111	\$ 8,374,000	\$ 7,400,000	\$ (974,000)	-11.6%
Utility Tax	3,069,766	2,191,782	4,519,363	1,408,000	(3,111,363)	-68.8%
Utility Consumption Tax	178,001	187,653	170,000	205,000	35,000	20.6%
Communication Tax	0	1,424,568	0	3,132,200	3,132,200	100.0%
Motor Vehicle Fee	1,440,165	69,473	1,800,000	1,800,000	0	0.0%
BPOL Tax	1,439,180	1,286,469	1,500,000	1,700,000	200,000	13.3%
Cable TV Franchise	181,249	223,912	0	0	0	-100.0%
Bank Stock Tax	205,655	180,371	200,000	180,000	(20,000)	-10.0%
Recording Tax	2,974,115	2,082,839	2,030,000	2,030,000	0	0.0%
Transient Occupancy Tax	98,024	113,426	121,000	121,000	0	0.0%
Total	\$ 16,958,784	\$ 15,325,604	\$ 18,714,363	\$ 17,976,200	\$ (738,163)	-3.9%

Utility Tax/Utility Consumption Tax/Communication Tax and Cable TV Tax were all adjusted by the Commonwealth of Virginia subsequent to the adoption of the FY 2008 Budget. The FY 2009 Budget reflects the proper alignment. See the following for greater detail.

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.



After a number of years of double digit revenue growth, the impact of a stagnant economy has resulted in a measurable decrease in sales tax revenue.

UTILITY TAX:

Communications Tax: The Telecommunications Tax reform passed by the 2006 General Assembly became effective January 2007. The first full year of fiscal effect was 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 in 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 2008 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 2009 approximately \$18.0 million in revenue is anticipated to be generated within this category. This amount represents a decrease of \$.7 million or 3.9 percent from the FY 2008 Budget amount. This decrease is primarily the result of projected sales tax revenue.

Utility Tax/Utility Consumption Tax/Communication Tax/Cable TV Franchise Tax:

As of the date of the adoption of the FY 2008 Budget, the Commonwealth of Virginia had not provided any details on how these funds would be aligned. The FY 2009 Budget now reflects the correct alignment of these revenues. Overall for FY 2009 the increase for these elements are projected to be approximately 1.2 percent, \$56,000, based on estimated growth in communications usage.

Sales Tax: Local sales tax is estimated to be \$7.4 million in FY 2009, a decrease of \$974,000 from the FY 2008 Adopted Budget. After averaging 12.5 percent growth for the three prior years, late FY 2007 saw the economy slowing, resulting in an annual growth of only 2.6 percent. A revised FY 2008 estimate reflects a decrease of 14.4 percent, \$1.2 million, from the FY 2008 Adopted Budget amount. This is the first decrease in sales tax revenue since the early 1990s. As previously stated the impact of the sub-prime mortgage melt down, slowing construction and home sales have significantly affected consumer confidence and subsequently retail sales. This unfavorable trend is expected to continue until late in FY 2009. 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 remain unchanged after dropping sharply in the previous year in anticipation of the impact of slowing home sales. Projections are based on prior revenue history and expected impact of building development.

Business, Professional and Occupational Licenses (BPOL): Continuation of school construction and other major retail projects such as COSTCO during FY 2009 is projected to offset the impact of slowing new home construction. Revenue projection for FY 2009 is estimated to increase 13.3 percent, \$200,000, to \$1.7 million.

STATE AND FEDERAL

	FY 2006	FY 2007	FY 2008	FY 2009	Increase	
	Actual	Actual	Adopted	Adopted	(Decrease)	%
					Amount	
State Non-Categorical Aid	\$ 688,814	\$ 173,267	\$ 288,475	\$ 283,076	\$ (5,399)	-1.9%
State Shared Expenses	4,637,390	5,058,543	5,108,781	5,270,800	162,019	3.2%
State Welfare/At Risk Programs	1,919,637	2,083,708	2,103,907	2,253,215	149,308	7.1%
State Other Categorical Aid	1,279,615	1,242,707	1,204,575	1,186,925	(17,650)	-1.5%
State PPTRA*	14,016,347	13,638,372	13,659,496	13,659,496	0	0.0%
State Reduction	0	0	0	(486,000)	(486,000)	100.0%
Federal	2,641,482	3,085,348	2,380,700	2,360,906	(19,794)	-0.8%
Total	\$ 25,183,285	\$ 25,281,945	\$ 24,745,934	\$ 24,528,418	\$ (217,516)	-0.9%

* 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 Source 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 2008 the relief for qualifying vehicles was 60 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:

The Commonwealth of Virginia, similar to most states, also felt the impact of an economy almost in recession. At the time of the adoption of the County's FY 2009 budget the General Assembly was still attempting to resolve what reductions would be made and where. Based on the most current information available just prior to budget adoption a revenue line was included in the Fauquier County Budget reflecting a \$486,000 loss of revenue. The amount was based on State correspondence identifying a possible 5.4 percent unspecified reduction. The impact of the final State reductions will be addressed during the fiscal year.

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 was 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 and will remain unchanged for FY 2009.

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 this budget document.

