

Cost of Community Services Study

Frederick County, Virginia

Prepared by
American Farmland Trust

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American Farmland Trust

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American Farmland Trust (AFT) is a private, nonprofit conservation organization founded in 1980 to protect our nation's strategic agricultural resources. AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. AFT provides a variety of services to landowners, land trusts, public officials, planners, agricultural agencies and others. Services include Cost of Community Services studies, workshops on farmland protection and estate planning, farmland protection program development and agricultural economic analysis.



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EXECUTIVE SUMMARY

At the request of the Frederick County Farm Bureau, American Farmland Trust (AFT) conducted a Cost of Community Services (COCS) study to analyze the current net fiscal impact of existing land uses in Frederick County, Virginia. The study analyzes revenues and expenditures on a land use basis for fiscal year 2002 (July 2001 to June 2002). It compares revenues by land use with the financial demands of public services (e.g., public safety, government administration, schools, courts, etc.) by those land uses, including residential, commercial, and farm, forest and open lands.

The Frederick County COCS study focused on the county budget – as opposed to town or township budgets – because the county administers the majority of government services and its budget represents most local revenues and expenditures.

The COCS study found that in Frederick County:

- 80 percent of revenue in fiscal 2002 was generated by residential land uses; 19 percent by commercial land uses; and 1 percent by farm, forest and open lands,
- 95 percent of county expenditures went to provide services for residential land use compared with 4 percent for commercial/ industrial uses and less than 1 percent for farm, forest and open lands.

In other words, on average, for each \$1 of revenue received from residential properties in Frederick County in fiscal year 2002, the county spent \$1.19 providing services to those lands. For each \$1 from commercial and industrial land uses, the county spent 23 cents; and for each \$1 received from farm, forest and open land uses, the county spent 33 cents providing services.

All residential land uses combined created a deficit of \$18,813,288, which was offset by the other two land use categories: \$18,098,633 from commercial and the balance from the \$742,188 surplus from farm and open land.

The Frederick County COCS findings demonstrate that a balance of land uses is necessary to provide fiscal stability. While residential development contributes the largest amount of revenue, its overall net fiscal impact is negative because its total expenditures exceed the revenues it provides. Commercial development's net revenues offset the majority of the shortfall while farm and open land's net revenues also make a positive contribution, even though the agricultural land studied falls under Virginia's agricultural valuation process and is taxed at a very low rate.

Study Findings

Combined County & District Services	FY 2002 Actual	Residential Development	Commercial Development	Farm and Open
a) Total Revenues	\$ 124,620,048	\$ 100,054,124	\$ 23,450,270	\$ 1,115,654
b) Total Expenditures	\$ 124,592,515	\$ 118,867,412	\$ 5,351,637	\$ 373,466
Net contribution (a-b)	\$ 27,533	\$ (18,813,288)	\$ 18,098,633	\$ 742,188
Land use ratio*		1: 1.19	1: 0.23	1: 0.33

*Cost for each \$1 of revenue generated

INTRODUCTION

Frederick County

Frederick County is located in the northern end of the Shenandoah Valley of Virginia and encompasses 415 square miles, or 265,600 acres. The county population was 59,209 in 2000, an increase of 13,486 or 23 percent from the 1990 census. The number of households increased 34 percent between 1990 and 2000.¹ Population growth has been primarily a result of immigration to the area. The Shenandoah Valley, within a roughly one-hour commuting distance of Washington D.C., has relatively more affordable real estate, and local employment opportunities have increased both within the county and in nearby West Virginia.

According to records from the Commissioner of Revenue, the county's estimated 38,954 parcels have an assessed value of almost \$4.3 billion. The majority of this is single-family residential development. The parcel breakdown is as follows:

- 32,572 single-family residential parcels
- 1,143 multiple-family parcels
- 1,002 commercial and industrial parcels
- 20 public service parcels
- 2,395 agricultural parcels, and
- 1,822 tax exempt properties.

The 1997 Census of Agriculture reported 568 farms in Frederick County operating on 99,926 acres of farmland or 38 percent of the land base. Small farms (with annual sales of less than \$250,000) constitute 96 percent of all farms in the county. The market value of agricultural products sold was \$20,530,000 in 1997. Major agricultural commodities include: nursery and greenhouse crops; fruits, nuts and berries; and livestock. In addition, agribusinesses that support local agriculture (suppliers, equipment dealers, processors, etc.) also contribute to the local economy through employment and property taxes.

Frederick County is the state's largest producer of apples and is a major reason Virginia is the nation's 6th largest producer of apples. The county is renowned for its apples and the Winchester Apple Blossom festival draws thousands of visitors every year.

Cost of Community Service Studies

The goal of the Frederick County COCS study is to provide reliable financial data to help Frederick County officials make informed planning decisions. It is not designed to prescribe a course of action but to give local officials another tool to evaluate strategies to balance the distribution of local land uses in the future.

A COCS study is a case study analysis of the *net* fiscal impacts of existing land uses on county budgets. It provides a snapshot in time of costs versus revenues based on current land use. Unlike traditional fiscal impact analysis, COCS studies are descriptive – not predictive – and are based on real budgets for a specific community. They show the cost of public services that different land uses receive and the amount of revenue those land uses generate in taxes and other fees to support these services.

The process of conducting a COCS study is relatively straightforward and easy to understand. Local budgetary information is allocated to major land use categories. The studies rely on budget and financial records and in-depth interviews with local government officials and budget managers to understand how revenues were generated and how appropriations were spent during a recent year.

AFT developed this low-cost, straightforward approach to fiscal relationships to find out the impact of agricultural and other working lands. COCS studies take advantage of local knowledge to inform decisions about land use. It is hoped that by using Frederick County's own statistics and financial, land use and economic data, this study will help move public dialogue about land use from speculation to projection and from emotion to analysis.

