

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

Category	FY 2013 Actual	FY 2014 Adopted Budget Plan	FY 2014 Revised Budget Plan	FY 2014 Actual	Change from the FY 2014 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes	\$2,123,406,700	\$2,207,982,016	\$2,216,599,964	\$2,215,448,438	(\$1,151,526)	(0.05%)
Personal Property Taxes	564,947,212	547,381,366	565,622,236	569,603,214	3,980,978	0.70%
Other Local Taxes	530,960,414	526,607,627	514,082,518	514,266,470	183,952	0.04%
Permits, Fees and Regulatory Licenses	38,201,352	36,870,254	38,688,569	39,351,756	663,187	1.71%
Fines and Forfeitures	14,131,523	14,863,219	14,217,784	14,073,583	(144,201)	(1.01%)
Revenue from Use of Money/Property	17,511,082	16,936,422	14,963,799	15,205,062	241,263	1.61%
Charges for Services	72,674,073	72,690,493	74,509,001	71,310,215	(3,198,786)	(4.29%)
Revenue from the Commonwealth and Federal Governments ¹	120,964,781	121,280,813	120,247,049	125,125,619	4,878,570	4.06%
Recovered Costs/ Other Revenue	15,297,940	14,935,437	15,030,165	17,852,508	2,822,343	18.78%
Total Revenue	\$3,498,095,077	\$3,559,547,647	\$3,573,961,085	\$3,582,236,865	\$8,275,780	0.23%
Transfers In	6,770,457	23,870,596	23,870,596	23,870,596	-	0.00%
Total Receipts	\$3,504,865,534	\$3,583,418,243	\$3,597,831,681	\$3,606,107,461	\$8,275,780	0.23%

¹The 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 2014 are \$3,606,170,461, an increase of \$8,275,780, or 0.23 percent, over the *FY 2014 Revised Budget Plan* estimate. This increase is the result of increases in Personal Property Tax receipts, Revenue from the Commonwealth and the Federal Government, and Recovered Costs, partially offset by decreases in Real Estate Taxes and Charges for Services. The extremely small variance between estimated and actual revenue collections leaves little flexibility in the event that a large revenue category experiences a significant unanticipated decline late in the fiscal year. FY 2014 General Fund revenues grew at a modest 2.4 percent compared to the 3.5 percent growth rate experienced in FY 2013. Except for the Real Estate Tax receipts, which grew 4.3 percent in FY 2014, most other revenue categories were flat or declined compared to FY 2013.

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2015 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. Preliminary FY 2015 estimates indicate that revenues are down approximately \$4.5 million from the FY 2015 Adopted Budget Plan due primarily to lower projected Recordation Taxes and Clerk Fees. It is anticipated that this decrease will be partially offset by an increase of \$2.8 million in funds expected to be received in FY 2015 that are the result of a joint police undercover operation with the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). The impact of economic conditions on FY 2015 revenues will be more apparent during the fall 2014 revenue review after several months of actual FY 2015 collections have been received. Any necessary FY 2015 revenue adjustments will be made as part of the fall review or during the *FY 2015 Third Quarter Review*.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

REAL PROPERTY TAXES

REAL ESTATE TAX-CURRENT AND DELINQUENT

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$2,123,406,700	\$2,207,982,016	\$2,216,599,964	\$2,215,448,438	(\$1,151,526)	(0.1%)

Total Real Estate Taxes in FY 2014 are \$2,215,448,438, a decrease of \$1,151,526, or 0.1 percent, from the *FY 2014 Revised Budget Plan*. FY 2014 Current Real Estate Taxes are \$2,207,971,561, representing an increase of \$332,612 over the *FY 2014 Revised Budget Plan*. This net increase is due to variances in exonerations and supplemental assessments, and a higher than projected collection rate. The budget estimate included a 99.65 percent collection rate and the actual FY 2014 collection rate is 99.71 percent. The revenue increase of \$1.3 million associated with the increase in the collection rate was partially offset by higher than projected exonerations, which decreased revenues by \$0.4 million, and lower than projected supplemental assessments, which decreased revenues by \$0.6 million.

