

GENERAL FUND REVENUES

The General Fund, the governmental general operating fund of the County, accounts for all current financial transactions and resources not required by law or administrative action to be accounted for in another fund.

The General Fund Revenues section includes revenue projections, schedules and graphs. This section contains an analysis of each category of revenues with a description, history, and the variables used in the revenue projections.



REVENUE PROJECTION

	FY2012 Actual	FY2013 Adopted Budget	Adopted Budget	FY2014 Changes '13 to '14	
Property Taxes					
Real Property	\$ 136,848,279	\$ 137,818,000	\$ 141,241,700	\$ 3,423,700	2.5%
Personal Property	42,775,204	42,342,004	44,315,700	1,973,696	4.7%
Public Service Corps	3,832,446	3,572,000	4,050,000	478,000	13.4%
Penalties & Interest	2,049,930	2,030,500	2,030,500	-	0.0%
Merchants' Capital	894,478	866,000	866,000	-	0.0%
Mobile Homes	193,779	197,000	197,000	-	0.0%
Real Property - Roll Back	249,540	80,000	80,000	-	0.0%
Machinery & Tools	324,755	254,000	-	(254,000)	-100.0%
Total Property Taxes	\$ 187,168,411	\$ 187,159,504	\$ 192,780,900	\$ 5,621,396	3.0%
Other Revenue					
Service Charges & Other	\$ 6,158,779	\$ 6,583,112	\$ 6,487,800	\$ (95,312)	-1.4%
Ambulance Cost Recovery	2,415,704	2,000,000	2,100,000	100,000	5.0%
Local Sales & Use Taxes	11,014,935	11,125,000	11,345,000	220,000	2.0%
Utility Consumers' Taxes	10,591,172	10,289,692	10,456,300	166,608	1.6%
State/Fed - Social Services	5,173,402	4,758,220	4,943,800	185,580	3.9%
Local Meals Tax	6,251,632	6,215,000	6,340,000	125,000	2.0%
State Shared Expenses	5,527,534	5,693,025	6,048,700	355,675	6.2%
Code Administrative	2,766,249	2,583,200	2,750,300	167,100	6.5%
Motor Vehicle Licenses	2,245,004	2,451,000	2,245,000	(206,000)	-8.4%
Comprehensive Services Act	2,185,810	2,151,360	2,587,245	435,885	20.3%
Recordation Taxes	2,447,621	2,256,500	2,741,000	484,500	21.5%
Other State Sources	1,071,941	1,083,152	1,066,100	(17,052)	-1.6%
Planning Fees	1,236,851	1,141,225	1,291,200	149,975	13.1%
Use of Money & Property	298,034	364,204	370,800	6,596	1.8%
Other Financing Sources	693,500	577,348	600,700	23,352	4.0%
Bank Stock Taxes	351,149	355,000	355,000	-	0.0%
Federal Revenue	1,960,330	5,400	5,600	200	3.7%
Total Other Revenue	\$ 62,389,647	\$ 59,632,438	\$ 61,734,545	\$ 2,102,107	3.5%
Reserve for Contingency ⁽¹⁾	\$ -	\$ 500,000	\$ 500,000	\$ -	100.0%
Total Revenues	\$ 249,558,058	\$ 247,291,942	\$ 255,015,445	\$ 7,723,503	3.1%

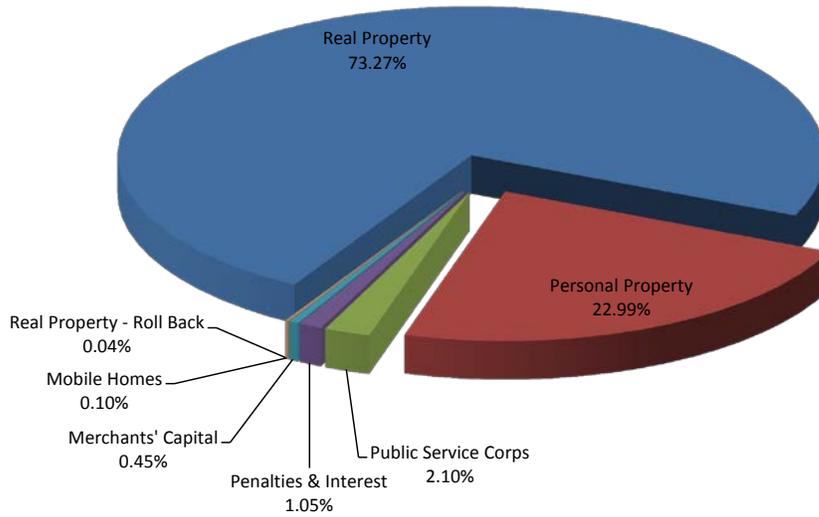
⁽¹⁾ Reserve for Contingency - Consistent with the Board's Principles of High Performance Financial Management and its strategy to reduce the burden on taxpayers, unspent contingency from the previous year has been reserved for the following year. Any additional amounts needed to comply with the policy were included in the budget.



REVENUE PROJECTION

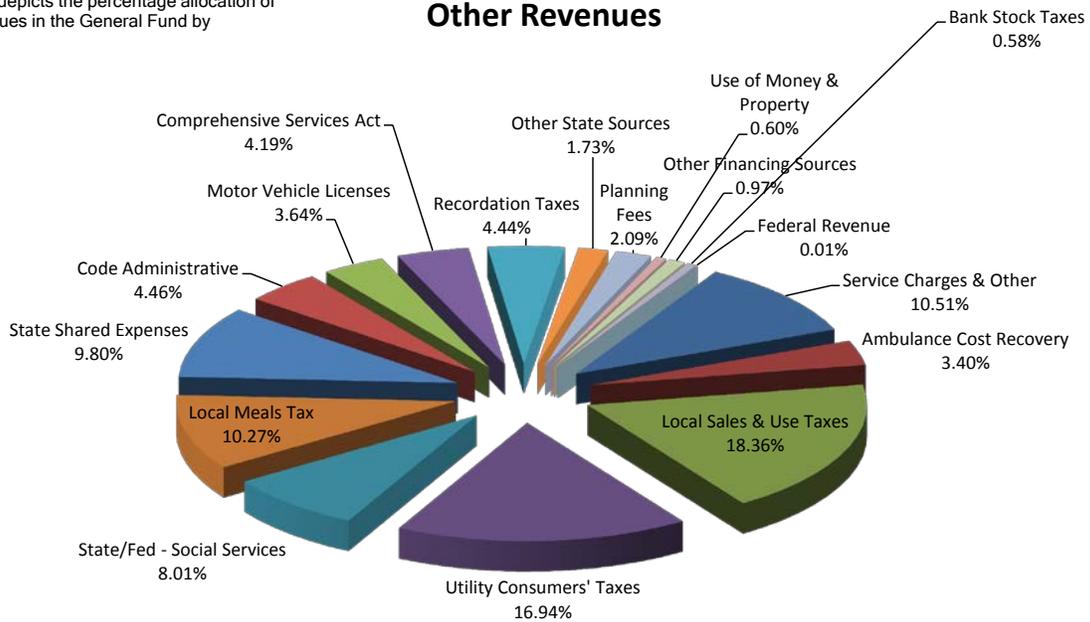
Property Taxes

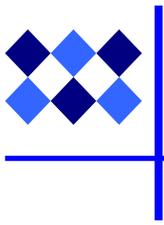
This graph depicts the percentage allocation of property taxes by category.



This graph depicts the percentage allocation of other revenues in the General Fund by category.