¹ U.S. Census Bureau, 1990, 2000

AFT first developed the COCS approach to investigate three common claims staff often heard at community meetings:

1. Open lands—including working agricultural and forest lands—are *an interim land use* that should be developed to their “highest and best use”;
2. Agricultural land gets an “unfair” tax break when it is assessed at its current use value for agriculture instead of at its potential use value for development;
3. Residential development will lower property taxes by increasing the tax base.

While it is true that an acre of land with a new house generates more total revenue than an acre of farmland, this tells us little about a community’s fiscal stability. In areas where farming and forestry are major industries, it is especially important to consider the net fiscal contribution of privately owned natural resource lands. Farm, forests and open lands generate less revenue than residential, commercial or industrial properties, but they require little public expenditure due to their modest demand for infrastructure and public services.

There are three basic steps in the process of conducting a COCS study:

1. Collect data: Obtain relevant reports and other financial records, interview officials, boards and departments.
2. Allocate revenues and expenditures by land use.
3. Analyze data and calculate ratios.

The following section explains how these steps were followed in Frederick County.

COCS METHOD IN FREDERICK COUNTY

Before the study began, AFT contacted Frederick County officials to set up interviews to discuss local budgetary information and to define land use categories for the study. After a review of the county property tax classification system, three land use categories were defined for this study:

- ***Residential Development*** — property used for dwellings, *including farmhouses*, mobile homes and rental units.
- ***Commercial and Industrial Development*** — property classified for business purposes other than agricultural or forestry, including retail and wholesale production and utilities.
- ***Farm and Open Land*** — all agricultural parcels, including those qualifying for agricultural exemptions and vacant residential parcels greater than 20 acres.

Cost of Community Services studies rely on state assessors' codes to determine the value of properties by the defined land classes in the study. The Frederick County Commissioner of Revenue provided information for assessed value and taxes from real and personal property in the county. The following adjustments were then made to this data to determine the actual tax dollars received from the defined land use categories in the study:

1. The assessed value of vacant residential properties 20 acres or larger was moved to the farm & open category. The assessed values of vacant commercial and industrial properties were left in their original categories.
2. The land use adjustment value for agricultural properties was subtracted from the farmland value.
3. The value of farmhouses and associated one-acre property was subtracted from the agricultural value and moved to the residential category.

Table 1 on the next page shows how real property is classified for tax purposes and how the taxes contributed were divided into the defined land use categories. For a more detailed table of real and personal property values please see Appendix B.

Table 1 – Real Property in Frederick County and COCS Study Adjustments

Frederick County Assessment – Real Property		Cost of Community Service Study Categories			Notes
Description	Revenue	Residential	Commercial/ Industrial	Farm and Open	
Residential	\$ 15,656,539	\$ 15,656,539			Vacant residential < 20 acres included.
Vacant Residential > 20 acres	\$ 101,250			\$ 101,250	
Residential (multiple family)	\$ 897,245	\$ 897,245			All vacant properties included
Residential (manufactured)	\$159,210	\$159,210			Mobile Homes
Supplements	\$ 361,522	\$ 361,522			Value added to new construction on residential
Commercial	\$ 4,102,101		\$ 4,102,101		Vacant commercial properties included
Value - Farmland	\$ 678,233			\$ 678,233	Remaining amount after \$1,878,443 decrease for land use adjustment
Farmhouses	\$590,396	\$590,396			These are considered residential in a COCS study.
Tax relief	(\$233,869)	(\$233,869)			Tax relief for residential properties
Public Service	\$ 1,237,634		\$ 1,237,634		Commercial/Industrial
Totals	\$23,550,261	\$ 17,431,043	\$ 5,339,735	\$ 779,483	

Collect Data and Conduct Interviews

Meetings were scheduled with county officials. Their purpose was to obtain relevant information and to collect necessary documents. The Frederick County Adopted Annual Fiscal Plan for fiscal year 2002 contains descriptions of services provided by all county departments including: general government; judicial administration; public safety; public works; health and social services; parks, recreation and culture; and community development. Other organizations that receive county funds, but are not administered by the county, such as social services, the airport, education, and the Extension Service, also are described in the fiscal plan. The Annual Fiscal Plan was reviewed to gain an understanding of the nature of services provided by county departments.

Allocate revenues and expenditures by land use

Interviews were conducted with county officials to gain additional information and to more accurately allocate all fiscal year 2002 (year ending June 30, 2002) revenues and expenditures into the three land use categories. In the interviews, officials were asked to provide records showing how revenue was generated by land use and what land use was served by expenditure: residential, commercial/industrial, or farm and open land. The next step involved allocating revenues and expenditures to the land use categories based on the information gathered from reports and interviews. Appendix A of this report shows allocation of all revenues and expenditures by land use for the general fund and other funds.

Revenues

Revenues under the general operating fund for Frederick County are listed in order by local, state and federal sources. Local sources include general property taxes, other local taxes, permits and fees, fines and forfeitures, charges for services, and recovered costs. State revenue is described as Non-Categorical Aid, Shared Expenses, and Categorical Aid. Federal sources of revenue are for the most part grants dedicated to a specific purpose such as public assistance.

Revenues were categorized according to the land use source for that particular item. Real property taxes were allocated based on a review of all property assessments. Personal property taxes were contributed from residential (65 percent) and commercial (35 percent) sources. Other local taxes such as room and meals taxes and auto rental taxes were deemed to be commercial revenue. Permits, fees and licenses were also allocated by land use. Dog licenses, for example, are generated as residential revenue. Building, electrical, plumbing, mechanical, and other similar permits were allocated based on department records that listed them as either residential or commercial/industrial. Many charges for services were residential in nature such as handgun permits, recreation admissions and ball field user fees. Recovered costs covered a wide variety of sources from recycling revenues (residential), the Soil and Water Conservation District (residential and farm/open) and Winchester-Frederick Economic Development (commercial).

Grants from the state and federal government were classified according to the type of program that received the income, under the assumption that the revenue is provided to pay for a specific service. For example, a grant for senior citizen services would be allocated to the residential category. Library aid, a school resource officer grant and a crime victim assistance grant were all allocated to the residential category. A state reimbursement to the Economic Development Commission was allocated as revenue from commercial land use.

