

Cost of Community Services Study

Culpeper 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 Board of Supervisors, American Farmland Trust completed a Cost of Community Services (COCS) study to develop a current understanding of the net fiscal impact of existing land uses in Culpeper County, Virginia. The study analyzes revenues and expenditures on a land use basis for fiscal year 2002. It examines revenues by land use and the financial demands of public services (e.g. public safety, government administration, schools, courts, etc.) and shows the cost of providing these services to residential; commercial; and farm, forest and open space land uses. The study focused on the county budget because it represents revenues and expenditures for the majority of the government services provided to residents living in Culpeper County.

The COCS study found that in Culpeper County:

- 73 percent of revenue in FY 2002 was generated by residential land uses; 25 percent was generated by commercial land uses; and 2 percent by farm, forest and open lands,
- 89 percent of county expenditures went to provide services for residential land use compared with 11 percent for commercial/ industrial uses and 1 percent for farm, forest, and open land.

In other words, for each \$1 of revenue received from residential properties in Culpeper County in FY 2002, the county spent \$1.22 providing services to those lands. For each \$1 from commercial and industrial land uses the county spent 41 cents; and for each \$1 received from farm, forest and open land uses the county spent 32 cents providing services.

Residential land uses created a deficit of \$11,647,464 which was offset by the other two land use categories: \$11 million from commercial and the balance from the nearly \$1 million surplus paid by farm and open land. The Culpeper County COCS findings demonstrate that a balance of land uses is necessary to assure fiscal stability. While residential development contributes the largest amount of revenue, its net fiscal impact is negative because the total expenditures for that land use exceed the revenues. Commercial

development's net revenues offset the majority of the shortfall while farm and open land's net revenues contribute the balance.

Study Findings

Combined County & District Services	FY 2002 Budget	Residential Development	Commercial Development	Farm and Open
a) Total Revenues	\$ 73,650,266	\$ 53,402,666	\$ 18,856,414	\$ 1,391,186
b) Total Expenditures	\$ 73,254,915	\$ 65,050,130	\$ 7,766,227	\$ 438,559
Net contribution (a-b)	\$ 395,351	\$ (11,647,464)	\$ 11,090,187	\$ 952,627
Land use ratio*		1: 1.22	1: 0.41	1: 0.32

*Cost for each \$1 of revenue generated

INTRODUCTION

Culpeper County

This is the third in a series of studies of local agriculture and agricultural landowners completed by American Farmland Trust in cooperation with Culpeper County. The previous studies examined the trends in the local agricultural industry¹ and surveyed agricultural landowners about their farming operations and future intentions.² The purpose of these studies is to provide insight into the contribution agriculture makes to the local economy, tax base and quality of life, and to provide some context for decisions about how to encourage the retention of agricultural lands and stimulate investment in the industry.

Culpeper County is located in north-central Virginia and encompasses 381.2 square miles, or 243,968 acres. The county population was 34,262 in 2000, an increase of more than 20 percent from the 1990 census. The number of households increased 25 percent between 1990 and 2000³. Approximately 40 percent of the Culpeper workforce commutes to work out of the county. Much of this growth has been in the northern part of the county closest to the Northern Virginia metropolitan area.

According to records from the Commissioner of Revenue, the estimated 17,114 properties in the county have an assessed value of almost \$2 billion. The majority of this is residential:

- 3,149 urban residential properties
- 10,785 suburban residential properties
- 150 multiple family properties
- 871 commercial and industrial properties, and
- 2,159 agricultural properties.

The 1997 Census of Agriculture reported 521 farms in Culpeper County operating on 114,926 acres of farmland. Small farms (with annual sales of less than \$250,000)

¹ American Farmland Trust, 2000

² Virginia Tech Center for Survey Research, 2000. "Culpeper Landowner Survey 2000."

constitute 93 percent of all farms in the county. County farm numbers and net income continue to grow, lead by the burgeoning small farm sector.⁴ The market value of agricultural products sold was \$21 million in 1997, with an impact of over \$51 million because small farms tend to purchase inputs locally and are important to the local economy. Agriculture is a significant sector of the county economy and is threatened by scattered residential development.

Cost of Community Service Studies

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. These analyses show what services private residents receive in return for the taxes they pay to their local and county government and how these costs and revenues relate to land use.

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. The goal of this COCS study is not to prescribe a course of action but to provide reliable financial data to help Culpeper County officials make informed planning decisions and to evaluate strategies to maintain a balance in the distribution of land uses in the future.

AFT developed this low-cost fiscal study to contribute local knowledge to decisions about land use. It is hoped that by using a community's own statistics and financial, land use and economic data, these tools will move public dialogue from speculation to projection – from emotion to analysis. The results of this COCS study show the average fiscal impacts of Culpeper's current land uses.