FY 2014 Delinquent Real Estate Taxes are \$7,476,877, a decrease of \$1,484,138, or 16.6 percent, from the *FY 2014 Revised Budget Plan* estimate. Collections were lower than anticipated primarily due to a large refund processed late in the fiscal year.

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT AND DELINQUENT

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$564,947,212	\$547,381,366	\$565,622,236	\$569,603,214	\$3,980,978	0.7%

Total Personal Property Taxes in FY 2014 are \$569,603,214, an increase of \$3,980,978, or 0.7 percent, over the *FY 2014 Revised Budget Plan*. FY 2014 collections for Current Personal Property Taxes are \$556,545,617, an increase of \$1,183,973, or 0.2 percent, over the *FY 2014 Revised Budget Plan* estimate. The increase is primarily due to higher than expected vehicle levy and omitted assessments, partially offset by higher exonerations. Of the total FY 2014 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 97.15 percent was achieved in FY 2014 on the taxpayer's portion of Personal Property levy.

FY 2014 Delinquent Personal Property Taxes are \$13,057,597, an increase of \$2,797,005, or 27.3 percent, over the *FY 2014 Revised Budget Plan* estimate, due to significant collection and enforcement activity by the Department of Tax Administration.

OTHER LOCAL TAXES

Actual FY 2014 collections for Other Local Taxes are \$514,266,470, a net increase of \$183,952, over the *FY 2014 Revised Budget Plan* estimate of \$514,082,518. This increase is primarily due to increases in Sales Tax collections, Bank Franchise Fees and Utilities Taxes, partially offset with decreases in Business, Professional and Occupational License (BPOL) Taxes, Recordation and Deed of Conveyance Taxes, Communications Sales and Use Taxes and the Transient Occupancy Tax.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

LOCAL SALES TAX

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$166,893,847	\$171,377,177	\$163,622,176	\$165,459,545	\$1,837,369	1.1%

Actual FY 2014 Sales Tax receipts are \$165,459,545, an increase of \$1,837,369, or 1.1 percent, over the *FY 2014 Revised Budget Plan* estimate. The increase is primarily due to stronger than projected collections during the final three months of FY 2014. At the time that the FY 2014 estimate was set, collections through March were down 1.5 percent and March receipts for retail purchases made in January were down 4.1 percent due to severe winter weather. Because of continued inclement weather in February and March, Sales Tax receipts were projected to be down 2.0 percent for the year. However, Sales Tax receipts during the last three months of FY 2014 were up 1.3 percent. Total FY 2014 Sales Tax receipts were down 0.9 percent from FY 2013, the first decline in four years. In addition to the severe winter weather, Sales Tax receipts during FY 2014 were impacted by federal sequestration and refunds for prior year's receipts totaling \$2.0 million.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - CURRENT

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$156,170,308	\$160,698,900	\$152,687,577	\$151,965,995	(\$721,582)	(0.5%)

Actual FY 2014 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$151,965,995, a decrease of \$721,582, or 0.5 percent, from the *FY 2014 Revised Budget Plan* estimate. The budget estimate represented a 2.2 percent decrease from FY 2013 receipts and was based on an econometric model that uses calendar year sales tax and employment as predictors. Businesses file and pay their BPOL Taxes simultaneously on March 1 based on the prior year's gross receipts. Actual FY 2014 receipts decreased 2.7 percent from the FY 2013 level. The combined Consultant and Business Service Occupations categories, which represent 44 percent of total BPOL receipts, decreased 7.1 percent from the FY 2013 level. The Retail category, which represents 19 percent of total BPOL receipts, rose 1.7 percent in FY 2014. Professional and Specialized Occupations, which include attorneys and doctors, represent over 11 percent of total BPOL and decreased 1.6 percent in FY 2014.

