

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, accounting standards, 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.



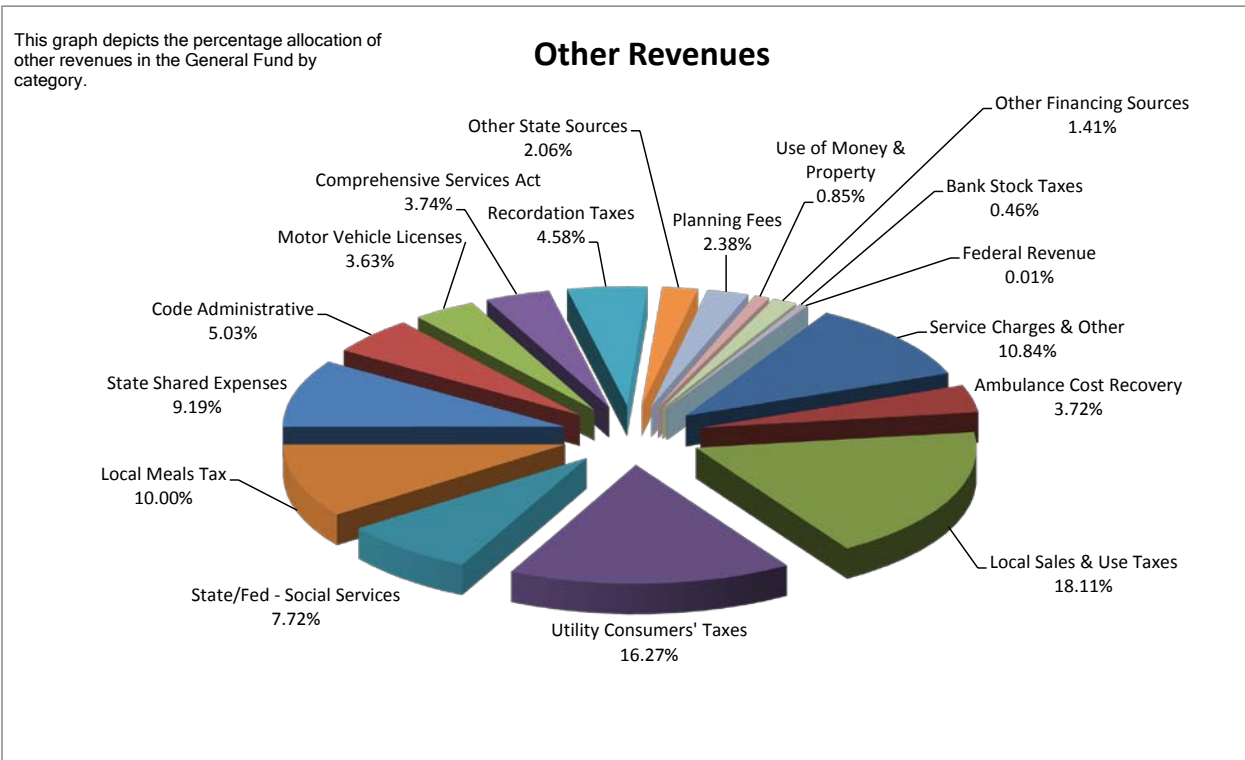
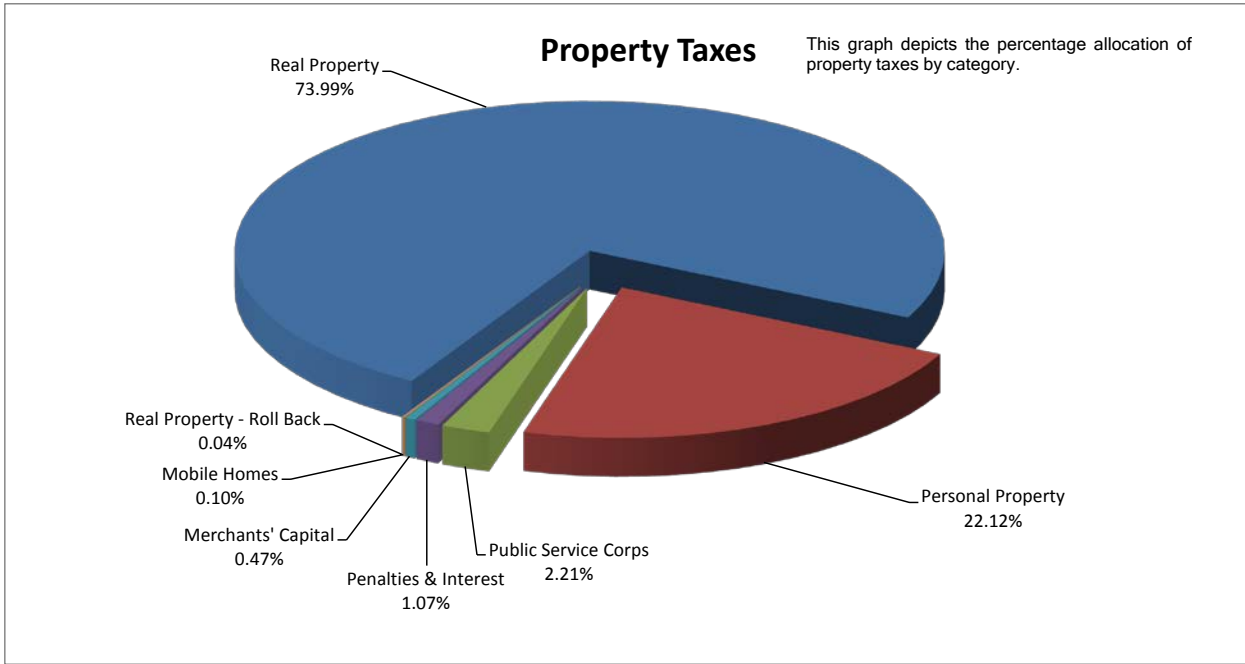
REVENUE PROJECTION