³ U.S. Census Bureau, 1990, 2000

AFT developed the COCS approach to investigate three common claims 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 actual 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 real property tax 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 the modest demand for infrastructure and public services. COCS studies determine the *net* fiscal impact of land uses in the present by comparing total revenues to total expenditures to ascertain the overall contribution of different land uses.

There are three basic steps in the process of conducting a Cost of Community Services 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 Culpeper County.

COCS METHOD IN CULPEPER COUNTY

Before the study began, researchers contacted public officials to set up interviews, to understand local issues related to budgets, and to define land use categories for the study.

⁴ Agricultural Trends

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 actively used 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.

Collected Data and Interviews

Appointments were scheduled with county officials. The purpose of these interviews was to obtain relevant information and to collect necessary documents. The Culpeper 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 funds for organizations such as social services, the airport, education, and Extension Service, that are county funded but not administered, are also described in the fiscal plan. This 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 to allocate all fiscal year 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 an 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.

Revenues

Revenues were categorized according to the land use source for that particular item. Fees collected by the Circuit Court were distributed according to the type of land use indicated in a summary report. For example, marriage licenses, concealed weapons permits and passport applications were classified as residential revenues. Fees for notary qualifications were attributed to business. Court fees from wills, estates, and property recordings were divided by the relative assessed value of property in the county.

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 Virginia Environmental Endowment grant was allocated to farm and open land.

The State of Virginia provides almost \$3 million of funding 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 Clerk of the Court.) This revenue was allocated based on information obtained in the interviews about the relationship of office activities to land use.

Another important source of county revenue is the local and state sales tax levied on products sold in the county. Sales tax revenue of \$20,220,402 in the school operating fund was allocated as a combination of residential and commercial land use source. 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 than 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 FY 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 their 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 state reimbursed and local sales tax revenue were attributed to residential (71 percent), and commercial (29 percent.) Business purchases by farmers and tangible property used for agricultural production for market are exempt from sales tax.

Expenditures

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 sample of the calls made. Court expenses were allocated according to a review of 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. State shared sales tax revenue (\$22 million) spent in the school operating budget was attributed to residential land use because it was given to the county to pay for education, a residential service.

Unusual, one-time only revenues or expenditures can distort the COCS snapshot picture of a typical fiscal year. In this study, this situation occurred in the case of the school capital fund. In fiscal 2002, a total of \$12,262,668 was spent including large expenditures for the Floyd T. Binns school construction (\$8,932,288) and the High School addition (\$3,096,994). Since this debt will be paid off over a period of twenty years, only 1/20th of these construction expenses, or \$601,604 were included in the FY 2002 analysis. This was added to the remaining school capital fund expenditures resulting in a final capital fund expenditure of \$1,326,975.

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 and industrial, and farm and open space. Agricultural land in Culpeper within the farmland 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 Culpeper 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.

Calculation of "Fallback" Percentages

Even after extensive record searches, in a few 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 land use distribution of these revenues resulted in the following:

- 69 percent were from residential development,
- 25 percent from commercial and industrial development, and
- 6 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 was collected and interviews completed, the information was synthesized on 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, Culpeper County residential land use generated \$53,402,666 in revenues to cover residential land use expenditures of \$65,050,130. Comparing revenues to expenditures shows that residential land use had a deficit of \$11,647,464, which was covered by a surplus of \$952,627 from agricultural and open land revenues and \$11,090,187 from commercial/industrial development.

Findings for Culpeper 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 in Culpeper County in FY 2002, the county spent \$1.22 providing services to those lands. For each \$1 from commercial and industrial land uses, the county spent 41 cents and for each \$1 received from farm, forest and open land uses the county spent 32 cents providing services.

Table 1. Study Findings

Culpeper County Services (County & District Services)	FY 2002 Budget	Residential Development	Commercial and Industrial Development	Agricultural and Open
a) Total Revenues	\$ 73,650,266	\$ 53,402,666	\$ 18,856,414	\$ 1,391,186
b) Total Expenditures	\$ 73,254,915	\$ 65,050,130	\$ 7,766,227	\$ 438,559
Net contribution (a-b)	\$ 395,351	\$ (11,647,464)	\$ 11,090,187	\$ 952,627
Land use ratio*		1: 1.22	1: 0.41	1: 0.32
Percent of Revenue by Land Use		73%	25%	2%
Percent of Expenditure by Land Use		89%	10%	1%

* 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 a COCS study is to determine the net fiscal contribution of working and open lands so these lands may be duly considered in the planning process, not to

recommend one type of land use over another. Because the 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. COCS studies are not designed to judge the value of one land use over another or to compare one type of new development to another.

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

Taxes and other revenues from residential development do not cover all the public services residents receive from the county. A balance of land uses, including agricultural and open lands, is needed to provide adequate revenue to pay for these services. As more residential development occurs, an imbalance may grow creating the need for tax increases. The ratio of \$1:1.22 for residential land use would have been much higher if not for the contribution of over \$20 million of state money for education.