BANK FRANCHISE TAX

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$16,954,511	\$15,153,475	\$16,253,475	\$16,705,890	\$452,415	2.8%

Actual FY 2014 Bank Franchise Tax revenue is \$16,705,890, an increase of \$452,415, or 2.8 percent, over the *FY 2014 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a difficult category to project. During the *FY 2014 Third Quarter Review*, the estimate for the Bank Franchise Tax was increased \$1.1 million based on initial filings, reflecting a decrease of 4.1 percent from FY 2013. Receipts decreased a more modest 1.5 percent for the year.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

RECORDATION AND DEED OF CONVEYANCE TAXES

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$33,655,517	\$28,968,635	\$27,113,162	\$25,105,000	(\$2,008,162)	(7.4%)

Actual FY 2014 Recordation and Deed of Conveyance Tax revenue is \$25,105,000, a decrease of \$2,008,162, or 7.4 percent, from the *FY 2014 Revised Budget Plan*. The revenue estimate was reduced a net \$0.5 million during the fall 2013 revenue review and another \$1.4 million during the *FY 2014 Third Quarter Review* based on lower mortgage refinancing activity due to higher mortgage interest rates. The estimate reflected a 19.4 percent decline from FY 2013. Home sales and mortgage refinancing were lower than expected and FY 2014 revenues decreased 25.4 percent from the FY 2013 level.

COMMUNICATIONS SALES AND USE TAX

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$47,933,955	\$48,526,451	\$46,802,582	\$45,911,914	(\$890,668)	(1.9%)

Actual FY 2014 revenue from the Communications Sales and Use Tax is \$45,911,914, a decrease of \$890,668, or 1.9 percent, from the *FY 2014 Revised Budget Plan*. Based on collection trends, the budget estimate was reduced \$1.7 million during the fall 2013 revenue review, reflecting a 2.4 percent decline from FY 2013. FY 2014 Communications Sales Tax collections fell more than expected and receipts are down 4.2 percent compared to FY 2013.

TRANSIENT OCCUPANCY TAX

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$18,990,201	\$20,768,589	\$18,026,269	\$17,693,605	(\$332,664)	(1.8%)

Actual FY 2014 Transient Occupancy Tax receipts are \$17,693,605, a decrease of \$332,664, or 1.8 percent, from the *FY 2014 Revised Budget Plan*. Based on early collection trends, the budget estimate was decreased \$2.7 million during the fall 2013 revenue review and represented a 5.1 percent decrease from FY 2013 receipts. Transient Occupancy Tax collections fell more than anticipated and total FY 2014 receipts are down 6.8 percent compared to FY 2013. The decline in FY 2014 is likely due in part to federal sequestration as a result of lower federal and federal contractors' business travel, which put downward pressure on hotel occupancy and room rates.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2014 revenue from the Use of Money and Property is \$15,205,062, an increase of \$241,263, or 1.6 percent, over the *FY 2014 Revised Budget Plan* estimate of \$14,963,799, and is primarily due to an increase in Interest on Investments.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

INVESTMENT INTEREST

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$13,297,996	\$12,585,530	\$10,631,656	\$10,775,592	\$143,936	1.4%

Actual FY 2014 Interest on Investments is \$10,775,592, an increase of \$143,936, or 1.4 percent, over the *FY 2014 Revised Budget Plan* estimate. Annual revenue in this category is based on a combination of factors including the average portfolio size, average yield, and the percent of interest earnings attributable to the General Fund in FY 2014. The actual FY 2014 average portfolio of \$2,718.2 million earned a yield of 0.45 percent. The General Fund's average interest allocation of total interest earned on the investment portfolio was 72.5 percent compared to an estimated 72.1 percent.