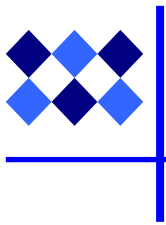
	FY2013 Actual	FY2014 Adopted Budget	Adopted Budget	FY2015 Changes '14 to '15	
Property Taxes					
Real Property	\$138,461,258	\$141,241,700	\$146,604,236	\$5,362,536	3.8%
Personal Property	44,096,499	44,315,700	43,843,200	(472,500)	-1.1%
Public Service Corps	4,499,277	4,050,000	4,383,800	333,800	8.2%
Penalties & Interest	2,111,211	2,030,500	2,113,200	82,700	4.1%
Merchants' Capital	929,651	866,000	930,000	64,000	7.4%
Mobile Homes	189,606	197,000	190,000	(7,000)	-3.6%
Real Property - Roll Back	370,154	80,000	80,000	0	0.0%
Machinery & Tools	99,598	0	0	0	0.0%
Total Property Taxes	\$190,757,254	\$192,780,900	\$198,144,436	\$5,363,536	2.8%
Other Revenue					
Service Charges & Other	\$7,114,904	\$6,487,800	\$7,003,672	\$515,872	8.0%
Ambulance Cost Recovery	2,543,674	2,100,000	2,400,000	300,000	14.3%
Local Sales & Use Taxes	11,800,992	11,345,000	11,700,000	355,000	3.1%
Utility Consumers' Taxes	10,518,263	10,456,300	10,508,500	52,200	0.5%
State/Fed - Social Services	4,110,909	4,983,800	4,983,800	0	0.0%
Local Meals Tax	6,400,869	6,340,000	6,460,000	120,000	1.9%
State Shared Expenses	5,735,803	6,048,700	5,936,600	(112,100)	-1.9%
Code Administrative	3,296,582	2,750,300	3,249,400	499,100	18.1%
Motor Vehicle Licenses	2,344,309	2,245,000	2,345,000	100,000	4.5%
Comprehensive Services Act	2,197,213	2,587,245	2,414,000	(173,245)	-6.7%
Recordation Taxes	2,906,939	2,741,000	2,959,000	218,000	8.0%
Other State Sources	1,105,689	1,066,100	1,328,300	262,200	24.6%
Planning Fees	1,796,495	1,291,200	1,537,500	246,300	19.1%
Use of Money & Property	313,683	370,800	552,200	181,400	48.9%
Other Financing Sources	1,289,990	560,700	912,000	351,300	62.7%
Bank Stock Taxes	299,726	355,000	300,000	(55,000)	-15.5%
Federal Revenue	1,702,143	5,600	5,500	(100)	-1.8%
Total Other Revenue	\$65,478,183	\$61,734,545	\$64,595,472	\$2,860,927	4.6%
Reserve for Contingency ⁽¹⁾	0	500,000	0	(500,000)	100.0%
Total Revenues	\$256,235,437	\$255,015,445	\$262,739,908	\$7,724,463	3.0%

⁽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 was reserved for the the FY2014 budget. Any additional amounts needed to comply with the policy were included in the budget.



REVENUE PROJECTION





FUND BALANCE ANALYSIS

This schedule indicates the allocation of the general fund balance at June 30, 2013 and the budgeted estimate for the end of FY2014 and FY2015. 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.
- 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 ½ 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.

As of June 30, 2013, all reserves were fully funded.

FY2014

Beginning Fund Balance	\$57,104,969
➤ Revenue Stabilization Reserve	1,265,706
➤ Stafford Opportunity Fund	538,000
➤ Capital Projects Reserve	7,674,174
➤ Other reservations	17,250,137
➤ Unassigned	30,376,952 (12%)

FY2015

The County expects that all reserves will be fully funded at the end of FY2014 and FY2015. 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

	FY2012 Actual	FY2013 Actual	FY2014 Adopted	FY2015 Adopted
Fund balance, beginning of year	\$49,546,957	\$55,625,103	\$57,104,969	\$56,604,969
Revenues	246,596,143	253,141,267	253,975,445	261,850,908
Other Financing Sources	2,961,912	3,094,170	540,000	540,000
Total revenues & other financing sources	\$249,558,055	\$256,235,437	\$254,515,445	\$262,390,908
Contingency Reserve ⁽¹⁾	0	0	500,000	0
Capital Projects Reserve ⁽²⁾	0	0	0	349,000
Total funding sources	\$249,558,055	\$256,235,437	\$255,015,445	\$262,739,908
Local School Operating/Capital transfer	(98,599,339)	(109,774,651)	(111,723,921)	(111,947,456)
Debt Service - General Gov't & Schools	(42,494,320)	(26,309,006)	(35,849,300)	(41,482,650)
Expenditures	(102,386,250)	(118,671,912)	(107,442,224)	(109,309,802)
Total expenditures & transfer	(\$243,479,909)	(\$254,755,569)	(\$255,015,445)	(\$262,739,908)
Fund balance, end of year	\$55,625,103	\$57,104,969	\$56,604,969	\$56,255,969
Fund Balance Allocation				
Non-spendable	\$39,554	\$27,813	\$27,813	\$27,813
Restricted	652,293	879,437	879,437	879,437
Committed:				
Capital Projects Reserve	7,694,182	7,674,174	7,569,800	6,275,800
Stafford Opportunity Fund Reserve	613,000	538,000	538,000	538,000
Contingency Reserve ⁽¹⁾	500,000	500,000	0	0
High School Replacement	618,571	0	0	0
School Surplus	2,298,046	0	0	0
Decal Holiday		2,400,000	2,400,000	2,400,000
Health Claims Fluctuation Reserve	2,064,073	2,299,039	2,299,039	2,299,039
Purchase of Development Rights	235,633	525,787	525,787	525,787
Assigned				
Encumbrances	2,231,736	1,431,845	1,431,845	1,431,845
CSA Reserves	200,000	200,000	200,000	200,000
Revenue Stabilization Reserve ⁽³⁾	1,232,943	1,265,706	1,270,000	1,270,000
Risk Management Reserve	1,036,294	1,036,294	1,036,294	1,036,294
Schools One-Time Expenditures	1,029,635	1,220,480	1,220,480	1,220,480
Fuels Reserve	500,000	500,000	500,000	500,000
Other Purposes	5,088,504	6,229,442	6,229,442	6,229,442
Unassigned	29,590,639	30,376,952	30,477,032	31,422,032
% of revenues	12.0%	12.0%	12.0%	12.0%
Target Unassigned Fund Balance ⁽³⁾	29,591,534	30,376,952	30,477,000	31,422,000
Variance above (below)	0	0	0	0
Fund balance, end of year	\$55,625,103	\$57,104,969	\$56,604,969	\$56,255,969

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

⁽²⁾ The FY2015 budget includes the use of funds from the Capital Projects Reserve to fund one-time stormwater capital projects.

⁽³⁾ 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.