Agricultural and open lands pay more in local tax revenues than these working lands receive in services. Differential property tax programs are justified as a way to provide an incentive to keep land open and in active agricultural use. Even with a reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for residents of Culpeper County.

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. In addition to helping maintain fiscal balance, agricultural and open lands help sustain Culpeper County's economy and rural character, and help shape the overall quality of life in the region.

APPENDICES

A. Budget Allocation

B. Allocation of Property Taxes By Land Use

APPENDIX A. BUDGET ALLOCATION

REVENUES

LOCAL SOURCES	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
General Property Taxes				
Real Property Taxes	\$ 15,206,334	\$ 12,110,324	\$ 1,993,550	\$ 1,102,459
Public Service Corporation Taxes	\$ 984,706	\$ -	\$ 984,706	\$ -
Commonwealth Collection Fees	\$ 8,753	\$ 6,971	\$ 1,148	\$ 635
Mobile Home Taxes	\$ 29,722	\$ 29,722	\$ -	\$ -
Personal Property Taxes	\$ 4,335,134	\$ 3,788,907	\$ 450,854	\$ 95,373
Charged off Taxes	\$ 732	\$ 583	\$ 96	\$ 53
Machinery & Tools Taxes	\$ 1,633,156	\$ -	\$ 1,633,156	\$ -
Merchants Capital Taxes	\$ 519	\$ -	\$ 519	\$ -
Interest / All Property Taxes	\$ 233,374	\$ 161,751	\$ 59,814	\$ 11,809
Penalty / All Property Taxes	\$ 133,579	\$ 92,583	\$ 34,236	\$ 6,759
Total gen. prop. taxes	\$ 22,566,008	\$ 16,190,842	\$ 5,158,079	\$ 1,217,088
Other local taxes				
Local Sales and Use Taxes	\$ 3,659,581	\$ 2,585,969	\$ 1,072,428	\$ 1,184
Utility Taxes	\$ 1,270,679	\$ 927,596	\$ 343,083	\$ -
County Business Licenses	\$ 1,000	\$ -	\$ 1,000	\$ -
Transient Occupancy Tax	\$ 5,379	\$ -	\$ 5,379	\$ -
Motor Vehicle Licenses	\$ 503,264	\$ 456,662	\$ 46,602	\$ -
Recordation Taxes	\$ 368,118	\$ 293,170	\$ 48,260	\$ 26,689
Minerals Tax	\$ 9,866	\$ -	\$ 9,866	\$ -
Total other local taxes	\$ 5,817,888	\$ 4,263,396	\$ 1,526,620	\$ 27,873
Permits, Fees and Licenses				
Animal Licenses & Kennel	\$ 11,512	\$ 11,512	\$ -	\$ -
Building Code Academy	\$ 387	\$ 332	\$ 55	\$ -
Zoning and Subdivision Permits	\$ 40,135	\$ 18,480	\$ 18,662	\$ 2,993
Unlicensed Motor Vehicle Licenses	\$ 320	\$ -	\$ -	\$ 320
Transfer Fees	\$ 1,658	\$ 1,320	\$ 217	\$ 120
Special Use & Variance App.	\$ 17,375	\$ 17,375	\$ -	\$ -
Sign Permits	\$ 906	\$ -	\$ 906	\$ -
Occupancy Permits	\$ 220	\$ 220	\$ -	\$ -
Land Use Application Fees	\$ 2,225	\$ 2,225	\$ -	\$ -
Building Inspection Fees	\$ 3,444	\$ 2,957	\$ 487	\$ -
Building Permits	\$ 633,936	\$ 546,985	\$ 86,951	\$ -
Total Permits, Fees and Licen.	\$ 712,117	\$ 601,406	\$ 107,278	\$ 3,433
Fines & Forfeitures				
County Fines & Forfeitures	\$ 41,576	\$ 31,344	\$ 8,614	\$ 1,617
Revenue - Use of Money & Property				
Interest - Bank Dep. & Investment	\$ 488,718	\$ 338,730	\$ 125,258	\$ 24,729
Interest - Library/Penniman Fund	\$ 233	\$ 233	\$ -	\$ -
Interest - Cash Performance Bond	\$ 33	\$ 33	\$ -	\$ -
Interest - Ban	\$ 43,212	\$ 29,950	\$ 11,075	\$ 2,187
Interest - LLEBG Federal Grant	\$ 352	\$ 352	\$ -	\$ -
Rent of County Property	\$ 19,200	\$ 13,308	\$ 4,921	\$ 972
Total Use of Money & Property	\$ 551,748	\$ 382,606	\$ 141,255	\$ 27,887

