

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

SUMMARY OF GENERAL FUND REVENUE AND TRANSFERS IN

Category	FY 2009 Actual	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	FY 2010 Actual	Over the FY 2010 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$2,047,846,868	\$2,113,373,891	\$2,113,946,342	\$2,115,027,223	\$1,080,881	0.05%
Personal Property Taxes ¹ - Current and Delinquent	527,727,380	492,194,596	498,011,842	507,115,329	9,103,487	1.83%
Other Local Taxes	460,416,709	449,147,701	444,517,254	459,292,202	14,774,948	3.32%
Permits, Fees and Regulatory Licenses	24,494,049	32,575,391	27,676,152	28,658,064	981,912	3.55%
Fines and Forfeitures	16,444,077	17,426,083	16,770,919	14,942,650	(1,828,269)	-10.90%
Revenue from Use of Money/Property	40,013,890	14,162,838	23,696,206	20,575,149	(3,121,057)	-13.17%
Charges for Services	61,862,075	62,150,200	62,871,212	63,225,621	354,409	0.56%
Revenue from the Commonwealth and Federal Governments ¹	144,409,928	125,412,801	124,734,609	132,002,531	7,267,922	5.83%
Recovered Costs/ Other Revenue	8,449,508	7,522,999	7,659,321	7,879,894	220,573	2.88%
Total Revenue	\$3,331,664,484	\$3,313,966,500	\$3,319,883,857	\$3,348,718,663	\$28,834,806	0.87%
Transfers In	44,984,635	11,622,151	12,122,151	12,122,151	0	0.00%
Total Receipts	\$3,376,649,119	\$3,325,588,651	\$3,332,006,008	\$3,360,840,814	\$28,834,806	0.87%

¹ The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

General Fund Revenues and Transfers In for FY 2010 are \$3,360,840,814, an increase of \$28,834,806, or 0.87 percent, over the *FY 2010 Revised Budget Plan* estimate. This increase is primarily the result of increases in Personal Property Tax receipts, Other Local Taxes, including Bank Franchise Taxes, Local Sales Tax and Business, Professional, and Occupational Licenses (BPOL), and Revenue from the Commonwealth and Federal Governments, partially offset by decreases in Revenue from the Use of Money and Property and Fines and Forfeitures.

FY 2011 Revenue Adjustments

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustment section and a \$1.3 million Transfer In from Fund 106, Fairfax-Falls Church Community Services Board, no other adjustments have been made to FY 2011 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. The condition of the real estate market after the expiration of federal tax credits for homebuyers will impact collections of Deed of Conveyance and Recordation Taxes, as well as, County Clerk

FY 2010 Carryover Review

Attachment II

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

Fees in FY 2011. The impact of economic conditions on FY 2011 revenues will be more apparent during the fall 2010 revenue review after several months of actual FY 2011 collections have been received. In addition, the state of the Commonwealth's budget in FY 2011 could impact aid to localities, should additional state funding reductions become necessary. Any necessary FY 2011 revenue adjustments will be made as part of the fall review or during the *FY 2011 Third Quarter Review*.

REAL PROPERTY TAXES

REAL ESTATE TAX - CURRENT AND DELINQUENT

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$2,047,846,868	\$2,113,373,891	\$2,113,946,342	\$2,115,027,223	\$1,080,881	0.05%

Total Real Estate Taxes in FY 2010 are \$2,115,027,223, an increase of \$1,080,881, or 0.05 percent, from the *FY 2010 Revised Budget Plan*. FY 2010 Current Real Estate Taxes are \$2,104,657,903, representing an increase of \$2,609,585, or 0.12 percent, from the *FY 2010 Revised Budget Plan*. This net increase is due to variances in tax relief and a higher than expected collection rate. The *FY 2010 Revised Budget Plan* included a projected revenue loss of \$27.2 million for expected tax relief for the elderly and disabled. Actual FY 2010 tax relief for the program's 8,017 participants was \$25.2 million, resulting in an increase in revenue of \$2.0 million. In addition, the budget estimate included a 99.61 percent collection rate and the actual FY 2010 collection rate is 99.66 percent, the same rate achieved in FY 2009 and FY 2008.