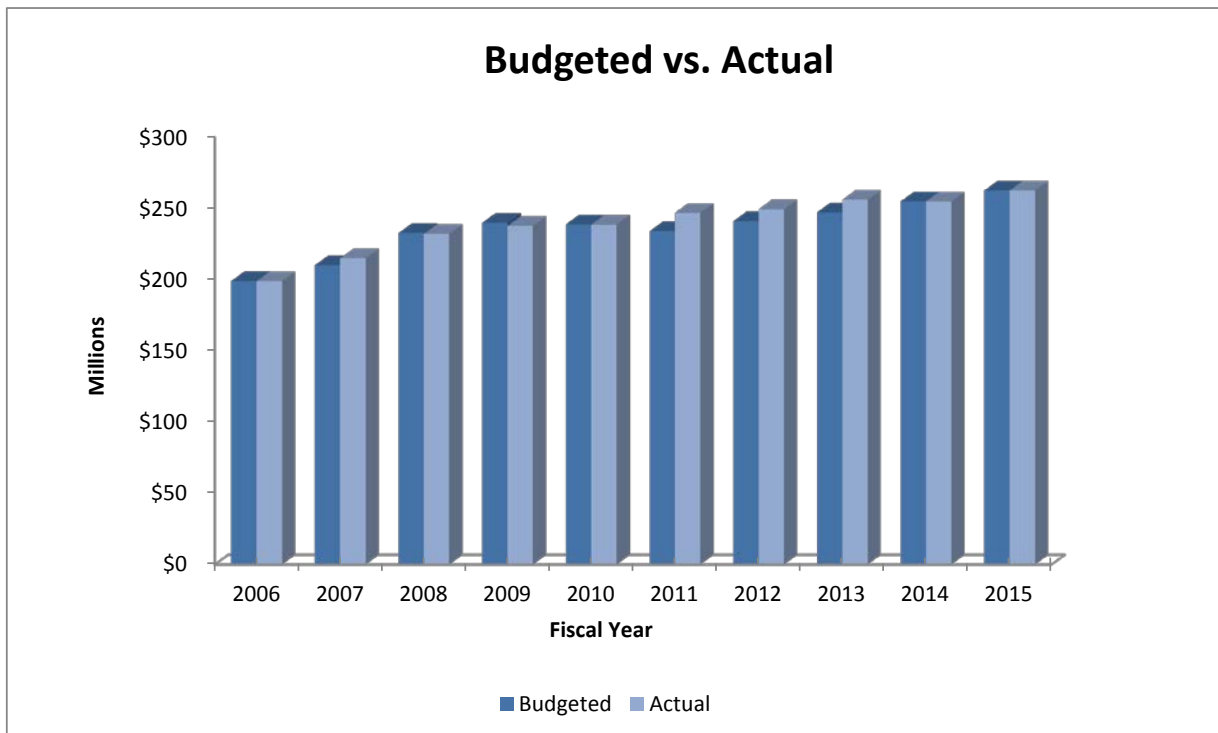


TEN-YEAR REVENUE ANALYSIS

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>	vs.	<u>Actual Revenues</u>	<u>Prior Year % Change</u>
2006	199,178,539		199,122,358	22.6%
2007	210,298,725		215,148,062	8.0%
2008	232,879,330		232,348,424	8.0%
2009	240,068,894		237,902,403	2.4%
2010	238,985,663		238,872,052	0.4%
2011	234,149,653		247,028,581	3.4%
2012	241,174,370		249,558,058	1.0%
2013	247,291,942		256,235,437	2.7%
2014	255,015,445		255,015,445 *	-0.5%
2015	262,739,908		262,739,908 *	3.0%
Average				5.1%

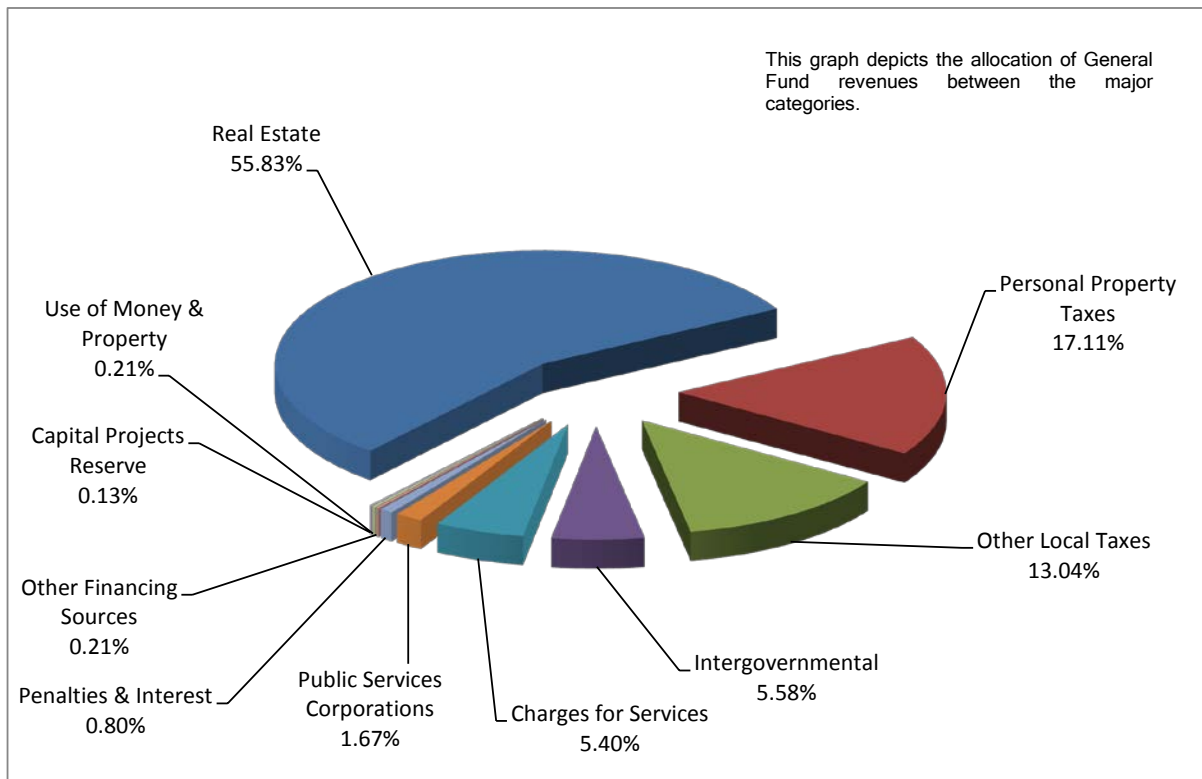
* Budget

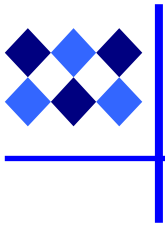




GENERAL FUND REVENUES

Category	FY2014 Adopted	Adopted Budget	FY2015		Budget as % of Total
			Changes		
Real Estate	\$141,321,700	\$146,684,236	\$5,362,536	3.8%	55.8%
Personal Property Taxes	45,378,700	44,963,200	(415,500)	-0.9%	17.1%
Other Local Taxes	33,482,300	34,272,500	790,200	2.4%	13.0%
Intergovernmental	14,651,445	14,668,200	16,755	0.1%	5.6%
Charges for Services	12,629,300	14,190,572	1,561,272	112.4%	5.4%
Public Services Corporations	4,050,000	4,383,800	333,800	108.2%	1.7%
Penalties & Interest	2,030,500	2,113,200	82,700	4.1%	0.8%
Other Financing Sources	600,700	563,000	(37,700)	-6.3%	0.2%
Use of Money & Property	370,800	552,200	181,400	48.9%	0.2%
Capital Projects Reserve	0	349,000	349,000	100.0%	0.1%
Reserve for Contingency	500,000	0	(500,000)	-100.0%	0.0%
Total	\$255,015,445	\$262,739,908	\$7,724,463	3.0%	100.0%