The State of Virginia provided \$2,563,558 of funding under Shared Expenses to the county to offset the service costs for constitutional officers or elected officials whose positions are established by the Constitution of the Commonwealth or its statutes (Commonwealth's Attorney, Sheriff, Commissioner of the Revenue, Treasurer and the Registrar). This revenue was allocated based on information obtained in the interviews about the relationship of office activities to land use. State and federal revenue in the school operating budget was, for the most part, attributed to residential land use because it was given to the county to pay for education, a residential service.

Another important source of county revenue is the local and state sales tax levied on products sold in the county. Even though sales tax is generated from commercial land use, primarily county residents pay it, with the businesses acting as pass-through agents. It is different from taxes or fees generated by a business out of operating expenses. However, it could also be argued that without commercial establishments, there would be no sales tax revenue in the county.

To evaluate the relative residential, commercial and farm contribution to sales tax, the quarterly taxable sales reports for fiscal year 2002 were obtained from the Virginia Department of Taxation. Taxable sales for the county are listed by a two-digit business code. The tax contribution from any business not likely to sell its products to residents was first allocated to commercial land use and subtracted from the total. For example, the machinery, equipment, and supplies group (construction, professional equipment, service establishment equipment) sells, for the most part, to other businesses. Tax revenue from hotels, motels, and tourist camps was allocated entirely to the business category because they generally do not provide services to county residents. The remaining sales tax revenue was allocated to all residential and commercial land use categories based on the relative assessed value of these property groups in the county. The result is that both the state reimbursement and local sales tax revenue were attributed primarily to residential (65 percent) and commercial (34 percent), with a small portion to farm and open. Business purchases by farmers and tangible property used for agricultural production for market are exempt from sales tax.

Expenditures

Expenditures in the Frederick County general fund budget are broken down by functions including government administration, judicial administration, public safety, public works, health and welfare, parks, recreation, and cultural and community development. County officials and department heads were interviewed to determine how county expenditures should be allocated to the three land use categories. Department heads gave an overview of their services and identified any reports (dispatch records, permit summaries,

organizational charts) and other secondary sources of information. In the interviews, officials were asked which land use benefited from each expense: residential, commercial/industrial, or agricultural and open land.

The Sheriff's Department and Fire and Emergency Medical Service expenditures were allocated according to a breakdown of service calls made. Court expenses were allocated by reviewing case file statistics. Several service expenditures were clearly residential such as senior services, parks, libraries and arts programs. Economic development and Chamber of Commerce expenditures were for commercial/industrial land use. Almost all of the expenditures for the health and welfare department and parks and recreation were allocated to residential land use. School funds including operating, debt service, cafeterias and textbooks were also residential in nature. Significant portions of the expenditures for the Soil and Water Conservation District and the Extension Office were allocated to farm and open land.

Calculation of "Fallback" Percentages

Even after extensive record searches, in some cases, it is not possible to attribute some line items to specific land use categories. For example, administrative salaries and public buildings serve the entire county in a general capacity. In this situation, a fallback breakdown was applied. It was calculated based on the percentage of taxes contributed from real and personal property for fiscal year 2002 taxes (Appendix B).

The breakdown of property tax revenues into land use classes was available from the Commissioner of Revenue. The property categories used by the county were grouped into the three land use categories used for this study: residential, commercial/industrial, and farm and open space. Agricultural land in Frederick within the farm and open space category is land that falls under Virginia's agricultural valuation process and therefore is assessed at the value of its current use, rather than at the value of its potential use for development.

Mobile home parks were included in the residential category because of the nature of public service demands. Likewise, taxes from farmhouses were included in the residential category to correspond with services demanded by homeowners separate from the agricultural business. Appendix B shows how land is classified for assessment purposes in Frederick and how all or a portion of the taxable value of these classes was moved to fit the defined land use categories of this study. The land use distribution of these revenues resulted in the following:

- 69 percent were from residential development,
- 30 percent from commercial and industrial development, and
- 1 percent from agricultural and open land.

These fallback percentages were used for both revenues and expenditures, but only in cases where line items lacked a clear relationship to land use.

Analyze data and calculate ratios

Once the necessary data were collected and interviews completed, the information was entered into a spreadsheet. The dollar amount for each line item of the budget was allocated among the three land use categories according to the associated percentage breakdown. The percentages were entered for each line item, and total revenues and total expenditures were summed for each of the three land use categories. By comparing total revenues to total expenditures in each category, the total net surplus or deficit was calculated. The county budget allocations are included in this report as Appendix A. This information is also presented as ratios to show the actual expenditure for every dollar raised (See Table 1 on page 13). The findings were checked for accuracy. Finally, draft findings were sent to the study sponsors for their review and comments. These comments were discussed with the sponsors and incorporated into the final report.

FINDINGS

In fiscal year 2002, Frederick County residential land use generated \$100,054,124 in revenues to cover residential land use expenditures of \$118,867,412. Comparing revenues to expenditures shows that residential land use had a deficit of \$18,813,288, which was covered by a surplus of \$742,188 from agricultural and open land revenues and \$18,098,633 from commercial/industrial revenues.

Findings for Frederick are presented in the table below. The first two rows of the table show the total dollar amounts allocated to each land use for revenues and expenditures. The third row shows the net dollar impact on the budget for each land use. This was determined by comparing the revenues generated with the expenditures provided. The next row of the table presents this same information in ratio form. This is a clear way to see how much each land use costs for each dollar of revenue that it generates for the county, schools and water districts.

The final land use ratios show the costs required per \$1 of revenue generated in fiscal year 2002. For each \$1 of revenue received from residential properties, the county spent \$1.19 providing services to those lands. For each \$1 from commercial and industrial land uses, the county spent 23 cents and for each \$1 received from farm, forest and open land uses the county spent 33 cents providing services.