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. The small, 1.6 percent, increase for FY 2009 of \$74,000 is primarily the result of interest revenue from a greater amount in the Fund's balance to be invested.

REVENUE ANALYSIS

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. As with all funds supported by real estate revenue, the downturn in new construction affected this Fund accordingly. FY 2009 reflects a decrease in revenue with the completion in FY 2008 of Dominion Power's three year commitment of funding support.

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, only cash funding of \$410,000 was included to support the Sheriff's Office vehicle replacement plan.

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 2009 there is a reduction in revenue due primarily to slowing construction and the amount of demolition and debris waste entering the landfill. 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. With the escalating costs of fuel projected revenue from that function is expected to increase significantly. Revenue projections similar to other enterprise funds are primarily based on prior years' revenue history, economic conditions and any planned program changes.

REVENUE ANALYSIS

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.

Internal Service Fund

Fleet Maintenance:

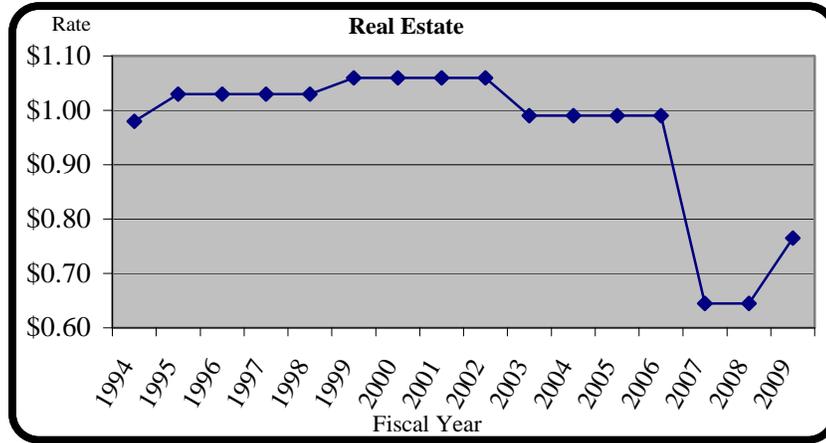
This Fund reflects operations of the County's garage. It receives revenue through charges to local public agencies and County departments for vehicle repairs and fuel. Revenue is estimated on historical spending and the economic conditions of the area. Fuel prices are the major factor in the projected revenue increase for FY 2009.



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
2009	0.765



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
FY 2009	\$ 4.65	\$ 0.001	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25

BUDGET FUNDS AND DEPARTMENTS

The following chart shows the relationship between Funds, Departments and FY 2009 Budget.
Details of each department's budget are outlined in this document.

Fund 100	General Fund	Fund 100	General Fund
\$282,036	Board of Supervisors	\$3,191,248	Community Development
\$1,291,810	Commissioner of the Revenue	\$472,650	Contributions
\$1,073,846	County Administration	\$457,702	Economic Development
\$651,884	County Attorney	\$152,114	Extension Office
\$1,517,985	Finance	\$388,901	John Marshall SWCD
\$123,411	Independent Auditor	\$167,928	Planning Commission/BZA/ARB
\$2,290,059	Information Technology	\$928,165	Debt Service
\$340,660	Budget Office	\$162,131	Alice Jane Childs Building
\$1,544,984	Human Resource Management	\$2,771,552	Non-Departmental
\$296,494	Geographic Information System	<u>\$98,726,897</u>	Transfers, Primarily to the School Division
\$324,555	Registrar	\$162,235,422	Total General Fund
\$1,047,886	Treasurer		
\$759,807	Adult Court Services		
\$146,113	Circuit Court	Fund 205	
\$1,129,750	Clerk of the Circuit Court	\$141,051,084	School Operating
\$2,400	Commissioner of Accounts	Fund 206	
\$867,821	Commonwealth's Attorney	\$750,000	School Text Book
\$14,685	General District Court	Fund 207	
\$14,866	Juvenile & Domestic Relations Court	\$4,529,547	School Nutrition
\$82,895	Magistrates	Fund 210	
\$567,328	Detention Center	\$3,205,178	Fleet Maintenance & Motor Pool
\$1,586,428	Detention Center-Regional Facility	Fund 240	
\$407,683	Juvenile Detention	\$1,349,667	Conservation Easement Service District
\$33,147	Juvenile Probation	Fund 270	
\$2,039,486	Joint Communications	\$4,637,445	Volunteer Fire & Rescue
\$2,790,999	Fire and Emergency Services	Fund 285	
\$10,613,526	Sheriff	\$230,860	Affordable Housing Fund
\$2,196,258	Environmental Services-Convenience Sites	Fund 302	
\$5,413,626	General Services	\$410,000	Capital Projects Fund (CIP)
\$326,124	Community Services Board	Fund 504	
\$3,252,372	Comprehensive Services Act	\$954,835	Airport Enterprise Fund
\$530,624	Public Health	Fund 513	
\$5,370,962	Social Services	\$6,764,875	Environmental Services-Landfill
\$242,958	Lord Fairfax Community College		
\$3,471,395	Parks and Recreation	\$326,118,913	Total FY 2009 Budget
\$2,127,911	Library		
\$41,360	Agriculture Development		