Revenues continued

Charges for Services	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Excess Fees of Clerks	\$ 18,830	\$ 13,051	\$ 4,826	\$ 953
Sheriff's Fees	\$ 6,207	\$ 5,086	\$ 1,087	\$ 34
Law Library Fees	\$ 13,600	\$ 10,253	\$ 2,819	\$ 528
Courthouse Maintenance Fee	\$ 15,166	\$ 11,433	\$ 3,144	\$ 588
Commonwealth's Attorney	\$ 1,224	\$ 1,224	\$ -	\$ -
Security Work - O/T Sheriff's Office	\$ 7,893	\$ -	\$ 7,893	\$ -
Repayment for Vet Services Recvd	\$ 75	\$ 75	\$ -	\$ -
Vaccination Fees	\$ 212	\$ 212	\$ -	\$ -
Animal Shelter Reclaiming Fees	\$ 1,100	\$ 1,100	\$ -	\$ -
Owned Animal Care Donation	\$ 17	\$ 17	\$ -	\$ -
Animal Shelter Adoption Fee	\$ 15,065	\$ 15,065	\$ -	\$ -
Animal Shelter Misc.	\$ 55	\$ 55	\$ -	\$ -
Donations/Animal Shelter	\$ 1,191	\$ 1,191	\$ -	\$ -
Animal Shelter County Pickup Fee	\$ 1,020	\$ 1,020	\$ -	\$ -
Recreation Fees Collected	\$ 37,545	\$ 37,545	\$ -	\$ -
Sale of Maps, Surveys, Etc.	\$ 2,680	\$ 1,858	\$ 687	\$ 136
Library Fees and Fines	\$ 20,372	\$ 20,372	\$ -	\$ -
Donations/ Library	\$ 7,107	\$ 7,107	\$ -	\$ -
Donations - Hult Wilson Foundation	\$ 1,169	\$ 1,169	\$ -	\$ -
Library Fees - Collection Agency	\$ 281	\$ 281	\$ -	\$ -
Sale of Publications	\$ 2,111	\$ 2,111	\$ -	\$ -
Total Charges for Services	\$ 152,920	\$ 130,226	\$ 20,456	\$ 2,238
Miscellaneous Revenues				
Expenditure Refunds	\$ 3,313	\$ 2,296	\$ 849	\$ 168
Administrative Collection Fees	\$ 11,907	\$ 8,253	\$ 3,052	\$ 603
Bad Check Charges	\$ 1,410	\$ 1,410	\$ -	\$ -
Overpayments of \$20 or less	\$ 314	\$ 314	\$ -	\$ -
Sale of Unclaimed Property	\$ 47,131	\$ 47,131	\$ -	\$ -
Sale of Photocopies	\$ 281	\$ 281	\$ -	\$ -
Credit Card Fee	\$ (982)	\$ (982)	\$ -	\$ -
Miscellaneous	\$ 61,773	\$ 42,815	\$ 15,832	\$ 3,126
Misc. Accounts Recv. - Workcomp	\$ 4,935	\$ 4,935	\$ -	\$ -
Misc. Accounts Recv. - QualChoice	\$ (1,711)	\$ (1,711)	\$ -	\$ -
Indirect Cap/Rev. Max	\$ 89,115	\$ 89,115	\$ -	\$ -
Dare Donations	\$ 5,935	\$ 5,935	\$ -	\$ -
Cable TV - Franchise Fees	\$ 75,511	\$ -	\$ 75,511	\$ -
Total Miscellaneous	\$ 298,931	\$ 199,791	\$ 95,244	\$ 3,896
Recovered Costs				
Payments from another CO or City	\$ 13,000	\$ 9,010	\$ 3,332	\$ 658
Town Payment/ECDV/E911/BZA	\$ 27,998	\$ 13,999	\$ 13,999	\$ -
Total Recovered Costs	\$ 40,997	\$ 23,009	\$ 17,331	\$ 658
Total Revenue from Local Sources	\$ 30,182,185	\$ 21,822,619	\$ 7,074,876	\$ 1,284,689