Table 1. Study Findings

Frederick County Services (County & District Services)	FY 2002 Actual	Residential Development	Commercial and Industrial Development	Agricultural and Open
a) Total Revenues	\$ 124,620,048	\$ 100,054,124	\$ 23,450,270	\$ 1,115,654
b) Total Expenditures	\$ 124,592,515	\$ 118,867,412	\$ 5,351,637	\$ 373,466
Net contribution (a-b)	\$ 27,533	\$ (18,813,288)	\$ 18,098,633	\$ 742,188
Land use ratio*		1.19	0.23	0.33
Percent of Revenue by Land Use		80%	19%	1%
Percent of Expenditure by Land Use		95%	4%	0.3%

* Cost for each \$1 of revenue generated

DISCUSSION

COCS studies provide a baseline of information to help local officials and citizens make informed land use decisions. They offer the benefit of hindsight to see the effect of development patterns to date. They also demonstrate the fiscal importance of privately owned land in agricultural or other open space uses.

The purpose of this study was to compare the net fiscal contribution of agricultural and other working and open lands so they will be duly considered in Frederick County's planning process. It specifically analyzed agricultural lands and found that they make a positive contribution to the county's fiscal stability. In addition to their fiscal contribution, farm commodity sales, employment and purchases of local materials by farmers contribute to the local economy.

Because COCS studies are descriptive, they should not be used to predict the impact of a single development or to project future costs of services created by new development. This is as true in Frederick County as anywhere else. While the findings point to the importance of agricultural and other working and open lands, fiscal relationships alone should not be used to judge the inherent value of one land use over another or to compare the value of one new development over another.

The results of this study provide reliable financial information that demonstrates the importance of agricultural and open lands to the fiscal stability of Frederick County. It suggests that development of strategies to retain this land base for future agriculture would be a good long-term investment and that:

- Agricultural land makes a positive fiscal and economic contribution to Frederick County and should not be viewed as an interim land use;
- Agricultural and open lands contribute more in local revenues than they receive in services;

- Even when enrolled in Virginia’s Use Value Assessment Program and receiving reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for the residents of Frederick County; and
- Taxes and other revenues from residential development do not cover all the public services residents receive from the county and thus new residential development is likely to bring higher, not lower taxes.

In sum, a balance of land uses, *including agricultural and other working and open lands*, is needed to provide adequate revenue to pay for public services.

The findings of this study show the fiscal benefits that result from open and agricultural lands and factual information to help residents understand the delicate fiscal balance between the costs of public services and the revenues generated for them. This information should be useful for county leaders and residents when faced with land use decisions now and in the future. Beyond their importance in helping maintain fiscal balance, agricultural and open lands help sustain Frederick County’s economy and rural character, and help shape the overall quality of life in the region.

APPENDICES

A. Frederick County Revenue and Expenditure Allocation

B. Real and Personal Property

APPENDIX A. COUNTY BUDGET ALLOCATION

REVENUES

General Operating Fund	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
General Property Taxes				
Current Real Property Taxes	\$ 22,021,485	\$ 17,203,184	\$ 4,047,549	\$ 770,752
Current Public Service Corporation Taxes	\$ 1,281,519	\$ -	\$ 1,281,519	\$ -
Current Personal Property Taxes	\$ 15,573,177	\$ 10,089,861	\$ 5,483,316	\$ -
Penalties	\$ 516,706	\$ 356,041	\$ 153,033	\$ 7,632
Interest & Cost on Taxes	\$ 191,200	\$ 131,748	\$ 56,628	\$ 2,824
Credit Card Charges	\$ (2,002)	\$ (1,379)	\$ (593)	\$ (30)
Newspaper Ad for Delinquent Accounts	\$ 2,146	\$ 1,479	\$ 636	\$ 32
Admin Fees for Liens	\$ 7,528	\$ 5,187	\$ 2,230	\$ 111
Total gen. prop. taxes	\$ 39,591,759	\$ 27,786,122	\$ 11,024,316	\$ 781,321
Other local taxes				
Local Sales and Use Taxes	\$ 5,108,183	\$ 3,332,263	\$ 1,746,887	\$ 29,033
Utility Taxes - Telephone	\$ 295,523	\$ 206,689	\$ 88,834	\$ -
Utility Taxes - Electric	\$ 1,899,231	\$ 1,328,322	\$ 570,909	\$ -
Utility Taxes - Gas	\$ 500,107	\$ 349,775	\$ 150,332	\$ -
Gross Receipts Tax - Utilities	\$ 194,701	\$ 136,174	\$ 58,527	\$ -
Business & Prof. Occup. License	\$ 2,748,217	\$ -	\$ 2,748,217	\$ -
Motor Vehicle Licenses	\$ 950,547	\$ 808,506	\$ 142,041	\$ -
Auto Rental Tax	\$ 59,777	\$ -	\$ 59,777	\$ -
Bank Stock Taxes	\$ 76,018	\$ -	\$ 76,018	\$ -
Recordation Taxes	\$ 794,652	\$ 620,782	\$ 146,057	\$ 27,813
Tax on Wills	\$ 9,194	\$ 9,194	\$ -	\$ -
Add'l Tax on Deeds of Conveyance	\$ 165,077	\$ 128,958	\$ 30,341	\$ 5,778
Room and Meals Tax	\$ 1,307,064	\$ -	\$ 1,307,064	\$ -
Street Lights	\$ 21,584	\$ 21,584	\$ -	\$ -
Total other local taxes	\$ 14,129,875	\$ 6,942,246	\$ 7,125,005	\$ 62,623
Permits, Fees and Licenses				
Dog Licenses	\$ 21,850	\$ 21,850	\$ -	\$ -
Land Use Application Fees	\$ 3,895	\$ -	\$ -	\$ 3,895
Transfer Fees	\$ 3,279	\$ 2,562	\$ 603	\$ 115
Franchise Fees	\$ 312,953	\$ -	\$ 312,953	\$ -
Development Review Fees	\$ 139,214	\$ 58,669	\$ 79,385	\$ 1,159
Building Permits	\$ 357,476	\$ 287,268	\$ 70,208	\$ -
1% State Fees	\$ 1,888	\$ 1,517	\$ 371	\$ -
Electrical Permits	\$ 121,922	\$ 87,330	\$ 34,592	\$ -
Plumbing Permits	\$ 96,110	\$ 89,920	\$ 6,190	\$ -
Mechanical Permits	\$ 107,719	\$ 88,647	\$ 19,072	\$ -
Special Permits	\$ 200	\$ -	\$ 200	\$ -
Sign Permits	\$ 2,100	\$ 646	\$ 1,454	\$ -
Permits - Commercial Burning	\$ 1,110	\$ -	\$ 1,110	\$ -
Explosive Storage Permits	\$ 1,075	\$ -	\$ 1,075	\$ -
Blasting Permits	\$ 1,410	\$ -	\$ 1,410	\$ -
Annual Blasting Permits	\$ 160	\$ 160	\$ -	\$ -
Annual Burning Permits	\$ 400	\$ 400	\$ -	\$ -
Land Disturbance Permits	\$ 9,050	\$ 7,070	\$ 1,663	\$ 317
Total Permits, Fees and Licenses	\$ 1,181,811	\$ 646,039	\$ 530,286	\$ 5,486