Other Revenues





FUND BALANCE ANALYSIS

This schedule estimates the allocation of the general fund balance at June 30, 2013 and the budgeted estimate for the end of FY2014. Maintaining an adequate general fund balance is an essential element of financial strength and stability. Adequate fund balance ensures maximum flexibility, and is available to be used for:

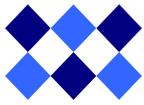
- Funding for emergency repairs
- Self-insurance to help offset any extraordinary costs
- A cash reserve to help stabilize monthly cash flow requirements
- A source of funding for capital projects to reduce reliance on debt
- A cash reserve to be combined with other temporary cash balances to promote higher interest rates for all short-term investments
- A cushion to help provide long-term financial stability

As part of its strategy to enhance the County's bond rating, the Board of Supervisors has established these goals for fund balance:

- The County shall maintain an unassigned fund balance that is not less than 12% of annual general fund revenues, not including transfers, reserves, and grants.
- A reserve for healthcare costs equal to the estimated IBNR (incurred but not reported) plus 10% of annual claims will be maintained by school and county funds.
- Any amount in excess of the minimum unassigned fund balance will be assigned to these reserves, according to the following hierarchy and formulas:
 1. Revenue Stabilization Reserve: minimum of $\frac{1}{2}$ of 1% of General Fund revenues.
 2. Capital Projects Reserve of \$1,500,000 will be used to reduce reliance on debt, to provide cash flow for capital projects, and to pay down high interest debt when advantageous.
 3. Stafford Opportunity Fund Reserve: \$500,000
 4. Any remaining monies available after the reserve minimums are fully funded will go to the Capital Projects Reserve.

Projection

All reserves will be fully funded at the end of FY2013 and FY2014. It is assumed that the year-end unassigned fund balance and revenue stabilization reserve will be calculated on the greater of the current year's or upcoming year's revenues.



FUND BALANCE ANALYSIS

	FY2011 Actual	FY2012 Actual	FY2013 Adopted	FY2014 Adopted
Fund balance, beginning of year	\$ 37,019,769	\$ 49,546,957	\$ 55,625,103	\$ 55,625,103
Revenues	\$ 242,748,309	\$ 246,596,143	\$ 245,454,594	\$ 253,975,445
Other Financing Sources	7,369,676	2,961,912	1,337,348	540,000
Contingency Reserve	-	-	500,000	500,000
Total revenues & other financing sources	\$ 250,117,985	\$ 249,558,055	\$ 247,291,942	\$ 255,015,445
Local School Operating/Capital transfer	\$ (99,436,451)	\$ (98,599,339)	\$(106,850,774)	\$(111,723,921)
Debt Service - General Gov't & Schools	(39,849,165)	(42,494,320)	(36,183,258)	(35,849,300)
Expenditures	(98,305,181)	(102,386,250)	(104,257,910)	(107,442,224)
Total expenditures & transfer	\$ (237,590,797)	\$(243,479,909)	\$(247,291,942)	\$(255,015,445)
Fund balance, end of year	<u>\$49,546,957</u>	<u>\$55,625,103</u>	<u>\$ 55,625,103</u>	<u>\$ 55,625,103</u>
Fund Balance Allocation				
Non-spendable	38,977	39,554	40,000	40,000
Restricted	569,745	652,293	652,000	652,000
Committed:			-	-
Capital Projects Reserve	8,080,677	7,694,182	7,311,000	7,271,000
Stafford Opportunity Fund Reserve	500,000	613,000	613,000	613,000
Contingency Reserve	-	500,000		(1) -
High School Replacement	941,788	618,571	618,571	618,571
School Surplus		2,298,046	2,298,046	2,298,046
Purchase of Development Rights	66,093	235,633	235,633	235,633
Assigned				
Encumbrances	1,061,662	2,231,736	2,231,736	2,231,736
CSA Reserves	200,000	200,000	200,000	200,000
Health Claims Fluctuation Reserve	2,063,059	2,064,073	2,064,000	2,064,000
Development Service Center	400,000	-	-	-
Revenue Stabilization Reserve	1,213,967	1,232,943	1,270,000	1,270,000
Risk Management Reserve	100,000	1,036,294	1,036,000	1,036,000
Schools One-Time Expenditures	1,046,937	1,029,635	1,029,635	1,029,635
Fuels Reserve		500,000	500,000	500,000
Other Purposes	4,134,258	5,088,504	5,088,504	5,088,504
Unassigned	29,129,794	29,590,639	30,476,978	30,476,978
% of revenues	12.0%	12.0%	12.0%	12.0%
Target Unassigned Fund Balance	29,129,794	29,591,534	30,477,000	(2) 30,477,000
Variance above (below)	-	-	-	-
Fund balance, end of year	<u>\$ 49,546,957</u>	<u>\$ 55,625,103</u>	<u>\$ 55,625,103</u>	<u>\$ 55,625,103</u>

(1) The FY13 and FY14 budgets funded contingency by reserving the prior year's unspent contingency.

(2) FY2013 and FY2014 assumes undesignated fund balance and revenue stabilization reserve will be calculated based on the greater of the current year's or next year's revenues.

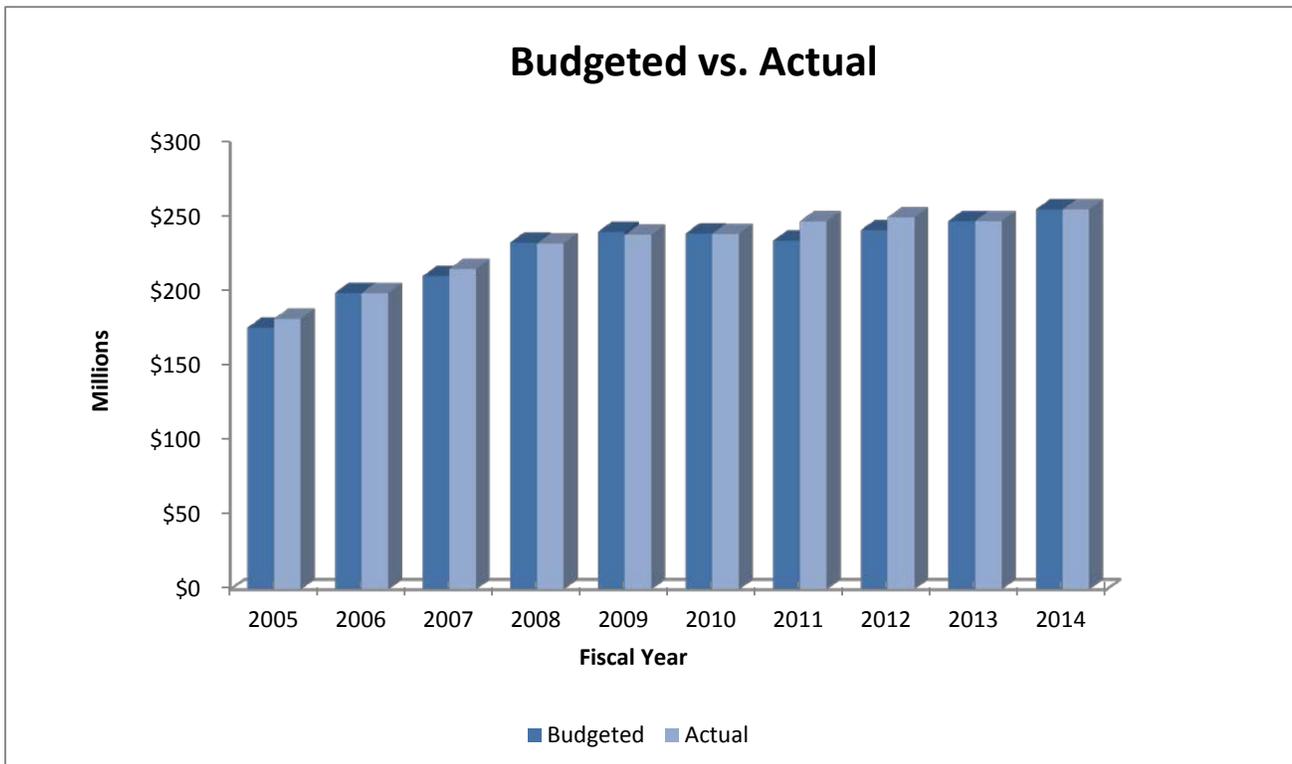


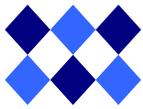
TEN-YEAR REVENUE ANALYSIS

The chart below illustrates the historical change year over year, as well as the variances between budgeted revenues and actual revenues.