GENERAL FUND REVENUE ANALYSIS

General Property Taxes	FY2013	FY2014	Adopted	Changes	
	Actual	Budget		'14 Adopted to	'15 Adopted
Real Property - Current	\$133,949,406	\$138,141,700	\$143,504,236	\$5,362,536	3.9%
Real Property - Delinquent	4,511,852	3,100,000	3,100,000	0	0.0%
Roll Back	370,154	80,000	80,000	0	0.0%
Public Service Corps	4,499,277	4,050,000	4,383,800	333,800	8.2%
Personal Property - Current	37,680,489	42,258,200	41,093,200	(1,165,000)	-2.8%
Personal Property - Delinquent	6,416,010	2,057,500	2,750,000	692,500	33.7%
Merchants Capital	929,651	866,000	930,000	64,000	7.4%
Mobile Homes	189,606	197,000	190,000	(7,000)	-3.6%
Machinery & Tools	99,598	0	0	0	0.0%
Penalties	1,333,190	1,227,500	1,333,200	105,700	8.6%
Interest	778,021	803,000	780,000	(23,000)	(0)
Total	\$190,757,254	\$192,780,900	\$198,144,436	\$5,363,536	2.8%

Real Property

The real estate tax is the single largest revenue source for the County, and is expected to generate \$146.7 million in FY2015, approximately 55.8% of general fund revenues. Each penny on the tax rate yields approximately \$1.4 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, 2014. The reassessment, reflecting the continuing recovery of market conditions, resulted in an increase of slightly more than 6% in the overall assessed value of real property in Stafford County. The value of residential properties increased by 8%; the value of commercial properties increased by 2%. Commercial properties now make up 19% of the tax base. On average, assessments are approximately 92% of estimated fair market value.

Effective rate

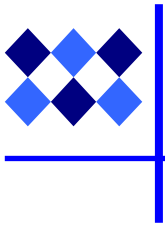
The calculation of the effective rate is defined by the Code of Virginia §58.1-3321, which requires the tax rate to be advertised when a reassessment results in an increase of 1% or more in the value of the total taxable real property. It is sometimes called a reduced or lowered rate. The effective rate for 2014, adopted by the Board of Supervisors, is \$1.019.

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 1.6% in calendar year 2013. Development activity has picked up over the last twelve months.

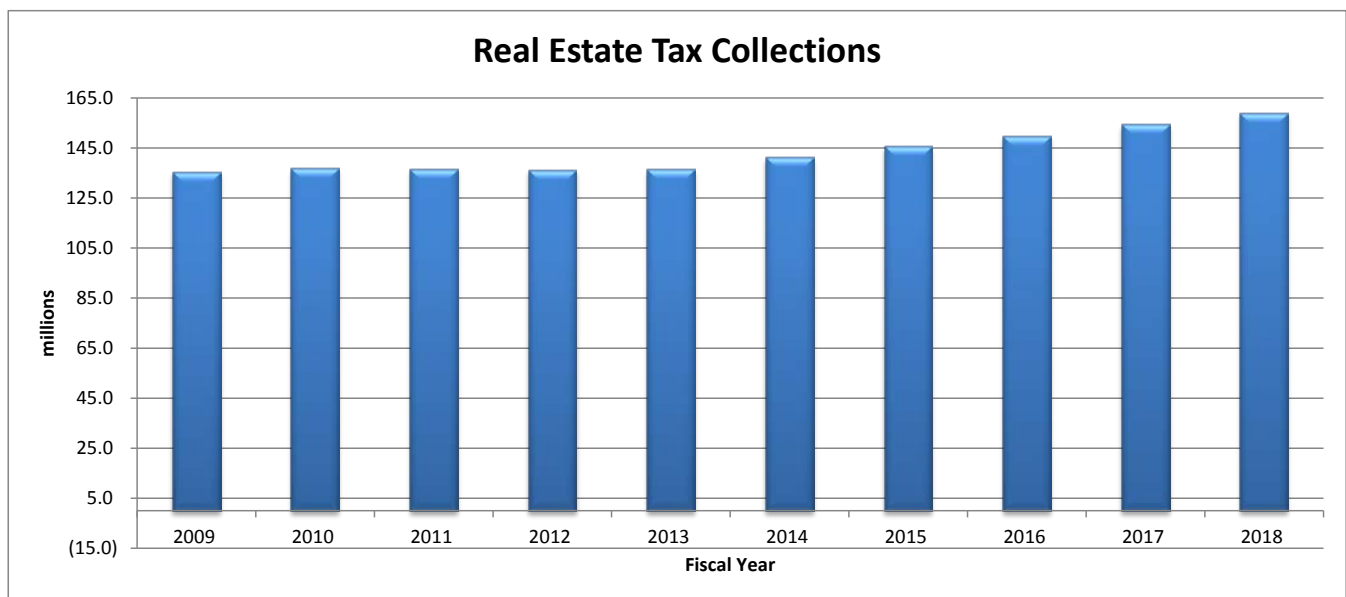
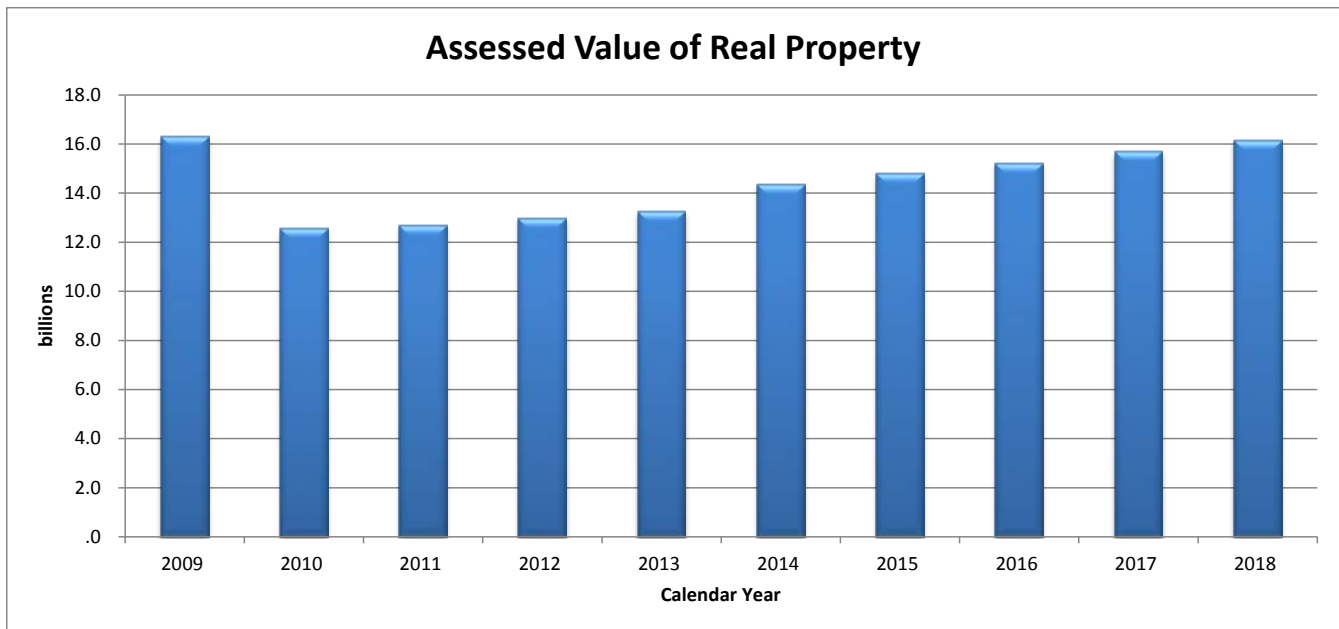
The FY2015 real property revenue projection is based on the following assumptions:

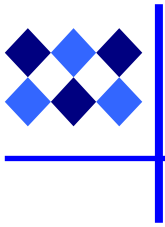
- 3.0% growth in properties in the County over the next year
- Real estate tax rate of \$1.019 for calendar years 2014 and 2015
- Collection rate of 98%



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 3.0% per year. It is assumed that the real estate tax rate remains level 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 reduced the personal property rate to \$6.61 in 2014. This follows action in previous years that effectively eliminated the tax on airplanes, boats, machinery and tools and motor carrier transportation.

Vehicles

Vehicle sales continue to rebound from the lows seen during the recession. In 2013, U.S. consumers purchased over one million more new cars than the year before. Sales of pickup trucks have improved as the construction industry continues to improve. Economists are predicting a continuation of the trend in 2014.

The personal property tax rate on vehicles is \$6.61 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 \$2.64 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.

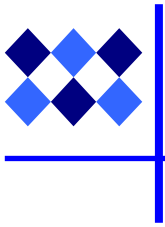
Aircraft

In 2009, the Board reduced the personal property tax rate on aircraft to \$0.0001 per \$100.00 of assessed value, effectively eliminating this tax.

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, effectively eliminating these taxes.



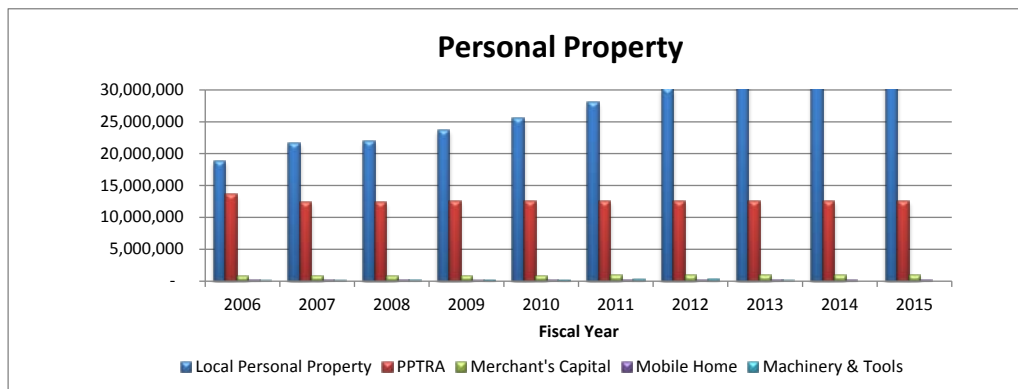
GENERAL FUND REVENUE ANALYSIS

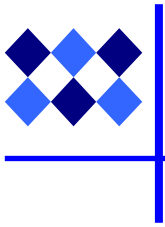
The following table lists the personal property tax rates for calendar year 2014:

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	\$6.61	\$2.64
Motor Carrier Transportation	\$0.0001	\$0.00
Machinery and Tools	\$0.0001	\$0.00
Merchant's Capital	\$0.50	\$0.20
Mobile Homes	\$1.019	\$1.019

Personal Property Tax Relief Act

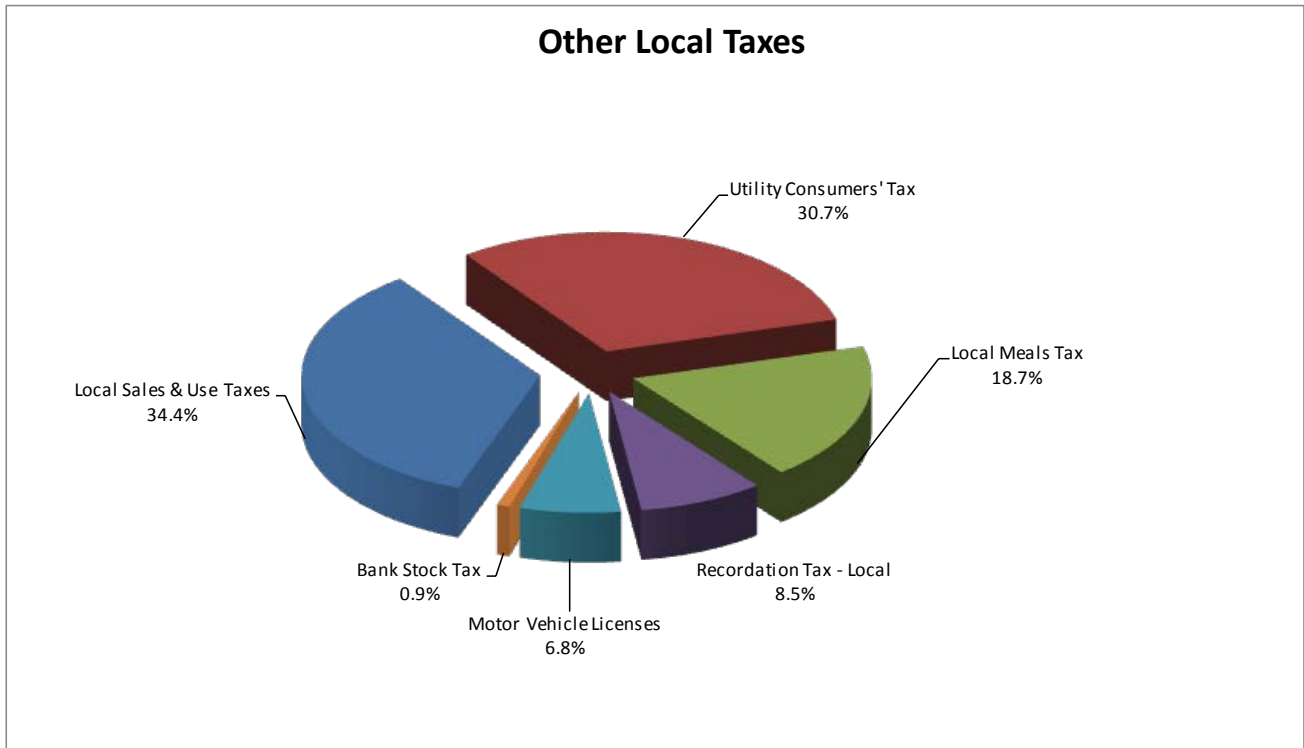
The General Assembly implemented the Personal Property Tax Relief Act (PPTRA) in 1998. Originally, under PPTRA, Virginia residents were to pay a decreasing percentage of personal property tax on qualifying vehicles until the entire tax was to be relieved in 2002. The program relieved the tax up to \$20,000 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.