APPENDIX A. COUNTY BUDGET ALLOCATION

Revenues continued

	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Fines & Forfeitures				
County Fines & Forfeitures	\$ 57,252	48,699	8,553	\$ -
Penalty - Bad Checks	\$ 2,240	\$ 2,240	\$ -	\$ -
Total Fines & Forfeitures	\$ 59,492	\$ 50,939	\$ 8,553	\$ -
Revenue - Use of Money & Property				
Interest on Bank Deposits	\$ 749,765	\$ 516,663	\$ 222,080	\$ 11,022
Rental of General Property	\$ 8,705	\$ 5,999	\$ 2,578	\$ 128
Rent/Recreational Prop. & Facilities	\$ 350	\$ 350	\$ -	\$ -
Sale of Salvage & Surplus	\$ 18,800	\$ 12,955	\$ 5,569	\$ 276
Sale of Boca Books	\$ 2,365	\$ 1,654	\$ 711	\$ -
Sale of Maps, Books, etc.	\$ 680	\$ 476	\$ 204	\$ -
Park Recreation - Firewood	\$ 490	\$ 490	\$ -	\$ -
Park Rec. - Sale Surplus Equipment	\$ 1,000	\$ 1,000	\$ -	\$ -
Park Rec. - Clearbrook Concessions	\$ 6,934	\$ 6,934	\$ -	\$ -
Park Rec. - Sherando Concessions	\$ 6,734	\$ 6,734	\$ -	\$ -
Sale & Rental of Recreation Equipment	\$ 146	\$ 146	\$ -	\$ -
Sale of Salvage & Surplus - Other	\$ 76	\$ 76	\$ -	\$ -
Forfeited Property and Funds	\$ 331	\$ 331	\$ -	\$ -
Sale of Fire Report	\$ 172	\$ 120	\$ 52	\$ -
Sale of Facts and Figures - EDC	\$ 15	\$ -	\$ 15	\$ -
Total Use of Money & Property	\$ 796,563	\$ 553,928	\$ 231,209	\$ 11,426
Charges for Services				
Excess Fees of Clerks	\$ 267,304	\$ 228,051	\$ 33,746	\$ 5,507
Sheriff's Fees	\$ 5,136	\$ 5,136	\$ -	\$ -
Law Library Fees	\$ 5,246	\$ 4,594	\$ 599	\$ 53
Emergency 911 Fees	\$ 450,083	\$ 314,788	\$ 135,295	\$ -
Handgun Permit Fees	\$ 5,700	\$ 5,700	\$ -	\$ -
Donations Adopt/Reclaim. Fees	\$ 19,785	\$ 19,785	\$ -	\$ -
Spay/Neuter Fees	\$ 10,480	\$ 10,480	\$ -	\$ -
Recreation Admission Fees	\$ 93,370	\$ 93,370	\$ -	\$ -
Community Rec. Program Fees	\$ 575,869	\$ 575,869	\$ -	\$ -
Ballfield User Fees	\$ 6,789	\$ 6,789	\$ -	\$ -
Recreation League Fees	\$ 41,093	\$ 41,093	\$ -	\$ -
Recreation Tournament Fees	\$ 9,419	\$ 9,419	\$ -	\$ -
Rec. Fees - Instructional	\$ 81,875	\$ 81,875	\$ -	\$ -
Rec. Fees - Special Events	\$ 21,053	\$ 21,053	\$ -	\$ -
Recreation Trips & Excursions	\$ 23,177	\$ 23,177	\$ -	\$ -
Facility Rental	\$ 28,006	\$ 28,006	\$ -	\$ -
Recreation Club Fees	\$ 216	\$ 216	\$ -	\$ -
User Fees - Shelters - Clearbrook	\$ 14,264	\$ 14,264	\$ -	\$ -
User Fees - Shelters - Sherando	\$ 7,114	\$ 7,114	\$ -	\$ -
Tickets for Resale	\$ 19,626	\$ 19,626	\$ -	\$ -
Merchandise for Resale	\$ 845	\$ 845	\$ -	\$ -
Vending Machine - Community Center	\$ 4,757	\$ 4,757	\$ -	\$ -
Sale of Maps, Surveys, Etc.	\$ 4,207	\$ 1,773	\$ 2,399	\$ 35
Sale of County Code	\$ 1,777	\$ 749	\$ 1,013	\$ 15
Sale of Frederick County Book	\$ 320	\$ 135	\$ 182	\$ 3
Total Charges for Services	\$ 1,697,511	\$ 1,518,664	\$ 173,234	\$ 5,612