<u>Fiscal Year</u>	<u>Budgeted Revenues</u>	<u>vs.</u>	<u>Actual Revenues</u>	<u>Prior Year % Change</u>
2005	175,726,600		181,608,351	11.83%
2006	199,178,539		199,122,358	9.64%
2007	210,298,725		215,148,062	8.05%
2008	232,879,330		232,348,424	7.99%
2009	240,068,894		237,902,403	2.39%
2010	238,985,663		238,872,052	0.41%
2011	234,149,653		247,028,581	3.41%
2012	241,174,370		249,558,058	1.02%
2013	247,291,942		247,291,942 *	-0.91%
2014	255,015,445		255,015,445 *	3.12%
Average				4.70%

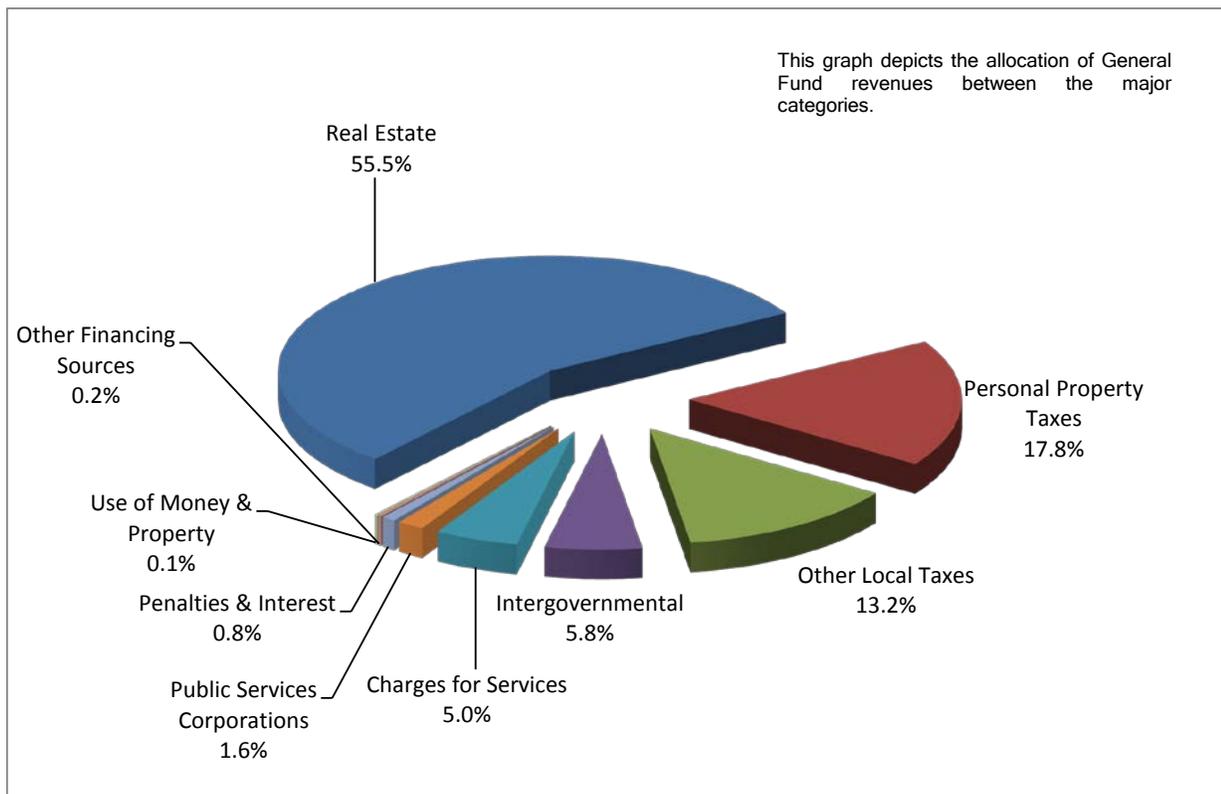
* Budget

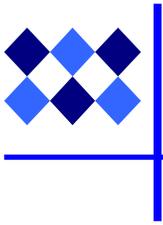




GENERAL FUND REVENUES

Category	FY2013	Adopted Budget	FY2014		Budget as % of Total
	Adopted		Changes		
Real Estate	\$137,898,000	\$141,321,700	\$ 3,423,700	2.5%	55.4%
Personal Property Taxes	43,659,004	45,378,700	1,719,696	3.9%	17.8%
Other Local Taxes	32,692,192	33,482,300	790,108	2.4%	13.1%
Intergovernmental	13,731,157	14,651,445	920,288	6.7%	5.7%
Charges for Services	12,307,537	12,629,300	321,763	2.6%	5.0%
Public Services Corporations	3,572,000	4,050,000	478,000	13.4%	1.6%
Penalties & Interest	2,030,500	2,030,500	-	0.0%	0.8%
Other Financing Sources	537,348	600,700	63,352	11.8%	0.2%
Use of Money & Property	364,204	370,800	6,596	1.8%	0.1%
Reserve for Contingency	500,000	500,000	-	0.0%	0.2%
Total	\$247,291,942	\$255,015,445	\$ 7,723,503	3.1%	100.0%





GENERAL FUND REVENUE ANALYSIS

General Property Taxes	FY2012 Actual	FY2013 Budget	FY2014 Adopted	Changes '13 Adopted to '14 Adopted	
Real Property - Current	\$ 132,042,772	\$ 134,718,000	\$ 138,141,700	\$ 3,423,700	2.5%
Real Property - Delinquent	4,805,507	\$ 3,100,000	\$ 3,100,000	-	0.0%
Roll Back	249,540	\$ 80,000	\$ 80,000	-	0.0%
Public Service Corps	3,832,446	\$ 3,572,000	\$ 4,050,000	478,000	13.4%
Personal Property - Current	36,794,574	40,284,504	\$ 42,258,200	1,973,696	4.9%
Personal Property - Delinquent	5,980,630	\$ 2,057,500	\$ 2,057,500	-	0.0%
Merchants Capital	894,478	\$ 866,000	\$ 866,000	-	0.0%
Mobile Homes	193,779	\$ 197,000	\$ 197,000	-	0.0%
Machinery & Tools	324,755	\$ 254,000	\$ -	(254,000)	-100.0%
Penalties	1,175,948	\$ 1,227,500	\$ 1,227,500	-	0.0%
Interest	873,982	\$ 803,000	\$ 803,000	-	0.0%
Total	\$ 187,168,411	\$ 187,159,504	\$ 192,780,900	\$ 5,621,396	3.0%

Real Property

The real estate tax is the single largest revenue source for the County, and is expected to generate \$141.1 million in FY2014, approximately 55.5% of general fund revenues. Each penny on the tax rate yields approximately \$1.3 million in estimated collectible real estate tax revenues.

This tax is levied on the assessments of real property (land, buildings, and improvements) as determined by the Commissioner of the Revenue. The Commissioner of the Revenue conducts a general assessment every two years. The purpose of a reassessment is to distribute the tax burden fairly and equitably. The most recent reassessment was completed January 1, 2012. The reassessment, reflecting a modest recovery of market conditions, resulted in an increase of slightly more than 2% in the overall assessed value of real property in Stafford County, mainly due to growth. The reassessment revealed a shift in the composition of the tax base. Commercial properties now make up 20% of the tax base.

Tax Base Percentage								
Year	2000	2002	2004	2006	2008	2010	2012	2013
Residential	83%	83%	87%	88%	84%	81%	80%	80%
Commercial	17%	17%	13%	12%	16%	19%	20%	20%

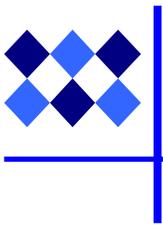
On average, assessments are approximately 92% of estimated fair market value. The calendar year real estate tax rate remains level at \$1.07.

Taxes for real property are paid in two installments, due on December 5th and June 5th of each year.