Revenues continued

STATE GOVERNMENT	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Non-Categorical Aid-State				
Mtr. Vehicle Carr/Rolling Stock	\$ 38,716	\$ -	\$ 38,716	\$ -
Wine Taxes	\$ 34,672	\$ -	\$ 34,672	\$ -
State Recordation Taxes	\$ 186,787	\$ 148,757	\$ 24,488	\$ 13,542
Passenger Car Rental Tax	\$ 4,864	\$ -	\$ 4,864	\$ -
Mobile Home Titling Tax	\$ 34,256	\$ 34,256	\$ -	\$ -
A.B.C. Profits	\$ 66,865	\$ -	\$ 66,865	\$ -
State PPTRA Payment Received	\$ 2,437,139	\$ 2,211,460	\$ 225,679	\$ -
Sterilization Funds (DMV)	\$ 676	\$ 613	\$ 63	\$ -
Total Non-Categorical Aid-State	\$ 2,803,975	\$ 2,395,086	\$ 395,347	\$ 13,542
Shared Expenses (Categorical)				
Commonwealth Attorney	\$ 307,594	\$ 286,986	\$ 20,609	\$ -
Sheriff	\$ 2,002,756	\$ 1,641,258	\$ 350,683	\$ 10,815
Commissioner of Revenue	\$ 102,355	\$ 70,942	\$ 26,234	\$ 5,179
Treasurer	\$ 122,420	\$ 84,849	\$ 31,376	\$ 6,194
Medical Examiner	\$ 450	\$ 450	\$ -	\$ -
Registrar/ Electoral Board	\$ 92,103	\$ 92,103	\$ -	\$ -
Clerk of Court	\$ 273,419	\$ 206,131	\$ 56,653	\$ 10,636
Shared Exp - Com Ct (Magis.)	\$ 7,694	\$ 7,694	\$ -	\$ -
Total Shared Expenses (Cat.)	\$ 2,908,792	\$ 2,390,414	\$ 485,554	\$ 32,825
Categorical Aid - State				
Library Aid	\$ 138,661	\$ 138,661	\$ -	\$ -
Local Jails	\$ 190,932	\$ 190,932	\$ -	\$ -
Options	\$ 23,300	\$ 23,300	\$ -	\$ -
School Resource Officer Grant	\$ 26,386	\$ 26,386	\$ -	\$ -
Two for Life Funds	\$ 15,782	\$ 13,893	\$ 1,577	\$ 312
VA Environmental Endowment Grant	\$ 5,000	\$ -	\$ -	\$ 5,000
Yth Comp Serv. - CSA Pool & Admin	\$ 616,576	\$ 616,576	\$ -	\$ -
Litter Control Grant	\$ 7,692	\$ 5,331	\$ 1,971	\$ 389
Commission for the Arts	\$ 5,000	\$ 5,000	\$ -	\$ -
Fire Service Program	\$ 24,730	\$ 21,042	\$ 3,143	\$ 544
Criminal Justice Services	\$ 258,891	\$ 258,891	\$ -	\$ -
DJCP Grant (Crime Victim Assist)	\$ 64,340	\$ 64,340	\$ -	\$ -
Emergency Services Grants	\$ 147,254	\$ 129,631	\$ 14,715	\$ 2,908
Families First	\$ 318,965	\$ 318,965	\$ -	\$ -
LVA Records Preservation Grant	\$ 21,567	\$ 16,259	\$ 4,471	\$ 837
Health Department	\$ 772	\$ 772	\$ -	\$ -
Total Categorical Aid - State	\$ 1,865,848	\$ 1,829,981	\$ 25,878	\$ 9,990
Total Revenue Commonwealth	\$ 7,578,615	\$ 6,615,481	\$ 906,778	\$ 56,357

Revenues Continued

FEDERAL GOVERNMENT	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Emergency Services	\$ 14,292	\$ 12,582	1,428	282
DMV Selective Enforcement Grant	\$ 8,875	\$ 8,053	\$ 822	\$ -
Law Enforcement Grant	\$ 20,860	\$ 17,095	\$ 3,653	\$ 113
DCJS Grants	\$ 2,500	\$ 2,333	\$ 168	\$ -
VSTOP Grant - Commonwealth Attn.	\$ 52,880	\$ 52,880	\$ -	\$ -
School Resource Officer	\$ 35,954	\$ 35,954	\$ -	\$ -
LSTA Grants	\$ 3,115	\$ 2,553	\$ 545	\$ 17
Total Federal Government	\$ 138,476	\$ 131,449	\$ 6,616	\$ 412
OTHER FINANCING SOURCES				
Commonwealth Debit Account	\$ (1,860)	\$ (1,289)	\$ (477)	\$ (94)
Insurance Recoveries	\$ 87,420	\$ 60,591	\$ 22,406	\$ 4,423
Cancelled checks	\$ 170	\$ 170	\$ -	\$ -
Subtotal Other	\$ 85,731	\$ 59,472	\$ 21,929	\$ 4,329
GENERAL FUND TOTAL	\$ 37,985,007	\$ 28,629,021	\$ 8,010,199	\$ 1,345,787
SPECIAL FUNDS				
Department of Social Services	\$ 2,844,312	\$ 2,844,312	\$ -	\$ -
Revenue Maximization	\$ 390,372	\$ 390,372	\$ -	\$ -
Culpeper County Daycare	\$ 1,238,467	\$ 1,238,467	\$ -	\$ -
Career Resource Center	\$ 684,708	\$ 342,354	\$ 342,354	\$ -
Airport Fund	\$ 521,845	\$ -	\$ 521,845	\$ -
E911 Fund	\$ 651,220	\$ 613,254	\$ 37,966	\$ -
School Fund				
Revenue from use of property	\$ 5,120	3,549	1,312	259
Charges for education	\$ 8,158	\$ 8,158	\$ -	\$ -
Expenditure refunds	\$ 508,529	\$ 508,529	\$ -	\$ -
Miscellaneous	\$ 3,525	\$ 3,525	\$ -	\$ -
State Sales Tax	\$ 20,220,402	14,288,338	\$ 5,925,520	\$ 6,544
School Construction	\$ 347,180	\$ 347,180	\$ -	\$ -
Other State Revenue	\$ 65,892	\$ 65,892	\$ -	\$ -
Education - Federal	\$ 1,425,658	\$ 1,425,658	\$ -	\$ -
Reimbursement for damages	\$ 9,815	\$ 9,815	\$ -	\$ -
Cancelled checks	\$ 223	\$ 223	\$ -	\$ -
Cafeteria Fund	\$ 1,907,110	\$ 1,907,110	\$ -	\$ -
Textbook Fund	\$ 440,614	\$ 305,390	\$ 112,929	\$ 22,295
School Capital Fund	\$ 308,949	\$ 214,132	\$ 79,184	\$ 15,633
Capital Improvements Fund				
Revenue from use of property	\$ 6,709	\$ 4,650	\$ 1,719	\$ 339
Miscellaneous	\$ 100,000	\$ 100,000	\$ -	\$ -
Aviation Grant - State	\$ 497,421	\$ -	\$ 497,421	\$ -
VA Indoor Plumbing Program	\$ 70,080	\$ 70,080	\$ -	\$ -
Aviation Grant - Federal	\$ 2,155,314	\$ -	\$ 2,155,314	\$ -
Debt Services (state categorical)	\$ 6,500	\$ 4,505	\$ 1,666	\$ 329
Landfill Fund	\$ 1,199,607	\$ 78,154	\$ 1,121,453	\$ -
Water & Sewer Enterprise	\$ 47,531	\$ -	\$ 47,531	\$ -
Special Funds Total	\$ 35,665,259	\$ 24,773,645	\$ 10,846,215	\$ 45,399
TOTAL, ALL REVENUES	\$ 73,650,266	\$ 53,402,666	\$ 18,856,414	\$ 1,391,186