APPENDIX A. COUNTY BUDGET ALLOCATION

Revenues continued	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Miscellaneous Revenues				
Miscellaneous	\$ 124,004	\$ 85,451	\$ 36,730	\$ 1,823
Recreation Donations	\$ 12,220	\$ 12,220	\$ -	\$ -
Donations - Other	\$ 2,060	\$ 2,060	\$ -	\$ -
Sheriff Donations	\$ 2,542	\$ 2,542	\$ -	\$ -
Forfeited Property - Surplus	\$ 3,614	\$ 3,614	\$ -	\$ -
Refunds - other	\$ (278)	\$ (278)	\$ -	\$ -
Refunds - Hazardous Material	\$ 637	\$ 637	\$ -	\$ -
Refunds - Worker's Comp./ Other Ins.	\$ 41,625	\$ 28,684	\$ 12,329	\$ 612
Drug Awareness Program	\$ 7,625	\$ 7,625	\$ -	\$ -
Towing Charges	\$ 40	\$ 40	\$ -	\$ -
Specialized Reports	\$ 3,983	\$ -	\$ 3,983	\$ -
Credit Due Customers - Parks	\$ 1,536	\$ 1,536	\$ -	\$ -
Total Miscellaneous	\$ 199,608	\$ 144,131	\$ 53,042	\$ 2,435
Recovered Costs	\$ 1,816,413	\$ 1,231,055	\$ 514,809	\$ 70,550
Total Revenue from Local Sources	\$ 59,473,032	\$ 38,873,123	\$ 19,660,456	\$ 939,453

STATE GOVERNMENT

Non-Categorical Aid-State

ABC Profits	\$ 155,075	\$ -	\$ 155,075	\$ -
Wine Taxes	\$ 80,412	\$ -	\$ 80,412	\$ -
Motor Vehicle Carriers Tax	\$ 33,739	\$ -	\$ 33,739	\$ -
Mobile Home Titling Tax	\$ 133,796	\$ 133,796	\$ -	\$ -
PPTRA Reimbursement	\$ 10,069,850	\$ 10,069,850	\$ -	\$ -
Total Non-Categorical Aid-State	\$ 10,472,872	\$ 10,203,646	\$ 269,226	\$ -

Shared Expenses (Categorical)

Commonwealth Attorney	\$ 301,780	\$ 243,651	\$ 53,864	\$ 4,265
Sheriff	\$ 1,841,981	\$ 1,600,328	\$ 215,959	\$ 25,694
Commissioner of Revenue	\$ 186,007	\$ 128,170	\$ 55,090	\$ 2,747
Treasurer	\$ 182,083	\$ 125,466	\$ 53,928	\$ 2,689
Medical Examiner	\$ 330	\$ 330	\$ -	\$ -
Registrar/ Electoral Board	\$ 51,377	\$ 51,377	\$ -	\$ -
Total Shared Expenses (Cat.)	\$ 2,563,558	\$ 2,149,323	\$ 378,840	\$ 35,395

Categorical Aid - State

Public Assistance Grants	\$ 852,991	\$ 852,991	\$ -	\$ -
Virginia Comm. of the Arts	\$ 5,000	\$ 5,000	\$ -	\$ -
Litter Control Grant	\$ 11,386	\$ 8,895	\$ 2,093	\$ 399
Emergency Medical Services	\$ 29,589	\$ 27,308	\$ 2,231	\$ 50
Emergency Services Fire Program	\$ 76,539	\$ 70,638	\$ 5,771	\$ 130
DCJS Grant - Sheriff	\$ 13,698	\$ 13,698	\$ -	\$ -
JJC Grant	\$ 371,258	\$ 371,258	\$ -	\$ -
Clerk's Fringe Benefit Reimbursement	\$ 9,984	\$ 8,139	\$ 1,766	\$ 79

APPENDIX A. COUNTY BUDGET ALLOCATION

Revenues Continued	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Rent/Lease Payments	\$ 112,208	\$ -	\$ 112,208	\$ -
Spay/Neuter Assistance - State	\$ 1,444	\$ 1,444	\$ -	\$ -
State Reimbursement - EDC	\$ 200,000	\$ -	\$ 200,000	\$ -
Historic Resources Grant - Courthouse	\$ 113,186	\$ 88,421	\$ 20,804	\$ 3,962
Wireless 911 Grant	\$ 116,255	\$ 81,309	\$ 34,946	\$ -
Warrior Road Reimbursement	\$ 6,163	\$ 6,163	\$ -	\$ -
Total Categorical Aid - State	\$ 1,919,701	\$ 1,535,263	\$ 379,819	\$ 4,619
Total Revenue Commonwealth	\$ 14,956,131	\$ 13,888,231	\$ 1,027,885	\$ 40,015
Categorical Aid - Federal				
National Park Service	\$ 166,000	\$ 83,000	\$ -	\$ 83,000
DMV Grants - Federal	\$ 21,411	\$ 18,212	\$ 3,199	\$ -
Public Assist Grants	\$ 1,767,098	\$ 1,767,098	\$ -	\$ -
JJC Grant - Juvenile	\$ 64,964	\$ 64,964	\$ -	\$ -
Clean Grant	\$ 81,693	\$ 81,693	\$ -	\$ -
Crime Victim Assistance - Federal	\$ 54,792	\$ 54,792	\$ -	\$ -
Total Federal Government	\$ 2,155,958	\$ 2,069,759	\$ 3,199	\$ 83,000
GENERAL FUND TOTAL	\$ 76,585,121	\$ 54,831,113	\$ 20,691,540	\$ 1,062,468
OTHER FUNDS				
Division of Court Services	\$ 990,550	\$ 990,550	\$ -	\$ -
Shawneeland Sanitary District	\$ 480,504	\$ 480,504	\$ -	\$ -
Consolidated Maintenance	\$ 206,348	\$ 206,348	\$ -	\$ -
School Operating Fund				
Local Sources	\$ 775,885	\$ 674,611	\$ 96,486	\$ 4,788
Revenue from the Commonwealth	\$ 34,328,929	\$ 31,746,518	\$ 2,540,076	\$ 42,335
Revenue from the Federal Government	\$ 2,665,435	\$ 2,665,435	\$ -	\$ -
School Debt Service				
State funds	\$ 1,485,236	\$ 1,485,236	\$ -	\$ -
State funds - school construction	\$ 484,260	\$ 484,260	\$ -	\$ -
School Cafeteria	\$ 2,758,702	\$ 2,758,702	\$ -	\$ -
School Textbook	\$ 672,624	\$ 672,624	\$ -	\$ -
School Construction - Capital Project				
Interest on Bank Deposits	\$ 412,453	\$ 284,221	\$ 122,169	\$ 6,063
NREP Operating	\$ 2,753,561	\$ 2,753,561	\$ -	\$ -
NREP Textbook	\$ 20,440	\$ 20,440	\$ -	\$ -
Other Funds Total	\$ 48,034,927	\$ 45,223,010	\$ 2,758,731	\$ 53,186
TOTAL, ALL REVENUES	\$ 124,620,048	\$ 100,054,124	\$ 23,450,270	\$ 1,115,654