The County continues to see an increase due to new construction, with a growth rate of 2.0% in calendar year 2012. The Adopted budget assumes the same level of growth in the upcoming year.

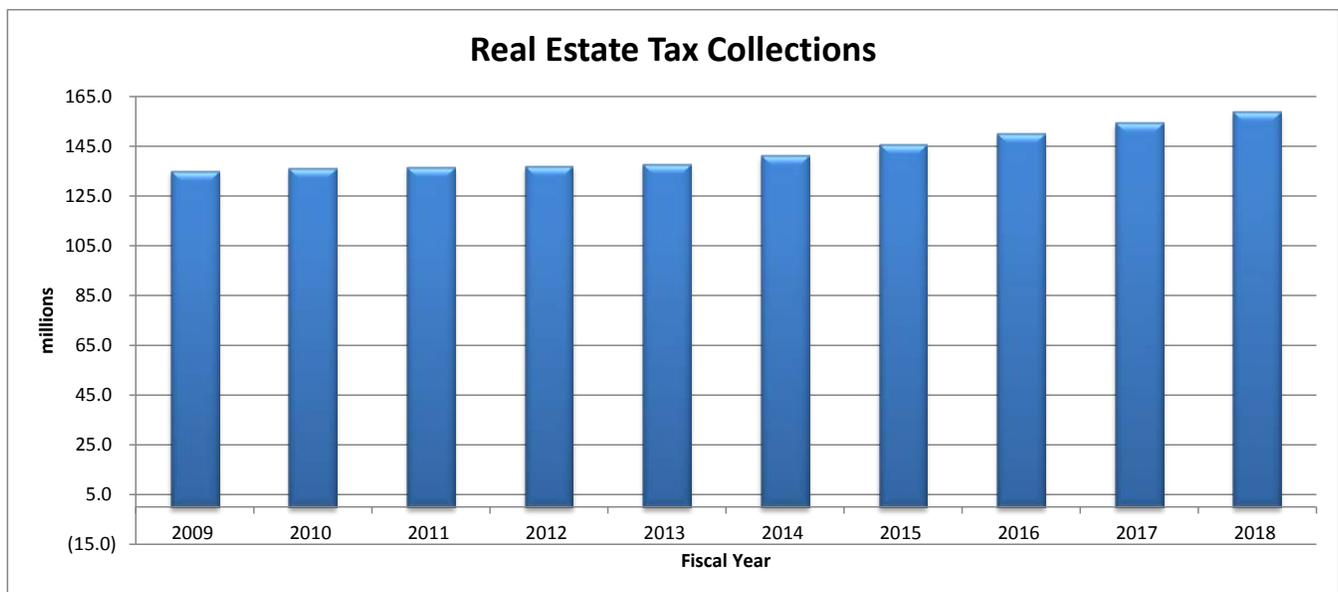
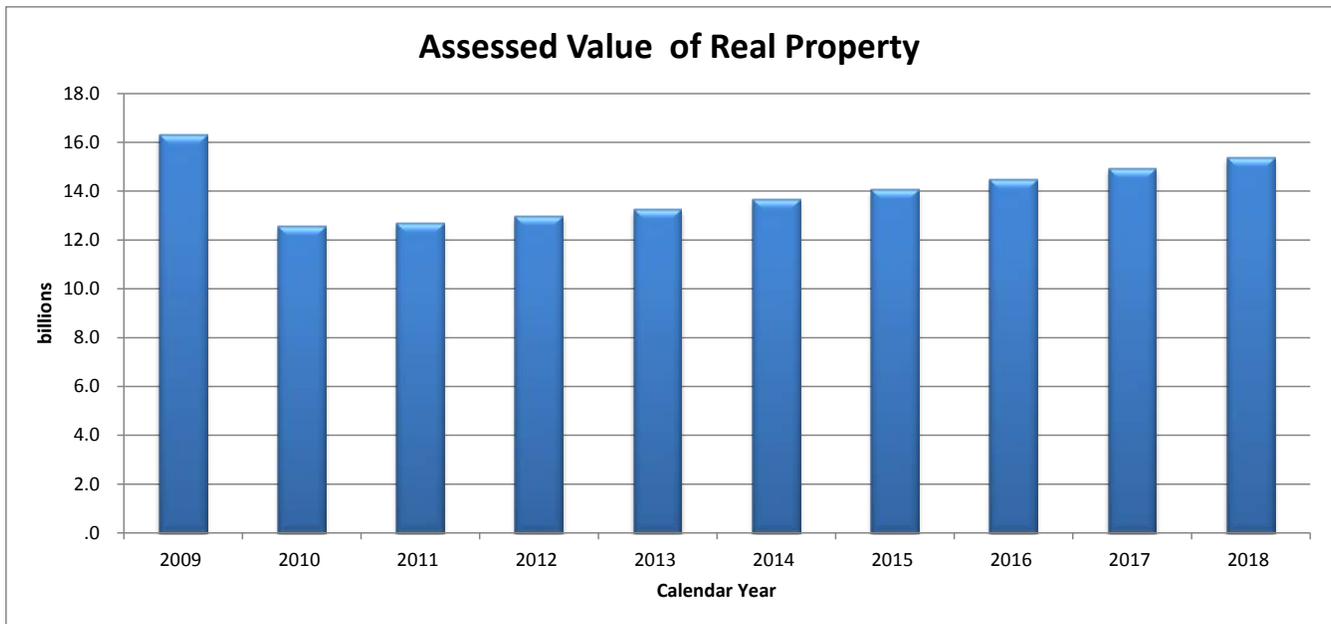
The FY2014 real property revenue projection is based on the following assumptions:

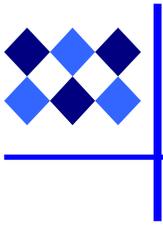
- 2.0% growth in properties in the County over the next year
- Tax rate of \$1.07 for calendar year 2013
- An equalized tax rate for calendar year 2014
- Collection rate of 98%



GENERAL FUND REVENUE ANALYSIS

The following charts illustrate historical and projected assessed value of real estate and tax collections. The charts assume growth in assessed value of 2.0% in calendar year 2013, 3% in 2014 thereafter. It is assumed that the real estate tax remains at \$1.07 or is equalized in assessment years.





GENERAL FUND REVENUE ANALYSIS

Personal Property

Personal property includes vehicles, mobile homes, airplanes, boats, merchants' capital, machinery and tools, and motor carrier transportation.

In keeping with the Board's priority to reduce the tax burden and support economic development, the Board adopted a tax rate of \$0.0001 for personal property on boats, machinery and tools and motor carrier transportation in 2013, effectively eliminating the tax.

Vehicles

Vehicle sales continue to rebound from the lows seen during the recession. In 2012, U.S. consumers purchased over one million more new cars than the year before. Economists are predicting a continuation of the trend in 2013 and 2014. The average car on U.S. roads in 2012 was over 11 years old, which would indicate a large number of vehicles needing to be replaced. Sales of pickup trucks have improved as the construction industry continues to improve.

The personal property tax rate on vehicles is \$6.89 per \$100.00 of assessed value. The tax rate for personal property is based on assessed value, which is established at forty percent (40%) of estimated fair market value. The effective rate would be stated as \$2.76 per \$100.00 of estimated fair market value.

The rate is \$0.0001 per \$100.00 of assessed value for one vehicle owned or operated by volunteer Fire and Rescue personal, volunteer Sheriff's deputies, and disabled veterans.

There is a special personal property category for vehicles equipped for disabled individuals set at \$0.10 cents per \$100.00 of assessed value.

Boats

In 2013, the personal property tax on boats was set at \$0.0001 per \$100.00 of assessed value, effectively eliminating this tax.

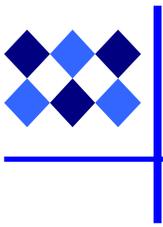
Aircraft

In 2009, the Board reduced the personal property tax rate on aircraft to \$.0001 per \$100.00 of assessed value. This change was to attract airplane owners to the Stafford Regional Airport. It is expected that the decrease in revenue resulting from this change will be offset by higher business and real estate taxes generated through increased economic activity around the airport. The Airport Authority reports positive results from the strategy, with its hangars nearly full, and revenues increasing.