FY 2010 Delinquent Real Estate Taxes are \$10,369,320, a decrease of \$1,528,704, or 12.8 percent, over the *FY 2010 Revised Budget Plan* estimate. The level of delinquent accounts was lower due to the high collection rate achieved in FY 2010 and the last two years.

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT AND DELINQUENT

	FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
Paid Locally	\$316,413,436	\$280,880,652	\$286,697,898	\$295,801,385	\$9,103,487	3.18%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	0	0.00%
Total	\$527,727,380	\$492,194,596	\$498,011,842	\$507,115,329	\$9,103,487	1.83%

Total Personal Property Taxes in FY 2010 are \$507,115,329, an increase of \$9,103,487, or 1.8 percent, over the *FY 2010 Revised Budget Plan*. Both Current and Delinquent Personal Property Tax collections were higher than projected.

Actual FY 2010 collections for Current Personal Property Taxes are \$495,583,968, an increase of \$6,865,714, or 1.4 percent, over the *FY 2010 Revised Budget Plan* estimate. The increase is due to fewer exonerations and higher omitted assessments. Of the total FY 2010 Current Personal Property Tax revenue, \$211.3 million is the portion reimbursed by the Commonwealth of Virginia under the Personal Property Tax Relief Act (PPTRA). A collection rate of 97.6 percent was achieved in FY 2010 on the taxpayer's portion of Personal Property levy, slightly lower than the 98.0 percent that was projected.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

Actual FY 2010 collections for Delinquent Personal Property Tax revenue were \$11,531,361, which represents an increase of \$2,237,773, or 24.1 percent, over the *FY 2010 Revised Budget Plan* estimate, resulting from significant tax collection activity by the Department of Tax Administration. Delinquent Tax collections in FY 2010 are 2.5 percent higher than FY 2009 receipts.

OTHER LOCAL TAXES

Actual FY 2010 collections for Other Local Taxes are \$459,292,202, a net increase of \$14,774,948, or 3.3 percent, over the *FY 2010 Revised Budget Plan* estimate of \$444,517,254. This increase is primarily due to increases in Local Sales Tax, Current and Delinquent Business, Professional and Occupational License (BPOL) Taxes, and Bank Franchise Taxes, partially offset by decreases in the Communications Sales and Use Tax, and Transient Occupancy Taxes.

LOCAL SALES TAX

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$153,852,596	\$152,245,787	\$145,763,329	\$149,547,338	\$3,784,009	2.60%

Actual FY 2010 Sales Tax receipts are \$149,547,338, an increase of \$3,784,009, or 2.6 percent, over the *FY 2010 Revised Budget Plan* estimate of \$145,763,329. During the fall 2009 revenue review, the estimate for Sales Tax was reduced \$6.5 million, reflecting a projected decline of 5.3 percent from FY 2009, based on collection trends and signs of continued weakness in consumer spending. The estimate was kept unchanged during the *FY 2010 Third Quarter Review* based on year-to-date collections, which were down 5.1 percent. However, during the last five months of the fiscal year, collections increased 7.9 percent, resulting in an overall 2.8 percent decrease for the fiscal year.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - CURRENT

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$139,987,138	\$130,134,489	\$136,431,465	\$138,542,613	\$2,111,148	1.55%

Total FY 2010 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$138,542,613, an increase of \$2,111,148, or 1.6 percent, over the *FY 2010 Revised Budget Plan* estimate. Businesses file and pay their BPOL Taxes simultaneously on March 1 based on the prior year's gross receipts. Because there is little information until these bills are processed regarding actual collections, the County relies on econometric models that use information regarding sales tax receipts and employment in order to estimate BPOL receipts. A decline of 2.5 percent was projected based on these indicators. Actual FY 2010 receipts fell 1.0 percent from the FY 2009 level. The Retail category, which represents 17 percent of total BPOL receipts, fell 4.6 percent from FY 2009. The combined Consultant and Business Service Occupations categories, which represent 46.5 percent of total BPOL receipts, dropped a slight 0.4 percent from FY 2009 revenue, reflecting flat federal procurement spending in the County. Real estate related categories improved in FY 2010. The combined Real Estate Broker and Money Lender category (1.0 percent of total BPOL receipts) rose 1.8 percent, while the Builder and Developers component (0.2 percent of total BPOL) increased 6.2 percent in FY 2010.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - DELINQUENT