EXPENDITURES

General Fund	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
Government Administration				
Board of Supervisors	\$ 162,341	\$ 112,518	\$ 41,608	\$ 8,214
County Administration	\$ 225,544	\$ 156,324	\$ 57,807	\$ 11,413
County Attorney	\$ 151,793	\$ 113,036	\$ 32,646	\$ 6,111
Auditor	\$ 24,155	\$ 16,742	\$ 6,191	\$ 1,222
Commissioner of Revenue	\$ 269,959	\$ 187,109	\$ 69,191	\$ 13,660
Assessor	\$ 96,072	\$ 66,588	\$ 24,623	\$ 4,861
Treasurer	\$ 318,833	\$ 220,983	\$ 81,717	\$ 16,133
Dept. of Finance & Management Svcs.	\$ 377,042	\$ 261,328	\$ 96,636	\$ 19,078
Dept. of Information Technology	\$ 294,181	\$ 203,897	\$ 75,399	\$ 14,886
Electoral Board	\$ 32,888	\$ 22,795	\$ 8,429	\$ 1,664
Registrar	\$ 74,948	\$ 51,947	\$ 19,209	\$ 3,792
Subtotal Administration	\$ 2,027,756	\$ 1,413,266	\$ 513,455	\$ 101,035
Judicial Administration				
Circuit Court	\$ 48,566	\$ 36,616	\$ 10,065	\$ 1,886
Magistrate	\$ 1,835	\$ 1,835	\$ -	\$ -
Clerk of Circuit Court	\$ 431,261	\$ 325,145	\$ 89,373	\$ 16,744
LVA Records Preservation	\$ 3,668	\$ 2,765	\$ 760	\$ 142
Law Library	\$ 18,240	\$ 13,751	\$ 3,781	\$ 708
Crime Victim Assistance Program	\$ 69,419	\$ 69,419	\$ -	\$ -
Combined Court	\$ 18,172	\$ 13,700	\$ 3,767	\$ 705
Court Security	\$ 266,305	\$ 200,767	\$ 55,205	\$ 10,333
Commissioner of Accounts	\$ 386	\$ 291	\$ 80	\$ 15
Commonwealth's Attorney	\$ 469,896	\$ 438,394	\$ 31,502	\$ -
Criminal Justice Services	\$ 214,723	\$ 214,723	\$ -	\$ -
Subtotal Judicial	\$ 1,542,472	\$ 1,317,407	\$ 194,533	\$ 30,532
Public Safety				
EMS Council	\$ 15,022	\$ 12,782	\$ 1,909	\$ 330
Fire and Rescue	\$ 690,587	\$ 587,620	\$ 87,783	\$ 15,183
State Forestry	\$ 5,674	\$ -	\$ -	\$ 5,674
Sheriff	\$ 2,130,143	\$ 1,745,664	\$ 372,949	\$ 11,530
Grants				
Dare Program	\$ 6,697	\$ 6,697	\$ -	\$ -
Law Enforcement Block Grant	\$ 2,387	\$ 2,387	\$ -	\$ -
School Resource Officer	\$ 77,209	\$ 77,209	\$ -	\$ -
Jail	\$ 1,754,583	\$ 1,754,583	\$ -	\$ -
Juvenile Probation	\$ 121,217	\$ 121,217	\$ -	\$ -
Intensive Probation Parole Officer Grant	\$ 31,658	\$ 31,658	\$ -	\$ -
Probation Officer Family Support Grant	\$ 38,404	\$ 38,404	\$ -	\$ -
Options Grant	\$ 57,449	\$ 57,449	\$ -	\$ -
VSTOP/ Commonwealth Attny.	\$ 63,448	\$ 59,197	\$ 4,251	\$ -
Building Inspection	\$ 480,996	\$ 413,044	\$ 67,952	\$ -
Animal Control	\$ 277,430	\$ 277,430	\$ -	\$ -
Medical Examiner	\$ 800	\$ 800	\$ -	\$ -
Emergency Services	\$ 323,582	\$ 284,856	\$ 32,336	\$ 6,389
Subtotal public safety	\$ 6,077,285	\$ 5,470,996	\$ 567,182	\$ 39,107