APPENDIX A. COUNTY BUDGET ALLOCATION

EXPENDITURES

General Fund	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Government Administration				
Board of Supervisors	\$ 194,795	\$ 134,233	\$ 57,698	\$ 2,863
County Administration	\$ 363,971	\$ 250,812	\$ 107,808	\$ 5,350
Personnel Department	\$ 257,853	\$ 177,687	\$ 76,376	\$ 3,790
Independent Auditor	\$ 39,575	\$ 27,271	\$ 11,722	\$ 582
Commissioner of Revenue	\$ 791,168	\$ 545,194	\$ 234,344	\$ 11,630
Board of Equalization	\$ 3,549	\$ 2,446	\$ 1,051	\$ 52
Treasurer	\$ 751,433	\$ 517,812	\$ 222,574	\$ 11,046
Finance	\$ 485,253	\$ 334,388	\$ 143,732	\$ 7,133
Data Processing	\$ 322,945	\$ 222,541	\$ 95,656	\$ 4,747
Other - Airport Authority	\$ 466,058	\$ -	\$ 466,058	\$ -
Electoral Board and Officials	\$ 41,806	\$ 41,806	\$ -	\$ -
Registrar	\$ 102,285	\$ 102,285	\$ -	\$ -
Subtotal Administration	\$ 3,820,691	\$ 2,356,475	\$ 1,417,021	\$ 47,195
Judicial Administration				
Circuit Court	\$ 31,280	\$ 26,687	\$ 3,949	\$ 644
General District Court	\$ 6,353	\$ 4,378	\$ 1,882	\$ 93
Juvenile and Domestic Relations	\$ 5,728	\$ 5,728	\$ -	\$ -
Clerk of the Circuit Court	\$ 120,505	\$ 102,809	\$ 15,213	\$ 2,483
Law Library	\$ 4,411	\$ 3,863	\$ 503	\$ 45
Detox Center	\$ 31,200	\$ 31,200	\$ -	\$ -
Commonwealth Attorney	\$ 792,415	\$ 639,796	\$ 141,446	\$ 11,173
Juvenile Court Probation	\$ 369,099	\$ 369,099	\$ -	\$ -
Victim Witness	\$ 67,468	\$ 67,468	\$ -	\$ -
Subtotal Judicial	\$ 1,428,459	\$ 1,251,027	\$ 162,993	\$ 14,438
Public Safety				
Sheriff	\$ 5,551,183	\$ 4,822,914	\$ 650,837	\$ 77,433
Volunteer Fire Departments	\$ 555,598	\$ 474,685	\$ 73,688	\$ 7,226
Ambulance and Rescue Service	\$ 316,440	\$ 270,356	\$ 41,969	\$ 4,115
Regional Jail	\$ 837,043	\$ 727,230	\$ 98,137	\$ 11,676
Inspections	\$ 618,951	\$ 502,093	\$ 116,858	\$ -
Juvenile Detention Center	\$ 412,258	\$ 412,258	\$ -	\$ -
Fire and Rescue Department	\$ 2,181,605	\$ 1,863,891	\$ 289,341	\$ 28,373
Public Safety Communications	\$ 945,457	\$ 819,144	\$ 114,684	\$ 11,629
Other	\$ 650	\$ 563	\$ 79	\$ 8
Subtotal public safety	\$ 11,419,185	\$ 9,893,133	\$ 1,385,592	\$ 140,460
Public Works				
Road Administration, Street Lighting	\$ 29,993	\$ 29,993	\$ -	\$ -
General Engineering	\$ 136,814	\$ 95,688	\$ 41,126	\$ -
Refuse Collection	\$ 776,440	\$ 776,440	\$ -	\$ -
Refuse Disposal	\$ 818,878	\$ 818,878	\$ -	\$ -
Litter Control	\$ 15,112	\$ 10,569	\$ 4,543	\$ -
General Properties	\$ 786,711	\$ 542,091	\$ 233,000	\$ 11,620
Animal Shelter	\$ 180,983	\$ 180,983	\$ -	\$ -
Total Public Works	\$ 2,744,931	\$ 2,454,642	\$ 278,669	\$ 11,620