PERMITS, FEES AND REGULATORY LICENSES
--

PERMITS, FEES AND REGULATORY LICENSES

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$38,201,352	\$36,870,254	\$38,688,569	\$39,351,756	\$663,187	1.7%

Actual FY 2014 revenue from Permits, Fees and Regulatory Licenses is \$39,351,756, an increase of \$663,187, or 1.7 percent, over the *FY 2014 Revised Budget Plan*. This increase is primarily due to higher than projected receipts for Building and Inspection Fees.

Actual FY 2014 revenue from Building and Inspection Fees was \$28.9 million, \$0.7 million more than estimated. The budget estimate was raised \$1.4 million during the fall 2013 revenue review to the same level achieved in FY 2013 based on an upward trend in permitting activity. Issuance of building permits continued stronger than expected during the latter part of the year and FY 2014 revenues increased 2.4 percent over the FY 2013 level.

CHARGES FOR SERVICES

CHARGES FOR SERVICES

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$72,674,073	\$72,690,493	\$74,509,001	\$71,310,215	(\$3,198,786)	(4.3%)

Actual FY 2014 revenue from Charges for Services is \$71,310,215, a decrease of \$3,198,786, or 4.3 percent, from the *FY 2014 Revised Budget Plan* estimate. This decrease is primarily due to lower than projected Clerk Fees, Police Reimbursement fees and School Age Child Care (SACC) fees. Clerk Fees in FY 2014 are \$4.6 million, a decrease of \$1.4 million from the *FY 2014 Revised Budget Plan* estimate. Clerk Fees, which are paid when documents are filed with the Circuit Court, decreased due to lower than anticipated home sales and mortgage refinancing activity. FY 2014 revenues decreased 24.7 percent from the FY 2013 level. Police Reimbursement fees in FY 2014 are \$1.5 million, a decrease of \$0.9 million from the *FY 2014 Revised Budget Plan* estimate. Major construction projects, which the County was reimbursed for in the previous fiscal year, were completed and FY 2014 receipts declined 37.9 percent from the FY 2013 level. In

FY 2014 Carryover Review

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

addition, SACC fees were \$0.7 million lower than the *FY 2014 Revised Budget Plan* estimate. The reduction is due to an accounting change regarding the reimbursement from the state for subsidized child care participants in the SACC program. The funds for these services are now being reflected in Revenue from the Commonwealth not Charges for Services. State reimbursement for SACC was \$1.0 million in FY 2014. Combined, SACC revenue increased 4.4 percent in FY 2014, while the budget estimate reflected an increase of 3.6 percent.

RECOVERED COSTS/OTHER REVENUE

RECOVERED COSTS / OTHER REVENUE

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$15,297,940	\$14,935,437	\$15,030,165	\$17,852,508	\$2,822,343	18.8%

Actual FY 2014 revenue from Recovered Costs and Other Revenue is \$17,852,508, an increase of \$2,822,343, or 18.8 percent, over the *FY 2014 Revised Budget Plan*. This increase is primarily due to unanticipated one-time revenues of \$1.8 million associated with insurance reimbursement for expenditures related to Tropical Storm Lee. In addition, revenue from procurement contract rebates was \$0.4 million higher than estimated.

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2014 Actual	Increase/ (Decrease)	Percent Change
\$120,964,781	\$121,280,813	\$120,247,049	\$125,125,619	\$4,878,570	4.1%

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 2014 Revenue from the Commonwealth and Federal Government is \$125,125,619, a net increase of \$4,878,570, or 4.1 percent, over the *FY 2014 Revised Budget Plan*. An increase of \$2.0 million is due to Virginia Department of Social Services revenue associated with reimbursable expenditures for public assistance programs, while \$1.0 million is associated with the shift of SACC fees from the Charges for Services category to the Revenue from the Commonwealth category mentioned above. In addition, an increase of \$1.0 million is associated with state reimbursement for services provided by the County's Health Department and the Juvenile and Domestic Relations District Court.