EXPENDITURES continued

Public Works	FY 02 Actual	Residential	Comm/ Ind	Farm & Open
General Properties	\$ 778,230	\$ 539,391	\$ 199,460	\$ 39,378
Health & Welfare				
Local Health Department	\$ 266,191	\$ 194,319.43	\$ 71,871.57	\$ -
Community Services	\$ 321,100	\$ 321,100	\$ -	\$ -
Community Youth Services	\$ 1,080,715	\$ 1,080,715	\$ -	\$ -
Families First	\$ 320,261	\$ 320,261	\$ -	\$ -
Options	\$ 61,718	\$ 61,718	\$ -	\$ -
Community College	\$ 17,616	\$ 17,616	\$ -	\$ -
Subtotal Health & Welfare	\$ 2,067,600	\$1,995,728	\$71,872	\$0
Parks, Recreation, Cultural				
Parks and Recreation	\$ 259,664	\$ 259,664	\$ -	\$ -
Library	\$ 637,963	\$ 637,963	\$ -	\$ -
Subtotal Parks, Rec, Cultural	\$ 897,627	\$ 897,627	\$ -	\$ -
Community Development				
Department of Planning & Zoning	\$ 397,982	\$ 351,106	\$ 18,557	\$ 28,318
Chamber of Commerce	\$ 10,000	\$ -	\$ 10,000	\$ -
Zoning Board	\$ 1,300	\$ 1,234	\$ 43	\$ 24
Economic Development	\$ 227,551	\$ -	\$ 227,551	\$ -
Subtotal Community Development	\$636,833	\$352,340	\$256,151	\$28,342
Other Miscellaneous				
Soil & Water Conservation	\$ 38,647	\$ 12,616	\$ 7,077	\$ 18,953
Extension Office	\$ 123,970	\$ 91,176	\$ 3,458	\$ 29,336
Employee Benefits	\$ 3,871	\$ 2,683	\$ 992	\$ 196
General Fund - Debt Service	\$ 134,268	\$ 93,061	\$ 34,413	\$ 6,794
Subtotal Other	\$ 300,756	\$ 199,537	\$ 45,940	\$ 55,279
SPECIAL FUNDS				
Social Services Administration	\$ 3,334,967	\$ 3,334,967	\$ -	\$ -
Revenue Maximization	\$ 627,508	\$ 627,508	\$ -	\$ -
Culpeper County Daycare	\$ 1,197,338	\$ 1,197,338	\$ -	\$ -
Welfare to Work	\$ 467,344	\$ 233,672	\$ 233,672	\$ -
Airport Fund	\$ 679,953	\$ -	\$ 679,953	\$ -
E911 Fund	\$ 805,749	\$ 758,774	\$ 46,975	\$ -
School Operating	\$ 38,678,494	\$ 38,678,494	\$ -	\$ -
School Food Service	\$ 1,745,797	\$ 1,745,797	\$ -	\$ -
Textbook Fund	\$ 354,064	\$ 354,064	\$ -	\$ -
School Capital	\$ 1,326,975	\$ 1,326,975	\$ -	\$ -
County Capital	\$ 4,823,571	\$ 2,147,983	\$ 2,671,929	\$ 3,659
Debt Service	\$ 2,791,029	\$ 1,934,462	\$ 715,341	\$ 141,226
Landfill (Dept. of Env. Services)	\$ 1,942,220	\$ 469,590	\$ 1,472,630	\$ -
Water and Sewer Enterprise	\$ 97,134	\$ -	\$ 97,134	\$ -
Emerald Hill	\$ 27,707	\$ 27,707	\$ -	\$ -
Mitchells	\$ 26,507	\$ 26,507	\$ -	\$ -
Special Funds Total	\$ 58,926,358	\$ 52,863,838	\$ 5,917,635	\$ 144,885
TOTAL, ALL EXPENDITURES	\$73,254,915	\$65,050,130	\$7,766,227	\$438,559