APPENDIX A. COUNTY BUDGET ALLOCATION

EXPENDITURES continued	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Health & Welfare				
Local Health Department	\$ 293,503	\$ 247,276	\$ 41,604	\$ 4,623
Northwestern Community Services	\$ 132,126	\$ 132,126	\$ -	\$ -
Social Services Department	\$ 3,256,307	\$ 3,256,307	\$ -	\$ -
Comprehensive Services Act	\$ 815,753	\$ 815,753	\$ -	\$ -
Area Agency on Aging	\$ 15,000	\$ 15,000	\$ -	\$ -
Prop. Tax Relief for Elderly- Handicapped	\$ 234,632	\$ 234,632	\$ -	\$ -
Subtotal Health & Welfare	\$ 4,747,321	\$ 4,701,094	\$41,604	\$4,623
Community Colleges	\$ 45,123	\$ 45,123	\$ -	\$ -
Parks, Recreation, Cultural				
Parks and Recreation - Administration	\$ 2,848,531	\$ 2,848,531	\$ -	\$ -
Regional Library	\$ 760,182	\$ 760,182	\$ -	\$ -
Subtotal Parks, Rec, Cultural	\$ 3,608,713	\$ 3,608,713	\$ -	\$ -
Community Development				
Planning and Development	\$ 1,109,427	\$ 547,436	\$ 546,859	\$ 15,133
Economic Development Commission	\$ 528,616	\$ -	\$ 528,616	\$ -
Zoning Board	\$ 3,620	\$ 2,494	\$ 1,072	\$ 53
Economic Development Incentives	\$ 750,000	\$ -	\$ 750,000	\$ -
Northern Shenandoah Valley RC	\$ 24,414	\$ 16,823	\$ 7,231	\$ 361
Gypsy Moth Suppression	\$ 214,476	\$ 214,476	\$ -	\$ -
Soil & Water Conservation	\$ 113,738	\$ 45,495	\$ -	\$ 68,243
Tourism Program	\$ 159,999	\$ -	\$ 159,999	\$ -
Extension Office	\$ 147,111	\$ 76,285	\$ 2,913	\$ 67,913
Subtotal Community Development	\$ 3,051,401	\$ 903,009	\$ 1,996,690	\$ 151,703
TOTAL GENERAL FUND	\$ 30,865,824	\$ 25,213,217	\$ 5,282,569	\$ 370,038
OTHER FUNDS				
Division of Court Services	\$ 990,550	\$ 990,550	\$ -	\$ -
Shawneeland Sanitary District	\$ 553,097	\$ 553,097	\$ -	\$ -
Unemployment Compensation	\$ 12,260	\$ 8,448	\$ 3,631	\$ 180
School Funds - Operating	\$ 78,626,241	\$ 78,626,241	\$ -	\$ -
School Debt Service	\$ 7,550,984	\$ 7,550,984	\$ -	\$ -
School Cafeterias	\$ 2,838,733	\$ 2,838,733	\$ -	\$ -
School Textbook	\$ 274,412	\$ 274,412	\$ -	\$ -
Consolidated Maintenance Fund	\$ 220,922	\$ 152,237	\$ 65,437	\$ 3,248
NREP Operating Fund	\$ 2,656,864	\$ 2,656,864	\$ -	\$ -
NREP Textbook Fund	\$ 2,628	\$ 2,628	\$ -	\$ -
Other Funds Total	\$ 93,726,691	\$ 93,654,195	\$ 69,069	\$ 3,428
TOTAL, ALL EXPENDITURES	\$ 124,592,515	\$ 118,867,412	\$ 5,351,637	\$ 373,466

APPENDIX A. COUNTY BUDGET ALLOCATION

Study Findings		Residential	Comm/ Ind	Farm & Open
County Revenue	\$ 124,620,048	\$ 100,054,124	\$ 23,450,270	\$ 1,115,654
County Expenditure	\$ 124,592,515	\$ 118,867,412	\$ 5,351,637	\$ 373,466
Revenues minus expenditures	\$ 27,533	\$ (18,813,288)	\$ 18,098,633	\$ 742,188
Land Use Ratio*		1.19	0.23	0.33
Land Use Percent of Revenue		80%	19%	1%
Land Use Percent of Expenditure		95%	4%	0.3%
Combined Excess Commercial, Industrial and Farm and Open				\$ 18,840,821

Appendix B: Real and Personal Property 2001

Property Class	Assessment	Total Tax	COCS STUDY ADJUSTMENTS		
			Residential	Commercial	Farm/Open
Residential Single	\$ 2,583,244,100	15,757,789			
minus vacant parcels > 20 acres	\$ 16,598,400	101,250			\$ 101,250
adjusted residential value	\$ 2,566,645,700	15,656,539	\$ 15,656,539		
Residential (multiple family)	\$ 108,750,200	897,245	\$ 897,245		
Residential (manufactured)	\$ 26,100,000	159,210	\$ 159,210		
Supplements	\$ 114,310,804	361,522	\$ 361,522		
Commercial	\$ 672,475,600	4,102,101		\$ 4,102,101	
Agricultural (20 - 100 acres)	\$ 306,452,000	1,869,357			
Agricultural (>100 acres)	\$ 209,461,500	1,277,715			
Total agricultural	\$ 515,913,500	3,147,072			
less land adjustment	\$ (307,941,452)	-1,878,443			
equals adjusted ag value	\$ 207,972,048	1,268,629			
farmhouses	\$ 96,786,231	590,396	\$ 590,396		
Final ag land value	\$ 111,185,817	678,233			\$ 678,233
Tax relief	\$	(233,869)	\$ (233,869)		\$ -
Public Service	\$ 202,890,808	1,237,634		\$ 1,237,634	\$ -
Real Property Totals	\$ 3,712,852,752	\$ 23,550,262	\$ 17,431,043	\$ 5,339,735	\$ 779,484

Property Class	Value	Revenue	Residential	Commercial	Farm/Open
Personal Use - Class 01,02,03, 04,05,08,10,11,12,30,40	\$ 418,197,760	\$ 15,719,997	\$ 15,719,997		\$ -
Supplements	\$ 173,032,696	\$ 3,224,368	\$ 3,224,368		\$ -
Business Use - Class 09,13,14,17,21,22,23,50,51,52,53,54	\$ 130,175,334	\$ 5,287,115		\$ 5,287,115	\$ -
Supplements	\$ 7,299,479	\$ 251,327		\$ 251,327	\$ -
M&T Class 06	\$ 236,571,064	\$ 4,747,308		\$ 4,747,308	\$ -
Public Service	\$ 1,553,674	\$ 9,477		\$ 9,477	\$ -
Personal Property Totals	\$ 966,830,007	\$ 29,239,592	\$ 18,944,365	\$ 10,295,227	\$ -
Combined Real and Personal Fall Back Percentage	\$ 4,679,682,759	\$ 52,789,854	\$ 36,375,408	\$ 15,634,962	\$ 779,484
			68.90606%	29.61736%	1.47658%