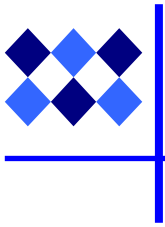




GENERAL FUND REVENUE ANALYSIS

Other Local Taxes	FY2013 Actual	FY2014 Adopted	Adopted	Changes '14 Adopted to '15 Proposed	
Local Sales & Use Taxes	\$11,800,992	\$11,345,000	\$11,700,000	\$355,000	3.1%
Utility Consumers' Tax	10,518,263	10,456,300	10,508,500	\$52,200	0.5%
Local Meals Tax	6,400,869	6,340,000	6,460,000	\$120,000	1.9%
Recordation Tax - Local	2,906,849	2,741,000	2,959,000	\$218,000	8.0%
Motor Vehicle Licenses	2,344,309	2,245,000	2,345,000	\$100,000	4.5%
Bank Stock Tax	299,726	355,000	300,000	(\$55,000)	-15.5%
Total	\$34,271,008	\$33,482,300	\$34,272,500	\$790,200	-2.3%





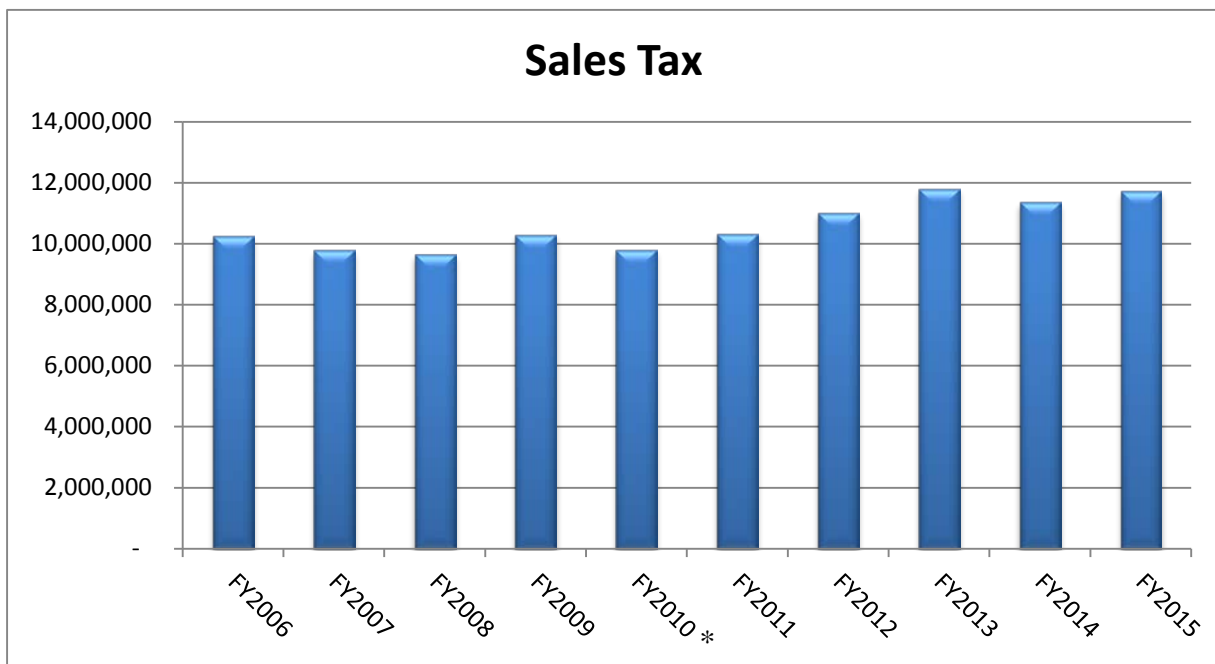
GENERAL FUND REVENUE ANALYSIS

Local Sales & Use Tax

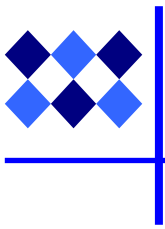
The State collects and distributes the local option 1% Sales and Use Tax in accordance with §58.1-605 and §58.1-606 of the Code of Virginia. Actual distributions are made to the County based on the amount of sales tax collected in the County.

Retail sales continue to grow. Calendar year 2013 collections were 6.3% higher than 2012. Sale tax revenue for the current year to date (through December 2013) is 2.9% higher than the same period in FY2013. The FY2015 forecast recognizes that growth, but conservatively projects level revenues going forward.

This chart reflects the recent history of sales tax revenue:



*FY2009 receipts reflect a one-time adjustment for prior year's receipts credited to City of Fredericksburg due to shared zip code. FY2013 receipts reflect a one-time adjustment of \$337k for a prior year adjustment.



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)

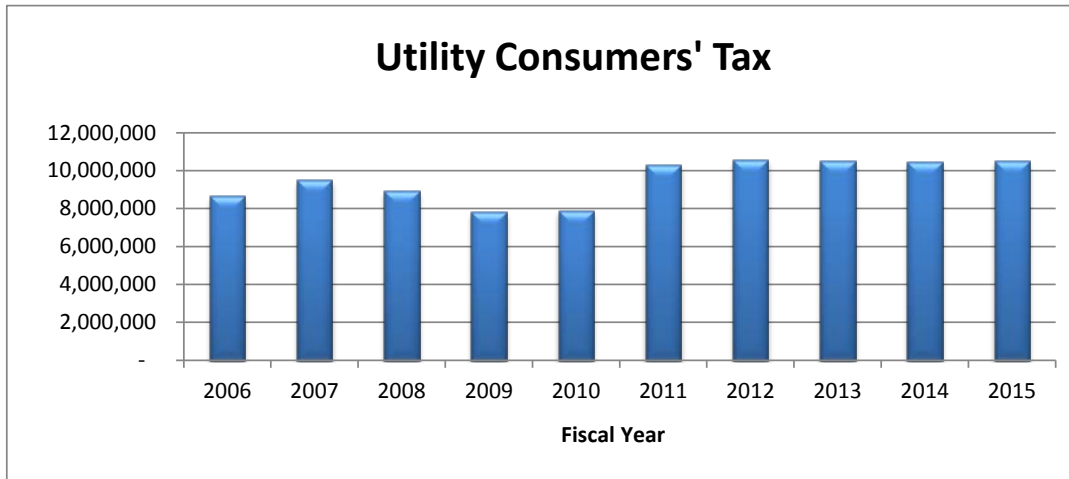
Communications sales and use tax revenue is collected by the Virginia Department of Taxation and distributed to localities monthly, according to the percentage of telecommunications and cable television tax each locality received relative to the statewide total in FY2006.



