

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2018 Actual	Change from the FY 2018 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$2,601,545,806	\$2,649,504,731	\$2,650,038,663	\$2,651,319,527	\$1,280,864	0.0%
Personal Property Taxes - Current and Delinquent ¹	612,907,444	611,766,244	613,684,660	621,866,918	8,182,258	1.3%
Other Local Taxes	513,759,923	515,390,893	514,949,763	526,669,487	11,719,724	2.3%
Permits, Fees and Regulatory Licenses	52,201,079	50,891,047	52,950,742	52,721,959	(228,783)	(0.4%)
Fines and Forfeitures	12,725,041	11,684,270	12,089,035	12,178,390	89,355	0.7%
Revenue from Use of Money/Property	29,542,600	32,280,345	41,761,989	43,523,165	1,761,176	4.2%
Charges for Services	81,485,018	81,370,947	81,097,289	81,687,749	590,460	0.7%
Revenue from the Commonwealth and Federal Government ¹	137,879,883	131,371,520	132,476,287	135,523,944	3,047,657	2.3%
Recovered Costs / Other Revenue	16,923,470	16,480,180	16,317,223	17,412,256	1,095,033	6.7%
Total Revenue	\$4,058,970,264	\$4,100,740,177	\$4,115,365,651	\$4,142,903,395	\$27,537,744	0.7%
Transfers In	10,165,872	10,068,651	10,068,651	10,068,651	0	0.0%
Total Receipts	\$4,069,136,136	\$4,110,808,828	\$4,125,434,302	\$4,152,972,046	\$27,537,744	0.7%

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 2018 are \$4,152,972,046, an increase of \$27,537,744, or 0.7 percent, over the *FY 2018 Revised Budget Plan* estimate. The increase is primarily the result of increases in Personal Property Tax receipts, Other Local Taxes, Revenues from the Use of Money/Property, and Revenue from the Commonwealth and the Federal Government. The small variance, less than one percent, 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 2018 General Fund revenues grew 2.1 percent compared to the 5.4 percent growth rate experienced in FY 2017.

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2019 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. Business, Professional, and Occupational License (BPOL) Tax revenue, which is a function of economic activity during calendar year 2017, experienced the strongest growth since FY 2011. In addition, the seven interest rate increases by the Federal Reserve since December 2015 have resulted in a continued revenue increase from the County's investment portfolio. The impact of economic conditions on FY 2019 revenues will be more apparent during the fall 2018 revenue review after several months of actual FY 2019 collections have been received. Any necessary FY 2019 revenue adjustments will be made as part of the fall review or during the *FY 2019 Third Quarter Review*.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

REAL PROPERTY TAXES

REAL ESTATE TAX-CURRENT AND DELINQUENT

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$2,601,545,806	\$2,649,504,731	\$2,650,038,663	\$2,651,319,527	\$1,280,864	0.0%

Total Real Estate Taxes in FY 2018 are \$2,651,319,527, an increase of \$1,280,864 over the *FY 2018 Revised Budget Plan*. FY 2018 Current Real Estate Taxes are \$2,641,379,280, representing an increase of \$301,632 over the *FY 2018 Revised Budget Plan*. This increase is primarily due to a higher than projected collection rate. The budget estimate included a 99.70 percent collection rate and the actual FY 2018 collection rate is 99.72 percent.

FY 2018 Delinquent Real Estate Taxes are \$9,940,247, an increase of \$1.0 million over the *FY 2018 Revised Budget Plan* estimate due to significant collection activity by the Department of Tax Administration (DTA).

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT AND DELINQUENT

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$612,907,444	\$611,766,244	\$613,684,660	\$621,866,918	\$8,182,258	1.3%

Total Personal Property Taxes in FY 2018 are \$621,866,918, an increase of \$8,182,258, or 1.3 percent, over the *FY 2018 Revised Budget Plan*. FY 2018 collections for Current Personal Property Taxes are \$606,429,910, an increase of \$7,485,729, or 1.2 percent, over the *FY 2018 Revised Budget Plan* estimate. The increase is primarily due to a higher than expected vehicle levy. Of the total FY 2018 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 98.2 percent was achieved in FY 2018 on the taxpayer's portion of Personal Property levy compared to the 98.0 percent projected.

