

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

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SUMMARY OF GENERAL FUND REVENUE AND TRANSFERS IN

Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2009 Actual	Over the FY 2009 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$1,975,114,074	\$2,046,377,538	\$2,046,898,739	\$2,046,447,880	(\$450,859)	-0.02%
Personal Property Taxes - Current and Delinquent	519,180,400	514,328,938	514,282,685	527,658,459	13,375,774	2.60%
Other Local Taxes	474,030,041	498,010,954	451,141,504	461,069,739	9,928,235	2.20%
Permits, Fees and Regulatory Licenses	26,719,184	27,907,777	24,435,569	24,494,049	58,480	0.24%
Fines and Forfeitures	14,873,179	18,275,488	16,012,582	16,444,077	431,495	2.69%
Revenue from Use of Money/Property	81,578,187	32,268,252	32,423,732	40,013,890	7,590,158	23.41%
Charges for Services	57,965,028	62,469,561	61,969,163	62,139,369	170,206	0.27%
Revenue from the Commonwealth and Federal Governments ¹	136,798,864	113,505,786	132,812,316	144,206,968	11,394,652	8.58%
Recovered Costs/ Other Revenue	9,351,419	7,482,007	7,457,351	8,449,508	992,157	13.30%
Total Revenue	\$3,295,610,376	\$3,320,626,301	\$3,287,433,641	\$3,330,923,939	\$43,490,298	1.32%
Transfers In	2,530,299	9,054,492	44,984,635	44,984,635	0	0.00%
Total Receipts	\$3,298,140,675	\$3,329,680,793	\$3,332,418,276	\$3,375,908,574	\$43,490,298	1.31%

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 2009 are \$3,375,908,574, an increase of \$43,490,298, or 1.31 percent, over the *FY 2009 Revised Budget Plan* estimate. The \$43,490,298 million increase is primarily the result of increases in Personal Property Tax receipts, Revenue from the Commonwealth and Federal Governments, Other Local Taxes including Business, Professional, and Occupational Licenses (BPOL) and Recordation and Deed of Conveyance Taxes, and Revenue from the Use of Money and Property.

FY 2010 Revenue Adjustments

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustment section, no other adjustments have been made to FY 2010 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. Sales Tax receipts have declined sharply since April and if this trend continues the estimate for Sales Tax receipts would require downward adjustment. In addition, the condition of the real estate market will impact collections of Deed of Conveyance and Recordation Taxes, as well as County Clerk Fees in FY 2010. The impact of economic conditions on FY 2010 revenues will be more apparent during the

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fall 2009 revenue review after several months of actual FY 2010 collections have been received. In addition, the Commonwealth of Virginia has announced an additional budget shortfall in FY 2010 and additional funding reductions may be required which could impact aid to localities. Any necessary FY 2010 revenue adjustments will be made as part of the fall review or during the *FY 2010 Third Quarter Review*.

REAL PROPERTY TAXES

REAL ESTATE TAX - CURRENT AND DELINQUENT

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$1,975,114,074	\$2,046,377,538	\$2,046,898,739	\$2,046,447,880	(\$450,859)	-0.02%

Total Real Estate Taxes in FY 2009 are \$2,046,447,880, a decrease of \$450,859, or 0.02 percent, from the *FY 2009 Revised Budget Plan*. FY 2009 Current Real Estate Taxes are \$2,034,507,896, representing a decrease of \$492,819, or 0.02 percent, from the *FY 2009 Revised Budget Plan*. This net decrease is due to variances in tax relief, Public Service Corporation (PSC) assessments, exonerations and supplemental assessments. The *FY 2009 Revised Budget Plan* included a projected revenue loss of \$29.5 million for expected tax relief for the elderly and disabled. Actual FY 2009 tax relief for the program's 7,717 participants was \$25.4 million, resulting in an increase in revenue of \$4.2 million. Supplemental assessments that occur during the year were \$1.6 million less than anticipated, while exonerations were \$0.7 million more than projected. Combined, these variances in supplemental assessments and exonerations decreased revenue by \$2.3 million. In addition, Public Service Corporation (PSC) revenue was \$7.8 million, \$2.3 million less than budgeted. The Commonwealth of Virginia reclassified property relating to underground wire lines from Real Estate property to Personal Property. All PSC property, except vehicles, is taxed at the Real Estate Tax rate; therefore, Personal Property Tax revenue from PSC increased by an equivalent \$2.3 million in FY 2009, resulting in no net loss to the County. A 100 percent collection rate was achieved on the revised PSC levy. An overall collection rate of 99.61 percent was achieved in FY 2009, the same as projected.