Machinery & Tools

Machinery & Tools are equipment used in manufacturing, mining, processing or reprocessing, radio or television broadcasting, cable television, dairy, dry cleaning or laundry business, and trucks used for hire that qualify as common carriers.

In 2013, the Board adopted a tax rate of \$0.0001 for machinery and tools and motor carrier transportation in 2013, effectively eliminating these taxes.



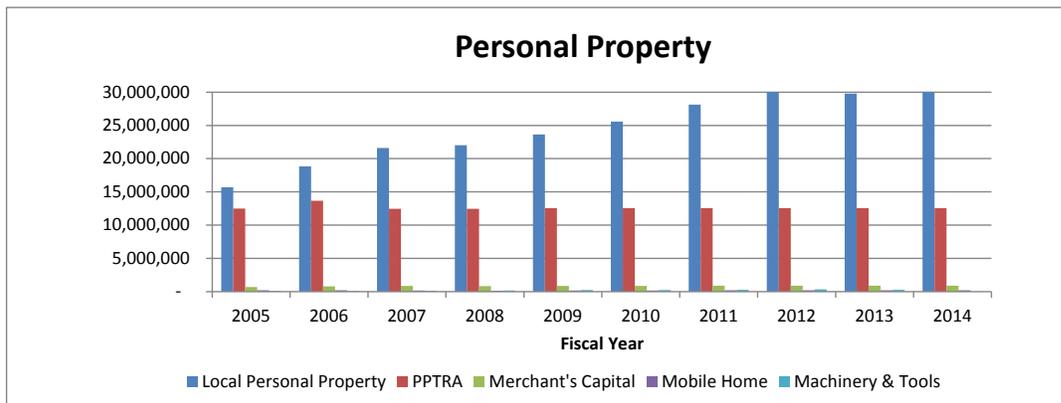
GENERAL FUND REVENUE ANALYSIS

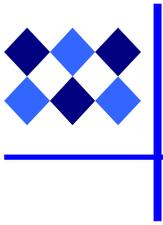
The following table lists the Adopted personal property tax rates for calendar year 2013:

Classification	Rate	Effective Rate
Tangible Personal Property:		
Aircraft	\$0.0001	\$0.00
Boats or watercraft	\$0.0001	\$0.00
Business Property	\$5.49	\$1.92
Camping Trailers & Recreational Vehicles	\$5.49	\$2.20
Computer Equipment	\$5.49	\$1.92
Disabled Veterans	\$0.0001	\$0.00
Motor Vehicles Specially Equipped for Disabled	\$0.10	\$0.04
Personal Property Volunteer Fire & Rescue, VA Code	\$0.0001	\$0.00
Personal Property Volunteer Sheriff, VA Code	\$0.0001	\$0.00
All Other	\$6.89	\$2.76
Motor Carrier Transportation	\$0.0001	\$0.00
Machinery and Tools	\$0.0001	\$0.00
Merchant's Capital	\$0.50	\$0.20
Mobile Homes	\$1.07	\$1.07

Personal Property Tax Relief Act

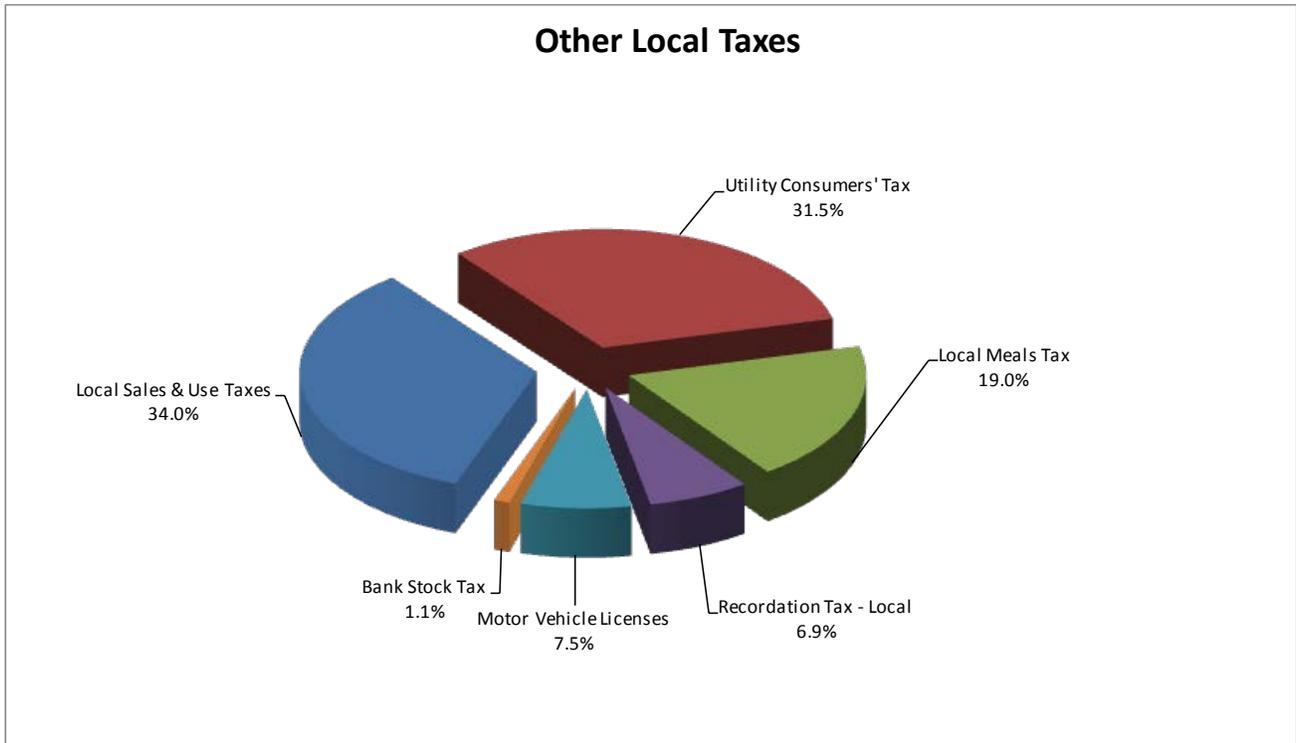
The General Assembly implemented the Personal Property Tax Relief Act (PPTRA) in 1998. Originally, under PPTRA, Virginia residents were to pay a decreasing percentage of personal property tax on qualifying vehicles until the entire tax was to be relieved in 2002. The program relieved the tax up to \$20,000 of a vehicle's assessed value; owners with vehicles assessed over \$20,000 pay 100% of the remainder of the tax. However, while the original intent was to give residents full relief in 2002 and provide the County with 100% state reimbursement for qualifying vehicles, the implementation was altered due to fiscal restraints at the state level. Since FY2006, each locality receives a flat, recurring revenue reimbursement for car taxes. The state reimbursement equates to Stafford's calendar year 2004 collection. Stafford expects to receive that same amount - \$12.5 million - from the state annually.