FY 2018 Delinquent Personal Property Taxes are \$15,437,008, an increase of \$696,529 over the *FY 2018 Revised Budget Plan* estimate. Strong delinquent collections demonstrate the significant enforcement activity and the innovative collection methods utilized by DTA. During FY 2018, as a revenue enhancement initiative the department shifted resources to its PPTRA Audit Compliance Program and the TARGET program. These efforts to maximize tax compliance will continue during FY 2019.

OTHER LOCAL TAXES

Actual FY 2018 collections for Other Local Taxes are \$526,669,487, a net increase of \$11,719,724, or 2.3 percent over the *FY 2018 Revised Budget Plan* estimate of \$514,949,763. This increase is primarily due to increases in BPOL Taxes, Bank Franchise Tax, Sales Tax, and Recordation and Deed of Conveyance Taxes.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

LOCAL SALES TAX

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$176,640,592	\$183,310,657	\$181,157,888	\$182,172,429	\$1,014,541	0.6%

Actual FY 2018 Sales Tax receipts are \$182,172,429, an increase of \$1,014,541, or 0.6 percent, over the *FY 2018 Revised Budget Plan* estimate. During the fall 2017 revenue review, the FY 2018 estimate was decreased \$2.2 million based on year-to-date collections, representing growth of 2.6 percent over the FY 2017 actual receipts. Receipts were slightly higher than expected and ended the fiscal year 3.1 percent over the FY 2017 level. It should be noted that last fiscal year's collections included a decrease of \$2.7 million as a result of a state audit. Adjusted for the refund, FY 2018 collections would have been up 1.6 percent.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT AND DELINQUENT

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$160,161,173	\$161,022,536	\$161,340,941	\$168,485,043	\$7,144,102	4.4%

Total FY 2018 receipts from Current and Delinquent Business, Professional, and Occupational License (BPOL) Taxes are \$168,485,043, an increase of \$7,144,102, or 4.4 percent, over the *FY 2018 Revised Budget Plan* estimate.

Actual FY 2018 collections for Current BPOL Taxes are \$162,298,747, an increase of \$4,578,070, or 2.9 percent, over the *FY 2018 Revised Budget Plan* estimate. Little actual data about this revenue category is available until late in the fiscal year because businesses file and pay their BPOL Taxes simultaneously on March 1 based on the prior calendar year's gross receipts. This makes it a challenging category to forecast. Actual FY 2018 receipts increased 4.4 percent over the FY 2017 level. This is the strongest growth rate since FY 2011. In FY 2018, the combined Consultant and Business Service Occupations categories, which represent 42 percent of total BPOL receipts, increased 5.5 percent over the FY 2017 level, after growing only 0.5 percent last year. The Retail category, which represents 19 percent of total BPOL receipts, rose 0.8 percent in FY 2018.

Actual FY 2018 collections for Delinquent BPOL Taxes are \$6,186,296, an increase of \$2,566,032 over the *FY 2018 Revised Budget Plan* estimate. The increase is primarily the result of a large company paying its delinquent tax liability, as well as fewer than anticipated refunds during the year.

BANK FRANCHISE TAX

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$21,760,870	\$18,175,004	\$20,672,827	\$22,596,914	\$1,924,087	9.3%

Actual FY 2018 Bank Franchise Tax revenue is \$22,596,914, an increase of \$1,924,087, or 9.3 percent, over the *FY 2018 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a particularly difficult category to project. During the fall 2017 revenue review, the FY 2018 estimate was conservatively increased \$2.5 million, expecting a 5.0 percent drop compared to the actual FY 2017 receipts. FY 2018 Bank Franchise Tax receipts grew 3.8 percent over the FY 2017 level, after increasing 8.8 percent in the prior year.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$32,190,772	\$30,466,027	\$30,885,051	\$31,960,941	\$1,075,890	3.5%

Actual FY 2018 Recordation and Deed of Conveyance Tax revenue is \$31,960,941, an increase of \$1,075,890, or 3.5 percent, over the *FY 2018 Revised Budget Plan*. Based on collection trends during FY 2018, the Recordation Tax revenue estimate remained unchanged and reflected a projected decrease of 5.7 percent as a result of decreasing volume of mortgage refinancing activity. Mortgage refinancing was slightly stronger than initially anticipated and collections decreased 3.1 percent. The Deed of Conveyance Tax estimate was increased \$0.4 million during the fall 2017 revenue review, reflecting an increase of 2.0 percent over the FY 2017 level. Actual FY 2018 receipts grew 8.1 percent over the FY 2017 level primarily due to increasing home prices and a higher number of home sales.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2018 revenue from the Use of Money and Property is \$43,523,165, an increase of \$1,761,176, or 4.2 percent, over the over the *FY 2018 Revised Budget Plan* estimate and is primarily due to an increase in Interest on Investments.