FY 2009 Delinquent Real Estate Taxes are \$11,939,984, an increase of \$41,960, or 0.4 percent, over the *FY 2009 Revised Budget Plan* estimate.

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT AND DELINQUENT

	FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
Paid Locally	\$307,866,456	\$303,014,994	\$302,968,741	\$316,344,515	\$13,375,774	4.41%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	0	0.00%
Total	\$519,180,400	\$514,328,938	\$514,282,685	\$527,658,459	\$13,375,774	2.60%

Total Personal Property Taxes in FY 2009 are \$527,658,459, an increase of \$13,375,774, or 2.6 percent, over the *FY 2009 Revised Budget Plan*. Both Current and Delinquent Personal Property Tax collections were higher than projected.

Actual FY 2009 collections for Current Personal Property Taxes are \$516,680,556, an increase of \$10,167,459, or 2.0 percent, over the *FY 2009 Revised Budget Plan* estimate. Of this increase, \$2.3 million is the result of the reclassification of Public Service Corporation (PSC) property from Real Estate to Personal Property as noted in the

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Real Estate Tax section. The remaining increase of \$7.9 million is due to an increase in the volume of vehicles, a higher than projected average vehicle levy and lower exonerations. Overall vehicle volume was forecasted to drop 0.3 percent in FY 2009 as new model vehicle purchases had declined in both 2007 and 2008. Based on statistics from the Virginia Automobile Dealers Association, new model vehicle registration in Fairfax County fell 8.8 percent in 2007 and 15.0 percent in 2008. However, actual total vehicle volume in the County rose 0.8 percent in FY 2009, an increase of nearly 10,400 vehicles. Average vehicle levy also increased from an estimated \$426 to \$434, representing an increase of 2.3 percent over FY 2008. In addition, exonerations in FY 2009 were \$22.7 million compared to projected \$25.4 million which resulted in additional revenue of \$2.7 million. Of the total FY 2009 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 98.0 percent was achieved in FY 2009 on the taxpayer's portion of Personal Property levy, the same as anticipated. A 98.0 percent collection rate on Current Personal Property Taxes is also projected for FY 2010.

Actual FY 2009 collections for Delinquent Personal Property Tax revenue were \$10,977,903, which represents an increase of \$3,208,315, or 41.3 percent, over the *FY 2009 Revised Budget Plan* estimate, resulting from significant tax collection activity by the Department of Tax Administration. Delinquent Tax collections in FY 2009 are 15 percent higher than in FY 2008.

OTHER LOCAL TAXES

Actual FY 2009 collections for Other Local Taxes are \$461,069,739, a net increase of \$9,928,235, or 2.2 percent, over the *FY 2009 Revised Budget Plan* estimate of \$451,141,504. This surplus is primarily due to increases in Current and Delinquent Business, Professional and Occupational Licenses (BPOL) Taxes, Deed of Conveyance and Recordation Taxes, partially offset by decreases in Sales Tax, the Communications Sales and Use Tax, and Transient Occupancy Taxes.

LOCAL SALES TAX

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$160,855,221	\$166,795,426	\$156,149,525	\$153,852,596	(\$2,296,929)	-1.47%

Actual FY 2009 Sales Tax receipts are \$153,852,596, a decrease of \$2,296,929, or 1.5 percent, from the *FY 2009 Revised Budget Plan* estimate of \$156,149,525. During the fall 2008 revenue review, the estimate for Sales Tax was reduced \$10.6 million, reflecting a projected decline of 2.9 percent from FY 2008, based on a significant deterioration of consumer confidence and decline in economic activity. The estimate was kept unchanged during the *FY 2009 Third Quarter Review* based on year-to-date collections, which were down 2.1 percent. However, during the last five months of the fiscal year, collections declined 7.9 percent, resulting in an overall 4.3 percent decrease for the fiscal year.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - CURRENT

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$138,323,224	\$145,154,640	\$132,790,295	\$139,987,138	\$7,196,843	5.42%

Total FY 2009 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$139,987,138, an increase of \$7,196,843, or 5.4 percent, over the *FY 2009 Revised Budget Plan*. During the fall 2008 revenue review, the estimate for BPOL revenue was reduced \$12.4 million based on a significant decline in economic activity, especially in the latter half of 2008 compared to 2007. 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