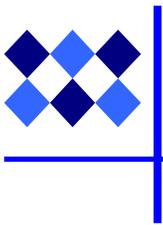




GENERAL FUND REVENUE ANALYSIS

Other Local Taxes	FY2012 Actual	FY2013 Budget	FY2014		Changes '13 Adopted to '14 Adopted
			Adopted		
Local Sales & Use Taxes	\$11,014,935	\$11,125,000	\$11,345,000	\$220,000	2.0%
Utility Consumers' Tax	10,591,172	10,289,692	10,456,300	\$166,608	1.6%
Local Meals Tax	6,251,632	6,215,000	6,340,000	\$125,000	2.0%
Recordation Tax - Local	2,447,621	2,256,500	2,741,000	\$484,500	19.8%
Motor Vehicle Licenses	2,245,004	2,451,000	2,245,000	(\$206,000)	-9.2%
Bank Stock Tax	351,149	355,000	355,000	\$0	0.0%
Total	\$32,901,513	\$32,692,192	\$33,482,300	\$790,108	2.4%





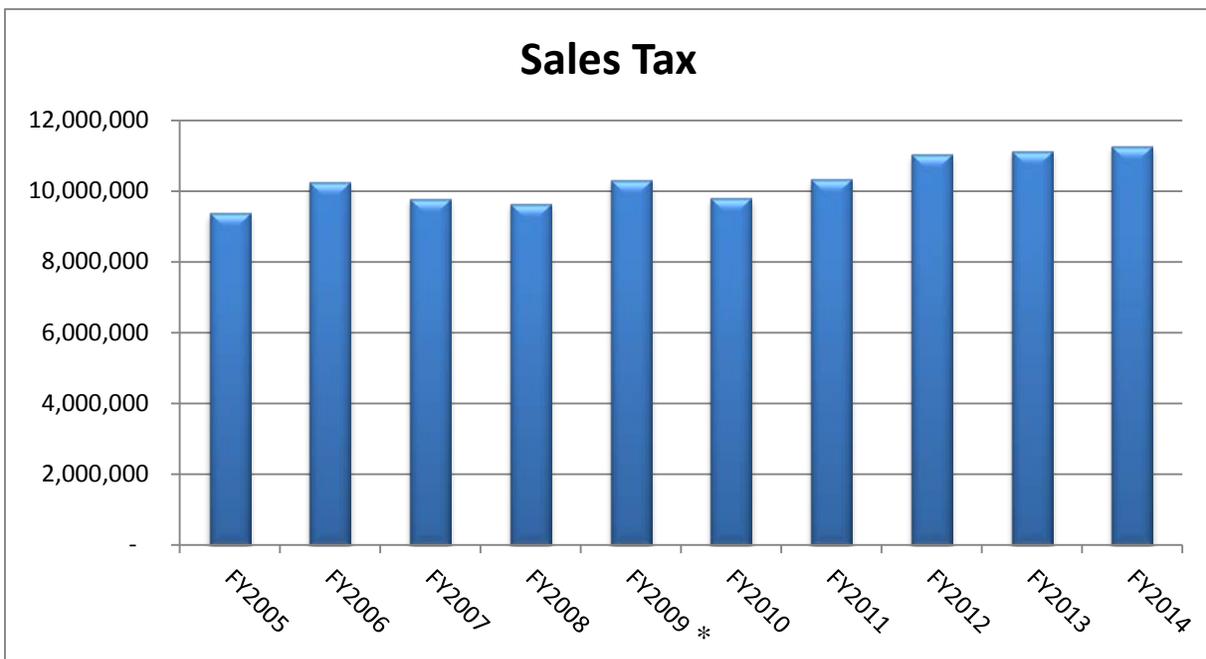
GENERAL FUND REVENUE ANALYSIS

Local Sales & Use Tax

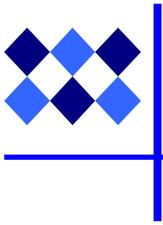
The State collects and distributes the local option 1% Sales and Use Tax in accordance with §58.1-605 and §58.1-606 of the Code of Virginia. Actual distributions are made to the County based on the amount of sales tax collected in the County.

Retail sales continue to grow. Calendar year 2012 collections were 5.8% higher than 2011. Sale tax revenue FY2013 to date (through April 2013) is 4% higher than the same period in FY2012. The FY2014 forecast recognizes that growth, but conservatively projects level revenues going forward.

This chart reflects the recent history of sales tax revenue:



*2009 receipts reflect a one-time adjustment for prior year's receipts credited to City of Fredericksburg due to shared zip code.



GENERAL FUND REVENUE ANALYSIS

Consumer Utilities Revenue

Utility Consumer's Tax

The Utility Consumer's Tax is a tax levied by the County. It is collected by the utility companies and remitted to Stafford from residential, industrial, and commercial users of electric and gas services. This tax was amended in 2000 by Ordinance O00-78 to comply with changes in State law, which required local consumer utility tax rates to be consumption-based for electricity and gas utility service. The County's rates are:

Electric

- Residential: \$.0014955 per kilowatt hour (kWh), with a minimum of \$1.40 and maximum of \$3.00 per month.
- Commercial and industrial: \$.006434 per kWh, with a minimum of \$1.15 and a maximum of \$200.00 per month

Gas

- Residential: \$0.06 per 100 units of cubic feet (CCF), with a minimum tax of \$1.40 per month and a maximum of tax of \$3.00 per month
- Commercial and industrial: \$0.85 per CCF delivered with a minimum tax of \$2.29 per month and a maximum of tax of \$100.00 per month

Communications Sales and Use Tax

The 2006 General Assembly reformed the Consumers' Utility Tax. Effective January 1, 2007 House Bill 568 replaced most of the previous state and local taxes and fees on communications services. The bill repealed the Consumers' Utility Tax on:

- Landline and wireless telephone service
- Local E911 tax on landline telephone service
- VA Relay Center assessment on landline telephone service
- The portion of local BPOL Tax on public service companies exceeding .05% currently billed to customers in some grandfather localities
- Local video programming excise tax on cable television service
- Local consumer's utility service tax on cable television service

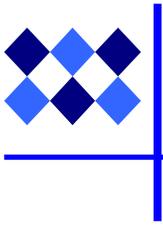
The bill imposed new taxes and fees on:

- State Communications Sales and Use Tax
- State E911 Tax on landline telephone service
- Public Rights-of-Way use fee extended to cable television providers

The "State Communications Sales and Use Tax" applies to the following services:

- Local exchange (local telephone calls)
- Inter-exchange (a new tax applied to long distance calls)
- Wireless (a new tax)
- Paging (a new tax)
- Cable and satellite television (the tax on satellite is a new tax)

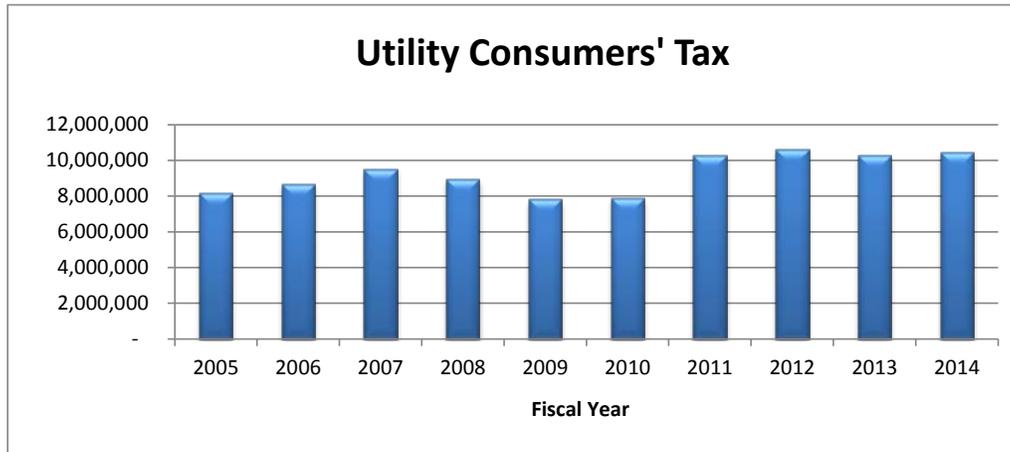
Communications sales and use tax revenue is collected by the Virginia Department of Taxation and distributed to localities monthly, according to the percentage of telecommunications and cable television tax each locality received relative to the statewide total in FY2006.