INVESTMENT INTEREST

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$27,536,705	\$30,233,911	\$39,637,147	\$41,438,317	\$1,801,170	4.5%

Actual FY 2018 Interest on Investments is \$41,438,317, an increase of \$1,801,170, or 4.5 percent, over the *FY 2018 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 2018. The actual FY 2018 average portfolio of \$3,417.3 million earned a yield of 1.61 percent. The General Fund's average interest allocation of total interest earned on the investment portfolio net of administrative fees was 76.74 percent.

PERMITS, FEES AND REGULATORY LICENSES

PERMITS, FEES AND REGULATORY LICENSES

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$52,201,079	\$50,891,047	\$52,950,742	\$52,721,959	(\$228,783)	(0.4%)

Actual FY 2018 revenue from Permits, Fees and Regulatory Licenses is \$52,721,959, a decrease of \$228,783, or 0.4 percent, from the *FY 2018 Revised Budget Plan* estimate. This decrease is primarily due to lower than projected receipts for Building and Inspection fees.

Actual FY 2018 revenue from Building and Inspection fees is \$39.8 million, \$0.6 million less than estimated. The FY 2018 budget estimate was raised \$1.7 million during the *FY 2017 Carryover Review*, reflecting a projected growth rate of 1.8 percent over the FY 2017 level. Permitting activity was slightly lower than expected and FY 2018 revenues increased 0.4 percent.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

FINES AND FORFEITURES

FINES AND FORFEITURES

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$12,725,041	\$11,684,270	\$12,089,035	\$12,178,390	\$89,355	0.7%

Actual FY 2018 revenue from Fines and Forfeitures is \$12,178,390, an increase of \$89,355, or 0.7 percent, over the *FY 2018 Revised Budget Plan*. This net increase is primarily due to higher than projected receipts from Parking Violation fines, partially offset by lower General District Court fines. Parking Violation fines are \$2.7 million, an increase of \$0.2 million over the *FY 2018 Revised Budget Plan* estimate. General District Court fines in FY 2018 are \$6.4 million, a decrease of \$0.1 million from the *FY 2018 Revised Budget Plan* estimate.

CHARGES FOR SERVICES

CHARGES FOR SERVICES

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$81,485,018	\$81,370,947	\$81,097,289	\$81,687,749	\$590,460	0.7%

Actual FY 2018 revenue from Charges for Services is \$81,687,749, a net increase of \$590,460, or 0.7 percent, over the *FY 2018 Revised Budget Plan* estimate. This increase is primarily due to higher than projected School Age Child Care (SACC) fees. SACC fees are \$42.8 million, \$0.8 million higher than projected, increasing 2.3 percent for the year.

RECOVERED COSTS / OTHER REVENUE
--

RECOVERED COSTS / OTHER REVENUE

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$16,923,470	\$16,480,180	\$16,317,223	\$17,412,256	\$1,095,033	6.7%

Actual FY 2018 Revenue from Recovered Costs/Other Revenue is \$17,412,256, a net increase of \$1,095,033, or 6.7 percent, over the *FY 2018 Revised Budget Plan* estimate. The increase is primarily due to higher than expected City of Falls Church and City of Fairfax public assistance recovered costs, as well as Contract Rebates revenue.

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT¹

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2018 Actual	Increase/ (Decrease)	Percent Change
\$137,879,883	\$131,371,520	\$132,476,287	\$135,523,944	\$3,047,657	2.3%

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 and Delinquent" heading in this section.

Actual FY 2018 Revenue from the Commonwealth and Federal Government is \$135,523,944, a net increase of \$3,047,657, or 2.3 percent, over the *FY 2018 Revised Budget Plan* estimate. Net additional revenue of \$1.1 million is due to reimbursable expenditures for various public assistance programs. In addition, federal emergency assistance funding of \$1.8 million was received for reimbursement of expenses incurred by the County during severe storms.