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$2,560,310	\$3,040,375	(\$558,736)	(\$25,355)	\$533,381	95.46%

Actual FY 2010 Delinquent BPOL revenue is (\$25,355), an increase of \$533,381 over the *FY 2010 Revised Budget Plan* estimate. The estimate for BPOL delinquent collections had been lowered \$1.0 million during the fall 2009 revenue review and another \$2.6 million during the *FY 2010 Third Quarter Review* as a result of anticipated refunds from outstanding appeals for business reclassification from the consultant category, which is levied at BPOL tax rate of 31 cents per \$100 of gross receipts, to the business services category, which is levied at a rate of 19 cents per \$100 of gross receipts. After completion of the appeals process, refunds were lower than estimated resulting in a surplus of \$0.5 million at year-end.

BANK FRANCHISE

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$8,051,036	\$5,300,986	\$6,248,658	\$16,817,879	\$10,569,221	169.14%

Actual FY 2010 Bank Franchise Tax revenue is \$16,817,879, an increase of \$10,569,221, or 169.1 percent, over the *FY 2010 Revised Budget Plan* estimate. Revenue in this category is not received until late May and June, making it a difficult category to project. FY 2010 collections more than doubled compared to 2009 collections of \$8.1 million. An increase of approximately \$3.0 million is due to bank mergers that increased assets of County banks. However, the increase is primarily the result of banks holding significant reserves above those currently required by the Federal Reserve. In addition, due to economic concerns, banks are making relatively fewer loans which also increases their assets, the basis for the Bank Franchise Tax.

COMMUNICATIONS SALES AND USE TAX

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$53,805,974	\$55,847,373	\$52,690,102	\$52,075,447	(\$614,655)	-1.17%

Actual FY 2010 revenue from the Communications Sales and Use Tax is \$52,075,447, a decrease of \$614,655, or 1.2 percent, from the *FY 2010 Revised Budget Plan*. The estimate for the Communications Sales and Use Tax was reduced \$2.9 million during the fall 2009 revenue review, to account for estimated refunds and lower monthly receipts, resulting from the correction of the previous over-collection of taxes. The decrease from the budget estimate results from lower than estimated monthly receipts once refunds were completed.

TRANSIENT OCCUPANCY TAX

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$18,097,701	\$19,499,206	\$18,097,701	\$16,959,859	(\$1,137,842)	-6.29%

Actual FY 2010 revenue from the Transient Occupancy Tax is \$16,959,859, a decrease of \$1.1 million, or 6.3 percent, from the *FY 2010 Revised Budget Plan*. The FY 2010 estimate for Transient Occupancy Tax was revised

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

downward to the same level of receipts as FY 2009 based on collections through December 2009. Actual receipts declined more than anticipated in the last quarter of the fiscal year, resulting in a 6.3 percent decrease from FY 2009.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2010 revenue from the Use of Money and Property is \$20,575,149, a decrease of \$3,121,057, or 13.2 percent, from the *FY 2010 Revised Budget Plan* estimate of \$23,696,206 and is due to a decrease in Interest on Investments.

INTEREST ON INVESTMENTS

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$36,460,012	\$10,432,972	\$19,994,610	\$16,791,494	(\$3,203,116)	-16.02%

Actual FY 2010 Interest on Investments is \$16,791,494, a decrease of \$3,203,116, or 16.0 percent, from the *FY 2010 Revised Budget Plan* estimate due to a lower than projected yield. The budget estimate included an estimated yield of 0.94 percent. The actual FY 2010 average portfolio of \$2,756.0 million earned a yield of 0.89 percent. Total interest on all pooled investments for all funds was \$23.6 million. The General Fund's actual percentage of this total was 71.0 percent compared to an estimated 68.0 percent.