Study Findings

		Residential	Comm/ Ind	Farm & Open
County Revenue	\$ 73,650,266	\$ 53,402,666	\$ 18,856,414	\$ 1,391,186
County Expenditure	\$ 73,254,915	\$ 65,050,130	\$ 7,766,227	\$ 438,559
Revenues minus expenditures	\$ 395,351	\$ (11,647,464)	\$ 11,090,187	\$ 952,627
Land Use Ratio*		1.22	0.41	0.32
Land Use Percent of Revenue		73%	26%	2%
Land Use Percent of Expenditure		89%	11%	1%
Combined Excess Commercial, Industrial and Farm and Open				\$ 12,042,815

APPENDIX B: ALLOCATION OF PROPERTY TAXES BY LAND USE

Real Property			COCS STUDY ADJUSTMENTS			
Property Class	Total Value*	Total Tax	Residential	Commercial	Farm/Open	Value Adjustments
01 - Residential (SF, Urban)	\$ 254,747,800	2,241,781	\$ 2,241,781			None
02 - Residential (SF, Suburban)	\$ 975,053,700	\$ 8,580,473				
minus vacant parcels > 20 acres	\$ 2,373,500	\$ 20,887			\$ 20,887	value of open land >20 acres?
adjusted 02 value	\$ 972,680,200	\$ 8,559,586	\$ 8,559,586			
03 - Residential (multiple family)	\$ 28,584,500	\$ 251,544	\$ 251,544			None
04 - Commercial & Industrial	\$ 238,543,100					
minus apartments	\$ 9,225,100	\$ 81,181	\$ 81,181			Apartments Code 11
adjusted 04 value	\$ 229,318,000	\$ 2,017,998		\$ 2,017,998		
05 - Agricultural (20 - 100 acres)	\$ 144,918,300					
06 - Agricultural (>100 acres)	\$ 107,330,700					
total agricultural	\$ 252,249,000					
total building value	\$ 99,306,841	\$ 873,900	\$ 873,900			farmhouses
land value (house)	\$ 24,972,000	\$ 219,754	\$ 219,754			one-acre house site
utility value	\$ 3,544,500	\$ 31,192	\$ 31,192			utility value
Adjusted 05 and 06 value	\$ 124,425,659	\$ 1,094,946			\$ 1,094,946	farmland
Real Property Totals	\$ 1,749,178,100	\$ 15,392,767	\$ 12,258,936	\$ 2,017,998	\$ 1,115,833	

*Value after deferments

Personal Property			Residential	Commercial	Farm/Open	
Class	Value	Total Tax Due				
Airplane	\$ 1,393,760	\$ 35,249	\$ -	\$ 35,249	\$ -	none
Business Equipment	\$ 77,137,870	\$ 1,951,154	\$ -	\$ 1,951,154	\$ -	none
Boat	\$ 1,204,772	\$ 31,180	\$ 31,180	\$ -	\$ -	none
Camper	\$ 910,736	\$ 23,356	\$ 23,356	\$ -	\$ -	none
Motorcycle	\$ 2,529,430	\$ 64,165	\$ 64,165	\$ -	\$ -	none
Large Truck	\$ 8,140,605	\$ 206,506	\$ 187,384	\$ 19,122	\$ -	based on PPTRA*
Mobile Home	\$ 3,335,500	\$ 30,488	\$ 30,488	\$ -	\$ -	none
Motor Home	\$ 1,538,233	\$ 39,050	\$ 39,050	\$ -	\$ -	none
Machinery & Tools	\$ 85,457,408	\$ 1,716,238	\$ -	\$ 1,716,238	\$ -	none
Trailer (Hauling)	\$ 2,673,626	\$ 69,292	\$ 62,875	\$ 6,416	\$ -	based on PPTRA
Tractors	\$ 4,435,722	\$ 112,799	\$ -	\$ -	\$ 112,799	none
Tractor Trailer	\$ 2,064,780	\$ 52,703	\$ -	\$ 52,703	\$ -	none
Vehicle	\$ 179,838,778	\$ 4,542,282	\$ 4,121,667	\$ 420,615	\$ -	based on PPTRA
Personal Property Totals	\$ 370,661,220	\$ 8,874,463	\$ 4,560,166	\$ 4,201,498	\$ 112,799	
Combined Real and Personal	\$ 2,119,839,320	\$ 24,267,230	\$ 16,819,102	\$ 6,219,497	\$ 1,228,631	
Land Use Percentage			69.31%	25.63%	5.06%	
* Personal Property Tax Relief Act for state assistance of 70% payment for residential vehicles in the county.						
Res Commercial Combined			\$ 23,038,599			
Res/Comm Fallback			0.7300	0.2700		100.0000%