GENERAL FUND REVENUE ANALYSIS

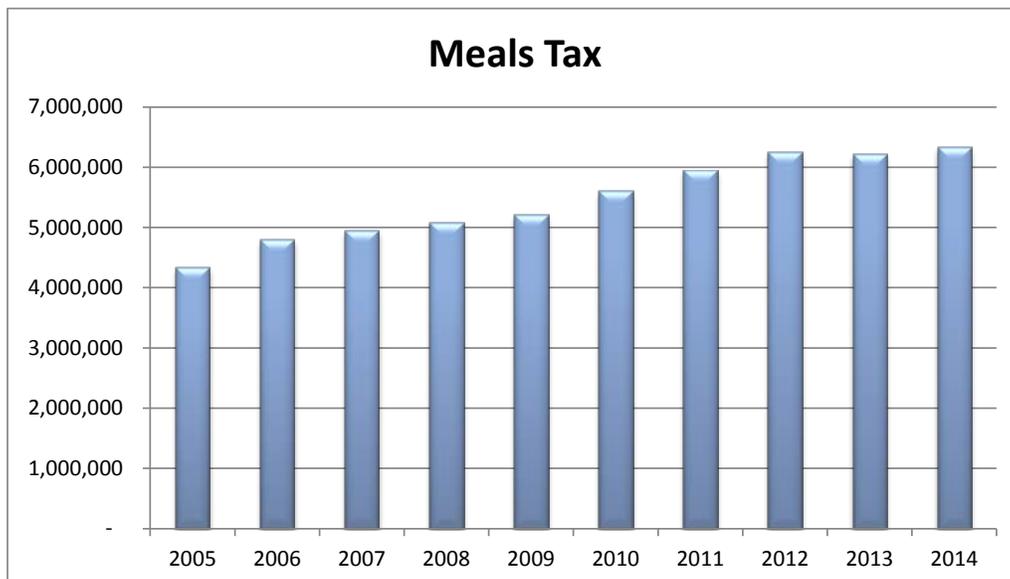
In compliance with GASB 54, the County combined the E911 fund with the General Fund. The consumer utilities taxes that were previously shown in the E911 fund are largely responsible for the increase shown in FY2011.

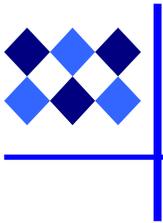
The FY2014 forecast assumes that revenue from these sources remain level.



Local Meals Tax

A Meals Tax of 4% is a tax levied on the sale of all food and beverage sold for human consumption by a restaurant or caterer. The meals tax revenue is collected in accordance with section 58.1-3833, of the Code of Virginia (1950), as amended. The revenues generated from this source have been designated to support the local share of school funding. Meals tax collections continue to show steady growth. FY 2012 meals tax revenues were 4.5% higher than the year before. Meals tax revenue FY2013 to date (through April 2013) is 3.0% higher than the same period in FY2012. The FY2014 forecast recognizes that growth, but conservatively projects level revenues going forward.

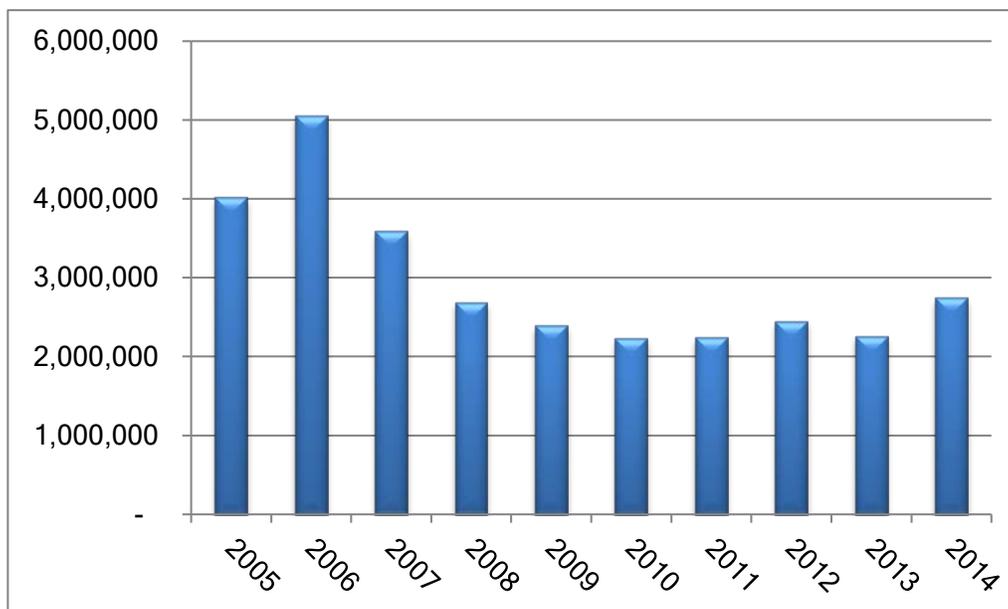




GENERAL FUND REVENUE ANALYSIS

Recordation Taxes

This tax is levied on the probate of every will or grant of administration (deeds, deeds of trust, mortgage, leases and contracts) by any court within the County. The tax is equal to one-third (1/3) of the amount of the state tax on each such probate of a will or grant of administration. These revenues are collected by the Clerk of the Circuit Court and paid monthly to the Treasurer. General Assembly action in 2004 increased the amount on each probate of a will or grant of administration from \$0.15 to \$0.25. Due to low interest rates and the continued growth in new construction in the County from FY2000 through FY2006, this revenue source dramatically increased, peaking in FY2006. Recordation revenues declined during the recession, due to the slowdown of both the real estate market and the crisis in the financial sector. Activity has recently begun to increase. Recordation tax revenue FY2013 to date (through April 2013) is 25.0% higher than the same period in FY2012. The FY2014 forecast conservatively recognizes the increase in activity.

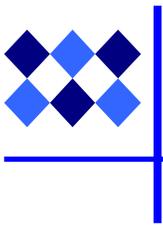


Motor Vehicle Licenses

A license tax is charged on every motor vehicle, trailer or semi-truck normally garaged, stored or parked in Stafford. The costs of the licenses vary and are based on the type and weight of the vehicle. The fee for the license varies according to the type of item being registered; licenses for most passenger vehicles are \$23.00. The FY2014 Adopted Budget includes \$2.2 million for this fee, consistent with recent history.

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 one hundred dollar (\$100.00) value of stock and distributed 80% to Stafford and 20% to the State. The FY2014 Adopted budget assumes that these revenues will be level.



GENERAL FUND REVENUE ANALYSIS

Service Charges & Other	FY2012 Actual	FY2013 Adopted	Adopted	FY2014 Changes	
				'13 Adopted to '14 Adopted	
Permit Fees & Licenses					
Code Administration Fees	\$ 2,766,249	\$ 2,583,200	\$ 2,750,300	\$ 167,100	6.5%
Planning & Zoning Fees	1,236,851	1,141,225	1,291,200	149,975	13.1%
Animal Licenses & Charges	94,038	100,090	92,400	(7,690)	-7.7%
Well & Septic Fees	27,750	27,500	30,000	2,500	9.1%
Charges for Services					
Ambulance Fees	2,415,704	2,000,000	2,100,000	100,000	5.0%
Fines & Forfeitures	1,178,381	1,226,260	1,175,300	(50,960)	-4.2%
Aquatics Fees	490,221	449,120	449,100	(20)	0.0%
Recreation Fees	428,583	436,766	451,100	14,334	3.3%
Gymnastics Fees	622,509	668,433	687,000	18,567	2.8%
Miscellaneous Revenue	3,203,836	3,324,943	3,252,900	(173,963)	-5.2%
Use of Money & Property	298,034	364,204	370,800	6,596	1.8%
Total	\$ 12,762,156	\$ 12,321,741	\$ 12,650,100	\$ 328,359	2.7%

Permits & Licenses

The revenues generated in this category are those collected for permits, fees, and licenses along with several other miscellaneous revenues.

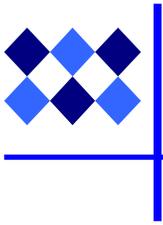
The majority of revenue in this category is related to development. Construction activity has steadily improved recently. Building permit revenues are estimated based upon projections of new households as well as commercial and industrial establishments. The County has followed a policy of charging user fees to cover the cost of providing services related to special interest. Departments of Public Works and Planning & Zoning continually review and revise fees to capture the costs associated with the processing of development applications. The Adopted budget includes a technology fee to finance technology upgrades for the online permitting system.