PERMITS, FEES AND REGULATORY LICENSES
--

PERMITS, FEES AND REGULATORY LICENSES

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$24,494,049	\$32,575,391	\$27,676,152	\$28,658,064	\$981,912	3.55%

Actual FY 2010 revenue from Permits, Fees and Regulatory Licenses is \$28,658,064, an increase of \$981,912, or 3.6 percent, from the *FY 2010 Revised Budget Plan*. This increase is primarily due to higher than projected receipts of Building and Inspection Fees and Fire Marshal Fees, partially offset by lower Zoning Fees.

Actual FY 2010 revenue from Building and Inspection Fees was \$19.6 million, \$1.7 million more than estimated as a result of increase in construction activity in the latter part of the fiscal year. Through February, collections were up 5.3 percent, the same rate included in the budget estimate. From March through June, receipts rose 30.5 percent. Revenue collections of Fire Marshal Fees were \$0.2 million higher than estimated, also due to the up-tick in construction activity. Actual FY 2010 Zoning Fees revenue of \$2.0 million is \$0.9 million less than projected. The budget estimate reflected a fee increase that was expected to generate \$1.8 million, but actual revenue was lower due to the continued decrease in the number of zoning applications.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

FINES AND FORFEITURES

FINES AND FORFEITURES

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$16,444,077	\$17,426,083	\$16,770,919	\$14,942,650	(\$1,828,269)	-10.90%

Actual FY 2010 revenue from Fines and Forfeitures is \$14,942,650, a decrease of \$1,828,269, or 10.9 percent, from the *FY 2010 Revised Budget Plan*. This decrease is primarily due to lower than projected receipts of General District Court Fines, Alarm Ordinance Violations, and Parking Violations.

Actual FY 2010 General District Court Fines revenue of \$6.8 million is \$1.2 million less than estimated as a result of lower case load, which was down nearly 10 percent during the fiscal year, due in part to the implementation of a new records management system and the significant snowstorms that occurred in the winter of 2010. In addition, the fee schedule for Alarm Ordinance Violations was revised to provide a steeper progression for repeat alarm violations. Revenue was lower than projected due to lower than anticipated false alarms. FY 2010 revenue is down 6.3 percent from FY 2009 receipts. Revenue collections from Parking Violations were \$0.2 million lower than estimated due to fewer tickets written.

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

FY 2009 Actual	FY 2010 Adopted	FY 2010 Revised	FY 2010 Actual	Increase/ (Decrease)	Percent Change
\$144,409,928	\$125,412,801	\$124,734,609	\$132,002,531	\$7,267,922	5.83%

¹ Excludes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998. See the "Personal Property Tax - Current" heading in this section.

Actual FY 2010 Revenue from the Commonwealth and Federal Government is \$132,002,531, a net increase of \$7,267,922, or 5.8 percent, over the *FY 2010 Revised Budget Plan*. Additional revenue of \$4.9 million is due to reimbursable expenditures associated with public assistance programs. Of this increase, \$3.8 million is associated with the Child Care Assistance and Referral program, while \$1.1 million is due to continued maximization of state administrative funding for social services positions.

Federal funding of \$1.5 million was received for holding illegal immigrants in County jails. Due to the uncertainty regarding the amount of the federal appropriation for this program, no revenue estimate had been included in the FY 2010 budget.

The \$8.4 million reserve for state budget reductions included in the *FY 2010 Revised Budget Plan* was used in its entirety. Reductions included \$2.3 million in HB599 Law Enforcement funding and \$2.0 million in Compensation Board funding for state reimbursable salaries. In addition, the state reductions included a \$3.9 million "flexible" cut which required localities to choose the funding stream(s) in which to make the reduction or to remit payment to the state. Fairfax County elected to have this cut taken from just one program for ease of tracking the reduction. HB599 Law Enforcement funding was chosen because it is one of the larger state funding categories that is not a direct reimbursement for County expenditures. The County did not make a corresponding expenditure reduction to

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

the Police Department; rather, the funding reduction was incorporated in the overall development of the County's FY 2010 Budget.

It should be noted that the Commonwealth of Virginia used federal stimulus funds to supplement the state's share of Compensation Board funding for the Office of the Sheriff. For Fairfax County, stimulus funds accounted for \$12.1 million of the \$13.6 million received for reimbursable salaries in the Office of the Sheriff.