GENERAL FUND REVENUE ANALYSIS

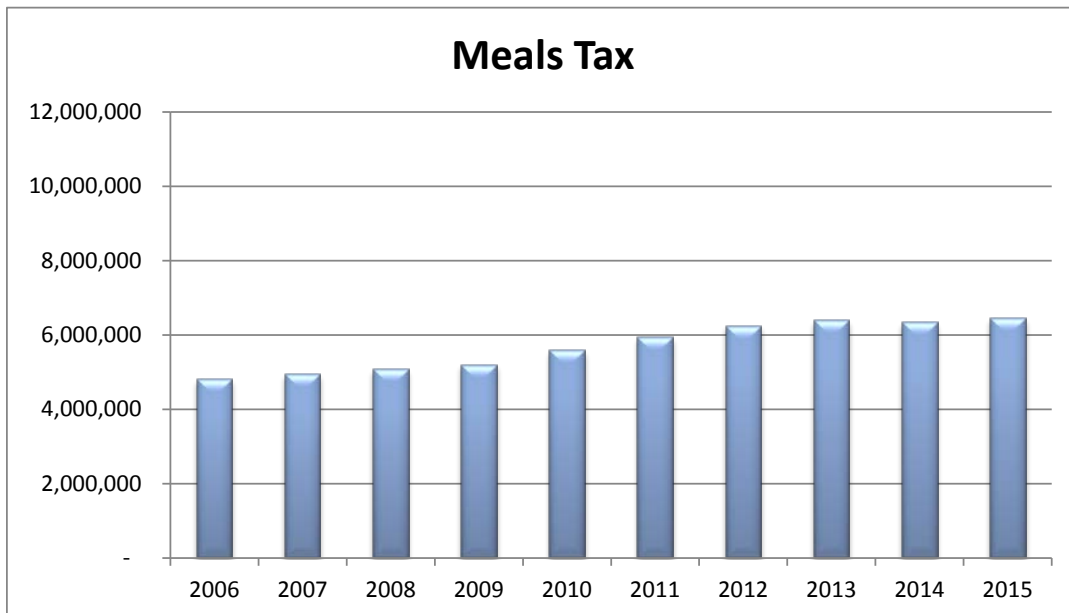
In compliance with GASB 54, the County combined the E911 fund with the General Fund. The consumer utilities taxes that were previously shown in the E911 fund are largely responsible for the increase shown in FY2011.

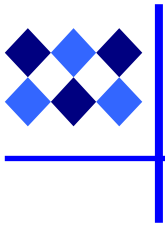
The FY2015 forecast assumes that revenue from these sources remain level.



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 2013 meals tax revenues were 5% higher than the year before. Meals tax revenue in the current year (through January 2014) is 1.8% higher than the same period in FY2013. The FY2015 forecast recognizes that growth, but conservatively projects level revenues going forward.

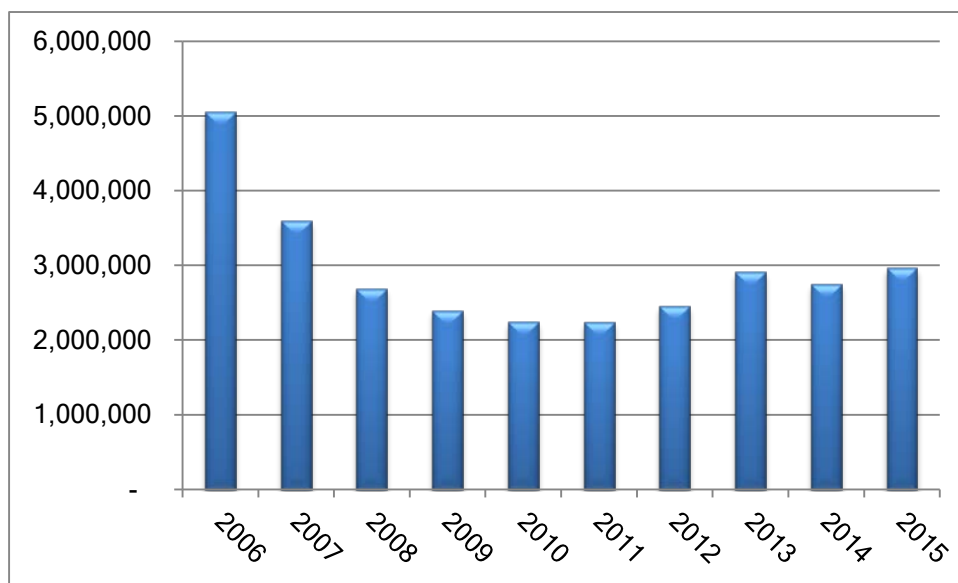




GENERAL FUND REVENUE ANALYSIS

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 continues to increase. FY 2013 recordation tax revenues were 13% higher than the year before. Current year revenue to date (through January 2014) is 3.0% higher than the same period in FY2013. The FY2015 forecast conservatively recognizes the increase in activity.

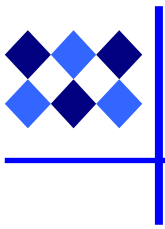


Motor Vehicle Licenses

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 Budget includes a one-time decal fee holiday, funded by FY2013 positive results of operations. The FY2015 budget assumes \$2.3 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 FY2015 budget assumes that these revenues will be level with the FY2013 collection.