Ambulance Fees

The United States Census Bureau estimates that 87% of Virginians have health insurance coverage. In some areas of the Commonwealth, more than 90% of the local population is covered by health insurance that will pay for ambulance transportation if billed for necessary emergency transports. As such, the third-party billing (cost recovery) concept has gained favor in numerous Virginia localities and throughout the U.S. as they recognize this untapped resource. Implementation of a comprehensive cost recovery program for ambulance service and transportation has resulted in additional funding to enhance ambulance services and staffing as the County strives to improve response time and address our greatest response deficits.

The FY2007 budget included ambulance cost recovery fees for the first time. Ambulance fees are designated to the Fire and Rescue department to be used to address the growing needs of our system and our community. The County outsources fee collection.

Fees have been set using the Centers for Medicare and Medicaid customary rates for our region. The "loaded mile" rate is established to cover the cost of the vehicle maintenance and fuel usage, both to and from emergency calls. The fees are evaluated annually to maximize cost recovery and adhere to Medicare's national fee schedule. The Board approved an increase to the rates in March, 2012.



GENERAL FUND REVENUE ANALYSIS

The current approved rates are:

Basic Life Support	\$ 500.00
Advanced Life Support - 1	\$ 650.00
Advanced Life Support - 2	\$ 800.00
Loaded Mile	\$ 12.00

The FY2014 forecast estimates \$2.1 million of cost recovery revenue through ambulance transport fees.

Use of Money and Property

The Treasurer is responsible for Stafford's investment program. Cash resources of individual funds, excluding cash held with fiscal agents, are combined to form a pool of cash and investments to maximize interest earnings. Investment earnings are a function of interest rates and the amount available for investment. Interest rates are expected to remain low in FY2014. The Adopted budget includes \$16,000 in interest income.

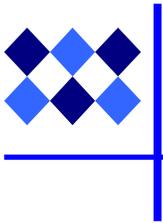
The County has several properties that generate rental income. The Health Department and Social Services Department pay rent for the office space they occupy in the Government Center. Several Parks & Recreation properties are available for rent to the public. Rental income for FY2013 is estimated at \$355,000.

Fines and Forfeitures

These revenue sources are collected by the courts and are designated to deter behavior contrary to the health, safety, and welfare of the citizens of Stafford. Court fines and forfeitures are related to the costs of holding court and processing court records and papers. Traffic fines include such local violations as driving while intoxicated (DWI) and speeding, as well as non-moving violations such as defective equipment.

Parks and Recreation Fees

In FY2014, revenues generated through gymnastic, aquatic and recreation programs, and admission fees are budgeted at \$1.6 million.



GENERAL FUND REVENUE ANALYSIS

<u>Intergovernmental</u>	<u>FY2012 Actual</u>	<u>FY2013 Budget</u>	<u>FY2014 Adopted</u>	<u>Changes '13 Adopted to '14 Adopted</u>	
State - Shared Expenses					
Clerk of the Circuit Court	\$ 553,193	\$ 554,760	\$ 584,700	\$ 29,940	5.4%
Commissioner of the Revenue	236,357	242,033	252,700	10,667	4.5%
Commonwealth's Attorney	897,199	927,862	1,024,100	96,238	10.7%
Registrar	75,978	68,527	68,500	(27)	0.0%
Sheriff	3,546,943	3,677,869	3,886,800	208,931	5.9%
Treasurer	217,864	221,974	231,900	9,926	4.6%
State & Federal - Social Services	5,173,402	4,758,220	4,943,800	185,580	3.6%
State - Comprehensive Services Act	2,185,810	2,151,360	2,587,245	435,885	19.9%
State Categorical Aid:				-	
State Reimbursement	277,696	293,152	292,100	(1,052)	-0.4%
State Fire Program Fund	344,741	325,000	325,000	-	0.0%
Emergency Medical Service	105,918	100,000	100,000	-	0.0%
State - Non Categorical Aid	343,586	365,000	349,000	(16,000)	-4.7%
Federal	1,960,330	5,400	5,600	200	0.0%
Total	\$ 15,919,017	\$ 13,691,157	\$ 14,651,445	\$ 960,288	6.0%

State Shared Expenses

The County receives partial reimbursement for the expenses of Sheriff, Commonwealth's Attorney, and Clerk of the Circuit Court, Treasurer, and the Commissioner of the Revenue from the State Compensation Board. The Compensation Board reimburses part of the costs of salaries, benefits, office expenses, and equipment. In February 2013, the General Assembly adopted a budget that restored compensation board funding that had been reduced since 2008. In addition, the budget amendment includes a 3% increase, effective August 1, 2013, for all state supported local positions except Deputy Commonwealth's Attorneys. Funding for these positions is slated to increase by 2% plus \$3,038, effective July 1, 2013. Revenue projections reflect these changes.

State & Federal - Social Services

This revenue is the total amount of State and Federal revenue received to fund Social Services. The Director of Social Services projects this revenue each year using estimates received from State and Federal agencies. In FY2012, the state implemented a new payment system for the child day care program. Clients now use a debit card to pay for the services directly; with payments will no longer running through the County. Social Services expenditure and revenue budgets have been reduced accordingly.

State - Comprehensive Services Act

Mandated services under the Comprehensive Services Act are partially reimbursed by the state. The County has seen a recent increase in private day school placements for at-risk children. The increase in this revenue reflects the state's share of these increased expenditures.

State Categorical Aid

These revenues are designated for specific purposes in Stafford. Recipient departments and agencies project these revenues based upon the latest information available from State and Federal agencies.

State Non-Categorical Aid

These revenues are collected by the Commonwealth and shared with the County. The FY2014 budget includes projected revenues from rolling stock tax, motor vehicle carrier tax, mobile home titling tax, and auto rental tax. Ratios, rate and distribution formulas are subject to change each year by the General Assembly.

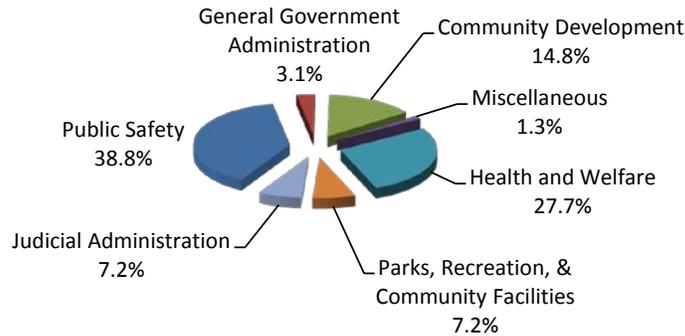


CURRENT SERVICE COSTS PROPERTY TAXES

Service Type	Service Costs	FY2014 Revenues		Property Tax Required Total	Property Tax Required Per Capita
		Designated	Undesignated		
Local School Funding	\$136,453,431	\$0	\$18,514,860	\$117,938,571	\$855.23
Public Safety	47,681,920	10,727,900	6,469,783	30,484,237	221.06
General Government Administration	12,053,530	851,800	1,635,499	9,566,231	69.37
Community Development	15,405,750	4,078,500	2,090,349	9,236,901	66.98
Miscellaneous	14,094,970	350,000	1,912,494	11,832,476	85.80
Health and Welfare	13,269,354	7,662,833	1,800,469	3,806,052	27.60
Parks, Recreation, & Community Facilities	10,858,950	1,985,300	1,473,411	7,400,239	53.66
Judicial Administration	5,197,540	1,976,112	705,235	2,516,193	18.25
Total	\$255,015,445	\$27,632,445	\$34,602,100	\$192,780,900	\$1,397.95

This graph depicts the allocation of designated revenues among the major expenditure categories.

Designated Revenues



Property Tax Required

This graph depicts the percentage of property tax revenue allocated to the major expenditure categories.