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bills are processed regarding actual collections, the County relies on econometric models that use information regarding sales tax receipts and estimated Gross County Product along with other economic indicators, such as employment, in order to estimate BPOL receipts. A decline of 4.0 percent was projected based on these indicators. However, stronger economic activity early in calendar year 2008 more than offset the decline in the latter part of the year, resulting in an overall 1.2 percent increase in FY 2009 receipts. The Consultant category, which represents over 23 percent of total BPOL receipts, rose a slight 0.3 percent over FY 2008 revenue reflecting flat federal procurement spending in the County. Business Service Occupations, which also comprises over 23 percent of total BPOL receipts and includes such services as computer support, advertising and copying, rose 10.1 percent in FY 2009. The Retail category, which represents almost 18 percent of total BPOL receipts, grew a modest 1.0 percent over FY 2008. Due to the continued decline in the real estate market in calendar year 2008, real estate related categories decreased significantly in FY 2008. The combined Real Estate Broker and Money Lender category (1.7 percent of total BPOL receipts) fell 15.8 percent, while the Builder and Developers component (0.2 percent of total BPOL) declined 55.0 percent in FY 2009.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - DELINQUENT

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$677,150	\$3,040,375	(\$1,011,526)	\$2,560,310	\$3,571,836	353.11%

Actual FY 2009 Delinquent BPOL revenue is \$2,560,310, an increase of 3,571,836 over the *FY 2009 Revised Budget Plan* estimate. The estimate for BPOL delinquent collections had been lowered \$4.0 million during the fall 2008 revenue 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 \$3.6 million at year-end.

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$29,931,835	\$33,304,953	\$20,399,223	\$25,035,225	\$4,636,002	22.73%

Actual FY 2009 Recordation and Deed of Conveyance Tax revenue is \$25,035,225, an increase of \$4,636,002, or 22.7 percent, over the *FY 2009 Revised Budget Plan* estimate. Recordation and Deed of Conveyance Taxes are levied in association with the sale or transfer of real property located in the County. Recordation Taxes are also levied when mortgages on property located in the County are refinanced. During the fall 2008 revenue review, the estimate for Recordation and Deed of Conveyance Taxes was revised downward \$12.9 million, or approximately 32 percent, from the FY 2008 level, based on collection trends and projected continued weakness in the County's housing market. At the time of the *FY 2009 Third Quarter Review*, tax receipts were still experiencing declines averaging 23.4 percent; as such, the estimate for Deed of Conveyance and Recordation Taxes was not revised. Resulting primarily from a resurgence of refinancing activity, collections for the last four months of the fiscal year declined only 9.8 percent, resulting in an overall 16.4 percent decrease for the fiscal year.

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COMMUNICATIONS SALES AND USE TAX

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$56,007,544	\$56,872,048	\$56,257,401	\$53,805,974	(\$2,451,427)	-4.36%

Actual FY 2009 revenue from the Communications Sales and Use Tax is \$53,805,974, a decrease of \$2,451,427, or 4.4 percent, from the *FY 2009 Revised Budget Plan*. The estimate for the Communications Sales and Use Tax estimate was reduced \$0.6 million during the fall 2008 revenue review. No adjustment was made during the *FY 2009 Third Quarter Review* based on collections through February 2009. However, collections from March to the end of the year fell over 12 percent compared to the same period of FY 2008.

The Communications Sales and Use Tax is a statewide tax of 5.0 percent on communication services, such as land line and wireless telephone services. The tax also includes a statewide \$0.75 per line E-911 fee. All communications taxes are remitted to the State for distribution to localities based on the locality's share of total statewide FY 2006 collections of these taxes. Fairfax County's share is 18.93 percent. Distribution of the tax by the Commonwealth of Virginia began in March 2007.

TRANSIENT OCCUPANCY TAX

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$20,525,480	\$21,957,640	\$19,499,206	\$18,750,731	(\$748,475)	-3.84%

Actual FY 2009 revenue from the Transient Occupancy Tax is \$18,750,731, a decrease of \$748,475, or 3.8 percent, from the *FY 2009 Revised Budget Plan*. The FY 2009 estimate for Transient Occupancy Tax reflected a projected decline of 5.0 percent from FY 2008. No adjustment was made during the *FY 2009 Third Quarter Review*, because quarterly receipts relating to the Presidential Inauguration had not yet been received. Receipts for the quarter ending March 2009 were down 5.6 percent and actual receipts declined more than anticipated, resulting in an 8.6 percent decrease for the fiscal year.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2009 revenue from the Use of Money and Property is \$40,013,890, an increase of \$7,590,158, or 23.4 percent, over the *FY 2009 Revised Budget Plan* estimate of \$32,423,732 and is due to an increase in Interest on Investments.