GENERAL FUND REVENUE ANALYSIS

<u>Service Charges & Other</u>	<u>FY2013 Actual</u>	<u>FY2014 Adopted</u>	<u>Adopted</u>	<u>FY2015 Changes</u>	
				<u>'14 Adopted to '15 Adopted</u>	
Permit Fees & Licenses					
Code Administration Fees	3,296,582	2,750,300	3,249,400	499,100	15.1%
Planning & Zoning Fees	1,796,495	1,291,200	1,537,500	246,300	13.7%
Animal Licenses & Charges	100,105	92,400	98,980	6,580	6.6%
Well & Septic Fees	39,200	30,000	35,000	5,000	12.8%
Charges for Services					
Ambulance Fees	2,543,674	2,100,000	2,400,000	300,000	11.8%
Fines & Forfeitures	1,320,256	1,175,300	1,308,260	132,960	10.1%
Parks & Recreation	1,967,255	2,000,900	2,210,588	209,688	10.7%
Miscellaneous Revenue	3,984,619	3,210,000	3,553,044	343,044	8.6%
Total	15,048,186	12,650,100	14,392,772	1,742,672	13.8%

Permits & Licenses

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

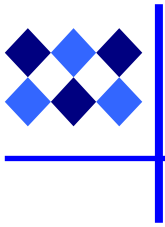
The majority of revenue in this category is related to development. Construction activity has steadily improved recently. Building permit revenues are estimated based upon projections of new households as well as commercial and industrial establishments. The County has followed a policy of charging user 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.

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 December, 2013.



GENERAL FUND REVENUE ANALYSIS

The current approved rates are:

Basic Life Support	\$ 505.00
Advanced Life Support - 1	\$ 656.50
Advanced Life Support - 2	\$ 808.00
Loaded Mile	\$ 12.12

The FY2015 forecast estimates \$2.4 million of cost recovery revenue through ambulance transport fees.

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.

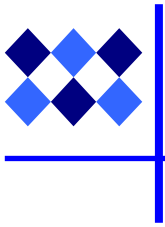
Parks and Recreation Fees

In FY2015, revenues generated through gymnastic, aquatic and recreation programs, and admission fees are budgeted at \$1.7 million. The Board approved the following changes to be effective July 1, 2014:

- Increased field rental rates to help offset the cost of increased staff presence in parks for safety and customer service
- Increased flat-rate light fees to offset increase in energy costs
- Reduction in the hourly rate for sporting events at the Courthouse Community Center Gymnasium to align with Stafford County Schools rate, to encourage use of the facility and to generate more revenue

This modification of fees is expected to generate \$160k annually.

In addition, fees collected for activities at Chichester and Embrey Mill parks are projected to be \$60k.



GENERAL FUND REVENUE ANALYSIS

<u>Intergovernmental</u>	<u>FY2013 Actual</u>	<u>FY2014 Budget</u>	<u>FY2015 Adopted</u>	<u>Changes '14 Adopted to '15 Adopted</u>	
State - Shared Expenses					
Clerk of the Circuit Court	\$716,531	\$584,700	\$584,700	\$0	0.0%
Commissioner of the Revenue	237,800	252,700	252,700	0	0.0%
Commonwealth's Attorney	922,965	1,024,100	1,023,267	(833)	-0.1%
Registrar	48,275	68,500	48,000	(20,500)	-42.5%
Sheriff	3,589,441	3,886,800	3,796,033	(90,767)	-2.5%
Treasurer	220,791	231,900	231,900	0	0.0%
State & Federal - Social Services	4,110,909	4,983,800	4,983,800	0	0.0%
State - Comprehensive Services Act	2,197,213	2,587,245	2,414,000	(173,245)	-7.9%
State Categorical Aid:					
State Reimbursement	252,993	292,100	487,154	195,054	77.1%
State Fire Program Fund	367,806	325,000	362,202	37,202	10.1%
Emergency Medical Service	108,895	100,000	108,895	8,895	8.2%
State - Non Categorical Aid	370,551	349,000	370,049	21,049	5.7%
Federal	1,203,449	5,600	5,500	(100)	0.0%
Total	\$14,347,619	\$14,691,445	\$14,668,200	(\$23,245)	-0.2%

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.

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

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 agencies. After the adoption of the FY2014 budget, the County was awarded a grant to help fund School Resource Officers for the County's middle schools. The grant accounts for a large portion of the year over year increase in the state reimbursement category.

State Non-Categorical Aid

These revenues are collected by the Commonwealth and shared with the County. The FY2015 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.

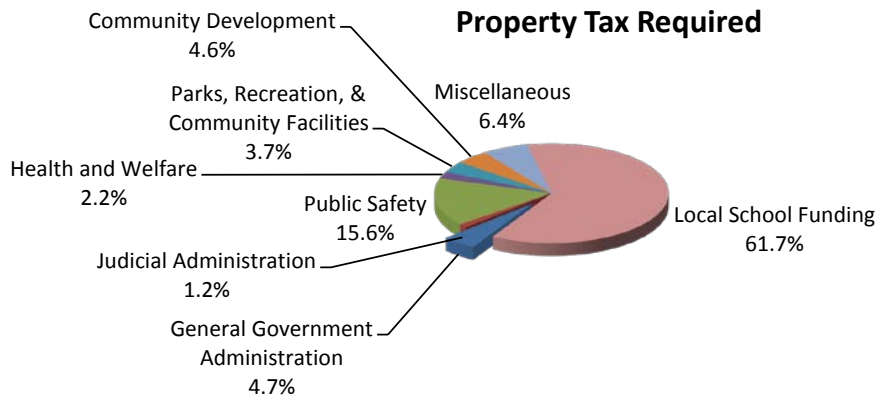
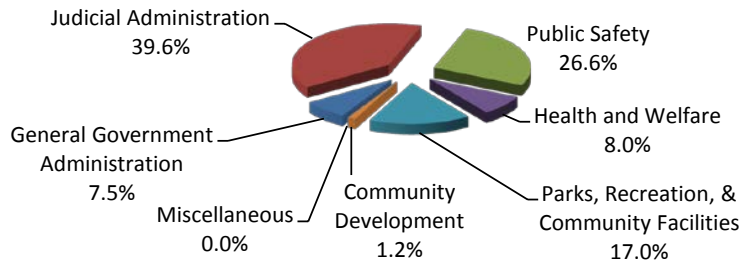


CURRENT SERVICE COSTS PROPERTY TAXES

Service Type	Service Costs	FY2015 Revenues		Property Tax Required Total	Property Tax Required Per Capita
		Designated	Undesignated		
General Government Administration	\$11,993,422	\$1,043,683	\$1,606,569	\$9,343,170	\$65.66
Judicial Administration	5,195,600	2,132,359	695,972	2,367,269	16.64
Public Safety	48,674,872	11,237,284	6,520,202	30,917,386	217.27
Health and Welfare	13,706,580	7,555,550	1,836,054	4,314,976	30.32
Parks, Recreation, & Community Facilities	11,029,230	2,259,588	1,477,411	7,292,231	51.25
Community Development	16,042,814	4,821,900	2,149,002	9,071,912	63.75
Miscellaneous	14,958,384	350,000	2,003,738	12,604,646	88.58
Local School Funding	141,139,006	0	18,906,159	122,232,847	858.99
Total	\$262,739,908	\$29,400,364	\$35,195,108	\$198,144,436	\$1,392.45

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

Designated Revenues



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