INTEREST ON INVESTMENTS

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$78,236,825	\$28,885,445	\$28,885,445	\$36,460,012	\$7,574,567	26.22%

Actual FY 2009 Interest on Investments is \$36,460,012, an increase of \$7,574,567, or 26.2 percent, over the *FY 2009 Revised Budget Plan* estimate. This increase is the result of a higher than projected average portfolio size and average yield. The actual FY 2009 average portfolio of \$2,516.7 million earned a yield of 2.10 percent compared to the FY 2009 estimated portfolio and yield of \$2,397.7 million and 1.50 percent, respectively. Somewhat higher rates for instruments maturing early in the fiscal year helped boost the overall yield. Total interest on all pooled investments for all funds was \$53.6 million. The General Fund's actual percentage of this total was 68.0 percent compared to an estimated 70.0 percent.

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CHARGES FOR SERVICES

CHARGES FOR SERVICES

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$57,965,028	\$62,469,561	\$61,969,163	\$62,139,369	\$170,206	0.27%

Actual FY 2009 revenue from Charges for Services is \$62,139,369, an increase of \$170,206, or 0.3 percent, from the *FY 2009 Revised Budget Plan*. This increase is primarily due to higher than projected County Clerk Fees and School Age Child Care (SACC) Fees receipts, partially offset with lower receipts of Emergency Medical Services (EMS) Transport Fees. During the fall 2008 revenue review, the estimate for County Clerk Fees was reduced \$2.3 million, reflecting a projected 24.8 percent decrease based on the declining real estate market. Due in part to higher refinancing activity during the spring of 2009, actual FY 2009 County Clerk Fee receipts fell just 8.4 percent from FY 2008, resulting in \$0.5 million increase over the *FY 2009 Revised Budget Plan* estimate.

Actual FY 2009 SACC Fee revenue of \$28.5 million is \$0.7 million more than estimated as a result of higher than projected cost recovery rate due to higher number of non-subsidized students enrolled. SACC fees rose 3.8% over FY 2008. FY 2009 EMS Transport Fees were projected to increase \$3.5 million, or 30 percent, over FY 2008, based on assumptions of transport growth and an increase in EMS Transport rates in FY 2009. EMS Transport Fees ended the fiscal year at \$14.3 million, up 21.5 percent over FY 2008 actual collections, but down \$1.0 million from the *FY 2009 Revised Budget Plan* estimate due in part to a lower than projected number of transports. The number of transports was projected to grow 2.0 percent, but grew a modest 0.7 percent in FY 2009.

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

FY 2008 Actual	FY 2009 Adopted	FY 2009 Revised	FY 2009 Actual	Increase/ (Decrease)	Percent Change
\$136,798,864	\$113,505,786	\$132,812,316	\$144,206,968	\$11,394,652	8.58%

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 2009 Revenue from the Commonwealth and Federal Government is \$144,206,967, a net increase of \$11,394,652, or 8.6 percent, over the *FY 2009 Revised Budget Plan*. Additional revenue of \$5.2 million is due to reimbursable expenditures associated with public assistance programs. Of this increase, \$2.5 million is associated with the Child Care Assistance and Referral program and is partially the result of the reallocation of unused state child care funds from other Virginia localities late in the fiscal year, while \$2.7 million is due to continued maximization of state administrative funding for social services positions. Federal funding of \$1.0 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 had been included in the FY 2009 budget.

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Additional revenue of \$4.7 million is the result of lower than anticipated State budget reductions. The FY 2009 Adopted Budget Plan included a reserve for potential State cuts of \$6.0 million. During the fall 2008 revenue review, funding reductions from the 2008 General Assembly and the Governor's introduced budget totaled \$5.6 million. Revenue estimates were reduced for these cuts and the reserve for potential additional cuts was set at \$4.7 million. However, no additional funding reductions were made during the 2009 General Assembly session resulting in a revenue surplus of \$4.7 million.